

BOOK-POST

If undelivered please return to :



**MAHAVEER INFOWAY
LIMITED**

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



**MAHAVEER INFOWAY
LIMITED**

**18th ANNUAL REPORT
2008-2009**

BOARD OF DIRECTORS

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

AUDITOR:

KALYANA & CO.
Chartered Accountants
3-6-258, 1st Floor,
Himayatnagar,
Hyderabad - 500 029.

REGISTERED & CORPORATE OFFICE:
7-1-24/2/C, # 301/A, Dhansi Surabhi Complex,
Greenlands, Ameerpet, Hyderabad - 500 016.

BANKERS:
AXIS BANK LTD.

NOTICE FOR THE ANNUAL GENERAL MEETING

To,
The Shareholders,

Notice is hereby given that the Eighteenth Annual General Meeting of the Mahaveer Infoway Limited will be held at the Registered Office of the Company 7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad on Monday, 15th September, 2009 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March 2009 and the Balance Sheet as on that date together with the reports of the Directors and the Auditor Report thereon.
2. To appoint Director in place of Mr. Vijay Kothari, who retires by rotation and being eligible, offer himself for re-appointment..
3. To appoint Director in place of Mr. Prasanna Dixit, who retires by rotation and being eligible, offer himself for re-appointment.
4. To pass a resolution to not to reappoint Mr Kalva Srinivas, who retires by rotation, who has expressed in writing his unwillingness to continue as a director of the company and that the vacancy thereby created be not filled up and that the number of director be reduced accordingly.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and to authorize the Board of Directors to fix their remuneration for the said period. To consider and if thought fit, to pass with or without modification the following resolution:

“RESOLVED THAT M/s KALYANA & CO., Chartered Accountants, Hyderabad, the retiring auditors be and are hereby reappointed as the auditors of the company for the financial year 2009-10 and to hold office until the conclusion of the next Annual General Meeting on such remunerations as may be decided by the Board of Directors plus reimbursement of out of pocket expenses and levies such as service tax etc.”

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, and vote, instead of himself/herself and such proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Members are requested to notify immediately any change in the address to the Company.
3. The Register of members and share transfer books of the company will remain closed from 14th September, 2009 to 15th September, 2009 both days inclusive.
4. Members intending to seek clarifications at the Annual General Meeting concerning accounts and any aspect of operations of the company are requested to send their questions in writing so as to reach the company at least seven days in advance before the date of Annual General Meeting specifying the points.

By Order of the Board

ASHOK KOTHARI
Managing Director

Place: Hyderabad
Date: 06.08.2009.
Regd. & Corporate Office:
7-1-24/2/C, #301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad

DIRECTOR'S REPORT

To,
The Shareholders

Your Directors have pleasure in presenting the Sixteenth Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2009.

FINANCIAL RESULTS:

The financial results of the company are as follows:

PARTICULARS	2007 – 2008	2006 – 2007
Sales and Services	118,846,834	97,871,651
Other Income	5,160,976	4,936,453
Profit before tax	690,724	685,815
Provision for Tax	241,143	318,527
Profit after tax	449,581	367,288
Profit brought from previous year	767,578	400,290
Profit available for appropriation	1,217,159	767,578
Balance carried to Balance Sheet	1,217,159	767,578

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

OPERATIONS AND PROSPECTS: REVIEW OF OPERATIONS:

INFORMATION TECHNOLOGY:

During the financial year 2008-2009 the Company has been successfully imparting computer training and has been able to generate good revenue from this segment.

TRADING ACTIVITIES:

During the financial year 2008-2009 the company continued trading in Communication Equipments.

DIRECTORS:

As per the provisions of the Articles of Association of the Company, Mr. Vijay Kothari, Mr. Prasanna Dixit Directors of the company retire by rotation at this Annual General Meeting and are eligible for re-appointment and your board recommends their re-appointment. Further Mr. Kalva Srinivas, who retires by rotation has expressed his unwillingness to continue as a director of the company. Accordingly, the company places on record its appreciation for the services rendered by Mr. Kalva Srinivas as a director and recommends to not to reappoint him as a director and further the vacancy caused by his non appointment be not filled up and that the number of directors be reduced accordingly.

CORPORATE GOVERNANCE:

1. Company's Philosophy

The Company believes in implementation of good corporate governance which will help in achieving corporate goals and enhance shareholders value. It has been the endeavor of the company to give importance on ensuring fairness, transparency, accountability and responsibility to the shareholders besides implementing practices voluntarily that would give optimum information and benefits the readers of the financial statements.

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

2. Appointment of Directors

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

1. Audit Committee

Brief description of terms of reference:

The Audit committee's role would include the following:

- Overseeing the company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/removal of external auditors, fixing audit fees and approving payments for any other services.
- Reviewing with management the annual financial statement before submission to the Board focusing primarily on:
 - Any changes in accounting policies and practices, Corporate Governance
 - Major accounting entries based on exercise of judgment by management
 - Significant Adjustment arising out of Audit.
 - The going concern assumption.
 - Compliance with the accounting standards.
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
 - Any related party transactions, i.e. transactions of the company of material nature, with promoters of the management, their subsidiaries or relatives, etc., that may be potential conflict, with the interest of the company at large.
- Reviewing with Management, external and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with Auditors before the audit commences, the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Composition, Name of members and Chairman.

The Audit Committee consists of two non-executive and independent Directors viz., Sri Rajender Kothari (Chairman) and Sri Vijay Kothari.

Meetings and attendance during the year 2008-2009.

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

4. Details of remuneration paid to Directors.

Name	Salary
Ashok Kothari	3,00 lakhs
Jitendra Bhansali	1,68 lakhs
Prasanna Dixit	2,04 lakhs
Vijay Kothari	3,00 lakhs
Anitha Kothari	2,40 lakhs

1. Shareholders Committee:

The Board has constituted a share and shareholders/investors Grievance committee to approve share transfer, transmission, transposition of name, issue of split/duplicate certificates and to review the status report on redressal of shareholder and investor complaints received by the company. During the year the letters/complaints received from the shareholders were replied / resolved.

2. General Body Meetings

The details of last 3 AGMs are as under:

Year	Date	Time	Venue
2005-2006	30.09.2006	11.00. A.M.	Registered Office
2006-2007	29.07.2007	11.00. A.M.	Registered Office
2007-2008	30.08.2008	11.00. A.M.	Registered Office

1. Disclosures

No transactions of material nature has been entered into by the Company with the Promoters, Directors, the Management or relatives, etc., that may have potential conflict with the interest of the Company. Transactions with related parties are disclosed in the notes to the accounts in this Annual Report.

Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

NIL

PARTICULARS OF EMPLOYEES:

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

Remuneration paid to Mr. Ashok Kothari, Managing Director is Rs.3,00,000/-p.a.

AUDITORS:

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

ACKNOWLEDGEMENTS:

Your Directors express their gratitude to the Central and State Governments, for their kind co-operation and constructive policies. They are thankful to Consortium of Bank, Financial institutions and investors for extending the support to the Management. Your Directors place on record their appreciation of the invaluable contribution made by the employees to the success of your Company.

Place: Hyderabad
Date: 06.08.2009

By Order of the Board
ASHOKKOTHARI
Managing Director.

AUDITORS CERTIFICATE AS PER CLAUSE 49 OF THE LISTING AGREEMENT

We have examined the compliance of conditions of corporate governance by MAHAVEER INFOWAY LIMITED for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange (s). The compliance of conditions of corporate governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholder/investor grievance committee.

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

CA. N.KALYANASUNDAR
Partner
For and on behalf of
KALYANA & Co.,
Chartered Accountants

Place: Hyderabad
Date: 06.08.2009.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2009

Particulars	2008-2009	2007-2008
CASH FLOW FROM OPERATING ACTIVITY:		
Net Profit for Year carried to B/S	449,581	387,288
Adjustments for :		
Provisions	241,143	667,416
Depreciation	709,145	795,769
Financial Charges	1,015,424	1,719,507
Interest Received	(404,588)	(1,129,729)
Dividend Received	(37,320)	(24,990)
Cash Flow before Working Capital Changes	1,973,385	2,415,261
(Increase)/Decrease in Debtors	(43,852,112)	(455,779)
(Increase)/Decrease in stock	219,789	2,534,005
(Increase)/Decrease in Advances	(5,499,141)	293,331
(Increase)/Decrease in other Current Assets	1,193,922	319,006
Increase/(Decrease) in Current Liabilities	42,972,975	(7,024,157)
	(2,991,182)	(1,918,333)
	242,444	537,995
Less : Tax paid	(3,233,626)	(2,456,328)
Net Cash Flow from Operating Activities	(111,800)	(2,200,088)
Cash Flow From Investing Activity :		
Sale/(Purchase) of Fixed Assets	404,588	1,129,729
Interest Received	37,320	24,990
Dividend received	5,010,000	2,485,000
Sale/(Purchase) of Investment	5,340,108	1,439,631
Net Cash Flow from Investing Activities	10,792,016	5,079,349
Cash Flow From Financing Activity :		
Financial Charges	(1,015,424)	(1,719,507)
Secured Loan repaid	46,511	279,052
Unsecured Loans raised	(2,178,249)	(398,202)
Net Cash Flow from Financing Activities	(3,147,162)	(1,838,657)
Net Cash Flow from Operating Activities	(3,233,626)	(2,456,328)
Net Cash Flow from Investing Activities	5,340,108	1,439,631
Net Cash Flow from Financing Activities	(3,147,162)	(1,838,657)
Add: Opening Cash and Cash Equivalents	(1,040,680)	(2,855,354)
Closing Cash and Cash Equivalents	2,134,410	4,989,764
	1,093,730	2,134,410

Place : Hyderabad
Date:

Ashok kothari Rajender kothari
Managing Director Director

AUDITORS CERTIFICATE

We have verified the above Cash Flow Statement of Mahaveer Infoway Ltd derived from the audited annual accounts for the year ended 31-3-2009 and found the same to be drawn in accordance therein and also with the requirement of Clause 32 of Listing Agreement with Hyderabad Stock Exchange Ltd.

For KALYANA & CO.
Chartered Accountants
(CA. N.KALYANA SUNDAR)
Partner

AUDITOR'S REPORT

To
The Shareholders of
MAHAVEER INFOWAY LIMITED
Hyderabad.

1. We have audited the attached Balance Sheet of M/s MAHAVEER INFOWAY LIMITED, Hyderabad as at 31st March, 2008 and the Profit and Loss account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 and proper returns adequate for the purposes of our audit.
 - c. The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow statement dealt with in this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the director is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts together with the notes annexed

thereto, give the information required by the Companies Act, 1956 (Act I of 1956), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2008.
- ii) in the case of the Profit and Loss account, of the Profit for the period ended on that date; and
- iii) in the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

For KALYANA & Co.,
Chartered Accountants

(N.KALYANA SUNDAR)
Partner

Hyderabad,

Date: 08.07.2008

ANNEXURE TO THE AUDITOR'S REPORT

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

- (i) The nature of the Company's business/activities during the year is such that clause (xiii) of paragraph 4 of the companies (Auditor's Report) Order 2003 are not applicable to the Company for the year ended.
- (ii) 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) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanation given to us, the company has not made any substantial disposal during the year.
- (iii) In respect of its inventories:
- (a) As explained to us inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted or taken by the company to or from other companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 according to the information and explanation given to us:
- (a) The parties to whom loans and advances in the nature of loan given by the company where stipulation have been made are generally repaying the principal amount as stipulated and have also be generally regular in payment of interest.
- (b) The rate of interest and other terms and conditions of such loans are in our opinion, prima facie not prejudicial to the interest of the company.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services.
- (vi) In respect of the transactions entered in the register maintained pursuant to Sec 301 of the Companies Act, 1956,
- (a) To the best of our knowledge and belief and according to the information and explanation given to us, transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time except that no comparison was possible in the case of purchase of items of highly specialized nature which we are informed that there are no alternative sources of supply.
- (vii) In our opinion and according to the information and explanation given to us the company has not accepted any deposits from the public with in the meaning Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (viii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business. However, the scope and extent of internal audit need to be enlarged having regards to complexity and expanded operation of the company.
- (ix) The Central Government has not prescribed maintenance of cost record under Sec.209 (1)(d) of the Companies Act, 1956 for the company's products.
- (x) In respect of statutory dues :
- (a) According to the records of the company, the company has not paid Professional Tax for the financial year 2007-08.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, sales tax, and cess were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable.
- (xi) In our opinion, the company have accumulated losses at the end of the year 31st March, 2004 of Rs.43,75,669. The company has earned a net profit of Rs. 685, 815 during the current year.
- (xii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank etc.
- (xiii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiv) In our opinion, and according to the information and explanation given to us, the company has maintained records and documents for investments in shares, securities and the investments are held in the name of the company.
- (xv) In our opinion and according to information and explanation given to us, the terms and conditions of the guarantees given by the company for the loans taken by others from banks or financial institutions, are not prima facie prejudicial to the interest of the company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not raised any term loans.
- (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us and on an overall basis, we report that the no funds raised on short-term basis have been used for long-term investment and vice versa.
- (xviii) The company has not made preferential allotment of shares during the year.
- (xix) The company had not issued any debentures during the period covered by our audit report.
- (xx) The company has not raised money by public issues during the period covered by our audit report.
- (xxi) During the course of our examination of books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company was noticed or reported during the year, nor have we been informed of any such case by the management of the company.

For KALYANA & Co.,
Chartered Accountants
(N.KALYANASUNDAR)
Partner

Hyderabad,
Date: 08.07.2008

BALANCE SHEET AS AT 31 st MARCH, 2008

	Schedule	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
SOURCES OF FUNDS:			
Share holders' funds	1	29,493,400	29,493,400
Share Capital	2	1,247,326	880,039
Reserves and Surplus		30,740,726	30,373,439
Loans/Funds	3	6,243,491	5,964,439
Secured Loans	4	6,897,910	7,296,112
Unsecured Loans		<u>43,882,127</u>	<u>43,633,990</u>
TOTAL			
APPLICATION OF FUNDS			
Fixed Assets	5	11,206,901	9,006,813
Gross Block		3,038,362	2,242,593
Less : Depreciation		8,168,539	6,764,220
Net Block	6	8,294,050	10,779,050
Investment			
Current Assets, Loan and Advances	7	5,076,963	7,610,968
Inventory	8	18,531,409	8,481,584
Sundry Debtors	9	2,134,410	4,989,764
Cash and Bank Balances	10	1,989,253	2,308,259
Other Current Assets	11	8,396,686	18,284,063
Loan and Advances		36,128,721	41,674,638
Less : Current Liability & Provisions	12	8,021,767	15,045,924
Current Liabilities	12	687,416	537,995
Provisions		<u>8,709,183</u>	<u>15,583,919</u>
Net Current Assets		27,419,538	26,090,720
Miscellaneous Expenditure		43,882,127	43,633,990
TOTAL	17		
Notes to Accounts			

Schedules 1 to 16 and Schedule 17 from part of this Balance Sheet.

As per our attached report of even date for and on behalf of the Board
for KALYANA & CO
Chartered Accountants

Place: Hyderabad Managing Director Director

Date : 17
Notes to Accounts
Schedules 1 to 16 and Schedule 17 from part of this Balance Sheet.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

PARTICULARS	SCHEDULE DULE	Year ended 31.03.2008	Year ended 31.03.2007
INCOME			
Sales Less Returns		93,346,594	91,171,943
Other Income	13	9,461,510	5,601,478
Increase / (Decrease) in Stock		(2,534,006)	3,403,612
TOTAL		<u>100,274,098</u>	<u>100,177,033</u>
EXPENDITURES			
Purchases Less Returns		81,459,367	91,125,129
Operating Expenses	14	13,412,778	5,674,598
Administrative and Other Expenses	15	2,200,862	1,655,215
Interest	16	1,719,507	749,317
Depreciation		795,769	368,656
TOTAL		<u>99,588,283</u>	<u>99,572,915</u>
Profit before taxation		685,815	604,118
Provision for Current year taxation		229,565	200,000
Provision for fringe benefit tax		68,962	20,700
Provision for deferred tax liability		20,000	17,295
Profit for the year		367,288	366,123
Profit /(loss) brought from previous year		400,290	34,167
Profit available for appropriations		767,578	400,290
APPROPRIATIONS			
Balance carried to Balance Sheet		767,578	400,290
Notes to Accounts	17		

As per our Report of Even Date for KALYANA & CO

for and on behalf of the Board

Chartered Accountants

Place: Hyderabad
Date :

Managing Director Director

PARTICULARS

As at 31.03.2008 As at 31.03.2007

SCHEDULE - 1

SHARE CAPITAL

Authorised :

35,00,000 Equity Shares of Rs 10 each

35,000,000 35,000,000

Issued, Subscribed and Paid Up:

Equity Share of Rs10 each

Less : Calls in arrears

30,09,000 30,090,000
596,600 596,600
29,493,400 29,493,400

SCHEDULE - 2

RESERVES & SURPLUS

Reserve fund (Statutory)

Profit and Loss account

479,748 479,748
767,578 400,291
1,247,326 880,039

SCHEDULE - 3

SECURED LOANS

Cash Credit from AP Mahesh Co-op Urban Bank (Secured by Hypothecation of property belonging to relative of Directors and Personal Guarantee of Directors and Others

5,731,424 5,431,654

Car Loan from HDFC Bank (Secured by Hypothecation of car)

512,068 532,785
6,243,491 5,964,439

SCHEDULE - 4

UNSECURED LOANS

Unsecured Loans from Directors & Others

6,897,910 7,296,112
6,897,910 7,296,112

5. FIXED ASSETS

Sl. No.	PARTICULARS	Gross Block			Depreciation		Net Block			
		As on 1.4.2007	Additions	Deductions	Total	As on 1-4-07 for the year	Adj/ Deln.	Total 31-3-08	As on 31-3-08	As on 31-3-07
1	Land & Bldg	4410000	1126515	--	5536515	--	--	5536515	4410000	
2	Plant & Machinery	173127	30000	--	203127	50250	20764	71014	132113	122877
3	Computers	1747822	451970	--	2199792	1173395	329706	1503101	696691	574427
5	Office Equipment	19200	5900	--	25100	1108	2940	4048	21052	18092
6	Furniture & Fixtures	1833384	131026	--	1964410	938775	165093	1103868	860542	894609
7	Vehicles	823280	454677	--	1277957	79065	271265	356330	921627	744215
		9006813	2200888	--	11206901	2242593	795769	3038362	8168339	6764220
	Previous Year	6993089	2013725	--	9006814	1873937	368656	2242593	6764221	5119152

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 6		
INVESTMENTS (at Cost)		
NSC	10,000	10,000
Equity shares (Unquoted)		
Mahaveer Skyscrapers Limited	2,619,000	2,619,000
Lohiya Edible Oil P Ltd	-	2,500,000
Arihant Optics Ltd	500,000	500,000
AP Mahesh Co-op Bank	150,050	150,050
Hygrowth Finance	15,000	-
Ambika Food Industries Ltd	5,000,000	5,000,000
	<u>8,294,050</u>	<u>10,779,050</u>
SCHEDULE - 7		
Inventory		
(As certified by the management , at cost or net realisable value which ever is less)		
Closing stocks	5,076,963	7,610,968
	<u>5,076,963</u>	<u>7,610,968</u>
SCHEDULE - 8		
Sundry Debtors		
Sundry Debtors-less than Six Months	16,756,876	7,544,231
Sundry Debtors (Above Six Month)	1,774,533	937,353
	<u>18,531,409</u>	<u>8,481,584</u>
SCHEDULE - 9		
Cash and Bank Balance	630,282	673,276
Cash in Hand		
With Scheduled Bank	1,504,128	4,316,488
in current Account	-	-
in fixed deposit Account	<u>2,134,410</u>	<u>4,989,764</u>
SCHEDULE - 10		
OTHER CURRENT ASSETS		
Deposits with Parties	1,989,253	2,308,259
	<u>1,989,253</u>	<u>2,308,259</u>
SCHEDULES - 11		
LOANS AND ADVANCES		
(Unsecured and Considered good)		
Advances to Director	-	-
Advances to Managing Director	-	-
Advances Recoverable in Cash or in Kind or for value to be received	7,383,269	17,654,492
Advance Income tax and TDS	1,013,417	629,571
	<u>8,396,686</u>	<u>18,284,063</u>

17

	As at 31.03.2008	As at 31.03.2007
SCHEDULES - 12		
CURRENT LIABILITIES AND PROVISIONS		
A Current Liabilities		
Sundry Creditors	6,536,701	14,299,420
Advances received	496,595	93,323
Credit balance in customers account	-	-
Outstanding Liabilities	988,470	653,181
	<u>8,021,767</u>	<u>15,045,924</u>
B Provisions		
Provision for taxation	687,416	537,995
	<u>687,416</u>	<u>537,995</u>
TOTAL	<u>8,709,183</u>	<u>15,583,919</u>
SCHEDULE - 13		
OTHER INCOME		
Software income	3,500,114	789,000
Computer Training Income	1,036,035	748,464
Income from VUE	49,645	33,000
Interest Income	1,129,729	1,549,926
Commission Income	-	440,806
Miscellaneous Income	2,696,054	2,034,769
Income from Indian Pillar Advertisement	557,818	-
Consulting Income	50,000	-
Export Service Income	165,725	-
Income from Web Development	251,400	-
Dividend income	24,990	5,513
	<u>9,461,510</u>	<u>5,601,478</u>
SCHEDULE - 14		
OPERATING EXPENDITURE		
Advertisement	334,333	202,917
Electricity charges	170,856	74,029
Communication Expenses	384,569	150,233
Travelling and Conveyance	559,952	211,372
Miscellaneous expenses	391,719	244,908
Postage & Courier expenses	183,704	172,576
Transportation Expenses	1,720	-
Rent	842,400	666,060
Staff Welfare Account	324,838	215,434
Salaries and Bonus	6,741,693	1,901,189
Managing Directors Remuneration	267,268	300,000
Other Directors Remuneration	720,610	402,300
Repairs and Maintenance	570,473	270,417
Courseware Expenses	1,918,644	863,163
	<u>13,412,778</u>	<u>5,674,598</u>

18

	As at 31.03.2008	As at 31.03.2007
SCHEDULE - 15		
ADMINISTRATIVE AND OTHER EXPENSES		
Rates and taxes	63,597	78,778
Legal Expenses	27,265	-
Professional Charges	789,963	-
Insurance	40,052	9,000
Internet Charges	91,998	-
Web Hosting Expenses	50,500	-
Payment to auditors	22,472	23,210
Bad debts	-	16,500
Discount	11,492	-
Printing & Stationery	168,505	160,771
Bank charges	45,239	53,387
Domain Name Expenses	13,425	-
Agent Meet Expenses	19,520	-
Commission paid	69,923	248,510
Annual Charge	10,000	24,490
Stipend	776,911	1,040,569
	<u>2,200,862</u>	<u>1,655,215</u>
SCHEDULE - 16		
INTEREST & FINANCE CHARGES		
	<u>1,719,507</u>	<u>749,317</u>
	<u>1,719,507</u>	<u>749,317</u>

SCHEDULE E17

NOTES ON ACCOUNTS

Significant Accounting Policies and Notes to the Accounts

I. Significant Accounting Policies:
Accounting Assumptions

The financial statements have been prepared on the basis of going concern, under historical cost convention on accrual basis, to comply in all material aspects with the applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Indian Companies Act, 1956.

Revenue Recognition

- a) Income is recognized on accrual basis unless otherwise stated in these accounts.
- b) Revenue from sale is recognized after dispatch of goods to customers.
- c) Revenue for services is recognized after completion of each stage of service
- d) Revenue from software development (on time or material basis) is recognized based on software developed and billed to the clients.

Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, duties levies and all incidentals attributable to bringing the assets to its working condition. Assets under installation or under construction as at balance sheet date are shown as capital work in progress.

Depreciation is provided pro rata to the period of use on the written down value method at the rates specified under Schedule XIV of the Companies Act, 1956 except the Temporary structures. Depreciation on Temporary structures is provided over the construction period on straight line method. Individual assets costing less than Rs.5,000 are fully depreciated in the year of acquisition.

Foreign Exchange Transactions

The transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Gains / Losses arising out of fluctuations in exchange rates are accounted for in the Profit and Loss Account on realization / payment.

Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and resultant gain or loss is recognised in the Profit and Loss Account.

Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

All investments are stated at cost, i.e., cost of acquisition inclusive of expenditure incidental to acquisition. Income from investments is recognised in the accounts in the year in which it is accrued and stated at gross values.

Short Term Investments are valued at cost or market value whichever is lower. In case of Long Term Investments, provision for diminution in value is made when it is permanent and material.

Retirement Benefits

Gratuity liability under the Payment of Gratuity Act is accrued and provided for on cash basis.

Borrowing Costs

Borrowing costs are recognized as expenditure in the year in which they are incurred.

Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise the net profit/ (loss) after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date.

Taxes on Income

Tax expense comprises both current and deferred taxes. Provision for current tax is made based on the applicable tax rates and tax laws with respect to that year. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the profit and loss account in the year of change.

II. Notes to Accounts:

1. 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
2. Investments
 - a. Investment includes 5000 shares of Arhant Optics Limited amounting to Rs.500000/- are yet to be transferred in the name of the Company.
3. Fixed Assets
Fixed Assets include Rs.4410000/- for a share in Land & Building at Plot No.47, IDA, Balanagar, Hyderabad acquired in an Auction conducted by the Debts Recovery Tribunal Department of Economic Affairs, Govt. Of India in the name of one of the Director Sri Rajender Kohhari for and on behalf of the company.
4. Segment Reporting
In the opinion of the management the company's business activity carried on during the year consist of one reportable segment and as such no separate reporting is given.
5. 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 needs to be disclosed.

a) Names of related parties and description of relationship

Nature of Relationship	Name of the Related Party	
Subsidiary	Nil	
Key Management Personnel (KMP)	Mr.Ashok Kothari	Managing Director
	Mr.Rajender Kothari	Director
	Mr.Kalva Srinivas	Director
	Mr. Vijay Kothari	Director
	Mr.Jitendra Bhansali	Director
	Mr.Prasanna Dixit	Director
	Mrs.Anitha Kothari	Director
	Mr Vineet Maharia	Director
Enterprises where KMP have significant influence	1. Mahaveer Skyscrapers Ltd	

b) Summary of Transactions with the above related parties are as follows:

Particulars	2009	2008
Investment in Enterprises where KMP have significant influence	26,19,000	26,19,000
Remuneration to KMP	12,12,000	987,878
Rent Paid to relative of KMP	600,000	600,000

Transactions and outstanding balances in the nature of reimbursement of expenditure incurred by one Company on behalf of the other have not been considered above.

c) Period End Balances

Particulars	2009	2008
Investment in Enterprises where KMP have significant influence	26,19,000	26,19,000
Rent Deposit with relative of KMP	500,000	500,000

1. Taxation

Current income tax is ascertained on the basis of assessable profits computed in accordance with the provisions of the income tax Act, 1961 and it is charged to the profit and loss of the year.

2. Lease Obligations

- (i) Lease payments made under cancellable operating leases amounting to Rs.821,950 (2008 – Rs.842,400) have been recognised as an expense in the Expenditure during construction period pending allocation (net) and Profit and Loss Account as per the generally accepted accounting principles..

3. Earning Per Share (EPS)

Particulars	2009	2008
Net Profit/ (Loss) after taxes for the year (Rs.)	449,581	367,288
Weighted average number of Equity Shares of Rs.10 each outstanding during the period (Used for calculation of Basic and Diluted Earnings Per Share)	3,090,000	3,090,000
Earnings per Share Basic and Diluted (Rs.)	0.14	0.12

4. Company has not paid any interest or any interest payable is outstanding to Micro, Small or Medium Enterprises (under the provisions of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006) during the year ended March 31, 2009.

5. Managerial Remuneration:

Particulars	2009	2008
Salaries and Allowances	12,12,000	987,878
Total	12,12,000	987,878

6. Auditors' Remuneration

Particulars	2009	2008
Audit Fees (excluding service tax)	30,000	30,000
Total	30,000	30,000

7. 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.
8. 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.
9. Additional Information pursuant to paragraphs 3, 4, 4-C and 4-D of part-II of Schedule VI to the Companies Act, 1956 to the extent either "Nil" or "Not Applicable" has not been furnished.
10. Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

For KALYANA & CO.,
Chartered Accountants

For and on behalf of the Board

N.KALYANA SUNDAR
(Partner)

ASHOK KOTHARI RAJENDER KOTHARI
Managing Director Director

Place: Hyderabad

Date: 06.08.2009

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

II. Registration Details:

Registration No. 12704 State Code 01
Balance Sheet Date: 31.03.2009

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

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

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

Total Liabilities 42,106 Total Assets 42,106

Sources of Funds:

Paidup Capital 29,493 Reserves & Surplus 1,697
Share Application — Unsecured Loans 4,719
Secured Loans 6,197

Application of Funds:

Net Fixed Assets 7,571 Investments 3,284
Net Current Assets 31,251 Miscellaneous Exp. —

IV. Performance of company (Amount in thousands)

Turnover 124,788 Total Expenditure 124,097
Profit/Loss before tax 690 Profit/Loss after Tax 449
Earning per Share in Rs. 0.14 Dividend Rate % —

**V. Generic Names of three Principal Products/Services of the company
(as per monetary terms)**

Item Code No. (ITC Code)
Product Description

For and on Behalf of the Board

Sd/-
Ashok Kothari
Managing Director

Sd/-
Rajender Kothari
Director

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

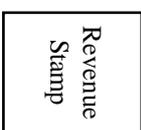
PROXY FORM

I/We : _____ of _____
Regd. Folio No. _____

_____ in the district of _____ being
a member/members of the above named company hereby appoint _____
of _____ as my/our proxy to vote for me/us on my/our
behalf at the 18th Annual General Meeting of the Company, to be held on
Tuesday, the 15th day of September, 2009 at 11.00 A.M.

Signed this the _____ day of _____ 2009.

Signature _____



NOTE : The instrument of Proxy shall be deposited at the Registered Office
of the company not less than 48 hours before the time of holding the meeting.
A PROXY NEED NOT BE A MEMBER.

MAHAVEER INFOWAY LIMITED

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

ATTENDANCE SLIP

15th Annual General Meeting - 15th September 2009

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

I hereby record my presence at the 16th Annual General Meeting of the Company
on Tuesday, the 15th day of September, 2008 at 11.00 A.M.

Member's/Proxy Name
BLOCK LETTERS

Members / Proxy
Signature

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