

MAHAVEER INFOWAY LIIMITED

INFORMATION MEMORANDUM FOR LISTING OF 55,09,000 EQUITY SHARES OF RS.10/- EACH.

Registered Office and Corporate Office Address : 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad-500016

Phone No: +91 40-66179966

Fax: 040-66171536 Website: www.minfy.com

Contact person: Mr. G. Bala Kishor Email gbkishor@gmail.com

The Company was incorporated under the Companies Act, 1956 on 13th May 1991 under the name and style of Mahaveer Leafin and Holdings Private Limited. Subsequently, the name of the Company was changed to Mahaveer Leafin and Holdings Limited on 13.02.1996 and later to Mahaveer Infoway Limited and a fresh certificate of incorporation consequent on change of name was obtained from the office of the Registrar of Companies on 7th January, 2000.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Mahaveer Infoway Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Mahaveer Infoway Limited for taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF MAHAVEER INFOWAY LIMITED

Mahaveer Infoway Ltd having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Mahaveer Infoway Ltd, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Mahaveer Infoway Limited is at present listed on Ahmedabad Stock Exchange Limited.

GENERAL INFORMATION

Name of the Company	MAHAVEER INFOWAY LIMITED
ISIN No. of the Company	NSDL No. INE019D01016 & CDSL No. INE019D01016
Registered & Corporate Office Address, Phones and Fax Nos. and website Of the Company	7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad-500016 Tel: 040- 66134054 Fax:040- 66134055 www.minfy.com
Name, Tel. Phone No., Fax No. and E-mail ID of the Compliance Officer	Mr. Ashok Kumar Jain Tel: 040- 66134054 Fax:040- 66134055 Email. gbkishor@gmail.com
Name, Tel. Phone No., Fax No. and E-mail ID of the Asst.Company Secretary	Mr. G. Bala Kishor Tel: 040- 66134054 Fax:040- 66134055 Email. gbkishor@gmail.com
Name of the Managing Director of the Company	Mr. Ashok Kumar Jain
Registrar and Transfer Agents of the Company (if In-house mention – INHOUSE) Address of the Registrar and Transfer Agents (if In-house provide the address for correspondence by investors)	M/s. Venture Capital and Corporate Investments Pvt Ltd. 12-10-167, Bharat Nagar, Hyderabad -500018
Whether /common Agency appointed for share transfers by the Company (Yes / No)	Yes M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad -500018 Tel. 040-23818475/76 Fax 040-23868024

1. BRIEF HISTORY OF THE COMPANY

The Company was incorporated under the Companies Act, 1956 on 13th May 1991 under the name and style of Mahaveer Leafin and Holdings Private Limited. Subsequently, the name of the Company was changed to Mahaveer Leafin and Holdings Limited on 13.02.1996 and later to Mahaveer Infoway Limited and a fresh certificate of incorporation consequent on change of name was obtained from the office of the Registrar of Companies on 7th January, 2000.

The equity shares of the company are listed on Ahmedabad Stock Exchange.

Company's Status:

Mahaveer Infoway Limited (MIL) is having a base at Hyderabad, 7-1-24 / 2 / C, 301 / A, Dhansi Surabhi Complex, Greenlands, Hyderabad - 500001 and also has branch offices in Bangalore and Hubli to support the various service offering of the company.

MIL has its business operations across three Business Verticals viz. Information Technology, Telecom Products and Education Services. Each Business vertical is headed by able, experienced and proven professionals to take the company to the next level of growth.

MIL is promoted by Mr. Ashok Kumar Jain, a Seasoned Business Professional with magnitude of experience in Banking, Finance and Business Management Operations. His stewardship has been the driving force behind the Company with eight years of consecutive growth.

MIL has been successful in establishing partnerships with leading Product companies such as HP, Samsung and Videocon to offer products and services to its customers in India.

In space of IT Products, MIL has been successful in establishing Preferred partnerships with IBM, Hewlett Packard, Greytip Software, and Cenizic to boost the Product sales to the customers across India.

In space of Telecom, MIL has successfully built a 1000+ dealer network in state of Karnataka and Andhra Pradesh to facilitate the distribution of Telecom products and services.

In space of Education, MIL has been successful in partnering with the Karnataka State Open University and Andhra Government to offer distance education in IT and Telecom programmes to students across India. Currently the company is serving over 1000+ students across India for the same.

OPERATIONAL ACTIVITIES AND FACILITIES

MIL Operations is broadly divided into three Business Units.

1. IT services & Products
2. Telecom Product Solutions
3. IT Education

The Software services of MIL have made a mark in the International and Domestic market in a very short period with high growth rate. MIL also entered into Contracts in BPO with well-known companies in US .The Key drivers of the business will be the following:

1. Expansion of Delivery Centres in Tier 2 Cities.
2. Software Test Automation Projects.
3. Software Development.
4. IT BPO Services.
5. Software License Reselling.

A strong presence in the International market by having sales offices in Houston, Texas, MIL could leverage the International presence to win major outsourcing contracts. The growth in the economy size acts as positive trigger for this segment of the IT industry.

The Company has its own Delivery Centre's at **DC-1 Hyderabad, Andhra Pradesh** and **DC-2 Hubli, Karnataka**. The **DC-1** is a 75 seater corporate office situated in heart of city of Hyderabad. **DC-2** is a newly planned 200 Seater, 1 Acre Campus in Aryabhata Technology Park, Hubli dedicated to offshore development activities. The Hubli facility will also act as an alternative disaster city site for our Hyderabad operations.

TIER-2 CITIES ARE FUTURE GROWTH CORRIDORS

MIL strongly believes in the future of tier II cities and has planned to build a world class delivery centre in HUBLI for the below mentioned reasons.

1. Cost of operations 40% lower compared to tier 1 cities.
2. Availability of Talented Engineering Graduates with presence of engineering colleges in surroundings.
3. Lower attrition.

Value Added Partnerships

MIL has established a strong eco system of Business Partners in various areas to support its business operations.

HP Software: HP Software is the World's largest Enterprise Software company. MIL has a strong association with HP software as a value added reseller in the areas of Test Automation and Security Testing Tools such as QTP, Loadrunner and Web Inspect.

Greytip Software: Earlier known as Delphi Software, provides software tools and solutions that enable organizations to manage their Human Capital. These tools encompass the entire life cycle of an employee in the organization, starting with Recruitment, Employee Information Management, Attendance, Payroll, Training and Exit. These tools form part of the highly successful Folklore HRIS Software. MIL has been a value added reseller and implementation partner for Folklore suite of HRIS products in the area of Human Resource process Automation.

Cenzic: IT is the first and only company providing next generation web application security testing from enterprise software to Software as a Service, going beyond signature based tools to automatically find more, "real" application vulnerabilities fast. MIL is a India Partner for Cenzic representing the complete suite of Security Testing tools.

Redington: MIL is a value added partner representing the Product Portfolio of various Software products such as Microsoft, IBM and Symantec.

Customers:

MIL has over 100 + customers in Verticals of Media, Health Care, Gaming, IT System Integrators. To list a few

- **Wipro Limited.**
- **Pressmart Media Limited.**
- **EA Mobile.**
- **Acuvate Software.**
- **3i Infotech.**
- **Yodlee**
- **Virtusa**
- **Vayam Technologies**
- **CMC**
- **Adea**

TELECOM DISTRIBUTION:

We are distributors of telecom products of reputed companies like Panasonic, Vodafone, Reliance, Videocon. We have dealer network in Andhra Pradesh and Karnataka with a wide network of 700 dealers. The company expects huge profitability as the mobile boom is in its peak. Our company started its own production of mobile sets in China. We are launching our product in the name of "Zink" mobile. Our main USP is we are coming from the models catering to all the segments of the people and the price is very competitive i.e., ranging between Rs.1200-4000. We want to launch throughout India 10 models ranging from Rs.1500-4000 and we have already finalised distribution channel in South India.

DISTANCE LEARNING EDUCATION:

The Company has signed MoU with Karnataka State Open University and the Company has designed and prepared the contents for the two bachelor programmes.

1. Bachelor in Engineering Design: This programme is unique in nature as it is first of its kind in India. This programme is a boon for Diploma holders who are working and deprived of higher training.

2. Bachelor in Software Testing: Again this program is a new concept and the Company promises a great future to the aspirants. This bachelor program is targeted towards the anticipated boom in the software sector.

CAUTIONARY STATEMENT:

Statements and expectations expressed in this document may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

2. CAPITAL STRUCTURE:

Sl.No.	SHARE CAPITAL	As on 16.09.2010 Rs.
1.	Authorised capital 60,00,000 equity shares of Rs. 10 each	6,00,00,000
2.	Issued, Subscribed and Paid up capital 55,09,000 equity shares of Rs. 10 each	5,50,90,000
3.	Calls in arrear	Nil
	TOTAL	5,50,90,000

3. FACT SHEET:

Sl. No.	Particulars	
1.	Issued and Paid up capital	Rs. 5.51 crores as on 16.09.2010
2.	Net worth (excluding revaluation of reserves) –	Rs. 5.82 crores as on 16.09.2010
3.	Net Tangible assets	2009-10- Rs.6.22 crores 2008-09- Rs.3.88 crores 2007-08- Rs. 3.56 crores
4.	Non-promoter holding	57.63%
5.	Public shareholders	1019
6.	Turnover	2009-10-Rs. 21.40 Crores 2008-09-Rs.12.48 Crores 2007-08-Rs.10.03 Crores
7.	Distributable Profits	2009-10-Rs.0.14 Crores 2008-09-Rs.0.05 Crores 2007-08-Rs.0.04 Crores
8.	Depository connectivity	Signed with NSDL & CDSL

4. SHAREHOLDING PATTERN AS ON 16.09.2010

No.	Category	No. of Shares	% Of Shares
(A) (1)	Indian Promoters	2334099	42.37
	Foreign Promoters	-	-
	Others	-	-
	Sub-Total (A)(1)	2334099	42.37
(B) (1)	Non-promoters		
	Institutional Investors	-	-
	Sub-Total (B)(1)	-	-
(B) (2)	Public Shareholding		
	Private bodies corporate	153700	2.78
	Indian public	2951201	57.63
	NRIs/ OCB's	70000	1.27
	Others	-	-
	Sub-Total	3174901	57.63
	Grand Total (A+B)	55,09,000	100.00

5. DIVIDEND TRACK RECORD: The Company has not paid dividend for the last two financial years i.e., 2008-09 and 2009-10.

6. FINANCIAL PERFORMANCE:

Financial Information: Last 3 years (Balance sheets and Profit & Loss A/c)

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Sources of Funds:			
Share Capital	55090000	29493400	29493400
Reserves and Surplus	3112873	1696907	1267326
Secured Loans	7772061	6196980	6243491
Unsecured Loans	3202694	4719661	6897910
Total	69177628	42106948	43902127
Application of Funds:			
Fixed Assets:			
Gross block	12198612	11318701	11206901
Accumulated Depreciation	4376012	3747507	3038362
Net Block	7822700	7571194	8168539
Investment	6984050	3284050	8294050
Net Current Assets:			
Inventory	11968975	4857174	5076963
Sundry Debtors	39593429	52789475	8937363
Cash & Bank Balances	2983598	1093730	2134410
Other Current Assets	1182281	795331	1989253
Loans & Advances	18102889	23489873	17990732
	73831272	83025583	36128721
Less: Current Liabilities & Provisions	19460394	51773879	8689183
Net Current Assets	54370878	31251704	27439538
Total	69177528	42106948	43902127

Profit & Loss Account for the last 3 years

Particulars	As at	As at	As at
	31.03.2010	31.03.2009	31.03.2008
	Rs.	Rs.	Rs.
A. Income			
Sales less returns	203777085	118846834	97871651
Other Income	2954790	5160976	4936453
Increase/(Decrease) in Stock	7247101	780212	(2534006)
	213978976	124788022	100274098
B. Expenditure			
Purchases Less Returns	202024256	107242169	81459367
Operating Expenses	6219480	11843763	13609714
Administrative and other expenses	2224702	3286797	2003927
Interest	855191	1015424	1719507
Depreciation	628506	709145	795769
Total	211952135	124097298	99588283
Profit for the year before tax	2026841	690724	685815
Less : Tax Expense:			
Current Tax	653623	268633	229565
Fringe Benefit Tax	-	38609	68962
Deferred Tax	(42748)	(66099)	20000
Profit after tax for the year	1415965	449581	367288
Balance Brought Forward	1217160	767578	400290
Balance carried to Balance Sheet	2633125	1217159	767578

7. Un-audited Results: Snap shot of quarterly results for last 4 quarters.
(Rupees in Lakhs)

Particulars	Qtr. ended 30.06.2010	Qtr. ended 31.03.2010	Qtr. ended 31.12.2009	Qtr. ended 30.09.2009
Sales and other income	632.20	702.89	537.50	372.12
Total Expenditure	612.00	693.09	530.01	363.64
Profit After Tax	16.93	6.89	5.27	3.65
Equity (paid up)	550.90	550.90	300.90	300.90
Dividend	-	-	-	-
EPS Rs.	0.31	0.13	0.18	0.12

8. BOARD OF DIRECTORS AND MANAGEMENT

S.No	Name of the Director	Category
1	Sri Ashok Kumar Jain	Managing Director
2	Sri Jitendra Kumar Bhansali	Director
3	Sri Ramesh Prasanna Dixit	Director
4	Sri Vijay Jain	Director
5	Sri Vinit Maharia	Director
6	Sri Budhi Prakash Toshniwal	Director
7	Sri Vijay Kumar Taori	Director
8	Sri Rajender Kumar Jain	Director

Details of Directors:

- Mr. Ashok Kumar Jain**

Mr. Ashok Kumar Jain, aged about 51 years, brings a rich functional and industry exposure with over 30 years experience in IT , infrastructure and finance sector. He has proven tract record of entrepreneurial approach to business which is supported by an extensive network of business contacts. He is a strategic thinker, which coupled with his people skills provides excellent leadership. He is a skilled communicator and has an ability to explain strategies and technical matters in a clear and simple manner.

- **Mr. Jitendra Kumar Bhansali**

Mr. Jitendra Kumar Bhansali, aged 33 years is a B.Tech graduate and have a rich experience of over 13 years in various fields like textile and software. Apart from his interest in the IT field, he also contributes to the major financial decisions of the Company. His in depth knowledge in the mobile division has benefitted the Company immensely.

- **Mr. Ramesh Prasanna Dixit**

Mr. Ramesh Prasanna Dixit, aged about 35 years, is a mechanical engineer by profession. He has vast working experience in product development of mobiles. He is independently handling the Hubli Division. He is also looking after the telecom and distance education wings of the Company. He has been associated with the Company for several years and has contributed immensely to the company.

- **Mr. Vijay Jain**

Mr. Vijay Jain aged, 29 years, is a B.Tech Graduate and full of innovative ideas. He takes care of technology implementation, pre sales activity and is in charge of Hyderabad division. His stint in US for training in CAD/ CAM technology has seen the Company going places in increasing its customer base.

- **Mr. Vinit Maharia**

Mr. Vinit Maharia, aged 29 years is a Commerce graduate and a young and enthusiastic industrialist having an experience of more than 7 years, especially in telecom sector.

- **Mr. Budhi Prakash Toshniwa**

Mr. Budhi Prakash Toshniwal, aged 52 years is a Commerce graduate and has more than three decades of experience in various fields. He has vast experience in export import business. He brings independent judgment in all major decisions of the Board.

- **Mr. Vijay Kumar Taori**

Mr. Vijay Kumar Taori, aged 63 years is a Bachelor in Commerce and has done Masters in Economics and has more than four and half decades of experience in professional and financial management as he is associated with number of Companies including banks, co-operative societies, software and real estate companies. He brings independent judgment in all major decisions of the Board.

- **Mr. Rajender Kumar Jain**

Mr. Rajender Kumar Jain, aged about 46 years, is a commerce Graduate with over 10 years experience in real estate, consultancy and construction business. He has been associated with the Company as Independent Director and brings independent judgment in all major decisions of the Board.

Group Companies

We do not have any group company or Subsidiary Company.

9. Other Group Companies : Not Applicable

10. Status of Corporate Governance Compliance

The company has complied with the provisions of corporate governance.

11 Outstanding Litigations and defaults of Promoters Directors or the other Group of Companies.

The company does not have any outstanding Litigations and defaults of Promoters Directors.

Other Regulatory Disclosures

1. BRIEF STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The company's philosophy on Corporate Governance is aimed at achieving transparency in the management of the Company for efficiency in conducting its business. The Company follows the policy of full disclosure and communication. It has a lean and flat corporate structure in consonance with its activity and to encourage and attain effective participation of each level of management and to enhance Shareholders value through sound business decisions, prudent financial management, creating Corporate Goodwill and sound image building and high standard of business ethics.

2. COMPOSITION AND CATEGORY OF DIRECTORS, EXECUTIVE NON-EXECUTIVE INDEPENDENT NOMINEE DIRECTOR ETC:

The Board of Directors consists of 4 independent non-executive directors and 4 executive directors. The composition and category of Directors is as follows

Sl.No.	Name of the Director	Category
1.	Sri Ashok Kumar Jain	Managing Director
2.	Sri Jitendra Kumar Bhansali	Executive Director
3.	Sri Ramesh Prasanna Dixit	Executive Director
4.	Sri Vijay Jain	Executive Director
5.	Sri Vinit Maharia	Non Executive, Independent Director
6.	Sri Budhi Prakash Toshniwal	Non Executive, Independent Director
7.	Sri Vijay Kumar Taori	Non Executive, Independent Director
8.	Sri Rajender Kumar Jain	Non Executive, Independent Director

3 AUDIT COMMITTEE:

The company constituted a Qualified and Independent Audit Committee comprises of Three Directors of which three are Non-Executive independent directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Sec. 292A of the Companies Act 1956.

Audit Committee consists 3 directors as mentioned below: .

Sl. No.	Name	Designation
1.	Shri Budhi Prakash Toshniwal	Chairman
2.	Shri Vijay Kumar Taori	Member
3.	Shri Vinit Maharia	Member

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained in clause 49 of the Listing Agreement and section 292A of the Companies Act 1956 briefly as follows:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information.
- (b) Recommending the appointment of External auditors and Internal Auditors fixation of their fees and approval for payment for any other services.
- (c) Reviewing with management the Quarterly, Half Yearly and Annual Financial Statements before submission to the Board focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumptions (vi) compliance with accounting standards (vii) compliance with stock exchanges and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature with promoters or the management or relatives etc. that may have potential conflict with the interest of the Company.
- (d) Reviewing with the management external and internal auditors the adequacy and compliance of internal control systems.
- (e) Reviewing the adequacy of internal audit functions.
- (f) Discussion with internal auditors any significant findings and follow- up there of.
- (g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- (h) Discussions with external auditors before the audit commence nature and scope of audit as well as have post-audit discussion to ascertain any area concern.

4. REMUNERATION COMMITTEE:

The Remuneration Committee is vested with the power to recommend and review remunerations of the executive and non-executive directors of the company. The committee consists of the following directors.

Sl. No.	Name	Designation
1.	Shri Budhi Prakash Toshniwal	Chairman
2.	Shri Vijay Kumar Taori	Member
3.	Shri Vinit Maharia	Member

5. SHARE HOLDER'S GRIEVANCE COMMITTEE:

The Shareholder's Grievance Committee comprises of

Sl. No.	Name	Designation
1.	Shri Budhi Prakash Toshniwal	Chairman
2.	Shri Vijay Kumar Taori	Member
3.	Shri Vinit Maharia	Member

The Committee specifically looks after the services of the Registrars and Share Transfer Agents and recommends measures for providing efficient services to investors and resolving investor's complaints in the shortest possible time.

6. ANNUAL GENERAL MEETING:

Location and time for last three Annual General Meetings were as follows:

AGM for the financial year ended	Location of holding AGM	Date and Time of AGM
2009-2010	7-1-24/2/C, 301/A, Dhansi Surabhi, Complex, Greenlands, Ameerpet, Hyderabad-500016	Tuesday, 31 st August, 2010 at 11.00 A.M.
2008-2009	7-1-24/2/C, 301/A, Dhansi Surabhi, Complex, Greenlands, Ameerpet, Hyderabad-500016	Monday, 15 th September, 2009 at 11.00 A.M.
2007-2008	7-1-24/2/C, 301/A, Dhansi Surabhi, Complex, Greenlands, Ameerpet, Hyderabad-500016	Saturday, 30 th August, 2008 at 11.00 A.M.

DECLARATION

NO STATEMENT MADE IN THIS INFORMATION MEMORANDUM SHALL CONTRAVENE ANY OF THE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER. ALL THE LEGAL REQUIREMENTS AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY BSE IN RESPECT OF LISTING OF SECURITIES HAVE BEEN DULY COMPLIED WITH.

Yours faithfully,

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

**Ashok Kumar Jain
Managing Director
Place: Hyderabad
Date: 16.09.2010**