

MAHANIVESH (INDIA) LIMITED

18th ANNUAL REPORT

2012

BOARD OF DIRECTORS

Shri A. K. Singh
Chairman & Managing Director

Shri Rajesh Prasad
Director

Shri Jitender Kumar
Director

AUDITORS

M/s Singla & Associates
Chartered Accountants
23, II Floor, North West Avenue
Club Road, West Punjabi Bagh
New Delhi- 110 026

**REGISTERED &
CORPORATE OFFICE:**

13/34, W.E.A., IVth Floor
Main Arya Samaj Road
Karol Bagh
New Delhi- 110 005
Phones: 011-2576-7682

REGISTRARS FOR DEMAT

Intime Spectrum Registry Limited
A-31, Naraina Industrial Area
Phase- I
New Delhi

NOTICE

NOTICE is and be hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING** of the Members of MAHANIVESH (INDIA) LIMITED will be held on 29th day of September, 2012 at 2.30 pm at 13/34, W.E.A., Arya Samaj Road, Karol Bagh, New Delhi- 110 005, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as on 31st March, 2012, the Profit & Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration.
3. To appoint a director in place of Shri Jitender Kumar, who retires by rotation and being eligible, offers him self for re-appointment.

By order of the Board
for Mahanivesh (India) Limited

Place: New Delhi
Dated: 15th May, 2012

A. K. Singh
Chairman

NOTES:

1. A member entitles to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of his/ her and a proxy need not be a member of the company.
2. Members are requested to intimate change in their address, if any.

DIRECTORS' REPORT

The Members of
MAHANIVESH (INDIA) LIMITED

Your directors have pleasure to report on the **EIGHTEENTH ANNUAL REPORT** for the year ended 31st March, 2012.

FINANCIAL RESULTS:

	Current Year <u>2011-2012</u>	Previous Year <u>2010-2011</u>
Gross Income	51,16,64,485	45,62,60,611
Net Profit for the Profit	891,565	9,26,129
Transferred to General Reserve	891,565	9,26,129

Your company has registered a Gross Income of Rs.51.16 Crores as compared to Rs.45.62 Crores during the previous year. Net Profit after tax for the year is Rs. 8.91 Lac as compared to Rs.9.26 Lacs during the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

Your company has been doing well. The return on investments is lower due to recession. Your directors are hopeful that the profitability will improve. You directors are hopeful that the profitability will improve in the coming years.

DIVIDENDS:

Your directors do not recommend any dividends for the year under review.

DEPOSITS:

During the year under report, the company has not accepted any deposits from the public, and hence, there is no overdue deposit as on 31st March, 2012

FINANCE:

Your company did not issued any shares during the year under review.

DIRECTORS

Your directors continue to provide their services to the Company. Shri Jitender Kumar retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself, for re-appointment.

PARTICULARS OF EMPLOYEES:

The Company has no employee during the year in respect of which the statement pursuant to section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 is required to be annexed.

AUDITORS

Auditors retire at the close of the Annual General Meeting and being eligible offer themselves for re-appointment.

DISCLOSURE OF PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

- | | |
|---|----------------|
| a. Conservation of energy: | Not Applicable |
| b. Technology absorption: | Not Applicable |
| c. Foreign exchange earnings and outgo: | NIL |

DIRECTORS' RESPONSIBILITY STATEMENT:

As per Section 217(2AA) of the Companies Act, 1956, the Board of Directors state:

- a) That in preparation of annual accounts, applicable accounting standards has been followed.
- b) That the directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the **Net Profits** of the Company for the year under report.
- c) That director have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the accounts for the financial year ended 31st March, 2012 as a "going concern" basis.

CORPORATE GOVERNANCE REPORT

As required by Clause 49 of the Listing Agreement, Corporate Governance Report is attached as Annexure "A" to this report. Certificate of Auditors regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange is also attached and forms part of Annexure "A".

ACKNOWLEDGEMENTS:

Your directors acknowledge the valuable support by the shareholders of the Company, vendors, investors, bankers, consultants and advisors throughout the year. Your directors place on record their appreciation to employees for their hard work, dedication and commitment to the company.

By order of the Board
For Mahanivesh (India) Limited

Place: New Delhi
Dated: 15th May, 2012

A. K. Singh
Chairman

CORPORATE GOVERNANCE REPORT

COMPANY'S PHLOSOPHY

The Company believes in adopting the best corporate governance practices and protecting the rights and interest of Shareholders. In our view, the shareholders have the right to know complete information on the Board of Directors and the management, their interests in the organization as well as governance practices followed by them.

BOARD OF DIRECTORS

As per the requirements of Corporate Governance the composition of Board of Directors is required to have combination of Non-executive and independent Directors alongwith the executive directors.

Present strength of the Board is three. The Board comprises of one executive and two non-executive directors. Shri A. K. Singh is Executive Chairman.

S.N.	Name of Director	Executive/ Non-Executive/ Independent	No. of Other Directorships in Public Limited Companies	No. of other Board Committees of which Member/ Chairman
1.	A. K. Singh	Executive-Chairman-Promoter	Nil	Nil
2.	Jitendra Kumar	Non-executive, Independent	Nil	Nil
3.	Rajesh Prasad	Non-Executive, Independent	Nil	Nil

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board Members in advance.

ATTENDANCE RECORD OF DIRECTORS:

During the year, the Board of Directors met at 5 times on 30th April 2011, 31st July 2011, 30th October 2011, 31st January 2012 and 31st March 2012. The gap between two Board Meetings was within the maximum time gap of 4 months prescribed in Clause 49 of the Listing Agreement.

The attendance of directors at these Board Meetings and at the Last Annual General meeting was as under:

S.N.	Name of Director	Number of Board Meetings held during the period when the Director was on Board	Number of Board Meetings attended	Whether present at the previous AGM
1.	Shri A.K.Singh	5	5	Yes
2.	Shri Jitendra Kumar	5	5	Yes
3.	Shri Rajesh Prasad	5	5	Yes

Committees of the Board

The Board of Directors has constituted two Committees of the Board viz.

- Audit Committee; and
- Investors' Grievance Committee

Audit Committee

The Audit Committee comprises of 3 members, out of which 2 are independent and Non-executive director and 1 is Executive, promoter director. Shri Rajesh Prasad is the Chairman of the Audit Committee. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management.

During the 4 Audit Committee Meetings held on 30th April 2011, 31st July 2011, 30th October 2011 and 31st January 2012, the Attendance of Members at meetings was as under:

S.N.	Name	Position	No. of Meetings held during relevant period	No. of Meetings attended
1.	Rajesh Prasad	Chairman	4	4
2.	Jitendra Kumar	Member	4	4
3.	A. K. Singh	Member	4	4

The roles of Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment, and if required, the replacement or removal of statutory auditors and the fixation of audit fees.

3. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters, required to be included in the Directors' responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
4. Approval of payment of statutory auditors for any other services rendered by the statutory auditors.
5. Reviewing the quarterly financial statements before submission to the board for approval.
6. Reviewing the performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. 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.
10. Discussion with statutory auditors about the nature and scope of audit and to ascertain any area of concern.
11. Management discussion and analysis of financial condition and results of operation.
12. The appointment, removal, terms of remuneration of internal auditors.
13. Internal audit reports relating to internal control weaknesses, if any, and reviewing the performance.
14. To look into the matters which may be referred to it by the Board including such other functions/ role/ powers as may be specified in the Companies Act, Listing Agreement with the Stock Exchange or any other applicable law.

Investors' Grievance Committee

The Investors' Grievance Committee has 3 members comprising of 2 independent-Non-executive directors and 1 Executive-promoter director. Shri Rajesh Prasad is the Chairman of the Investors' Grievance Committee.

During the 4 Investors' Committee Meetings held on 30th April 2011, 31st July 2011, 30th October 2011 and 31st January 2012, the Attendance of Members at meetings was as under:

S.N.	Name	Position	No. of Meetings held during relevant period	No. of Meetings attended
1.	Rajesh Prasad	Chairman	4	4
2.	Jitendra Kumar	Member	4	4
3.	A. K. Singh	Member	4	4

The role of Investors' Grievances Committee is as under:

1. To look into the Investors' Grievances/ complaints/ letters, particularly regarding dematerialization/ re-materialization of shares/ Change of Address, Transfer of Shares, replacement of lost, stolen, mutilated share certificates, etc.
2. To look into the ways to strengthening investors' relations.
3. To consider and approve issue of share/ debenture certificates.

REMUNERATION TO DIRECTORS

The company does not have a policy to pay remuneration or commission on profits or other benefits to its executive Chairman and/ or other non-executive directors. None of the directors draw any salary or other benefits or remuneration from the company except for re-imbusement of expenses made by him for the company.

MANAGEMENT DISCUSSION AND ANALYSIS

This is given as a separate chapter in the Annual Report.

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT

Information required under Clause 49 IV (G) of the Listing Agreement with respect to the Directors retiring by rotation and seeking reappointment/ Directors sought to be appointed is as under:

At the ensuing Annual General Meeting, Shri Rajesh Prasad, Director of the Company, retire by rotation and being eligible, seek re-appointment.

A brief profile of Shri Jitender Kumar along with particulars of his directorship and committee memberships is as under:

Shri Jitender Kumar

Shri Jitender Kumar, aged about 37 Years, is a Graduate and is an independent director on the Board of the Company. Mr. Kumar is not director in any other Public Limited Company. He is also not a Committee Member or Chairman in any other Listed Company.

PREVENTION OF INSIDER TRADING

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has adopted the following codes:

- Directors and Officers of the Company are obliged to preserve Price Sensitive information, which is likely to have a bearing on share price of the Company. Procedures are prescribed to ensure that such information is not misused for any personal advantage. The Chairman of the Company is also the Compliance Officer and monitors its implementation.
- Procedure has been laid out for Price sensitive information related to Mahanivesh India Limited. Adequate disclosure of such information is sought to be made to the Public through Stock Exchanges, Press, Media, etc. in a timely manner to enable the investors to take informed investment decisions.

Code of Conduct for Directors and Senior Management Personnel

In terms of Para No. 1-D of Clause 49, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Board Members and senior management Personnel of the company have affirmed compliance with the code. The Chairman of the Company has given a declaration to the Company that all the Board Members and senior management Personnel of the Company have affirmed compliance with the code. The declaration of the Chairman to that effect forms part of this report.

Investors may write to the Company's Secretarial Department for a copy of these Codes.

FINANCIAL RESULTS/ INFORMATION ON WEBSITE

The work on company's website is in progress and the same will be in place once it is operational. The address of the company website is www.mahanivesh.com.

DETAILS OF GENERAL MEETINGS

Details of general meetings are as under:

<u>Year</u>	<u>Location of Meeting</u>	<u>Date</u>	<u>Time</u>
2009	13/34, W.E.A., Karol Bagh, New Delhi- 110 005	30.09.2009	2.30 p.m.
2010	13/34, W.E.A., Karol Bagh, New Delhi- 110 005	29.09.2010	2.30 p.m.
2011	13/34, W.E.A., Karol Bagh, New Delhi- 110 005	30.09.2011	2.30 p.m.

All the resolutions including the special resolution set out in the respective notices were passed by the shareholders.

No special resolution requiring postal ballot is proposed at the ensuing Annual General Meeting.

DISCLOSURES

- a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

There is no material transaction with any related party which may have potential conflict with the interests of the company at large.

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

Neither any non-compliance with any of the legal provisions of law has been made by the company nor has any penalty, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

MEANS OF COMMUNICATION TO SHAREHOLDERS

Results published in the Newspapers.

Quarterly Results: Quarterly Results are published in Business Standard and Veer Arjun and also informed to all the Stock Exchanges where the shares are listed through fax/ courier.

Half-yearly results: Half-yearly results are published in Business Standard and Veer Arjun and also informed to all the Stock Exchanges where the shares of the Company are listed through fax/ courier.

Appointment of Directors: Not Applicable

Official News releases: Not issued

Presentation to institutional Investors: Not issued

Management discussion analysis forms part of the Annual report.

MATERIAL TRANSACTIONS WITH RELATED PARTIES

During the last three years no such material transactions were entered with related parties.

PENALTIES, STRICTURES

During the last three years no penalties, strictures were imposed by SEBI or Stock Exchanges.

In addition to above, there are certain other non-mandatory requirements of the listing agreements to be made in the Corporate Governance, which shall be complied and disclosed in future.

GENERAL SHAREHOLDER INFORMATION

1. Number of Annual General Meeting: 18th (Eighteenth) Annual General Meeting.
Date & Time: 29th September, 2012 at 2.30 p.m.
Venue: 13/34, W.E.A., Karol Bagh
New Delhi- 110 005
2. Financial Calendar: April to March

3. Book Closure Date: 26th Sept. 2012 to 29th Sept, 2012
4. Dividend dispatch date: Not Applicable
5. Listing on Stock Exchanges: Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road
New Delhi- 110 002
- The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001
Website: www.bseindia.com
6. Stock Code: Code Number in BSE: 530441
ISIN Number for dematerialized
Shares: INE641D01019
7. Market Price data: High, low and close during each month
in the last financial year (in rupees).
- Shares were not traded during the
previous financial year 2011-2012.
8. Performance in comparison to
broad based index: Not Applicable.
9. Registrars and Share Transfer Agents: Share transfers are handled by the
Company at its Corporate Office at:
- 13/34, W.E.A., IVth Floor
Main Arya Samaj Road
Karol Bagh, New Delhi- 110 005
Phones: 011-2576-3401, 2575-6220
10. Share Transfer System
- 10.1 To expedite the share transfer process, the Board of Directors of the company has constituted a committee consisting of Shri A. K. Singh, Shri Jitendra Kumar and Shri Rajesh Prasad, directors of the Company to approve share transfers, transmission of shares, dematerialisation requests and rematerialisation request.
- 10.2 Share transfer requests received in physical form is registered within a period of 30 days.
- 10.3 Request for dematerialization (demat) received from shareholders are effected with a period of 15 days.

10.4 The number of demat requests approved for shares dematted from 1.4.2011 to 31.3.2012 in NSDL

10.5 The number of meetings held for approving the demat requests through NSDL from 01.04.2011 to 31.03.2012

10.6 The number of demat requests approved and shares dematted from 01.04.2011 to 31.03.2012.

10.7 The number of meetings held for approving the demat requests through CDSL from 01.04.2011 to 31.03.2012.

11. Distribution of shareholding as on 31.03.2012 is as follows:-

Number of Shares	Number of Shareholders	% of shareholding	Total number of shares	% of shareholding
1 to 1000	315	55.26	274503	2.75
1001 to 5000	35	6.14	105000	1.05
5001 to 10000	90	15.89	1143207	11.43
10001 & above	130	22.81	8477290	84.77
Total	570	100.00	10000000	100.00

12. Shareholding pattern as on 31.03.2012

S.N.	Category	Number of Shares	Percentage of Shareholding
1.	Promoters Holding		
	1.1 Indian Promoters		
	A. K. Singh	450000	
	R. K. Singh	350000	
	D. K. Singh	291500	
	1.2 Persons acting in concert		
	Mecspert Systems	300000	
	Hina Investements	330000	
		1091500	10.92
2.	Non-Promoters Holding		
	2.1 Institutional Investors	NIL	NIL
	2.2 Others		
	Private Corporate Bodies	1241905	12.42
	Indian Public	7036595	70.36
	Total	10000000	100.0

13. Outstanding GDRs/ ADRs/ Warrants or any convertible debentures, conversion date and likely impact on equity: NIL
14. Plant Location: Not Applicable.
15. Address for Correspondence: 13/34, W.E.A., IVth Floor
Main Arya Samaj Road
Karol Bagh
New Delhi- 110 005
Phones: 011-2575-6188
011-2576-7682
16. Name and Designation of Compliance Officer: Shri A. K. Singh
Chairman
13/34, W.E.A., IVth Floor
Main Arya Samaj Road
Karol Bagh
New Delhi- 110 005
Phones: 011-2575-6188
011-2576-7682

SINGLA & ASSOCIATES
Chartered Accountants

Head Office
23 IInd Floor, North West Avenue
Club Road, West Punjabi Bagh,
New Delhi-10026
Phone: 91-11-25221200, 25223461
E-mail: singlafca_2006@yahoo.com

AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members of
Mahanivesh (India) Limited

We have examined the compliance of the conditions of Corporate Governance by MAHANIVESH (INDIA) LIMITED during the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the 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 informations and according to the explanations given to us, and read with Corporate Governance report prepared by the Company. We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2012, the company did not received any complaint as per the records maintained by the Shareholders/ investors grievances committee.

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

SINGLA & ASSOCIATES
Chartered Accountants
Firm Registration No. 005104N

(Mahavir Prasad)
Partner
Membership No. 089313

Place: New Delhi
Dated: 15th May, 2012

CFO CERTIFICATION

The Board of Directors
Mahanivesh (India) Limited
New Delhi- 110 005

Re: Financial Statements for the year 2011-2012- Certification by CFO

I, A. K. Singh, Chairman of the Company M/s Mahanivesh (India) Limited, on the basis of review of the financial statements and the cash flow statement for the financial year ending 31st March, 2012 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2012 which is fraudulent, illegal or violative of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control system and that I have taken the required steps to rectify these deficiencies.
5. I further certify that:
 - a) there have been no significant changes in internal control during the year;
 - b) there have been no significant changes in accounting policies during the year;
 - c) there have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.
6. I confirm that the company has in respect of the Financial Year ended 31st March, 2012 adopted a Code of Conduct for Directors and Senior Management Personnel and that I have received from the Members of the Board and senior Management personnel, a declaration of compliance with the Code of Conduct as applicable to them.

Place: New Delhi
Dated: 30th June, 2012

A. K. Singh
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Industry Outlook

Indian Equity Market

Indian Equity Markets reflected the improved growth prospects of the economy. The year had a downward trend in line with the world-wide recession and in tandem with the other markets of the world. However, the Overall size of the Indian Capital Market has increased tremendously over the last decade. There is excellent opportunity in the Private Equity.

New Initiatives/ Private Equity

MIL has subscribed to/ acquired Equity stakes in several real estates projects and other upcoming industries. In view of the huge opportunity available in this field, and the valuation potential of these companies upon listing/ after expanded operations, your company can generate excellent profits in the form of Dividends and Capital appreciation. The potential of the sector is tremendous. Although it is highly risky zone and several investments in Private Equity may go bad, but, in case even 50% or even 20% of the investments in PE go the right way, the yield will be enough to absorb all the losses and give handsome returns. MIL believes in strong pre-investment survey and due diligence of the project before investing and the strategy is to divide the investment and divide the risk in several projects and industries. MIL has earned handsome from its investment in Hydro-power, wherein it had invested as a PE partner.

Business Overview- Financial Year 2012-12

The Indian economy has promising growth prospects. The GDP is looking strong with double digit growth expected in the next year. The prudent policy by the management has helped in ensuring that the year under review was positive and fruitful for Mahanivesh (India) Limited (MIL) and the company has posted higher Net Profit after taxes for the current year.

Corporate Debt Market- Future Growth Prospectus

The Corporate Debt Market and Government Securities Market in India is at a turning point and significant changes are taking place in domestic economic environment alongwith various proposed legislative changes. With the emergence of Private placement market in India, an alternate has emerged for the corporate sector to raise long term funds.

Corporate access to private placement market has several benefits and is cost and time-effective method of raising funds. Further, it does not require detailed compliances and formalities.

Evidently, India has emerged as one of the fastest growing economies in the world and is endeavoring to step up the growth rate. India needs huge capital for its Infrastructure development. And hence, the need for long term debts.

As the debt market functioning improves, the dependence on Banking system will reduce for long term financing of projects. Cost of borrowings will also reduce for the corporate sector. Further, the banking system will be able to concentrate more on the small and medium enterprises and agriculture and service industry.

India has all the pre-requisite for development of its Debt market. It has depository in place. It has several credit rating agencies. Stock Exchanges and clearing corporations are working smoothly and have excellent trading platform with wide reach. Government securities market is well in place.

Operational Performance

Your company has continued its growth in the current financial year. During the last three years, its growth is tremendous and has broken its own records. A snapshot of the past 3 years financial results are as follows:

Financial Particulars	2009-10 (Audited)	2010-11 (Audited)	2011-12 (Audited)
Total Income	41,24,25,330	45,62,60,611	51,16,64,485
Net Profit after taxes	8,32,444	9,26,129	8,91,565

Risks & Concerns

India has emerged as one of the fastest growing economies in the world and has generated a lot of interest among the foreign investors. Foreign Investors and global players are making huge investments in different businesses in India as they see India as a future economic powerhouse.

Every opportunity brings with it new competition in the Market. MIL believes that the business can be grown only with the healthy competition. As the company derives its revenue from PE investment, its manpower and management skills are on test. MIL has grown on the strength of competition and will continue to do so. It believes in strong business model and best human talent and excellent client relationship.

AUDITORS' REPORT

To
Members of
M/s **Mahanivesh (India) Limited**

We have audited the attached Balance Sheet of **Mahanivesh (India) Limited** as at 31st March, 2012 and also the Profit and Loss Account 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.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & 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 disclosure 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.
2. As required by the companies (Auditors report) order, 2003 issued by the central Government of India in terms of Section 227(4A) of Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 accounts as required by law have been kept by the company so far as it appear from our examination of the books.
 - c) The balance sheet and profit & loss account dealt with on this report are in agreement with the books of accounts.
 - d) In our opinion, the Profit & Loss Account and Balance Sheet as on 31st March, 2012 comply with accounting standards referred to in sub-section 3(c) of section 211 of the companies Act, 1956, to the extent applicable.
 - e) In our opinion and according to representations made to us by the Directors of the company none of the Director is disqualified from being appointed as director under section 274(1)(g) of the Companies Act, 1956
 - f) In our opinion and to the best of our information and according to the explanation given to us the said Balance Sheet and Profit & Loss Account and together with the notes thereon, give the information required by the companies Act, 1956 in the manner so required and give a true & fair view :-
 - i) in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2012 and
 - ii) in so far as it relates to the Profit and Loss Account of the **Net Profit** of the company for the year ended on that date.

For **SINGLA & ASSOCIATES**
Chartered Accountants

Place: New Delhi
Dated: 15th May, 2012

(Mahavir Parsad)
Partner

ANNEXURE TO THE AUDITORS' REPORT FOR THE YEAR ENDING 31.03.2012
(Referred to our report of even date)

In term of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
b) The Fixed Assets, if any, have been physically verified by the management during the year and in our opinion, the verification is reasonable having regard to the size of the Company and nature of its assets. As informed, no material discrepancies were noticed on such verification.
c) There is no substantial disposal of fixed assets during the year.
2. a) The inventories have been physically verified during the year by the management at reasonable intervals.
b) In our opinion, 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.
c) The company has no inventory.
3. a) The company has neither granted or taken any loans, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Act.
b) Rate of interest and other terms and additions of loan given are not prejudicial to the interest of the company.
c) The payment of principal and interest in case of loan given is regular wherever stipulated. There is no overdue amount of loan given exceeding Rs. 1 lac.
4. 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. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- 5 a) As per our prima facie examination of the register maintained under section 301 of the act, that the transactions that need to be entered into register in pursuance of section 301 of the Act have been so entered.
b) In our opinion each of these transactions has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public.
7. In our opinion the company has an adequate internal audit system commensurate with its size and nature of its business.
8. Maintenance of cost records U/S 209 (1) (d) of the companies Act, 1956 has not been prescribed for the company.
9. The Company is regular in depositing undisputed statutory dues including provident Fund, Employees' State Insurance, Income-Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March 2012, concerned for a period of more than six months from the date they become payable.
10. The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report or in the financial year immediately preceding the financial year.
11. The Company has no dues to the financial institution or bank. The company has not issued any debentures.

12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi or mutual benefit fund/ society. Therefore the clauses 13 (a), (b), (c), and (d) are not applicable.
14. Proper records have been maintained of the transactions and contracts.
15. The Company has not given any guarantee for loans taken by other from bank or financial institutions.
16. The Company has not taken any term loans.
17. On the basis of examination of records and as per the explanations given to us, we are of the opinion that the fund raised on short-term basis have not been used for long term investment and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. During the year, the Company has not raised any money by Public Issue.
21. During the checks carried out by us and as per the information made available to us, any fraud on or by the company has not been noticed or reported during the year under report.

**For SINGLA & ASSOCIATES
Chartered Accountants**

**Place: New Delhi
Dated: 15th May, 2012**

**(Mahavir Parsad)
Partner**

BALANCE SHEET AS ON 31ST MARCH, 2012

<u>Particulars</u>	<u>Note No.</u>	<u>As on</u> <u>31.03.2012</u>	<u>As on</u> <u>31.03.2011</u>
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	2	100,000,000	100,000,000
Reserves & Surplus	3	148,186,507	147,294,942
		248,186,507	247,294,942
<u>CURRENT LIABILITIES</u>			
Other Current Liabilities	4	21,000	21,000
		Total Rs. 248,207,507	247,315,942
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Fixed Assets			
Tangible Assets	5	650,200	650,200
Non Current Investments	6	11,261,931	10,238,119
<u>CURRENT ASSETS</u>			
Inventories	7	162,650,000	162,650,000
Cash & Cash Equivalents	8	1,041,993	1,174,240
Short term Loans & Advances	9	72,603,383	72,603,383
		Total Rs. 248,207,507	247,315,942

As per our report of even date
For and on behalf of
Singla & Associates
Chartered Accountants
Firm Registration No. 005104N

For and on behalf of the Board of Directors

Mahavir Singla
Partners
Membership No. 089313

A.K. Singh
Director

Rajesh Prasad
Director

S.K. Jain
Co. Secretary

Place: New Delhi
Dated: 15th May, 2012

STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2012

<u>Particulars</u>	<u>Notes</u>	<u>As on 31st</u> <u>March. 2012</u>	<u>As on 31st</u> <u>March. 2011</u>
<u>REVENUE</u>			
Revenue from Operations	11	510,640,673	455,329,177
Other Income	12	1,023,812	931,434
		Total Revenue	Total Revenue
		<u>511,664,485</u>	<u>456,260,611</u>
<u>EXPENDITURE</u>			
Purchase	13	509,500,000	453,684,540
Employee Benefit Expenses	14	940,000	1,258,500
Administrative & Other Expenses	15	332,478	391,442
Finance Cost	16	442	-
		Total Expenses	Total Expenses
		<u>510,772,920</u>	<u>455,334,482</u>
Profit before Tax		891,565	926,129
Less: Provision for Current Tax		-	-
Less: Provision for Deferred Tax		-	-
Profit after Tax		891,565	926,129
Basis Earning per Share		0.09	0.09
Diluted Earning per Share		0.09	0.09

As per our report of even date
For and on behalf of
Singla & Associates
Chartered Accountants
Firm Registration No. 005104N

For and on behalf of the Board of Directors

Mahavir Singla
Partners
Membership No. 089313

A.K. Singh
Director

Rajesh Prasad
Director

S.K. Jain
Co. Secretary

Place: New Delhi
Dated: 15th May, 2012

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Presentation & Disclosure of Financial Statement

During the year ended 31st March, 2012, the Revised Schedule IV notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The adaptation of Revised Schedule IV does not impact recognition and measurement principles allowed for preparation of financial Statements. However, it has significant impact on the presentation and disclosures made in the financial statements. Assets and Liabilities have been classified as Current and Non - Current as per the Company's normal operating cycle and other criteria set out in the Schedule IV of the companies Act, 1956. Based on the nature of activity carried out by the company and period between the procurement and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 5 Years for the purpose of Current – Non Current classification of assets & liabilities.

1.2 Accounting Concepts

The accounts are prepared on historical cost basis and as a going concern. Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis. The expenses are shown net of recovery where ever there is any recovery against respective expenses.

1.3 Revenue Recognition

The revenues have been booked on accrual basis. No recognized revenue has been deferred.

1.4 Investments

Investments are classified into Non - Current and Current Investments.

Non – Current Investments are carried at cost, while Current Investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charges to revenue.

1.5 Use of Estimates

The Preparation of financial statements in conformity with General Accepted Accounting Principles required the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the financial statements and reported amounts of income and expense during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

1.6 Fixed Assets

Fixed Assets are stated at cost of acquisition including freight, taxes, duties and other incidental expenses related to acquisition and installation, less depreciation.

1.7 Intangible Assets:

All intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the assets' economic benefits are consumed.

1.8 Depreciation

The Company provides depreciation on straight line method basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

1.9 Revenue Recognition

Income from sale of stock is recognized on the transfer of all significant risk and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount to considerations. However if, at the time of transfer, substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the time acts are performed, i.e. on the percentage of completion basis.

Revenue from sale of land and other rights are considered upon transfer of all significant risk and rewards of ownership of such real estate/ property as per the terms of the contract entered into with the buyers, which is generally with the firmity of the sale contracts\ an agreement.

Income from long term contracting assignments is also recognized on the percentage of completion basis. As the long term contracts necessarily extend beyond one Year, revision in cost and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognized in the year in which costs incurred together with balance cost to completion, cost of completion are likely to be excess of the estimated revenues from project. Unbilled costs are carried as construction work – in – progress.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, cost to completion, the expected revenues from the project/ activity and the foreseeable losses to completion

Project management fees receivable on fixed period contracts is accounted over the tenure of the contract/ agreement. Where the management fee is linked to the input costs, revenue is recognized as a proportion of the work complete based on progress claims submitted. Whether the management fee is linked to the revenue generation from the project, revenue is recognized on the percentage of completion basis.

Income from operation of commercial complexes is recognized over the tenure of the lease/ service agreement.

Interest income is accounted on an accrual basis at contracted rates except where there is uncertainty of ultimate collection.

Dividend income is recognized when the right to receive the same is established.

1.10 Provision for Taxation

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates laws.

Deferred tax assets and liabilities are recognized for futures tax consequences attributable to the timing difference between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as the Balance Sheet date. Deferred Tax assets are not recognized unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available which such deferred tax assets can be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

1.11 Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past event but their existence is confirmed by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

1.12 Prior Period Expenditure/ Extraordinary items

Wherever appears, the nature and amount of prior period items/ extraordinary items are separately disclosed in the profit and loss account in such a manner that their impact on current years' profit can be perceived. There is no change in the accounting policy/ accounting estimates, which has a material effect in the current year or which is likely to have a material effect in the subsequent periods.

1.13 Preliminary Expenses

Amortisation of preliminary expenses has been done as per Section 35-D of the Income-tax Act over a period of Five years.

MAHANIVESH (INDIA) LIMITED

2 SHARES CAPITAL

Authorised

10000000 (10000000) Equity Shares
of Rs.10/- each

Total Rs.	<u>100,000,000</u>	<u>100,000,000</u>
	<u>100,000,000</u>	<u>100,000,000</u>

Subscribed, Issued and Paid-up

10000000 (10000000) Equity Shares
of Rs.10/- each

Total Rs.	<u>100,000,000</u>	<u>100,000,000</u>
	<u>100,000,000</u>	<u>100,000,000</u>

3 RESERVES & SURPLUS

Capital Reserves

Securities Premium Account

110,850,000

110,850,000

Total Rs. (1)	<u>110,850,000</u>	<u>110,850,000</u>
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General Reserves

Opening Balance Brought Forward

34,686,369

34,686,369

Total Rs. (2)	<u>34,686,369</u>	<u>34,686,369</u>
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Profit & Loss Account

Balance as at the beginning of the Year

1,758,573

832,444

Profit/ (Loss) for the year

891,565

926,129

Total Rs. (3)	<u>2,650,138</u>	<u>1,758,573</u>
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Grand Total (1+2+3)	<u>148,186,507</u>	<u>147,294,942</u>
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4 OTHER CURRENT LIABILITIES

Auditors' Remuneration Payable

21,000

21,000

Total Rs.	<u>21,000</u>	<u>21,000</u>
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MAHANIVESH (INDIA) LIMITED

5	<u>TENGIBLE ASSET</u>		
	<u>Land & Building</u>		
	Building	650,200	650,200
	Total Rs.	<u>650,200</u>	<u>650,200</u>
6	<u>NON CURRENT INVESTMENTS</u>		
	<u>Other Investments</u>		
	Investment in Partnership Firm	11,261,931	10,238,119
	Total Rs.	<u>11,261,931</u>	<u>10,238,119</u>
7	<u>INVENTORIES</u>		
	Stock of Shares	162,650,000	162,650,000
		<u>162,650,000</u>	<u>162,650,000</u>
8	<u>CASH AND CASH EQUIVALENTS</u>		
	Cash-in-Hand	1,041,993	1,174,240
	Total Rs.	<u>1,041,993</u>	<u>1,174,240</u>
9	<u>LOANS AND ADVANCES</u>		
	<u>Advances recoverable in cash or in Kind</u>		
	Unsecured- Considered Good (Short Term)	72,603,383	72,603,383
	Total Rs.	<u>72,603,383</u>	<u>72,603,383</u>
10	<u>REVENUE FROM OPERATIONS</u>		
	Sales	510,640,673	455,329,177
	Total Rs.	<u>510,640,673</u>	<u>455,329,177</u>

MAHANIVESH (INDIA) LIMITED

11 OTHER INCOME

- a) Interest Received
- b) Other Income

	-	696
	1,023,812	930,738
Total Rs.	<u>1,023,812</u>	<u>931,434</u>

12 OPERATING EXPENSES

- Purchase

	509,500,000	453,684,540
	<u>509,500,000</u>	<u>453,684,540</u>

13 EMPLOYEE BENEFITS EXPENSES

- Wages & Salaries

	940,000	1,258,500
Total Rs.	<u>940,000</u>	<u>1,258,500</u>

14 Administrative & Other Expenses

- Auditor's Remuneration
- Conveyance Expenses
- Fees & Subscriptions
- Office & Miscellanoes Expenses
- Professional Fees
- Telephone Expenses

	21,000	21,000
	85,420	102,840
	54,762	54,762
	87,204	90,460
	10,000	55,000
	74,092	67,380
Total Rs.	<u>332,478</u>	<u>391,442</u>

15 Finance Cost

- Bank Charges

	442	-
Total Rs.	<u>442</u>	<u>-</u>

16 Previous Years figures have been regrouped, realigned, re-allocated, where ever necessary.

17 Previous Years' figures have been given in brackets, where ever applicable.

18 Figures have been rounded off to the nearest rupee.

19 Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956:-

<u>Particulars</u>	<u>As on 31st March, 2012</u>	<u>As on 31st March, 2011</u>
Gross Income from Services rendered	<u>511,664,485</u>	<u>456,260,611</u>
Auditors' Remuneration		
-as Audit Fees	21,000	21,000
-for taxation matters	-	-
-for company law matters	-	-
Total Rs.	<u>21,000</u>	<u>21,000</u>

20 Related Party Disclosure

- 21 There is no related party.
- 22 There was no employee during the year under report in terms of section 217 (2A) of the Companies Act, 1956.
- 23 Information pursuant to paragraphs 4© and 4(d) of part II of Schedule VI of the Companies Act, 1956, are not applicable.
- 24 Notes "1" to "25" form an integral part of the Balance Sheet and Profit & Loss Account.
- 25 In view of negligible Profit/ loss, no deferred tax assets/ liabilities has been created in accordance with Accounting Standard (AS-22) for "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

As per our Report of Even Date
For and on behalf of
Singla & Associates
Chartered Accountants
Firm Registration No. 005104N

For and on behalf of the Board of Directors

Mahavir Singla
Partners
Membership No. 089313

A.K. Singh
Director

Rajesh Prasad
Director

S.K. Jain
Co. Secretary

Place: New Delhi
Dated: 15th May, 2012

MAHANIVESH (INDIA) LIMITED

**Registered Office: 13/34, W.E.A., IVth Floor, Main Arya Samaj Road, Karol Bagh,
New Delhi- 110 005**

PROXY FORM

I/Weof
..... Being a member/ members of Mahanivesh (India) Limited hereby appoint
.....or failing his/ her
.....of as my/ our proxy(s) to attend and vote for me/ us
at the 17th Annual General Meeting of the Company to be held on Saturday, the 29th of
September, 2012 at 2.30 p.m. at 13/34, W.E.A. IVth Floor, Main Arya Samaj Road, Karol
Bagh, New Delhi- 110 005, and at any adjournment thereof.

As Witness my / our hand(s) this day of 2012

Ledger Folio No.

Client I.D. No.

D.P. I.D. No.

Signature

Note

The Proxy(s) in order to be effective must be deposited at the Registered Office of the
company not less than 48 hours before the time for holding the aforesaid meeting. The
proxy need not be a member of the company.

Cut here

MAHANIVESH (INDIA) LIMITED

**Registered Office: 13/34, W.E.A., IVth Floor, Main Arya Samaj Road, Karol Bagh,
New Delhi- 110 005**

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the 17th Annual General Meeting of the Company held on
29th September, 2012 at 2.30 p.m. at 13/34, W.E.A. IVth Floor, Main Arya Samaj Road,
Karol Bagh, New Delhi- 110 005

FULL NAME OF THE MEMBER (IN BLOCK LETTERS)

Name of Proxy:

Ledger Folio No.

Client I.D. No.

D.P. I.D. No.

Signature

No. of shares Held: