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CHAIRMAN'S MESSAGE

Dear All,

It gives me great pleasure to share with you the highlights of our company's performance for the year 2011-2012. First, I would like to thank all our business partners for the tremendous support they have given in the growth of Max. It gives me immense pleasure to announce that we have reached several milestones and on the right track to attain the goals set at the onset.

Performance Review

Our company's financial achievements are:

Total Turnover of Rs. 3510.81 Lacs, Increased by 5.33% comparing last year.

Net profit of Rs. 251.04 Lacs, Increased by 20.95% comparing last year.

Business Overview

The company has shown remarkable growth in terms of volume during the year. Company expects 45% increase in sales in the coming year. I congratulate 'the' management who have put in their best to achieve the objectives set by your company.

Future Prospects

We propose to set up Crushing Plants comprising of two-stage semi portable Crushing Plant and three-stage semi portable Crushing Plant. The proposed capacity of these plants is 250 TPH each for crushing boulders into aggregates of various types for use in the construction projects. The crushed boulders will be sold in the market for use by customers in the construction industry. We intend to come out with an Initial Public offer to procure and commission the crushers.

Our Commitment

We are committed to make MAX a world class Company, benchmarked to global standard of quality, operational performance, efficiency and customer care there by creating substantial value for all our stakeholders.

We look forward in working towards sustainable growth, even for the decade ahead and beyond...

Yours Sincerely,

Sd/-

Anil Chandran

Chairman

Max Alert System Limited

Date: 30th August 2012

Place: Mumbai

NOTICE

NOTICE is hereby given that the NINETH ANNUAL GENERAL MEETING of MAX ALERT SYSTEMS LIMITED will be held at registered office of the Company i.e. 17, Shilpin Centre, 40 G.D. Ambekar Marg, Wadala (West), Mumbai-400 031 on Saturday, 29th September, 2012 at 11.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March 2012 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To consider and if thought fit, to pass, with or without modification, the following Resolution as Ordinary Resolution:
"RESOLVED that Mr. Anil Kumar Chandra, a director liable to retire by rotation, who offer himself eligible for re-appointed, be reappointed as Director of the Company."
3. To appoint M/s Jain Vinay & Associates., Chartered Accountants, as the auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:
"RESOLVED THAT Mr. Manoj Mimani, who was appointed as an Additional Director with effect from 19th July, 2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."
5. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:
"RESOLVED THAT Mr. Lalit Sethi, who was appointed as an Additional Director with effect from 19th July, 2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

By Order of the Board

Sd/-

Santhosh Balachandran

Director

Place : Mumbai
Dated :30.08.2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 4 and 5 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September 2012 to 27th September, 2012 (both the days inclusive.)
5. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
6. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
7. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.



ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.

The following Explanatory Statement sets out the material facts relating to the business under items 4, 5 and 6 of the accompanying Notice:

Item No. 4

Mr. Manoj Mimani was appointed as an Additional Director by the Board of Director w.e.f. 19th July, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Manoj Mimani on the Board is desirable and would be beneficial to the company and hence recommend aforesaid resolution for adoption. The board recommends the above resolution for your approval None of the Directors, except Mr. Manoj Mimani is concerned or interested in this resolution.

Item No. 5

Mr. Lalit Sethi was appointed as an Additional Director by the Board of Director w.e.f. 19th July, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr. Lalit Sethi on the Board is desirable and would be beneficial to the company and hence recommend aforesaid resolution for adoption. The board recommends the above resolution for your approval None of the Directors, except Mr. Lalit Sethi is concerned or interested in this resolution.

By Order of the Board

Sd/-

Santhosh Balachandran

Director

Place : Mumbai

Dated :30.08.2012

Registered Office:

17, Shilpin Centre, 40 G.D. Ambekar Marg,
Wadala (West), Mumbai-400 031

DIRECTORS' REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the Ninth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2012. The financial results of the Company are summarized below:

FINANCIAL RESULTS:

(₹ in Lacs)

PARTICULARS	YEAR ENDED 31ST MARCH 2012	YEAR ENDED 31ST MARCH 2011
Sales & Projects Income	3,511.77	3,334.56
Profit before Interest, Depreciation & Tax	383.62	310.05
Less :- Interest & Finance Charges	115.72	84.64
Less :- Depreciation	16.86	17.85
Profit before Tax	251.04	207.56
Less :- Provision for Tax	50.03	41.37
Less :- Provision for Deferred Tax	-1.34	-6.56
Profit after Tax	202.35	172.75
Balance carried to Balance Sheet	202.35	172.75

YEAR IN RETROSPECT:

The turnover of the company has increased 5.33% from Rs. 3333.08 Lacs in previous year to Rs. 3510.81 Lacs in current year. EBITDA increased by 23.73% from Rs. 310.04 Lacs in previous year to Rs. 383.62 Lacs in current year. PAT increased by 20.95% from Rs. 207.56 Lacs in previous year to Rs. 251.04 Lacs in current year.

DIVIDEND:

With a view to plough back profits in the business, your directors do not recommend any dividend for the year under review and profit after tax is carried forward to next year to augment revenues.

BUSINESS OUTLOOK:

With the availability of the funds, your company has started on the path of exponential growth. Your Company plans to retain its exposure in the providing solutions for fire fighting, BMS and other allied activities.

Your company through the recently concluded public offering has plans to diversify itself by venturing in to Crushing Plants comprising of two-stage semi portable Crushing Plant and three-stage semi portable Crushing Plant. Your company believes that this line of business presents significant opportunity for the company and enhances the value of shareholders investment and overall profitability of the company. This will also enlarge the area of operations of the company and will be in the interest of the members.

With the initiatives being taken by your company, the Board feels confident of increasing turnover and profit substantially in the ensuing financial years.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Anil Chandra, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2011-2012 and of the profit and loss of the Company for the period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

**AUDITORS & COMMENTS ON AUDITOR'S REPORT**

M/s. Ramanand & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and M/s Jain Vinay & Associates is being eligible to offer themselves for appointment as an Auditor of the Company. They have furnished the necessary certificate of their eligibility under section 224 (1) (B) of the Companies Act, 1956.

Auditors Report

Auditors Report as issued by Ramanand & Associates, Chartered Accountants, is self explanatory and do not call further clarification by Board.

PUBLIC ISSUE AND LISTING:

Your Company came out with an Initial Public Offering (IPO) of 40,00,000 Equity Shares of the face value of Rs. 10 each at a price of Rs. 20 (including share premium of Rs. 10) per Equity Share aggregating to Rs 800 Lacs constituting 43.49% dilution to fully diluted post issue capital. The IPO opened up for subscription on 28/06/2012 and closed on 02/07/2012. The allotment pursuant to this IPO has been concluded on 10/07/2012. The entire Equity Shares of Company has been listed on BSE SME platform.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT:

As required under Clause – 52 of the SME Listing Agreement of BSE Limited, reports on Management Discussion and Analysis and Corporate Governance together with the Certificate of Auditors on Corporate Governance are provided separately in the Annual report and forms part of Directors report.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A);

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules 1988, as amended are not applicable to the company, as there are no employees whose remuneration is in excess of the limits prescribed.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure – 1.

ACKNOWLEDGEMENT:

Your directors take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the Company during the year under review.

Your directors also express their deep gratitude for the assistance, co-operation and support extended to your company by the bankers, customers as well as the investing community and look forward to their continued support.

By Order of the Board

Sd/-

Santhosh Balachandran

Director

Place : Mumbai

Dated :30.08.2012

ANNEXURE-1 TO DIRECTORS' REPORT:

ENERGY CONSERVATION : NA
TECHNOLOGY OBSERVATION : NA

FOREIGN EXCHANGE EARNINGS AND OUT GO :

	Amount in Rs.
Foreign exchange used	NILL
Foreign exchange earned	NILL



MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview:

Firefighting:

Firefighting is the act of extinguishing fires. A firefighter fights fires to prevent loss of life, and/or destruction of property and the environment. Firefighting is a highly technical skill that requires professionals who have spent years training in both general firefighting techniques and specialized areas of expertise.

Fire protection is the study and practice of mitigating the unwanted effects of potentially destructive fires. It involves the study of the behavior, compartmentalisation, suppression and investigation of fire and its related emergencies, as well as the research and development, production, testing and application of mitigating systems. In structures, be they land-based, offshore or even ships, the owners and operators are responsible to maintain their facilities in accordance with a design-basis that is rooted in laws, including the local building code and fire code, which are enforced by the Authority Having Jurisdiction. Buildings must be constructed in accordance with the version of the building code that is in effect when an application for a building permit is made. Building inspectors check on compliance of a building under construction with the building code. Once construction is complete, a building must be maintained in accordance with the current fire code, which is enforced by the fire prevention officers of a local fire department. In the event of fire emergencies, Firefighters, fire investigators, and other fire prevention personnel called to mitigate, investigate and learn from the damage of a fire. Lessons learned from fires are applied to the authoring of both building codes and fire codes.

Crusher:

A crusher is a machine designed to reduce large rocks into smaller rocks, gravel, or rock dust. Crushers may be used to reduce the size, or change the form, of waste materials so they can be more easily disposed of or recycled, or to reduce the size of a solid mix of raw materials (as in rock ore), so that pieces of different composition can be differentiated. Crushing is the process of transferring a force amplified by mechanical advantage through a material made of molecules that bond together more strongly, and resist deformation more, than those in the material being crushed do. Crushing devices hold material between two parallel or tangent solid surfaces, and apply sufficient force to bring the surfaces together to generate enough energy within the material being crushed so that its molecules separate from (fracturing), or change alignment in relation to (deformation), each other. The earliest crushers were hand-held stones, where the weight of the stone provided a boost to muscle power, used against a stone anvil. Querns and mortars are types of these crushing devices.

Business Overview:

We are currently engaged in the business of providing solutions for fire fighting, BMS and other allied activities.

Our Company was initially engaged in the business of fire fighting services, BMS and other allied activities. Later on the Company diversified into the business of telecom industry i.e. installation of mobile towers. However in the recent past, fire fighting services, BMS and other allied activities comprise the main thrust of our business.

Our core competencies are our in-house technical knowledge, skilled workforce, diversified product portfolio which enable us to meet varied client requirements.

Existing business operations

From the basic level detection and water based fire protection systems to the sophisticated gas based fire suppression systems, we provide a complete range of fire protection solutions to our customers substantiated as under:

- Consultancy Services
- Design
- Engineering
- Installation, testing and commissioning
- Training
- Annual maintenance of gas detection systems
- Maintenance of fire & gas suppression & security system

Our Strengths:-

- Ready contacts for business development.
- Experienced Promoters and management team
- Diversified Product portfolio.
- Growth driven
- Track record of executing fire fighting contracts including BMS

Our Strategy

- Expansion of existing activities
- Diversification Crushing operations:
- Diversification of Customer Base.
- Brand recognition

**Objects & Business Strategy:**

For past couple of years company is growing at an accelerated pace and Company has explored phenomenal opportunities in setting up Crushing Plants comprising of two-stage semi portable Crushing Plant and three-stage semi portable Crushing Plant. It has led to company to explore various sources to meet this requirement of finance and accordingly company has accumulated a fund of Rs. 800 Lacs through initial public offerings by allotment of 40,00,000 Equity Shares. The Company plans to utilize the entire proceeds to set up its crushing plant.

Financial Highlights:

- Income from operation stood at Rs. 3510.81 Lacs for fiscal 2012
- Profit before Taxes of fiscal 2012 was Rs. 251.04 Lacs.
- Profit after Taxes of fiscal 2012 was Rs. 202.35 Lacs.
- Basic Earning per share for fiscal 2011 was Rs. 3.89
- Net Worth of company stood at Rs. 741.42 Lacs as on March 31,2012.

Manpower & Employee Relations:

Max Alert Systems Limited considers human resources a key element. The company has a competency based performance and potential appraisal systems for identifying and developing managerial talents. To improve the efficiency and effectiveness of its human resources, the company consistently endeavors to train and upgrade the skill level of its employees. Emphasis is laid on providing adequate training to its employees, to meet the attitudinal and cultural values of the organization ethos to achieve the goals set.

The human resources of company are quite enough according to size, volume and transactions of business and employee relations are continued to be cordial during the year.

Regulatory:

Company is complying various statutory provisions such as Companies Act, Income tax, BSE-SME Listing Agreement provisions and other applicable laws and regulations applicable to the company.

Risks & Concerns:

We face competition for fire protection, safety and security including Building Management Systems from other dealers in domestic market. We compete with other dealers on the basis of product range, product quality, and product price including factors based on reputation, customer convenience etc. Our business needs substantial working capital and financing in the form of debt and / or equity. Any blockage to the inflow of funds or increase in the interest rate, may adversely affect the growth as profitability of the Company. Change in government rules & regulations may affect the business operations and profitability of company.

Internal Control system and adequacy :

Internal Control Systems has been designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded and accounting records are adequate for preparation of financial statements and other financial information. Internal check is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems.

Cautionary:

Statement in the Management Discussion & Analysis, describing the company's objectives, projections and estimates are forward looking statement and progressive within the meaning of applicable laws & regulations. Actual result may vary from those expressed or implied. Important developments that could affect the company's operations are significant changes in political and economic environment in India, tax laws, litigation, labour laws Exchange rate fluctuation and other incidental factors.

CORPORATE GOVERNANCE

In Compliance with Clause – 52 of the BSE-SME Listing Agreement, the Company is providing a report on the matters as mentioned in the clause stated and practices followed by the Company.

Corporate Governance for your company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our workforce is committed towards the protection of the interest of the stakeholders viz shareholders, creditors, investors, customers, employees, etc., Our policies consistently undergo improvements keeping in mind our goal of maximization of value of all the stakeholders.

The goal is achieved through :

- Consistent monitoring and improvement of the human and physical resources.
- Introducing regular checks and audits and continuous improvement in already well define systems and procedures.
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

According to Clause 52 of the BSE-SME Listing Agreement, the disclosure requirements of which are given below

1. COMPANY'S PHILOSOPHY :

Your Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the company to achieve its goal of maximizing value for all its stakeholders.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

2. BOARD OF DIRECTORS:

a) Composition and category of Directors as on 31.03.2012 :

The Board of Directors of the Company comprises of a fair number of Independent professionally competent and acclaimed Non Executive Directors. The Board of Directors of the Company consists of Six Members. The Company has Two "Executive" and four "Non-Executive Directors."

NAME	DESIGNATION
Mr. Anilkumar Chandra	Director
Mr. Lenin Chandran	Managing Director
Mr. Santhosh Balachandran	Whole Time Director
Mr. Valiyakath Adimakungu Noushad	Independent Director
Mr. Pramod Chhabinath Yadav	Independent Director
Mr. Binaykumar Doodhnath Pandey	Independent Director

b) Board Meetings and attendance of Directors :

During the year ended 31t March 2012, 12 Board Meetings were held on the following dates :

18/05/2011, 21/07/2011, 30/09/2011, 30/09/2011, 28/11/2011, 01/01/2012, 09/01/2012, 03/02/2012, 07/02/2012, 08/02/2012, 14/02/2012 and 28/02/2012

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as part of Agenda papers, the same are tabled at the meeting or/ and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The name and categories of the Directors on the Board, their attendance at Board Meetings during the years and at the last Annual General Meeting, as also the number of Directorships and committee Memberships / Chairmanships held by them in Indian Public Companies (including the Company) as on 31st March, 2012 are given below :

Name of Director	Category of Directorship	Attendance at		*No. of Directorships	Committee	
		Board Meeting	Last AGM		Positions Member	Chairman
Mr. Anilkumar Chandra	Non Executive Promoter	12	yes	2	-	-
Mr. Lenin Chandran	Executive Promoter	12	yes	2	3	-
Mr. Santhosh Balachandran	Executive & Non Independent	12	yes	1	1	-
#Mr Valiyakath Adimakungu Noushad	Non Executive & Independent	3	No	1	-	1
#Mr. Pramod Chhabinath Yadav	Non Executive & Independent	3	No	1	2	-
#Mr. Binaykumar Doodhnath Pandey	Non Executive & Independent	3	No	1	-	2
@JAYSHANKAR VADAKATTU	Non Executive Promoter	9	yes	0	0	0

@ Resigned w.e.f. 07TH FEBRUARY, 2012

Appointed w.e.f. 07TH FEBRUARY, 2012

* Excluding directorships in private, foreign companies and companies which are granted license under Section 25 of the Companies Act, 1956.

c) Appointment / Re-appointment of Directors:

The profile of Directors who are seeking re-appointment / appointment at the Annual General Meeting are furnished below:

Shri. Anil Chandra , aged 40 years, Director, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

He has completed a diploma in electronic engineering from State Board of Technical Education, Kerala in the year 1991. He has an overall industrial experience of more than 14 years.

3. BOARD COMMITTEES:

The Board has constituted the following committees of Directors for the Financial Year 2011-12:

I) Audit Committee

II) Remuneration Committee

III) Shareholder's Grievance Committee

I. AUDIT COMMITTEE:

a. Composition:

The Audit Committee comprises of two Non-Executive Directors and one Managing Director namely

Names of Directors

Category

Mr. Binaykumar Doodhnath Pandey

Chairman Non- Executive and Independent

Mr. Pramod Chhabinath Yadav

Non- Executive and Independent

Mr. Lenin Chandran

Executive and Non Independent

b. Terms of reference:

- Review of the Company's financial reporting process and financial statements.
- Review of accounting and financial policies and practices.
- Review of Internal control systems.
- Discussion with Statutory Auditors on any significant findings and follow-up thereon.
- Reviewing the Company's financial and risk management policies.

The Statutory Auditors are invitees to the Meeting.

**c) Powers of Audit Committee:**

The Audit Committee has the following powers:

- i) To investigate any activity within its terms of reference;
- ii) To seek information from any employee;
- iii) To obtain outside legal or other professional advice;
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

d) Audit committee Meetings and Attendance:

The Committee has met for once during the financial year ended 31st March 2012 i.e. on 31-03-2012 (Paidup capital has been increased to Rs. Five Crore only on the level of compliance of section 292A on 08-02-2012.

Details of attendance of each Director at the Audit Committee Meetings are given below:-

Name of the Director	Position	Meeting attendance
Mr. Binaykumar Doodhnath Pandey	Chairman	1
Mr. Pramod Chhabinath Yadav	Member	1
Mr. Lenin Chandran	Member	1

II. REMUNERATION COMMITTEE:**a) Composition and attendance :**

The Remuneration Committee comprised of two Non-Executive Directors and one Managing Director namely:

Mr. Valiyakath Adimakungu Noushad	Chairman Non- Executive and Independent
Mr. Pramod Chhabinath Yadav	Non- Executive and Independent
Mr. Lenin Chandran	Executive and Non Independent

The Committee has met Once time during the financial year ended 31st March 2012 i.e. 31-03-2012 as the committee was formed in the Board Meeting held on 14-02-2012.

Name of the Director	Position	Meeting attendance
Mr. Valiyakath Adimakungu Noushad	Chairman	1
Mr. Pramod Chhabinath Yadav	Member	1
Mr. Lenin Chandran	Member	1

b) Terms of Reference:

The broad terms of reference of the committee are to appraise the performance of Managing Director and whole time directors, determine and recommend to the Board compensation payable to Managing Director and whole time directors. The remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

c) Remuneration Policy:

Subject to the approval of the Board of Directors and subsequent approval by the members at the General Meeting and such authorities as the case may be, remuneration of Managing Director and Whole time Directors, is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.,

III. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE:**a) Composition and attendance:**

The Board has delegated the powers to approve transfer of shares etc., to this Committee of Three (3) Directors. The quorum for functioning of the committee is any two (2) directors present, One meeting of the committee was held during the year as the committee was formed in the Board Meeting held on 14-02-2012. The composition and attendance of shareholders / Investors Grievance Committee as on 31st March 2012 is as follows:



Name of the Member	Position	Category	Meeting attendance
Mr. Binaykumar Doodhnath Pandey	Chairman	Independent & Non Executive Director	1
Mr. Santhosh Balachandran	Member	Non Independent & Executive Director	1
Mr. Lenin Chandran	Member	Non Independent & Executive Director	1

b) Terms of Reference:

The Company has a Shareholders/Investors Grievance Committee to look into redress of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.,

The committee deals with various matters relating to :

- Transfer / transmission of shares
- Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios
- Review of shares dematerialized and all other related matters.
- Investors grievance and redressal mechanism and recommend measures to improve the level of investors services.

Information on Investor Grievances for the period from 1st April, 2011 to 31st March 2012:

There are no outstanding complaints received from shareholders during the year. The Company has no transfers pending at the close of the financial year

d) Compliance Officer:

Ms. Soniya Agarwal is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the BSE –SME Listing Agreement.

4. GENERAL BODY MEETINGS:**a. Particulars of General Meetings held during last three years:****Annual General Meetings :**

YEAR	LOCATION	DATE	TIME
2008-2009	Mumbai	30/09/2009	11.00 a.m.
2009-2010	Mumbai	30/09/2010	11.00 a.m.
2010-2011	Mumbai	30/09/2011	04.00 p.m.

b. Extraordinary General Meetings:

Extraordinary General Meetings conducted during the Financial Year 2011-12.

LOCATION	DATE	TIME
Mumbai	09/01/2012	11.00 a.m.
Mumbai	08/02/2012	11.00 a.m.
Mumbai	14/02/2012	11.00 a.m.
Mumbai	27/02/2012	11.00 a.m.

5. OTHER DISCLOSURES:

No materially significant related party transactions were entered into by the company with its Promoters or Directors, which could be deemed to be potentially conflicting with the interests of the company.

There was no reported case of non-compliance by the Company and/or levy of any penalties, imposition of strictures on the Company by the Stock Exchanges or SEBI or any other statutory or other authority on any matter related to capital markets during the year under report.

6. MEANS OF COMMUNICATION:

a. Half Yearly Financial Results were published during the Financial year as follows:

The Equity shares of the Company has listed on BSE SME platform on 12/07/2012, hence there was no applicability of disclosure of half yearly results during the financial year 2011-2012.

**Max Alert Systems Ltd****b. Management Discussion and Analysis Report:**

The Management Discussion and Analysis Report forms part of the Director's Report. All the matters relating to Industry Structures and Development, Opportunities and Threats, Risks and Concerns, Internal Control System and its adequacy, Discussion on financial performance with respect to operational performance, Human Resources Development and Industrial Relations are discussed in the Director's Report.

7. GENERAL SHAREHOLDER INFORMATION :**(i) Annual General Meeting**

Location, Day, Date, and Time: 17, Shilpin Centre, 40 G.D. Ambekar Marg, Wadala (West), Mumbai-400 031 on Thursday, 27th September, 2012 at 11.00 A.M

(ii) Book Closure Date : 25-09-2012 to 27-09-2011
(Both the days inclusive)

(iii) Registered Office : 17, Shilpin Centre, 40 G.D. Ambekar Marg, Wadala (West), Mumbai-400 031

(iv) Equity shares listed on : 1) BSE Limited-SME Platform

(vi) Stock Code

Trading Symbol at BSE Limited : MASL (Scrip Code- 534563)

Demat ISIN Number in : Equity Shares INE253N01010

NSDL & CDSL

Stock Market Data (in Rs. / per share)

The Equity shares of the Company has listed on BSE SME platform on 12/07/2012, hence there was no stock market data applicable during the financial year 2011-2012.

(vii) Registrars and Transfer Agents:**SHAREPRO SERVICES (INDIA) PRIVATE LIMITED**

13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Mumbai – 400 072
Tel: 022 6191 5402/022 6191 5404
Fax: 022 6191 5444

(viii) SHARE TRASFER SYSTEM

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

INVESTOR CORRESPONDENCE FOR TRANSFER OF SHARES AND ANY OTHER QUERY RELATING TO THE SHARES OF THE COMPANY:**SHAREPRO SERVICES (INDIA) PRIVATE LIMITED**

13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Mumbai – 400 072
Tel: 022 6191 5402/022 6191 5404
Fax: 022 6191 5444

Any query on Annual Report:

MAX ALERT SYSTEMS LIMITED
17, Shilpin Centre,
40 G.D. Ambekar Marg, Wadala (West),
Mumbai-400 031 on Thursday,



AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members,
MAX ALERT SYSTEMS LIMITED

We have examined the compliance of conditions of Corporate Governance by Max Alert Systems Limited, for the year ended on 31st March, 2012, as stipulated in Clause 52 of BSE-SME listing agreement of the said Company.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the company as per the records maintained by the Share transfer-cum-investors Grievance Committee.

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

For Ramanand & Associates.
Chartered Accountants

Sd/-
Ramanand Gupta
Partner

Place : Mumbai
Dated : 30.08.2012

AUDITORS REPORT

To,

The Members of "MAX ALERT SYSTEMS LIMITED"

We have audited the attached Balance Sheet of "MAX ALERT SYSTEMS LIMITED", as at March 31, 2012 and also the Profit & Loss Account for The year ended on that date annexed thereto. These financial statements are the responsibilities of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statement. 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.

- I. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 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 on the basis of such checks as we considered appropriate and as per the information and explanations given to us.
- II. Further to our comments in the annexure referred to above, we report that:
- a) We have obtained all the information and explanation, which to the best of our knowledge and belief, were necessary for the purpose of audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the Books of Account.
 - d) In our opinion, the balance Sheet and Profit and Loss Account dealt by 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, as on 31st March, 2012 and taken on record by the Board Of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 give the information required by the Companies Act, 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 affaires of the Company as at 31st March, 2012 and
 - ii) In the case of the Profit & Loss Accounts, of the Profits of the Company for the year ended on that date.

For **Ramanand & Associates**
Chartered Accountants

(Ramanand G Gupta)
M. N.: 103975

Place: Mumbai
Date : 30/08/2012

ANNEXURE TO THE AUDITORS REPORT

(Referred to in Paragraph I of our report of even date)

1. 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) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, and we are informed that no material discrepancies have been noticed on such verification.
 - c) Company has not disposed any Immovable Property during the year.
2. In respect of its inventories:
 - a) As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals.
 - b) In our opinion and according to the information & explanations given to us, the Procedures for physical verifications of inventory followed by the Management are Reasonable and adequate in relation to the size of the Company and nature of its Business.
 - c) The Company has maintained proper records of inventory, as explained to us, there were no material discrepancies noticed on physical verification of stocks having regard to the size of the Companies operation and the same have been properly dealt with in the books of account.
3. In respect of loans, secured or unsecured , granted by the company to Companies , firm or Other parties covered in the register maintained under Section 301 of the companies Act , 1956:
 - a) According to the information and explanations given to us, the Company has granted interest free unsecured loan to three such parties amounting to Rs.88, 78,127/ - being outstanding at the end of the year.
 - b) As explained to us, there are no stipulations as to the rate of interest and other terms and conditions of the loans granted by the company.
 - c) Since there are no terms as to the repayment of loan, the question of regularity of repayment does not arise.
 - d) Since there are no terms as to the repayment of loan, the question of overdue amounts does not arise. In respect of loans, secured or unsecured, taken by the Company from Companies, firm or other Parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - e) According to the information and explanations given to us, during the year under review, the Company has not taken any unsecured loans parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Clause (iii) f & g of paragraph 4 of the order are not applicable in the case of the company for the current year.
4. 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 for the purchase of inventory and fixed assets and for sale of goods and services.
5. In respect of the transactions covered under section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of section of the act have been to entered.
 - b) In our opinion and according to the information and explanations given to us, these transactions have been made at reasonable price, having regard to the prevailing market prices at the relevant time.
6. According to the information and explanation given to us, the Company has not accepted any Deposit from Public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 read with the directives given by the Reserve bank of India. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or any other Tribunal.
7. In our opinion, the Company has proper system of Internal Audit commensurate to its size & nature of business however the company has not appointed any formal internal auditor.
8. As explained to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) The Company is generally regular in depositing the undisputed statutory dues, to the Extent applicable to the Company, with the appropriate authorities.



- (b) According to the records of the Company and as per the information and explanation given to us, there are no dues of income-tax, sale tax, Wealth Tax, Custom Duty and Cess, Service Tax which have not been deposited on account of any

Nature of the statute	Nature of dues	Amount (Rs)	Period to which amount relates
Income Tax Act,1961	Tax Deducted at source	81,439.00/-	2011-2012
MVAT Act	VAT	9,50,215.77/-	2011-2012
Finance Act ,1994 (Service Tax)	Service tax	8,55,489.33/-	2011-2012

10. The Company has neither any accumulated losses nor has incurred any cash losses at any Time.
11. According to the information and explanations given to us, the Company neither has any borrowings from any financial institution or bank nor has it issued any debenture as at the balance sheet date.
12. 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, debenture and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other Investment. Therefore the provision of Clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Terms Loan taken by the companies were applied/utlised for the purpose for which the loans were taken.
17. As per the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no fund raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issue.
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Ramanand & Associates**
Chartered Accountants

Sd/-
(Ramanand G Gupta)
M. N.: 103975

Place: Mumbai
Date : 30/08/2012

BALANCE SHEET AS AT 31ST MARCH 2012

(in Rupees)

Sr NO.	PARTICULARS	NOTE NO.	FIGURES FOR THE CURRENT REPORTING PERIOD 2011-12	FIGURES FOR THE PREVIOUS REPORTING PERIOD 2010-11
I	EQUITY AND LIABILITIES			
1	SHAREHOLDERS FUNDS			
	(a) Share Capital	A	5,19,75,000	94,50,000
	(b) Reserve and Surplus	B	2,21,66,660	4,44,56,327
	TOTAL (1)		7,41,41,660	5,39,06,327
2	NON-CURRENT LIABILITIES			
	(a) Long Term Borrowings	C	29,79,273	59,43,347
	(b) Deferred Tax Liabilities (Net)	D	22,113	1,56,428
	(c) Long Term Provision	E	31,46,155	31,46,155
	TOTAL (2)		61,47,541	92,45,930
3	CURRENT LIABILITIES			
	(a) Short Term Borrowings	F	6,61,42,737	6,39,60,276
	(b) Trade Payables	G	90,68,483	3,15,53,072
	(c) Other Current Liabilities	H	50,03,288	41,76,969
	(d) Short Term Provisions	I	60,61,278	1,08,45,378
	TOTAL (3)		8,62,75,786	11,05,35,695
	TOTAL(1+2+3)		16,65,64,988	17,36,87,952
II	ASSETS			
1	NON-CURRENT ASSETS			
	(a) Fixed Assets			
	(i) Tangible Assets	J	1,52,40,815	1,69,30,430
	(b) Non- Current Investments	K	49,62,500	38,87,500
	TOTAL (1)		2,02,03,315	2,08,17,930
2	CURRENT ASSETS			
	(a) Inventories	L	6,61,28,641	3,46,60,826
	(b) Trade Receivables	M	5,12,86,747	7,89,65,781
	(c) Cash and Bank Equivalents	N	7,82,521	1,16,71,124
	(d) Short- Term Loan and Advances	O	2,81,01,122	2,75,72,292
	(e) Other Current Assets	P	62,641	-
	TOTAL (2)		14,63,61,672	15,28,70,023
	TOTAL(1+2)		16,65,64,988	17,36,87,952
	Significant accounting Policy	Q		
	Notes to Accounts	1&2		

On Behalf of the Board of Directors
For Max Alert Systems Limited

Auditor's Report
 Signed in terms of our separate report of even date.
For Ramanand & Associates

Anil Chandran **Santhosh Balachandran**
 (Director) (Whole Time Director)

Ramanand G Gupta
 Chartered Accountant
 Partner
 M.N.: 103975

Place: Mumbai
 Dated:30/08/2012

PART II - STATEMENT OF PROFIT AND LOSS

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

(in Rupees)

Sr NO.	PARTICULARS	NOTE NO.	FIGURES FOR THE CURRENT REPORTING PERIOD 2011-12	FIGURES FOR THE PREVIOUS REPORTING PERIOD 2010-11
	REVENUE FROM OPERATIONS			
I	Revenue from Operations	PL-1	35,10,80,987	33,33,08,763
II	Other Income	PL-2	96,179	1,47,536
III	TOTAL REVENUE(I+II)		35,11,77,166	33,34,56,299
IV	EXPENSES:			
a	Cost of material Consumed	PL-3	28,54,12,809	20,96,58,229
d	Employee Benefits Expenses	PL-4	28,57,761	1,61,02,255
e	Finance Cost	PL-5	1,15,72,006	84,63,791
f	Depreciation and amortization expense	PL-6	16,86,156	17,85,081
g	Other expenses	PL-7	2,45,44,127	7,66,91,207
	TOTAL EXPENSES		32,60,72,859	31,27,00,563
	PROFIT BEFORE TAX (III-V)		2,51,04,308	2,07,55,736
	Tax Expenses			
a	Current Tax		50,03,288	41,36,618
c	Deferred Tax		(1,34,314)	(6,55,824)
	PROFIT (LOSS) FOR THE PERIOD (VI+VII)		2,02,35,334	1,72,74,942
	Earning per equity shares			
a	Basic	PL-8	3.89	3.32
	SIGNIFICAT ACCOUNTING POLICY	Q		
	NOTES TO ACCOUNTS	1 & 2		

On Behalf of the Board of Directors
For Max Alert Systems Limited

Auditor's Report
Signed in terms of our separate report of even date.

For Ramanand & Associates

Anil Chandran **Santhosh Balachandran**
(Director) (Whole Time Director)

Ramanand G Gupta
Chartered Accountant
Partner
M.N.: 103975

Place: Mumbai
Dated:30/08/2012

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2012

(IN RUPEES)

NOTE NO.	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD 31/03/2012	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD 31/03/2011
A	SHARE CAPITAL:		
	(1) AUTHORISED:	10,00,00,000	1,00,00,000
	1,00,00,000 (Last Year 10,00,000) Equity Shares of Rs.10/- Each		
	(2) ISSUED, SUBSCRIBED & PAID UP		
	Shares at the beginning of the accounting period 9,45,000 (L.Y.2,70,000) Equity shares of Rs.10/- each.	94,50,000	27,00,000
	Additions during the year		
	4252500 (L.Y.675000) Bonus Equity Shares of Rs.10/- each	4,25,25,000	67,50,000
	Shares at the end of the accounting period 42,52,500(L.Y.9,45,000) Equity Shares of Rs.10/- each	5,19,75,000	94,50,000
	i) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5%		
		As on 2012	As on 2011
		No of share held	No of share held
		% of holding	% of holding
	Name of shareholder		
	Anil Chandran	46,75,000.00	89.95
	Lenin Chandran	5,19,750.00	10.00
	ii) THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET BELOW:		
	Particulars	No. of Shares	Amount
	Equity shares at the beginning of the year	9,45,000	94,50,000.00
	Add: Share issued as bonus shares	42,52,500	4,25,25,000.00
	Equity shares at the end of the year	51,97,500	5,19,75,000.00
	iii) BONUS SHARES ISSUED	No. of Shares	Amount
	Bonus shares	42,52,500	4,25,25,000
B	RESERVE & SURPLUS:		
	GENERAL RESERVE		
	At the beginning of the accounting period	-	67,50,000
	Addition during the year	4,25,25,000	-
	Less: Bonus shares issued	(4,25,25,000)	(67,50,000)
	At the end of the accounting period	-	-
	SURPLUS		
	At the beginning of the accounting period	4,44,56,327	2,71,81,384
	Addition during the year (Balance in statement of Profit & Loss a/c)	2,02,35,334	1,72,74,942
	Allocations and appropriations		
	Transfer to General Reserve	(4,25,25,000)	-
	At the end of the accounting period	2,21,66,660	4,44,56,327
	GRAND TOTAL	2,21,66,660	4,44,56,327
C	LONG TERM BORROWINGS		
	Secured Term Loans From Banks		
	Kotak Mahindra Bank Ltd (secured against vehicle)	8,86,473	12,10,420
		8,86,473	12,10,420



<u>UNSECURED LONG TERM BORROWINGS:</u>		
Loans from directors	4,21,545	4,75,000
Bank and Financial Institutions	16,71,255	35,47,064
Other	-	7,10,864
	20,92,800	47,32,928
GRAND TOTAL	29,79,273	59,43,347
D <u>DEFERRED TAX LIABILITIES (NET)</u>		
Deferred Tax Liabilities	22,113	1,56,428
	22,113	1,56,428
E <u>LONG TERM PROVISION</u>		
	31,46,155	31,46,155
	31,46,155	31,46,155
<u>CURRENT LIABILITIES</u>		
G <u>SHORT-TERM BORROWINGS:</u>		
Secured loans from Banks		
Punjab National Bank (secured against hypothecation of stock and book-debts)	6,61,42,737	6,39,60,276
	6,61,42,737	6,39,60,276
H <u>TRADE PAYABLES</u>		
Sundry Creditors	73,35,389	3,15,53,072
Advance from parties-interest free	17,33,094	-
	90,68,483	3,15,53,072
I <u>OTHER CURRENT LIABILITIES</u>		
TDS payable current year taxes payable (net of advance tax)	50,03,288	41,76,969
	50,03,288	41,76,969
J <u>SHORT-TERM PROVISIONS</u>		
Others	60,61,278.28	1,08,45,378
	60,61,278	1,08,45,378
K <u>NON CURRENT INVESTMENT:</u>		
Investment in shares (Unquoted)		
250 Equity shares of Rs.50/- each Dombivali Nagari Sahakari Bank	12,500.00	12,500.00
5,000 Equity shares of Rs.10/- each Vasai Janta Sahkari Bank	50,000.00	50,000.00
9,610 Equity shares of Rs.10/- each Rambus IT Institution Pvt Ltd (At Cost)	49,00,000.00	38,25,000.00
	49,62,500	38,87,500
2 <u>CURRENT ASSETS</u>		
L <u>INVENTORIES:</u>		
(as taken, valued & certified by the management)		
Work in Process;	6,61,28,641	3,46,60,826
	6,61,28,641	3,46,60,826
M <u>TRADE RECEIVABLES:</u>		
(Unsecured considered good unless otherwise stated)		
(1) Debts outstanding for a period exceeding six months from the date they are due	96,45,921	1,16,11,221
(2) Other Debts	4,16,40,826	6,73,54,560
	5,12,86,747	7,89,65,781



Max Alert Systems Ltd

N CASH & CASH EQUIVALENTS :

(a) BALANCE WITH BANKS

IN CURRENT ACCOUNTS:

DNS Bank (A/c No. 87)	910	1,44,379
Punjab National Bank - 1955002106003727	1,91,611	50,16,661
ICICI Bank	28,765	28,765
ICICI Bank- Sweep a/c	36,030	36,030
Punjab National Bank (Sweep a/c .001)	11,282	15,25,000
Punjab National Bank Yytila (A/C.No.709)	1,00,000	1,72,488
State Bank of Travancore No.67132154748	38,734	2,48,050

(b) CASH ON HAND

3,75,189 44,99,751

7,82,521

1,16,71,124

O SHORT TERM LOANS & ADVANCES:

(Unsecured considered good unless otherwise stated)

Advances recoverable in cash or in kind for the value to be received

Advance to Parties 2,81,01,122 2,75,72,292

2,81,01,122

2,75,72,292

P OTHER CURRENT ASSETS:

Prepaid Expenses

62,641

-

62,641

-

On Behalf of the Board of Directors
For Max Alert Systems Limited

Auditor's Report
Signed in terms of our separate report of even date.
For Ramanand & Associates

Anil Chandran Santhosh Balachandran
(Director) (Whole Time Director)

Ramanand G Gupta
Chartered Accountant
Partner
M.N.: 103975

Place: Mumbai
Dated:30/08/2012

F Fixed Assets as on 31/03/2012

As per Company Act

PARTICULARS	GROSS BLOCK				RATE	DEPRECIATION		NET BLOCK	
	BALANCE AS ON 01/04/2011	ADDITION DURING THE YEAR	DISPOSAL DURING THE YEAR	BALANCE AS ON 31/03/2012		AS AT 01/04/2011	FOR THE YEAR	AS AT 01/04/2011	AS AT 31/03/2012
Computer & printer	16,44,694	-	-	16,44,694	40.00%	10,20,622	2,77,384	6,24,072	3,46,688
Furniture & fixture	13,75,992	-	-	13,75,992	18.10%	4,48,675	1,70,272	9,27,316	7,57,044
Immovable property	1,32,77,439	-	-	1,32,77,439	5.00%	8,40,805	5,67,669	1,24,36,634	1,18,68,965
Motor vehicle	36,60,768	-	-	36,60,768	25.89%	15,14,529	5,55,661	21,46,239	15,90,578
Office equipment	10,53,665	-	3,456	10,50,209	13.91%	2,57,498	1,15,171	7,96,168	6,77,540
	2,10,12,558	-	3,456	2,10,09,102		40,82,128	16,86,158	1,69,30,430	1,52,40,816

Auditor's Report

Signed in terms of our separate report of even date.
For Ramanand & Associates

On Behalf of the Board of Directors
For Max Alert Systems Limited

Ramanand G Gupta
Chartered Accountant
Partner
M.N.: 103975

Place: Mumbai
Dated: 30/08/2012

Anil Chandran
(Director)

Santhosh Balachandran
(Whole Time Director)

NOTES TO AND FORMING PART OF STATEMENT OF
PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

NOTE NO.	PARTICULARS	FIGURES FOR THE CURRENT REPORTING PERIOD 2011-12	FIGURES FOR THE PREVIOUS REPORTING PERIOD 2010-11
PL-1	REVENUE FROM OPERATIONS		
	Sale of Services	33,60,01,121	33,13,83,062
	Other operating revenues	1,50,79,866	19,25,701
		35,10,80,987	33,33,08,763
	Net revenue from operations	35,10,80,987	33,33,08,763
PL-2	OTHER INCOME:		
	Interest income	94,304	1,45,661
	Dividend income	1,875	1,875
		96,179	1,47,536
PL-3	COST OF MATERIALS CONSUMED:		
	Purchases raw-materials and packing materials	31,68,80,624	21,13,79,911
	Add: opening balance of stock	3,46,60,826	3,29,39,144
		35,15,41,450	24,43,19,055
	Less: closing balance of stock	6,61,28,641	3,46,60,826
	Consumption of materials	28,54,12,809	20,96,58,229
	Total purchases	31,68,80,624	21,13,79,911
PL-4	EMPLOYEE BENEFITS EXPENSE		
	SALARY AND WAGES		
	Factory salary and wages	19,35,631	62,28,363
	Office staff salary	6,78,053	58,16,406
	Director,s remunerations	-	30,00,000
	CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
	Contribution to provident fund	9,769	4,60,771
	Contribution to employees state ins.fund	8,059	2,04,232
	Contribution to other funds	-	20,485
	OTHER EXPENSES		
	Workers and staff welfare	2,26,249	3,71,998
		28,57,761	1,61,02,255
PL-5	FINANCIAL COSTS :		
	Interest expense		
	Interest to bank	1,02,26,734	71,09,194
	Interest to bank on vehicle loan	1,01,129	35,188
	Interst on TDS & other taxes	40,150	91,463
	Other borrowing costs	12,03,992	12,27,946
		1,15,72,006	84,63,791
PL-6	DEPRECIATION AND AMORTZATION EXPENSE :		
	Depreciation	16,86,156	17,85,081
		16,86,156	17,85,081
PL-7	OTHER EXPENSES:		
	MANUFACTURING EXPENSE :		
	Power & fuel	-	17,130
	Other	1,82,63,123	6,68,23,880
		1,82,63,123	6,68,41,010

**ADMINISTRATIVE EXPENSE**

Business promotion expenses	6,24,754	5,74,754
Bad debts	-	1,68,917
Car expenses	33,910	22,961
Conveyance expenses	2,40,471	98,040
Electricity expenses (godown)	2,29,282	2,84,897
Fees & service charges	1,16,150	-
General expenses	1,93,450	11,11,943
Hire charges	26,366	63,097
Insurance	17,478	1,35,134
Lodging & boarding expenses	93,541	62,054
Professional fees for auditor		
Statutory audit fees	66,180	69,628
Tax audit fees	27,575	27,575
Postage & courier exp.	18,562	38,783
Professional charges	10,91,035	6,97,659
Printing & stationery	1,04,168	1,26,750
Other expenses	7,04,978	-
Rent	3,42,101	7,64,463
Filling fees	7,08,200	
Repair & maintenance (general)	1,27,121	86,942
Transportation expenses	1,44,469	42,49,192
Security guard exp.	19,222	-
Telephone exp.	1,05,378	1,89,511
Tender expenses	19,573	48,592

50,53,963**88,20,891****SELLING & DISTRIBUTION EXPENSE**

Advertisement exps.	18,420	15,862
Travelling expenses	12,08,621	10,13,445

12,27,041**10,29,307****GRAND TOTAL****2,45,44,127****7,66,91,207**PL - 8 **Basic and Diluted Earning per share**

Number of equity shares at the beginning of the period	9,45,000	2,70,000
Bonus Issue	42,52,500	6,75,000
Number of equity shares at the end of the period	51,97,500	9,45,000
Add : Bonus issue of current year included in previous year		42,52,500
Weighted average number of equity shares outstanding during the period	51,97,500	51,97,500
Nominal value of each equity share	10	10
Profit /(Loss) after tax excluding Extra Ordinary Income available for equity st	2,02,35,334	1,72,74,942
Basic & Diluted Earnings per share	3.89	3.32

On Behalf of the Board of Directors
For Max Alert Systems Limited

Auditor's Report
Signed in terms of our separate report of even date.
For Ramanand & Associates

Anil Chandran
(Director)

Santhosh Balachandran
(Whole Time Director)

Ramanand G Gupta
Chartered Accountant
Partner

M.N.: 103975

Place: Mumbai
Dated:30/08/2012

Notes on statement of profit & loss account for the year ended 31st march 2012.

1. Related party disclosure

1) Party where control exist

Anil Kumar Chandran
Lenin Chandran

2) Parties where transaction have taken place

Name of the related parties & description of relationship

Key Managerial Personnel

Lenin Chandran	Managing Director
Anil Chandran	Director
Santhosh Balachandran	Director

ASSOCIATES

Rambus It Institution Pvt Ltd
Delta Infra Limited
Tangent International Consultancy Pvt Ltd
Airon Technical Solution India Pvt Ltd.

3) Transaction during the year

Sr. No.	Particulars	Key Managerial Personnel	Associates
A	Repayment of loan	53,455	-
B	Sales	-	1,16,39,924
C	Advance given	-	80,68,276
D	Investments made	-	10,75,000
E	Repayment of advances given	77,000	17,78,150

Notes on statement of profit & loss account for the year ended 31st march 2012.

Particulars	Year ending march 31, 2012	Year ending march31, 2011
Profit as per profit & loss account	2,51,04,308	2,07,55,736
Add:Income Tax	50,03,288	41,36,618
Deferred tax	(1,34,314)	(6,55,824)
Depreciation as per Income Tax Act, 1961	12,94,456	15,50,396
Directors remuneration		30,00,000
Less: Depreciation allowable of the companies act, 1956	16,86,158	17,85,081
Net profit as per section 198 of the companies act, 1956	2,95,81,580	2,70,01,845

On behalf of the Board of Director

For Max Alert Systems Limited

Anil Chandran
(Director)

Santhosh Balachandran
(Whole Time Director)

Place: Mumbai
Dated: 30/08/2012

For Ramanand & Associated.

Ramanand G Gupta
Chartered Accountant
Partner
M. N. 103975.

SIGNIFICANT ACCOUNTING POLICIES:**1. Basis of Preparation of Financial Statements**

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

2. Use of Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. Fixed Assets

- a) Fixed Assets are capitalized at cost inclusive of erection expenses & other incidental expenses in connection with the acquisition of assets, net of VAT, if any, less accumulated depreciation. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.
- b) Fixed assets acquired under Hire Purchase are shown at their principal cost excluding the interest cost.

4. Depreciation / Amortization

Depreciation on fixed assets is provided on Written Down Value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of additions made or asset sold / discarded during the year pro-rata depreciation has been provided.

5. Inventories

Traded goods are valued at cost, determined on FIFO basis. Cost includes, purchase price and freight and taxes (other than those subsequently recoverable from the taxing authorities), duties and all incidental expenses directly attributable to the purchases including costs incurred in bringing the material to its present location and condition.

6. Revenue Recognition

Revenue from sales transactions is recognized as and when the property in goods is sold /transferred to the buyer for a definite consideration. Other Income has been recognized on the basis of Accounting Standard – 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

7. Investment

Investments that are readily realizable 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. Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis. Long Term investments are valued at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

8. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

9. Employee Benefits

Employee benefit plans comprise both defined benefit and defined contribution plans.

- Provident fund is a defined contribution plan. Each eligible employee and the Company make equal contributions at a percentage of the basic salary specified under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further obligations under the plan beyond its periodic contributions.

10. Taxation

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard



22 on "Accounting for Taxes on Income", issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

11. Leases**Finance Lease**

Leases which effectively transfer to the Company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

12. Impairment of Assets

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

13. Foreign Exchange Transactions

- i) Transactions in Foreign currency are recorded at the rate of exchange prevailing on the date of the respective transactions.
- ii) Year-end balance of monetary assets and liabilities are translated at the yearend rates. Exchange differences arising on restatement or settlement are charged to Profit and Loss Account.

14. Earnings per Share

In determining the Earnings Per share, the company considers the net profit after tax which includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

15. Contingent Liabilities & Provisions

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.
- d) Counter guarantee in respect of bank guarantee issued by banks on behalf of company : Amount outstanding as on 31/03/2012 Rs. 1,33,12,631 / - (P.Y. 1,71,29,916/-)

16. Information pursuant to paragraph 4c of part II of Schedule VI to the Companies Act.1956

As explained to us as the company deals in various types of installation commissioning charges erection of Telecom projects and are accounted on completion of sale / installation and completion of projects, it is impracticable to give quantitative details. Therefore the same are not given.



Other Miscellaneous:-

- A) In the opinion of the Board of Directors current assets loans and advance are approximately of the value stated, if realized in the ordinary course of business. Provision of all liabilities is adequate and not in excess of the amount considered reasonably necessary however the balance in personal account in subject to confirmation.
- B) The closing stocks have been accepted as valued, verified and certified by the management.
- C) In respect of some of the expenses in absence of supporting evidence the vouchers as signed by the payee and /or management are relied upon.
- D) Figures have been rounded off to the nearest Rupees and previous Year figure are regrouped and /or reclassified wherever necessary.

On behalf of the Board of Director

For Max Alert Systems Limited

Anil Chandran
(Director)

Santhosh Balachandran
(Whole Time Director)

Place: Mumbai
Dated: 30/08/2012

For Ramanand & Associated.

Ramanand G Gupta
Chartered Accountant
Partner
M. N. 103975.

Max Alert System Ltd

Registered Office: 17, Shilpin Centre, 40 G D Ambekar Marg, Wadala (W) Mumbai- 400031.

DP ID/ Client ID_____

No. of Shares held_____

ATTENDANCE SLIP

I hereby record my presence at the 9th Annual General Meeting of the Members of **Max Alert System Ltd.** will be held on Saturday, 29th September 2012 at 11.00 a.m., at 17, Shilpin Centre, 40 G D Ambekar Marg, Wadala (W) Mumbai- 400031.

Name Of The Shareholder (In Block Letters)	
Signature Of The Shareholder	
Name Of The Proxy/ Authorised Representative (In Block Letters)	
Signature Of The Proxy/ Authorised Representative	

Notes:

You are requested to sign and hand over this slip at the entrance of the Meeting Venue

-----TEAR HERE-----

Max Alert System Ltd

Registered Office: 17, Shilpin Centre, 40 G D Ambekar Marg, Wadala (W) Mumbai- 400031.

PROXY FORM

I/We.....of.....being a member(s) of the above named Company, hereby appoint..... of.....or failing him/herof.....as my/our proxy to attend and vote for me/us on my/our behalf at the 9th Annual General Meeting of the Members of **Max Alert System Ltd.** will be held on Saturday, 29th September 2012 at 11.00 a.m., at 17, Shilpin Centre, 40 G D Ambekar Marg, Wadala (W) Mumbai- 400031.

(Signature)_____

Singed this_____day of _____2012

DP ID./ Clint ID._____ No. of Shares_____

(This form is to be used * in favour/against the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.)

* Strike out whichever is not desired.

1 Rupee
Revenue
Stamp

NOTE :

1. The Proxy need not be a member of the Company.
2. Revenue Stamp of Rupee one is to be affixed on this form.
3. The form should be signed across the stamp as per specimen signature registered with the Company.

