

MAXIMAA SYSTEMS LIMITED

23RD ANNUAL REPORT

F. Y. 2012-13



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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Manoj Shah - Managing Director
Mr. Mayur Shah - Joint Managing Director
Mr. Mahesh Shah - Joint Managing Director
Dr. D R K Reddy - Independent Director
Mr. Milan Desai - Independent Director
Mr. Dipak Mistry - Independent Director

AUDITORS:

D.D. Desai & Associates
Chartered Accountants,
G/2, Sunshine Apartment,
RatanjiWadi, Valsad- 396001

BANKERS:

Bank of India

REGISTRAR AND SHARE TRANSFER AGENTS:

PurvaSharegistry (India) Private Limited,
Unit No. 9, Shiv Shakti Ind. Estt. J.R. BorichaMarg,
Opp. Kasturba Hospital Lane, Lower Parel (E),
Mumbai- 400 011
Ph: 022- 2301 0771/8261
Fax: 022- 2301 2517

REGISTERED OFFICE:

Suraj Estate, Kailash Road, Valsad- Gujarat- 396 001 (INDIA)
Email: cs@maximaasystems.com
Website: www.maximaasystems.com

HEAD OFFICE:

B-1, Yashkamal, Tithal Road, Valsad, Gujarat- 396 001 (INDIA)
Ph: 02632- 222 402/403
Fax: 02632- 222 302

CORPORATE OFFICE:

240, Naman Plaza, S.V. Road, Kandivali (W), Mumbai- 400 067 (INDIA)
Ph: 022- 2864 8478, 6516 0300
Fax: 022- 6710 2400

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE MEMBERS OF MAXIMAA SYSTEMS LIMITED WILL BE HELD ON FRIDAY, THE 27TH DAY OF SEPTEMBER, 2013 AT 9:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT SURAJ ESTATE, KAILASH ROAD, VALSAD-396 001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit & Loss Account for the year ended on that date together with the Report of Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Dr. Milan Desai who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Manoj Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s D.D. Desai & Associates, Chartered Accountants [Firm Registration No. 102297W] as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. **Appointment of Mr.Dipak Mistry as the Director of the Company:**

To consider and if thought fit, to pass, with or without modifications, the following Resolutions as an **Ordinary Resolution:**

“**RESOLVED THAT** Mr.DipakMistry who was appointed by the Board of Directors as an Additional Director of the Company pursuant to the provision of Section 260 of the Companies Act, 1956 and hold office up to the date of the ensuing Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said Act from a shareholder proposing the candidature of Mr.DipakMistry for the office of a Director of the Company, be and is hereby appointed as a Director of the Company.”

6. **Power of Board of Directors to borrow funds for the Company under Section 293(1)(d):**

To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956 and other enabling provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of moneys for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties, whether movable or immovable or stock-in process and debts, and advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed shall not, at any point, exceed the limit of Rs. 50 crores (Rupees Fifty Crores).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution.”

By Order Of the Board Of Directors
For **MAXIMAA SYSTEMS LIMITED**

Nitya Babu
Company Secretary

Place: Valsad
Date: 14.08.2013

REGISTERED OFFICE:
Suraj Estate,
Kailash Road,
Valsad-396 001

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER.
2. THE PROXY FORMS, DULY STAMPED AND COMPLETED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
3. Mr. Manoj Shah and Dr. Milan Desai retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting. The details pertaining to these directors as required under clause 49 (IV) (G) (i) of the Listing Agreement are furnished in Annexure I to the notice. The relevant details of persons, seeking appointment/re-appointment as Directors under Item nos. 2 and 3 above is annexed.

4. The Register of Members and Share Transfer Books shall remain closed from 23rd September, 2013 to 27th September, 2013 (both days inclusive)
5. Members/Proxies are requested to bring duly filled in attendance slips to the meeting. The form of attendance slip is given at the end of this Annual Report
6. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping this in view, shareholders are requested to update their e-mail ID with their DP.
7. Members are requested to forward all application for Transfer, Demat, and all other share related correspondence, including intimation of change of address, if any, to the Registrar and Transfer Agents of the Company at the following address:

M/s. PurvaSharegistry (India) Pvt. Ltd.

Unit :Maximaa Systems Limited

No. 9 Shiv Shakti Industrial Estate, Gound Floor,

J.R. BorichaMarg, Opp. Kasturba Hospital,

Lower Parel, Mumbai 400 011

ANNEXURE I TO THE NOTICE

1. As per clause 49 (IV) (G) (i) of the Listing Agreement, a brief profile of the Directors seeking re-appointment.

BRIEF RESUME OF PERSONS PROPOSED TO BE RE-APPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

Name	Mr. Manoj Shah(retiring by rotation)	Dr. Milan Desai(retiring by rotation)
Date of Birth	04/12/1958	11/07/1948
Qualification	M.Sc	M.B.B.S
Nature of Expertise & Experience	He has over 25 years of rich and varied experience and is extremely conversant with capital markets and financial management.	He possesses an academic record in the field of medicine from G.S. Medical College and K.E.M Hospital, Parel, Mumbai. He is presently working with NABARD as a Medical Officer on contract basis.
Name of other Companies in which he holds Directorship	Anukaran Commercial Enterprises Ltd EssenzaaLifescience Ltd	-
Chairman /member of Committees of the Boards of other Companies in which he is Director	-	-
Shareholding in Maximaa Systems Ltd.	5410010 Equity shares	7,50,000 Equity shares

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5:

Mr. Dipak Mistry was appointed by the Board of Directors as an Additional Director of the Company with effect from 14th August 2013 and holds office upto the date of the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act 1956 and Article 132 of the Articles of Association.

The Company proposes the candidature of Mr. Dipak Mistry as Directors of the Company. The Board recommends passing of the resolutions set out in Item No. 5 of the Notice for your approval.

None of the Directors except Mr. Dipak Mistry are concerned or interested in the resolution.

Item No. 6:

Section 293(1)(d) of the Companies Act, 1956 provides inter alia that the Board of Directors of Public Company shall not borrow in excess of the paid up capital and free reserves of the Company except with the consent of the Company in General Meeting.

Keeping in view the future growth plans and fund requirement of the Company, it is proposed to authorise the Board of Directors under Section 293(1)(d) of the Companies Act, 1956 to borrow funds in excess of the paid up capital and free reserves of the Company to the extent of Rs.50 Crores (Rupees Fifty Crores only).

None of the Directors are deemed to be concerned or interested in the said resolution.

The resolution is therefore proposed for the approval of the Members.

By Order Of the Board Of Directors

For **MAXIMAA SYSTEMS LIMITED**

Nitya Babu
Company Secretary

Place: Valsad
Date: 14.08.2013

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting the 23rd Annual Report and Audited Accounts of the Company for the year ended March 31, 2013.

FINANCIAL RESULTS:

The summarized financial performance of the Company for the financial year ended March 31, 2013 as compared to previous year is as under:

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
Revenue	24,35,05,305	20,94,24,597
Profit/Loss Before Taxes (PBT) (Adjusted Profit)	(54,82,007)	(92,19,142)
Profit/Loss After Tax (PAT) (Adjusted Profit)	(54,82,007)	(94,68,716)
Profit/Loss Brought from Previous year	(94,68,716)	(74,48,118)
Profit/Loss carried to balance Sheet (after Adjustment)	(2,23,98,841)	(1,69,16,834)

FINANCIAL HIGHLIGHTS/PERFORMANCE:

During the year under review, the Company has recorded an increase in operating revenue by 16.27%, compared with the previous year.

Further the Income from sales of products has increased from Rs. 8,42,14,111 to 10,40,47,644. The I.T. Division earned Rs.4,15,83,569 (Previous year Rs.1,59,35,822) as service charges.

DIVIDEND:

The Board does not recommend any dividend for the year ended March 31, 2013.

FIXED DEPOSITS:

The Company has not accepted any deposit from public/shareholders in accordance with section 58A of the Companies Act, 1956 and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Manoj Shah & Dr. Milan Desai, Directors of the Company, shall retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Dipak Mistry is appointed as an Additional Director w.e.f 14th August 2013. His appointment as director is proposed in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, 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 departure.
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the Profit of the Company for that year;
- (iii) the directors 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 the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis.

AUDITORS:

M/s D.D. Desai & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s D.D. Desai & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits of section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such appointment within the meaning of section 226 of the Companies Act, 1956.

AUDITORS' REPORT:

Auditors Report is self-explanatory and do not call for any explanation and clarification by directors.

COST AUDITORS:

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records relating to Pharmaceutical Products (Proyurveda and Nutraceutical- Ayurvedic preparations) every year. The Company has appointed M/s B.F. Modi & Associates, Cost Accountants, as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2013–14. The cost audit report for the financial year 2011–2012 which was due to be filed with the Ministry of Corporate Affairs within 180 days from the close of the company's financial year to which the report

relates or by February 28, 2013, whichever is later as per the Circular No. 2/2013 was filed on January 26, 2013.

CORPORATE GOVERNANCE:

A Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchanges, forms part of the Annual Report.

Your Company has been in compliance with all the norms of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report of financial condition and results of operations of the Company for the year under review as required under Clause 49 of the Listing Agreement entered with the Stock Exchanges, is given as separate statement forming part of the Annual Report.

STATUTORY INFORMATION:

A. PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the company do not have any employee drawing salary in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars Of Employees) Rules 1975 the particulars should be treated as NIL.

B. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Conservation of Energy

- a. Energy conservation measures taken: None at present
- b. Additional investment and proposals, if any, being implemented for reduction of consumption of energy: There are no proposals.
- c. Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Does not arise.
- d. Total energy consumption and energy consumption per unit of production as per Form "A" to annexure in respect of industries specified in the schedule thereto: Not Applicable.

b) Technology Absorption

Research & Development (R & D):

- a. Specific area in which R & D carried by the company: None at Present
- b. Benefits derived as a result of the above R & D: Does not arise.

- c. Future plan of action: At present it is not under consideration
- d. Expenditure on R & D: Nil

Technology absorption, adaptation and innovation:

- a. Efforts being made towards technology absorption, adaptation and innovation: None
- b. Benefits derived as a result of the above efforts e.g. Product improvement cost, reduction, product development, import substitution etc. : None
- c. Imported technology: Not applicable as technology has not been imported.

c) Foreign Exchange Earnings and Outgo: As per balance Sheet

INDUSTRIAL RELATIONS:

The industrial relations continued to be cordial during the year under review.

ACKNOWLEDGMENTS:

Your Directors would like to express their sincere appreciation for the cooperation and assistance received from the Authorities, Stock Exchanges, Registrar and Share Transfer Agents, Business Associates, employees, customers, suppliers, company's bankers as well as our Shareholders at large during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the satisfactory performance during the year.

FOR AND ON BEHALF OF THE BOARD

MANOJ SHAH
CHAIRMAN AND MANAGING DIRECTOR

Place: VALSAD

Date: 14.08.2013

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Your company is divided into the following divisions for its smooth operations and segment wise reports.

1. Storage Systems:

Your Storage System includes Heavy duty racks, Two / Three tier storage systems, slotted angle racks, mobile compactor system, industrial and office furniture, storage for retail sector, Polymer Pallets, Steel Pallets etc. The core strength of the company is its specific expertise in designing, manufacturing and installing.

2. Infoways:

This division is primarily focused in providing Business Process Outsourcing services in the area of software development, back office operations and administration for medium and large enterprises, Image processing, customer service etc.

This division is dedicated to provide trusted, reliable and cost-effective IT-enabled outsourcing solutions for critical, but non-core financial processes to enhance companies' competitive advantage and profitability. Its core competencies include business process outsourcing and software application development.

Anticipating the growing global needs of Cloud Computing applications and software, we have invested in training and hiring developers specifically for the same.

3. Proyurveda:

During the year, the Company concentrated mainly on development. The prime focus was on exports. We have selected 20 unique formulations for exports from the current product basket. Your company has also formulated new Anti- Malaria product by the brand name 'Promalarid' for African markets. Various documentations which include protocol, clinical trials, monograph, CTD (Common Technical Dossiers), Product Master Files, Clinical study documents, etc. is in progress.

In the coming year, we intend to register the products on the international front in countries like Hungary, Kazakhstan, Malaysia, United States and Tanzania.

STRENGTHS & OUTLOOK ON OPPORTUNITIES:

The Company continues to strengthen its position as a leading globally integrated Company by successfully differentiating its products and service offerings and increasing the scale of its operations.

REVIEW OF OPERATIONAL AND FINANCIAL PERFORMANCE:

The Audited Financial Results are given for the financial year ended on 31st March, 2013. The report contains review of the operations of the Company. The Company earned a revenue of Rs.243,505,305 as against revenue of Rs. 209,424,597 in the last year and the net loss after tax recorded by the Company was Rs.

(5,482,007) as against loss of Rs.(9,468,716). This loss is on account of the depreciation of goodwill which was created during merger, otherwise there is no cash loss during the period. The Company incurred total operating expenses of Rs 248,987,312 as against Rs.218,643,739.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

This is mentioned as a segment to the Balance Sheet.

RISK MANAGEMENT:

The Company has national as well global business interests and is exposed to business risks which may be internal as well as external. The Company has a comprehensive risk management system in place, which enables it to recognize and analyze risks early and to take the appropriate action.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company maintains a system of strict Internal Control, including suitable monitoring procedures. The Company's internal control procedures are tailored to match the organization's pace of growth and increasing complexity of operations. These ensure compliance with various policies, practices and statutes. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

HUMAN RESOURCE DEVELOPMENT:

Your Company's human resource management systems and processes are designed to enhance employee engagement, organizational capability and vitality so as to ensure that each of the businesses is world class is positioned for competitive superiority and capable of achieving your Company's ambitious plans for growth. A key component of your Company's human resource strategy is the unique strategy of organization that ensures that each business is enabled to focus on its own product market while at the same time, leverages the synergies of a multi-business conglomerate.

This year the employee strength stood at 201. The Company's provides congenial work environment, performance oriented work culture, knowledge acquisition/dissemination, creativity and responsibility. The Company enjoys cordial relations with the employees at all levels.

EMPLOYEE RELATIONS:

Peaceful and cordial relations continue with the employees. The Management wishes to place on record its acknowledgement and appreciation for the support extended by all the employees of the Company.

CAUTIONARY STATEMENT:

The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts its business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stems from the culture and mindset of the organization. Corporate Governance is an integral part of management, execution of business plans, policies and processes as the Company believes that it is a tool to attain and enhance the competitive strengths in business and ensure sustained performance for continuously enhancing the value for every stakeholder. Accordingly, Maximaa Systems Limited (MSL) endeavors to adhere to the highest levels of transparency, accountability and ethics in all its operations fully realizing at the same time its social responsibilities.

Through its corporate governance measures, the Company aims to maintain transparency in its financial reporting and keep all its stakeholders informed about its policies, performance and developments. Maximaa Systems Limited (MSL) will contribute to sustain stakeholder confidence by adopting and continuing good practices, which is at the heart of effective corporate governance. It envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations.

2. BOARD OF DIRECTORS:

According to Clause 49 of the Listing Agreement, if the Chairman is Executive, at least half of the Board should consist of independent Directors. As on 31.03.2013 your Board consists of 6 Directors, out of which 3 Directors are independent, constituting 50% of total size of Board.

The Board comprises of directors of repute, who are experienced businessmen, professionals and executives. The Executive Directors include senior directors commanding respect in the industry for their valuable experience and contribution. They look after their areas of responsibilities independently and seek guidance from the Chairman and Managing Director in all critical matters. MSL's management team endeavors to adhere to the directions of the Board.

COMPOSITION OF BOARD OF DIRECTORS AND PARTICULARS THEREOF:

Sl. No.	Name of Director	Category of Directorship	No. of Board Meeting attended during the year	Whether attended last AGM
1	Mr. Manoj Shah	Managing Director; Executive	4	Yes
2	Mr. Mayur Shah	Joint Managing Director; Executive	4	Yes
3	Mr. Mahesh Shah	Joint Managing Director; Executive	4	Yes
4	Dr. D.R.K. Reddy	Independent Director; Non Executive	4	Yes
5	Dr. Milan Desai	Independent Director; Non Executive	4	Yes
6	Mr. Milan Chitalia	Independent Director; Non- Executive	3	Yes

Note: Except Mr. Manoj Shah, Mr. Mayur Shah and Mr. Mahesh Shah who are brothers, no other director is related to any other director listed above.

*Mr. Milan Chitalia has resigned from the directorship in financial year 2013-14 and Mr. Dipak Mistry has been appointed as an Additional Director of the Company.

RE- APPOINTMENT OF DIRECTORS:

Mr. Manoj Shah and Dr. Milan Desai are directors liable to retire by rotation and being eligible offer themselves for re-appointment.

OUTSIDE DIRECTORSHIPS AND MEMBERSHIP OF BOARD COMMITTEES:

Sl. No.	Name	Number and Name of Directorships in other Public Companies.	No. of Committee position held in other Companies	
			Chairman	Member
1	Mr. Manoj Shah	Anukaran Commercial Enterprises Limited Essenzaa Lifescience Limited	Nil	Nil
2	Mr. Mayur Shah	Nil	Nil	Nil
3	Mr. Mahesh Shah	Nil	Nil	Nil
4	Dr. D.R.K. Reddy	Nil	Nil	Nil
5	Dr. Milan Desai	Nil	Nil	Nil
6	Mr. Milan Chitalia	-	Nil	Nil

Notes:

- 1) Directorship held by Directors in other companies does not include alternate directorships, directorships in foreign companies, Section 25 and private limited companies.
- 2) In accordance with Clause 49, Chairmanships/Memberships only in Audit Committee & Shareholders Grievance Committee of public limited companies have been considered for committee positions.
- 3) None of the directors is a member in more than 10 committees and is not a Chairman in more than 5 committees across the Companies in which he is a director.

BOARD MEETINGS:

During the year ended 31st March, 2013, the Board met 4 times on 14th May, 2012, 14th August, 2012, 10th November, 2012 and 14th February, 2013 . The gap between any two Board Meetings did not exceed four months.

CODE OF CONDUCT:

Pursuant to Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange, the Company has adopted code of conduct for Directors and Senior Management Personnel. All the members of the Board and Senior Managerial Personnel have affirmed compliance to the Code of Conduct as on March 31, 2013 and a declaration to that effect signed by the Managing Director is attached and forms part of this Report.

BOARD COMMITTEES:

In terms of Clause 49 of the Listing Agreement, the Board has constituted three committees i.e. Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee.

(A) AUDIT COMMITTEE:

- (I) The Audit Committee functions in the ambit of Companies Act, 1956, listing requirements applicable to the Company that defines its Composition, Authority, Responsibility and Reporting functions. The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 of the Listing Agreement. The Scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functions as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 1956.

(II) COMPOSITION OF THE AUDIT COMMITTEE:

In Compliance with Clause 49 of the Listing Agreement and as per the requirements of Section 292A of Companies Act, 1956, an Audit Committee has been constituted and consists of the following members:

The Composition and attendance in committee meeting during the year:

Name of Director	Position	Meetings held	Meetings attended
Dr. Milan Desai	Chairman	4	4
Dr. D.R.K. Reddy	Member	4	4
Mr. Mayur Shah	Member	4	4
Mr. Milan Chitalia	Member	4	3

The primary objective of the Audit Committee is to monitor and supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and financial reporting.

(III) TERMS OF REFERENCE:

The Audit Committee while exercising its functions has powers including but not limited to following:

1. To investigate any matter referred to Committee or specified in Section 292A of The Companies Act, 1956.

2. To review unaudited financial results and report of internal auditors and statutory auditors.
3. To report on any matter relating to financial management.

The information as prescribed under Clause 49 (II) (e) of the Listing Agreement has been reviewed from time to time.

(B) REMUNERATION COMMITTEE:

(I) COMPOSITION OF THE REMUNERATION COMMITTEE:

In compliance with Clause 49 of The Listing Agreement, read with Schedule XIII of the Companies Act, 1956, the Remuneration Committee of the Board consists of the following directors:

Name of Director	Position
Dr. D.R.K. Reddy	Independent Director
Dr. Milan Desai	Independent Director
Mr. Milan Chitalia	Independent Director

(II) REMUNERATION OF DIRECTORS:

Non-Executive Directors Compensation & Disclosures:

No Sitting Fees was paid to any Director. No Commission was paid to any Director.

Note:

- a. No bonuses, stock options and pension were paid to the Directors.
- b. No incentives linked with performance are given to the Directors.
- c. The Company has no stock option scheme and so no stock options are held by the Executive Directors.
- d. The term of Executive Directors is for a period of 5 years from the respective date of appointment. The Company does not have any service contract with any of the directors.
- e. Besides above remuneration, all the Executive Directors are also entitled to Company's contribution to Provident Fund, Gratuity and encashment of leave, as per rules of the Company.

(C) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

In compliance with Clause 49 of the Listing Agreement, the Shareholders/Investors Grievance Committee has been constituted by the Board for a speedy disposal of grievances / complaints relating to shareholders/investors.

Name of Director	Position
Mr. Manoj Shah	Chairman
Dr. D.R.K. Reddy	Members
Dr. Milan Desai	Members

The committee specifically looks into the redressal of shareholder and investor complaints on matters relating to transfer of shares, dematerialization/ rematerialisation, Split of shares, consolidation of share certificates, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends etc. in addition, the committee advises on matters which can facilitate better investor services and relations. As per the Certificate issued by our Registrar and Share Transfer Agents (RTA), PurvaSharegistry (India) Private Limited, during the year under review; whatever complaint was received from shareholders/investors, was replied/ resolved to the satisfaction of the shareholders/investors and nothing was pending as at March 31,2013.

4. GENERAL BODY MEETINGS:

(i) The details of Annual General Meetings held in last 3 years are as under:

Year	Day, Date and Time	Venue
2011-2012	Friday, 28 th day of September, 2012 at 9:00 A.M.	At Registered Office of the Company at Suraj Estate, Kailash Road, Valsad- 396 001
2010-2011	Friday, 30 th day of September, 2011 at 9:00 A.M.	At Registered Office of the Company at Suraj Estate, Kailash Road, Valsad- 396 001
2009-2010	Wednesday, 15 th day of September, 2010 at 11:00 A.M.	At Registered Office of the Company at Suraj Estate, Kailash Road, Valsad- 396 001

Special Resolutions passed:

- (a) At the 22nd Annual General Meeting held on 28th day of September, 2012, no special resolution was passed.
- (b) At the 21st Annual General Meeting held on 30th day of September, 2011, three special resolutions were passed.
- (c) At the 20th Annual General Meeting held on 15th day of September, 2010, no special resolution was passed.

- (ii) The Company did not pass any resolution by way of Shareholders approval through postal ballot during the year ended March 31, 2013. No special resolution has been proposed to be passed by way of Postal Ballot.

5. DISCLOSURES:

- i) Disclosures on materially significant related party transactions

There is no significant or material related party transactions that have taken place during the year, which have any potential conflict with the interest of the Company at large. The detailed related party information and transactions have been provided in Note No. 30 forming part of Annual Report.

All related party transactions are negotiated at arm's length basis and are only intended to further the interest of the Company.

- ii) Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

- iii) **Whistle blower Mechanism:**

The Company has a whistle blower mechanism wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practices.

6. MEANS OF COMMUNICATION:

The Company regularly intimates and publishes its audited/un-audited results in all the editions of Chanakya (English) and Newslite (Gujarati) newspaper in the State of Gujarat where Registered Office of the Company is situated. Quarterly results were sent to the Stock Exchanges immediately after the Board approved them. The financial results, official releases and other relevant information are regularly and promptly updated on the web site of the Company namely www.maximaasystems.com.

During the year the Company displayed official news releases.

No presentations were made to the institutional investors or to analysts during the year under review.

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information is circulated to members and others entitled thereto.

7. COMPLIANCE CERTIFICATE:

The certificate regarding compliance of conditions of clause 49 of the Listing Agreement from the Practicing Company secretary of the company is annexed hereto.

8. GENERAL SHAREHOLDERS INFORMATION:

(i) Annual General Meeting:

Date: Friday, 27th September, 2013

Time: 9:00 A.M.

Venue: Suraj Estate, Kailash Road, Valsad-396 001

(ii) Financial Calendar:

Financial year: 1st April, 2012 to 31st March, 2013

(iii) Tentative calendar of Board meetings for Financial Year 2013-14:

First Quarter	-	On or before 14 th August, 2013
Second Quarter	-	On or before 14 th November, 2013
Third Quarter	-	On or before 14 th February, 2014
Fourth Quarter	-	On or before 30 th May, 2014

(iv) Book Closure:

The book closure period is from 23rd September, 2013 to 27th September, 2013, inclusive of both days.

(v) Dividend:

The Company has not declared any dividend during the year.

(vi) Listing on Stock Exchanges:

- a) The Company's equity shares are listed and traded from 1994 on the following Stock Exchanges-

Name of Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE)	526538

- b) Annual listing fees to Bombay Stock Exchange for the year 2012-2013 has been paid.

The ISIN Number (or demat number) of Maximaa Systems Limited on both NSDL and CDSL is INE161B01036 .The Company has also paid the annual custody fee for the financial year 2012-2013 to both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

(vii) Stock Data:

Table given below shows the monthly high and low share prices and volumes of Maximaa Systems Limited at the Bombay Stock Exchange Limited, Mumbai (BSE) for the year ended March 31, 2013.

Monthly share price data and volumes. BSE

Month	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April, 2012	13.25	8.17	1924110
May, 2012	8.59	5.62	831418
June, 2012	11.14	5.75	332923
July, 2012	10.6	6.6	407154
August, 2012	7.66	4.53	404833
September, 2012	4.7	3.6	312848
October, 2012	4.75	4	144954
November, 2012	4.67	3.56	124062
December, 2012	3.64	2.9	271429
January, 2013	3.6	2.61	92938
February, 2013	2.99	2.17	71424
March, 2013	2.51	2.05	377835

Source: BSE Website.

(viii) Share transfer system:

In terms of SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002, the Company is providing facility of a common agency for all the work related to share registry in terms of both physical and electronic at a single point by its **Registrar and Share Transfer Agents, (RTA) i.e., PurvaSharegistry (India) Private Limited**, whose address is given below:

PurvaSharegistry (India) Private Limited

Unit no 9, Shiv Shakti IndEstt, JR BorichaMarg, Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai – 400011
E-mail id - busicomp@vsnl.com
purvashr@mtnl.net.in

Contact Person:

Mr. Rajesh Shah/V.B. Shah
Ph: 022-2301 0771/8261
Fax: 022-2301 2517

Mr. Manoj Shah, Director and the Company Secretary are severally empowered to approve transfer. The Company obtains from a Practicing Company Secretary half yearly certificate of compliance as required under Clause 47(c) of the Listing Agreement and files the same with Stock Exchanges.

(ix) Reconciliation of Share Capital Audit Report:

The Securities and Exchange Board of India has directed vide circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 that all issuer companies shall submit a certificate of capital

integrity, reconciling the total shares held in both the Depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital.

The said certificate, duly certified by the Practicing Company Secretary is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter.

(x) Shareholding Pattern:

Table given below shows the shareholding pattern of Maximaa Systems Limited as on March 31, 2013.

a) Distribution of Shareholding by size, as on March 31, 2013:

Category		Number of shareholders	% of Total	No. of Shares (InRs.)	% of Total
From	To				
1	5000	6364	89.17	7061350	7.03
5001	10000	383	5.37	2848748	2.84
10001	20000	198	2.77	3022138	3.01
20001	30000	47	0.66	1194018	1.19
30001	40000	20	0.28	709550	0.71
40001	50000	20	0.28	923808	0.92
50001	100000	44	0.62	3195346	3.18
100001	Above	61	0.85	81517552	81.13
		7137	100.00	100472510	100.00

b) Categories of Shareholding as on March 31, 2013:

S/No.	Category	Shares held (No.)	% of holding
1	Promoters and Promoters Group	17934310	35.70
2	Mutual Funds & UTI	-	-
3	Banks, Financial Institutions, Insurance Companies, Central/ State Gov. Institutions/ Non-governmental Institutions, Venture Capital	-	-
4	Foreign Institutional Investors (FIIs)	-	-
5	Private Corporate Bodies	6116242	12.17
6	Indian Public	21856106	43.51
7	NRIs/OCBs	4285482	8.53
8	Clearing Members	44115	0.09
	TOTAL	50236255	100.00

c) Dematerialization of shares as on March 31, 2013:

Form	No. of Shares	% of Total
Held in dematerialized form in CDSL	16488360	32.82%
Held in dematerialized form in NSDL	32498050	64.69%
Physical form	1249845	2.49%
Total	50236255	100.00

The Company's shares are regularly traded on Bombay Stock Exchange Limited, in electronic form.

d) Outstanding GDRs/ADRs/ warrants or any convertible instrument, conversion dates and likely impact on equity:

The Company has not issued any Global Depository Receipts/American Depository Receipts/ Warrants or any convertible instruments.

e) **Plant Location:**

Maximaa Systems Ltd., Storage System

Block No. 337/2, situated at village Bamti, Taluka Dharampur
Dist., Valsad (Gujarat),
Ph: 02633 - 242 114,
Fax: 02632 - 222 302

Maximaa Systems Ltd., Storage System

Plot No. 804-808, GIDC, Gundlav, Valsad (Gujarat).
Ph: 02632 – 236 111, **Fax:** 02632 - 222 302

Maximaa Systems Ltd, Information Technology Development Centre

B-17, Yashkamal, Tithal Road, Valsad- 396 001
Ph : 02632 – 222 402/403, **Fax** : 02632- 222 302

Maximaa Systems Limited, Pharma

7/23, Medipally Village, Before CPRI, Uppal-500 039
R.R. District, AP (India) Telefax: 040-2720 6742

f) **Address for correspondence:**

(1) Investors and shareholders can correspond with the Company at the following address:-

The Company Secretary

240, Naman Plaza, S.V. Road, Kandivali (W), Mumbai- 400 067
Ph: 022- 2864 8478/2801 2704. **Fax:** 022- 6710 2400
E-mail: cs@maximaasystems.com / **Website:** www.maximaasystems.com

(2) The Registrar and Share Transfer Agents of the Company at –

Purvasharegistry (India) Private Limited

Mr. Rajesh Shah/ V.B. Shah,
Unit no 9, Shiv Shakti IndEstt, JR BorichaMarg, Opp. Kasturba Hospital Lane
Lower Parel (E), Mumbai - 400011
Ph: 022- 2301 0771/2301 8261
Fax: 022- 23012517
E-mail id –busicomp@vsnl.com / purvashr@mtnl.net.in

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,
The Members of
MAXIMAA SYSTEMS LIMITED

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2013.

Manoj Shah
Chairman and Managing Director

Place: Valsad
Date: 14th August, 2013

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Maximaa Systems Limited

We have examined the compliance of conditions of Corporate Governance by Maximaa Systems Limited as at 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementations 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 our best information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

PLACE : SURAT
DATE : 14th August, 2013

FOR DALAL & CO.
COMPANY SECRETARIES

KUNJAL DALAL
C.P. NO. 3863

Independent Auditor's Report

**To the Members of
MAXIMAA SYSTEMS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **MAXIMAA SYSTEMS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Matters

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For D D Desai & Associates
Chartered Accountants
Firm Regn. No. : 102297W

D D Desai
Proprietor
Membership No. : 042031

Place : VALSAD
Date : 30th May 2013

ANNEXURE TO AUDITOR'S REPORT

On the basis of checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

(i) **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 during the year in a phased manner, which in our opinion is reasonable having regard to the size of the Company and nature of its Assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed of any substantial / major part of Fixed Assets, and therefore going concern status of the Company is not affected.

(ii) **INVENTORIES :**

- (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, 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 is maintaining proper records of inventory. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records and the same have been properly dealt with in the books of account.

(iii) **LOANS :**

- (a) The Company has granted interest free advance to parties covered in the register maintained under Section 301 of the Companies Act 1956, as detailed in the Related Party Disclosure at Note No.- 30 of the Notes Forming Parts of Accounts.
- (b) According to the information and explanations given to us and in our opinion the terms and condition on which such advances have been given to parties listed in register maintained under section 301 of the Companies Act are not prima facie prejudicial to the interest of the Company.
- (c) The parties are regular in repaying the advances, or they are either being adjusted or being repaid regularly.

(d) In view of the above answer to clause “c”, this clause is not applicable.

(e) The Company has not accepted any interest free loan from any party covered under register maintained under Section 301 of the Companies Act. In view of the same, clause iii(f) and iii(g) of the Order are not applicable to the Company.

(iv) INTERNAL CONTROL PROCEDURES:

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and Fixed Assets and for the sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal controls.

(v) TRANSACTION WITH RELATED PARTY:

Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangement with related party that need to be entered into the Register maintained under Section 301 have been so entered

In our opinion and according to the information and explanations given to us, the transactions made in pursuance to such contracts or arrangements and exceeding the value of five lakh rupees have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at relevant times.

(vi) PUBLIC DEPOSITS:

The Company has not accepted any deposits from the public.

(vii) INTERNAL AUDIT

As per information and explanation given to us, in our opinion the Company has an Internal Audit System commensurate with size and nature of business of the Company.

(viii) COST RECORDS:

The Company has maintained cost records prescribed by the Central Government pursuant to the rules made by the Central Government under section 209(1)(d) of the Companies Act 1956, in respect of the products of the Company.

(ix) STATUTORY DUES:

(a) According to the information and explanations given to us and the records examined by us, undisputed arrears of statutory dues outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable are as under. :-

SR NO	PARTICULARS	AS ON31 st March 2013	AS ON31 st March 2012
1	TDS	4,85,153.00	-
2	Provident Fund	4,07,683.00	-
3	VAT	5,35,558.00	-
4	CST	3,03,757.00	-
5	Profession Tax	3,24,635.00	1,51,644.00

The above figures includes Employer Contribution to Provident Fund for Rs.54,000/- (Previous Year Rs. NIL) not provided for.

(x) ACCUMULATED LOSSES:

The Company has an accumulated loss of Rs.2,23,98,841/- (Previous Year Rs. 1,69,16,834/-) at the end of the financial year under reference. However, the accumulated loss does not exceed 50% of the Net Worth of the Company. The Company has not incurred any cash loss either during the year under reference or in the previous year.

(xi) REPAYMENT OF DUES OF FINANCIAL INSTITUTIONS:

Based on our audit procedures and the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institution or bank.

(xii) LOANS & ADVANCES AGAINST SHARES, DEBENTURES AND OTHER SECURITIES:

Based on our examination of the records and according to the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) CHIT FUND COMPANY OR NIDHI/MUTUAL BENEFIT FUND/SOCIETY:

In our opinion, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore clause (xiii) of the Order is not applicable to the Company.

(xiv) MAINTENANCE OF RECORDS FOR DEALING / TRADING IN SHARES, SECURITIES, DEBENTURES & OTHER INVESTMENTS:

The Company is not dealing or trading in shares, securities, debenture or other investments. Hence Clause (xiv) of the Order is not applicable to the Company.

(xv) GUARANTEE:

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

(xvi) UTILIZATION OF TERM LOAN FUND:

The Company has not raised any new Term Loan during the year, the Term Loan outstanding at the beginning of the year were applied / utilized for the purpose for which they were raised.

(xvii) MISMATCH BETWEEN SHORT TERM / LONG TERM FUNDS:

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized fund raised on short-term bases for Investment on Long Term bases.

(xviii) PREFERENTIAL ALLOTMENT OF SHARES:

Based on our audit procedures and the information and explanations given to us, during the year, the Company has not allotted any shares on preferential basis.

(During the previous year, the Company has allotted 1,50,000 Equity Shares of Rs.10/- each to Shri Milan Desai and 1,50,000 Equity Shares of Rs.10/- each to M/s Tanushir Mercantile Private Limited, both at a Premium of Rs.16/- per share on a preferential basis.)

(xix) CREATION OF SECURITIES FOR ISSUE OF DEBENTURE:

During the year under audit, the Company has not issued any debentures.

(xx) END USE OF MONEY RAISED BY PUBLIC ISSUE:

During the year under audit, the Company has not raised any money by public issues.

(xxi) FRAUD ON OR BY THE COMPANY:

As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during this year, which causes the financial statements to be materially misstated.

For D D Desai & Associates
Chartered Accountants
Firm Regn. No. : 102297W

D D Desai
Proprietor
Membership No. : 042031

Place : VALSAD
Date : 30th May 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	100,472,510	100,472,510
(b) Reserves and Surplus	2	38,027,089	43,509,096
(2) Equity Share Application Money		5,365,000	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	15,590,944	17,582,169
(b) Long-Term Provisions	4	3,609,168	2,942,613
(c) Long Term Liabilities	5	2,165,000	1,965,000
(4) Current Liabilities			
(a) Short-Term Borrowings	6	61,737,200	60,231,852
(b) Trade Payables		74,420,861	57,242,340
(c) Other Current Liabilities	7	16,274,346	12,958,949
(d) Short-Term Provisions	8	3,688,115	3,389,366
Total		<u>321,350,233</u>	<u>300,293,895</u>
II ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	9		
(i) Tangible Assets		53,020,257	56,158,117
(ii) Intangible Assets		31,255,845	44,619,005
(b) Non-Current Investments	10	827,000	-
(c) Long Term Loans and Advances	11	10,713,070	10,631,490
(d) Other Non-Current Assets	12	900,000	900,000
(2) Current Assets			
(a) Inventories	13	65,702,404	62,997,666
(b) Trade Receivables	14	94,421,887	83,442,296
(c) Cash and Cash Equivalents	15	12,391,666	16,047,597
(d) Short-Term Loans and Advances	16	50,459,293	24,763,850
(e) Other Current Assets	17	1,658,811	733,874
Total		<u>321,350,233</u>	<u>300,293,895</u>
As per our Attached Report of Even Date For D.D.Desai & Associates Chartered Accountants		FOR AND ON BEHALF OF THE BOARD OF DIRECTORS	
D.D.DESAI Proprietor Membership No. 042031 F.R.No.102297W		MANOJ SHAH Managing Director	MAYUR SHAH Jt. Managing Director
Place: Valsad Date: 30th May, 2013		MAHESH SHAH Jt. Managing Director	NITYA BABU Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	Note No	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
I Net Sales from Operations(Net of Excise Duty)	18	243,094,645	206,794,473
II Other Income	19	410,660	2,630,124
III Total Revenue (I +II)		<u>243,505,305</u>	<u>209,424,597</u>
IV Expenses:			
a Cost of Materials Consumed	20	59,818,748	54,159,971
b Purchase of Stock-in-Trade	21	101,897,997	98,178,611
c Manufacturing & Opertaing Costs	22	16,377,456	13,940,186
d Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(727,049)	(15,481,997)
e Employee Benefit Expenses	24	25,861,819	23,616,151
f Financial Costs	25	11,619,191	9,190,265
g Depreciation and Amortization Expenses		16,755,888	16,199,484
h Other Expenses	26	17,383,262	18,841,068
Total Expenses		<u>248,987,312</u>	<u>218,643,739</u>
V. Profit before exceptional and extraordinary items and tax (III - IV)		(5,482,007)	(9,219,142)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(5,482,007)	(9,219,142)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<u>(5,482,007)</u>	<u>(9,219,142)</u>
X. Tax Expense :-			
Income Tax for Earlier Year		-	249,574
XI Profit/(Loss) for the period (IX + X)		<u>(5,482,007)</u>	<u>(9,468,716)</u>
XII. Earning per equity share:			
Basic & Diluted		(0.11)	(0.19)

As per our Attached Report of Even Date
For D.D.Desai & Associates
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

D.D.DESAI
Proprietor
Membership No. 042031
F.R.No.102297W

MANOJ SHAH
Managing Director

MAYUR SHAH
Jt. Managing Director

Place: Valsad
Date: 30th May, 2013

MAHESH SHAH
Jt. Managing Director

NITYA BABU
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	AS AT 31ST MARCH, 2013 (RS.)	AS AT 31ST MARCH, 2012 (RS.)
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Loss before Exceptional & Extraordinary Items & Tax	(5,482,007)	(9,219,142)
Adjustments for :		
Depreciation	16,755,888	16,199,484
Interest & Expenses on Borrowings	11,619,191	9,190,265
Interest Income	(249,974)	(137,672)
Sundry Balances Written Off (Written Back)	(81,995)	375,890
Provision for Gratuity No Longer Required	-	(1,843,536)
Adjustments for pending Foreign Exchange Realisations	(939,505)	(691,620)
	27,103,605	23,092,811
Operating Profit before Working Capital Changes	21,621,598	13,873,669
Adjustments for :		
Trade Receivables & Other Assets	(38,823,787)	11,950,215
Inventories	(2,704,738)	(19,068,883)
Trade Payables & Other Liabilities	21,659,222	(22,030,808)
	(19,869,303)	(29,149,476)
NET CASH FLOW FROM OPERATING ACTIVITIES A	1,752,295	(15,275,807)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	254,868	(11,459,560)
Interest Income	249,974	137,672
Share Application Money	827,000	-
NET CASH FLOW FROM INVESTING ACTIVITIES B	1,331,842	(11,321,888)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Preferencial Allotment of Shares	-	7,800,000
Equity Share Application Money	5,365,000	-
Borrowings (Net)	(485,877)	42,922,234
Interest & Expenses on Borrowings	(11,619,191)	(9,190,265)
NET CASH FLOW FROM FINANCING ACTIVITIESC	(6,740,068)	41,531,969
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(3,655,931)	14,934,274
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL 2012 (OPENING BALANCE)	16,047,597	1,113,323
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH 2013 (CLOSING BALANCE)	12,391,666	16,047,597

Note :-

- 1 The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 'Cash Flow Statement' as specified in the Companies (Accounting Standard) Rule 2006.
- 2 Previous year's figures have been regrouped / reclassified wherever considered necessary.

As per our Attached Report of Even Date
For D.D.Desai & Associates
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

D.D.DESAI
Proprietor
Membership No. 042031
F.R.No.102297W

MANOJ SHAH
Managing Director

MAYUR SHAH
Jt. Managing Director

Place: Valsad
Date: 30th May, 2013

MAHESH SHAH
Jt. Managing Director

NITYA BABU
Company Secretary

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Note 1		
a		
<u>Share Capital</u>		
<u>Authorised Capital</u>		
10,10,00,000 Equity Shares of Rs.2/-each (Previous year 10,10,00,000 Equity Shares of Rs.2/-each)	<u>202,000,000</u>	<u>202,000,000</u>
b		
<u>Issued, Subscribed & Paid-Up Capital</u>		
5,02,36,255 Equity Shares of Rs.2/- each (Previous Year 5,02,36,255 Equity Shares of Rs.2/- each) fully paid up.	<u>100,472,510</u>	<u>100,472,510</u>
Total	<u>100,472,510</u>	<u>100,472,510</u>
<u>Issue of Shares otherwise than in cash during last five years</u>	No. of Shares	No. of Shares
1 Equity Shares of Rs.10/- each were issued to the shareholders of Maximaa infoways Pvt. Ltd. and Mapara Furnitures Pvt. Ltd. In accordancw with the scheme of amalgamation.	-	56,953,470
2 Equity Shares of Rs.10/- each were issued to the Adfac Laboratories Pvt. Ltd. to acquire business of Proyurvedic Formulations.	-	700,060
3 Equity Shares of Rs.10/- each were issued Malireddy Srinivasulu Reddy against acquisition of Licence to Use Patents for Maximaa Proyurveda.	-	850,500
<u>Details of Share held by Shareholders holding more than 5 % of the aggregate shares in the Company</u>		
	As at 31st March, 2013	As at 31st March, 2012
	No of Shares Held	% of Holding
	No of Shares Held	% of Holding
Manoj Shah	5,410,010	10.77
Mayur Shah	4,633,205	9.22
Mahesh Shah	4,801,345	9.56
Malireddy Srinivasulu Reddy	4,253,000	8.47
Adfac Laboratories Pvt Ltd	-	-
	3,499,800	6.97
<u>Reconciliation of No. of Shares outstanding at the beginning and at the end of the year</u>		
	No. of Shares	No. of Shares
<u>Equity Shares of Rs.10/- each</u>		
No. of Shares at the beginning of the year	-	8,896,751
Add : Equity Shares issued at a premium of Rs.5/- each (Previous Year at a premium of Rs Nil/- each)	-	850,500
Add : Equity Shares issued at a premium of Rs.16/- each (Previous Year at a premium of Rs Nil/- each)	-	300,000
Less : Equity Shares converted into Equity Shares of Rs.2/- each	-	10,047,251
Equity Shares at the end of the year	<u>-</u>	<u>-</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<u>Equity Shares of Rs.2/- each</u>		
No. of Shares at the beginning of the year	50,236,255	-
Add : Equity Shares issued during the year	-	50,236,255
Equity Shares at the end of the year	50,236,255	50,236,255
Note 2 <u>Reserves and Surplus</u>		
a <u>Share Premium</u>		
Opening Balance	48,245,930	43,445,930
Add: Share Premium Received on Allotement of Shares	-	4,800,000
Closing Balance	48,245,930	48,245,930
b <u>Capital Reserve</u>		
Opening Balance	12,180,000	12,180,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	12,180,000	12,180,000
c <u>Profit & Loss Account</u>		
Opening Balance	(16,916,834)	(7,448,118)
(+) Net Profit/(Net Loss) For the Current Year	(5,482,007)	(9,468,716)
Closing Balance	(22,398,841)	(16,916,834)
Total	38,027,089	43,509,096

Note 3 Long Term Borrowings (Also refer Note - 7)

<u>Secured Term Loans - From Banks</u>	14,734,443	17,582,169
---	------------	------------

Nature of Security : Term Loan amounting to Rs. 1,71,21,597/- (Previous year Rs. 1,94,04,691) is secured by exclusive and specific charge on the Land & Building and Plant & Machinery at Dharmapur.

Term of Repayment: Repayable in 84 equated monthly installments of Rs. 3,88,751/- from December 2011. Last installment - November 2018. Rate of Interest 15.25% p.a. as at year end

<u>Secured Term Loans - From Others</u>	856,501	-
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Nature of Security : Term Loan amounting to Rs. 15,24,000/- (Previous year Rs. NIL) is secured by Hypothecation over Vehicles in the name of Directors)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Term of Repayment: Repayable in 36 equated monthly installments of Rs. 77,724/- from April 2013. Last installment March 2016. Rate of Interest 21% p.a. as at year end		
Total	15,590,944	17,582,169
Note 4 <u>Long Term Provisions</u>		
Provision for Taxation	1,010,000	1,010,000
Provision for Gratuity	2,599,168	1,932,613
	3,609,168	2,942,613
Note 5 <u>Long Term Liabilities</u>		
Dealer Deposits	2,165,000	1,965,000
Total	2,165,000	1,965,000
Note 6 <u>Short Terns Borrowings</u>		
<u>Secured Working Capital Loan from Banks</u>	59,723,857	60,231,852
Secure by Hypothecation of Raw Materials, Work In Progress and Finished Goods, Book Debts and personal guarantee of Directors and further secured by first Equitable Mortgage of Land, Building, Plant & Machinery, Machinery Stores, Tools, Fixtures, Furniture, Fitting Acces., Equipments, Electrical Installation both Present & Future.)		
Unsecured - From Others	2,013,343	-
Total	61,737,200	60,231,852
Note 7 <u>Other Current Liabilities</u>		
Current Maturities of Long Term Borrowings (Also refer Note - 3)	3,054,653	1,897,058
Duties & Taxes Payable	5,448,246	1,905,587
Advance from Customers	7,771,447	9,156,304
Total	16,274,346	12,958,949
Note 8 <u>Short Term Provisions</u>		
Provision for Employee Benefits	3,040,654	2,604,139
Others Provision	647,461	785,227
Total	3,688,115	3,389,366

Note 9 : FIXED ASSETS

NO.	Name of Assets	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
		OPENING BALANCE AS ON. 01-04-2012	ADDITION DURING YEAR	DEDUCTION	TOTAL AS ON 31-03-2013	OPENING BALANCE AS ON. 01-04-2012	DURING THE YEAR	TOTAL AS ON. 31-03-2013	AS ON. 31-03-2013	AS ON. 31-03-2012
A	TENGIBLE ASSETS									
1	Land	193,175	-	-	193,175	-	-	-	193,175	193,175
2	Land Development	242,069	-	-	242,069	-	-	-	242,069	242,069
3	Building	20,106,492	-	-	20,106,492	3,067,058	627,586	3,694,644	16,411,848	17,039,434
4	Plant & Machinery	42,332,689	37,440	-	42,370,129	9,855,165	2,062,495	11,917,660	30,452,469	32,477,524
5	Computers	3,483,623	67,365	-	3,550,988	2,664,573	133,550	2,798,123	752,865	819,050
6	Furniture & Fixtures	3,587,584	134,626	-	3,722,210	1,126,441	191,330	1,317,771	2,404,439	2,461,143
7	Office Equipment	1,286,164	15,437	-	1,301,601	402,166	79,780	481,946	819,655	883,998
8	Vehicle	3,136,724	-	-	3,136,724	1,095,000	297,987	1,392,987	1,743,737	2,041,724
	TOTAL	74,368,520	254,868	-	74,623,388	18,210,403	3,392,728	21,603,131	53,020,257	56,158,117
	Previous Year	45,258,960	29,109,560	-	74,368,520	15,374,079	2,836,324	18,210,403	56,158,117	29,884,881
B	INTENGIBLE ASSTS									
1	Goodwill	59,201,892	-	-	59,201,892	35,521,140	11,840,380	47,361,520	11,840,372	23,680,752
2	Formulations Trademarks	10,084,228	-	-	10,084,228	840,350	672,280	1,512,630	8,571,598	9,243,878
3	Patents	12,757,500	-	-	12,757,500	1,063,125	850,500	1,913,625	10,843,875	11,694,375
	TOTAL	82,043,620	-	-	82,043,620	37,424,615	13,363,160	50,787,775	31,255,845	44,619,005
	Previous Year	82,043,620	-	-	82,043,620	24,061,455	13,363,160	37,424,615	44,619,005	57,982,165
	Group Total	156,412,140	254,868	-	156,667,008	55,635,018	16,755,888	72,390,906	84,276,102	100,777,122
	Previous Year	127,302,580	29,109,560	-	156,412,140	39,435,534	16,199,484	55,635,018	100,777,122	87,867,045

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Note 10 <u>Long Term Investments</u>		
Share Application Money with Essenzaa Life Science Ltd	827,000	-
	<u>827,000</u>	<u>-</u>
Note 11 <u>Long Term Loans and Advances</u> (Unsecured - Considered Good)		
Security Deposits	9,120,801	9,072,201
Advance Income Tax & TDS	1,592,269	1,559,289
Total	<u>10,713,070</u>	<u>10,631,490</u>
Note 12 <u>Other Non-Current Assets</u>		
MAT Credit Entitelment	900,000	900,000
Total	<u>900,000</u>	<u>900,000</u>
Note 13 <u>Inventories</u>		
Raw Materials	10,850,619	8,703,400
Work In Progress	34,960,944	31,847,744
Finished Goods	9,602,713	7,678,053
Stock In Trade	9,361,164	13,625,998
Packing Materials	543,933	759,440
Plant & Machinery held for disposal	383,031	383,031
Total	<u>65,702,404</u>	<u>62,997,666</u>
<u>Details of Raw Materials</u>		
CR Sheet - HR Sheets	5,097,160	1,683,332
S S Sheets	402,150	1,373,936
Paints	786,593	229,666
Hardwares & Other Items	3,536,209	4,736,203
Proyurvedic Items	1,028,507	680,263
	<u>10,850,619</u>	<u>8,703,400</u>
<u>Details of Work In Progress</u>		
Steel	30,687,611	27,900,787
Paints	1,381,750	1,464,707
Others	2,891,783	2,482,250
	<u>34,961,144</u>	<u>31,847,744</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
<u>Details of Finish Goods</u>		
Racks	498,476	-
Cabinets	19,985	80,856
Pallets	5,056	55,088
Others	92,741	28,737
Proyurvedic Formulations	8,986,455	7,513,372
	9,602,713	7,678,053
<u>Details of Stock In Trade</u>		
HR Sheets	-	1,084,371
S S Sheets	1,008,425	4,188,888
Others	8,352,739	8,352,739
	9,361,164	13,625,998
Note 14 <u>Trade Receivables</u> (Unsecured - Considered Good)		
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment.	35,364,204	27,344,277
Trade Receivables outstanding for a period less than six months from the date they are due for payment.	59,057,683	56,098,019
Total	94,421,887	83,442,296
Note 15 <u>Cash and Cash Equivalents</u>		
Balances with Banks	10,785,097	10,799,349
Cheques on Hand	-	5,132,000
Cash on Hand	1,606,569	116,248
Total	12,391,666	16,047,597
Note 16 <u>Short Term Loans and Advances</u> (Unsecured - Considered Good)		
Advances to Suppliers	1,923,892	2,588,601
Capital Advances	9,350,000	7,350,000
Advances to Related Parties	3,669,929	2,873,809
Advances to Employees	107,252	62,926
Prepaid Expenses	85,036	59,712
Balances with Government Authorities	1,725,708	265,605
Margin Money Deposits with Bank	1,979,641	2,674,000
Other Loans & Advances	31,617,835	8,889,197
Total	50,459,293	24,763,850

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Note 17 <u>Other Current Assets</u>		
Accrued Interest on Deposits	27,686	42,254
Accrued Foreign Exchange Gain (Net)	1,631,125	691,620
	1,658,811	733,874
Note 18 <u>Revenue from Operations</u>		
<u>Sale of Products</u>		
<u>Manufactured Sales</u>		
- Storage Systems Division	83,958,159	63,833,926
- Proyurveda Division	20,089,485	20,380,185
<u>Trading Sales</u>		
- Storage Systems Division	47,588,052	112,119,391
- Proyurveda Division	59,130,230	-
<u>Income from Services</u>		
Erection Services	1,261,512	2,319,880
Information Technology Services	41,583,569	15,286,906
Less: Excise Duty Recovered	10,516,362	7,145,815
Total	243,094,645	206,794,473
<u>Details of Sale Products</u>		
<u>Class of Goods</u>		
<u>Manufacturing Goods</u>		
Racks	56,882,304	43,762,520
Cabinets	4,328,278	4,890,506
Pallets	11,712,069	2,443,521
Others	2,248,477	7,109,419
Proyurveda Formulations	20,089,485	20,380,185
Add :		
Excise Duty Recovered	8,787,031	5,627,960
TOTAL - (A)	104,047,644	84,214,111
<u>Stock in Trade</u>		
CR Sheets	-	1,769,600
HR Coils	11,716,175	6,320,715
S S Sheets	35,871,877	100,665,724
Polymer Pallets	-	3,363,351
Proyurvedic - Trading	59,130,230	-
TOTAL - (B)	106,718,282	112,119,390
Total (A + B)	210,765,926	196,333,501

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Note 19 <u>Othe Income</u>		
Interest Income	249,974	137,672
Foreign Exchange Gain (Net)	78,691	648,916
Gratuity Provision Written Back	-	1,843,536
Sundry Balances Written Back	81,995	-
Total	410,660	2,630,124
Note 20 <u>Cost of Materials Consumed</u>		
<u>- Storage Systems Division</u>		
Opening Stock	8,023,137	5,027,473
Add : Purchases	54,888,470	49,239,018
Total :	62,911,607	54,266,491
Less: Closing Stock	9,822,112	8,023,137
	53,089,495	46,243,354
<u>- Proyurveda Division</u>		
Opening Stock	1,439,703	854,458
Add : Purchases	6,861,989	8,501,862
Total :	8,301,692	9,356,320
Less: Clsoing Stock	1,572,439	1,439,703
	6,729,253	7,916,617
Total Cost of Materials Consumed :	59,818,748	54,159,971
<u>Storage Systems Division</u>		
Details of Material Consumed		
CR sheets / HR Coils	38,533,303	37,040,148
S S Sheets	3,783,704	828,921
Paints	2,507,443	3,452,725
Others / Hardwares	8,265,000	4,921,560
	53,089,450	46,243,354
Proyurvedic Items	6,729,253	7,916,617
	6,729,253	7,916,617
Note 21 <u>Purchase of Stock In Trade</u>		
Storage Systems Division	42,917,377	98,178,611
Proyurveda Division	58,980,620	-
Total	101,897,997	98,178,611

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Purchase of Stock -In- Trade		
HR Sheets	-	4,806,760
S S Sheets	36,415,264	91,759,051
CR Sheets	6,502,113	1,612,800
Proyurvedic Items	58,980,620	-
	101,897,997	98,178,611
Note 22 <u>Manufacturing and Operating Costs</u>		
Consumables Stores	179,678	75,909
Freight & Carriage Expenses	1,275,004	1,448,602
Information Technology Service Expenses	9,892,741	6,943,806
Other Factory Expenses	1,592,436	2,064,785
Packing Expenses	257,853	360,261
Power & Fuel	2,894,862	2,826,772
Repairs And Maintenance - Factory Building	105,658	130,519
Repairs And Maintenance - Plant & Machinery	179,224	89,532
	16,377,456	13,940,186
Note 23 <u>Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade</u>		
<u>Opening Stock</u>		
Material In Process	31,847,744	20,801,491
Finished Goods	7,678,053	2,433,755
Stock In Traded	13,625,998	14,428,575
	53,151,795	37,663,821
<u>Less : Closing Stock</u>		
Material In Process	34,960,944	31,847,744
Finished Goods	9,602,713	7,678,053
Stock In Traded	9,361,164	13,625,998
	53,924,821	53,151,795
Excise Duty on Closing Stock of Finish Goods	64,003	18,026
Less : Excise Duty on Opening of Finish Goods	18,026	12,049
Add (Less) : Variation in Excise Duty on Opening & Closing Stock of Finish Goods	45,977	5,977
	(727,049)	(15,481,997)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
Note 24 <u>Employee Benefit Expenses</u>		
Salaries and Wages	21,722,491	19,254,430
Director Remuneration	2,489,940	2,489,940
Contribution to Provident and Other Funds	596,667	922,281
Gratuity Expenses	-	185,774
Provision for Gratuity	666,555	-
Staff Welfare Expenses	386,166	763,726
Total	25,861,819	23,616,151
Note 25 <u>Finance Costs</u>		
Interest Expense	10,656,098	7,837,055
Other Borrowing Costs	963,093	1,353,210
Total	11,619,191	9,190,265
Note 26 <u>Other Expenses</u>		
Advertisement Expenses	109,590	114,156
Audit Fees	265,956	264,720
Bank Charges	73,306	124,066
Commission on Sales	698,376	981,831
Custody Fees & RTA Expenses	136,157	179,783
Donations	-	102,400
Electricity Expenses	470,278	461,413
Insurance Expenses	99,084	57,557
Legal & Professional Fees	552,468	1,187,617
Listing Fees	44,944	176,050
Misc. Expenses	509,607	1,321,419
Penalty	135,233	-
Postage & Couriers Expenses	111,217	119,389
Printing & Stationery Expenses	466,605	527,126
Rates & Taxes	320,294	1,471,082
Rent	2,386,500	1,718,076
Repairs & Maintenance - Others	106,163	122,057
Selling & Distribution Expenses	2,949,642	2,801,317
Sundry Balances Written Off	-	375,890
Telephone & Mobile Expenses	644,508	579,837
Tempo Expenses	318,150	245,695
Travelling & Conveyance Expenses	6,387,552	5,359,262
Vehicle Expenses	597,632	550,325
TOTAL	17,383,262	18,841,068
Note 27 <u>Expenditure in Foreign Currency</u>		
On account of Foreign Travel Expenses	383,800	68,964

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	As at 31st March, 2013	As at 31st March, 2012
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Note 28 Earning in Foreign Currency

On account of Export of Information Technology Services	41,583,569	15,286,906
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Note 29

a Trade Payable includes Rs. 4,84,449/- (previous year Rs. 2,17,333/-) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act,2006.

b No Interest is paid / payable during the year to any enterprise register under the MSMEDA,2006

c The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of the suppliers under the MSMESA, 2006.

Note 30 Related Party Disclosure (As identified by the Management)

1 Related Party Relationships

(a)	Enterprises owned by Directors or Major Shareholders where control exist	:	Shree Laxmi Industries Adfac Laboratories Pvt Ltd Essenzaa Lifescience Ltd.
(b)	Key Management Personnel	:	Mr.Mayur B. Shah Mr.Manoj B. Shah Mr.Mahesh B. Shah Dr. D.R.K. Reddy
(c)	Relatives of Key management personnel and their enterprises where transactions have taken place	:	Mrs. Shaila Manoj Shah Ms. Shyama Reddy Mr. Kunal Manoj Shah Mr. Tarang Mayur Shah

2 Transactions with Related Parties

	Nature of Transactions (Excluding Reimbursement)	Enterprises owned by Directors or Major Sharehold- ers where control exist	Key Managerial Personnels	Relatives of key manage- ment person- nel and their enterprises where trans- actions have taken place	Total
i	Director Remuneration	-	2,489,940	-	2,489,940
		-	(2,489,000)	-	(2,489,000)
ii	Rent	-	435,000	1,140,000	1,575,000
		-	(435,000)	(700,000)	(435,000)
iii	Salary	-	-	948,000	948,000
		-	-	(420,000)	(420,000)
iv.	Share Application Money	827,000	-	-	827,000
		-	-	-	-

3 Balance Outstanding as on 31-03-2013

	Nature of Transactions (Excluding Reimbursement)	Enterprises owned by Directors or Major Shareholders where control exist	Key Managerial Personnels	Relatives of key manage- ment person- nel and their enterprises where trans- actions have taken place	Total
i	Advances Given	1,200,000 (1,200,000)	2,428,265 (1,416,932)	- -	3,628,265 (2,616,932)
ii	Sundry Debtors	- (430,642)	- -	- -	- (430,642)
iii	Security Deposits Given	- -	7,582,821 (7,582,821)	- -	7,582,821 (7,582,821)

Note: Related Party relationship is as identified by the Company and relied upon by the Auditors.

Note 31 Disclosures pursuant Accounting Standard - 15 'Employees Benefits'

Details of Provisions for Gratuity

A Expenses Recognized in the Statement of Profit & Loss Account

i	Current Service Cost	660,333	325,406
ii	Interest Cost	169,104	311,532
iii	Expected Return on Planned Assets	-	-
iv	Net Actuarial (Gain) / Loss recognized during the year	(162,882)	(2,480,474)
v	Settlement Cost / Others	-	-

Total Expenses

666,555 **(1,843,536)**

B Net Assets / Liability Recognized in the Balance Sheet

i	Present value of the obligation	2,599,168	1,932,613
ii	Fair Valued of Planned Assets	-	-
iii	Net Assets/ Liability recognized in the Balance Sheet	2,599,168	1,932,613
iv	Add: Provision for seprated employee / others	-	-

Total Provision

2,599,168 **1,932,613**

C Change in Present Value of Obligation

i	Present Value of obligation as on 31-03-2013	1,932,613	3,776,149
ii	Current Service Cost	169,104	325,406
iii	Interest Cost @ (0.0825)	660,333	311,532
iv	Benefits Paid	-	-
v	Net Actuarial (Gain) / Loss recognized during the year	-	-
	Present Value of obligation as per actuarial valuation as at 31-03-13	(162,882)	(2,480,474)
vi	Add: Provision for seprated employee / others	-	-

Total Provision

2,599,168 **1,932,613**

D Actuarial Assumptions:

i	Withdrawal Rate	1 % p.a	1 % p.a
ii	Salary Growth	6.5 % p.a.	6.5 % p.a.
iii	Mortality Rate	LIC (1994-96) ultimate Mortality Rates	
iv	Rate of Interest	8.75%	8.75%
v	Retirement Age	58 years	58 years

Note 32 Significant accounting policies and practice adopted by the Company are disclosed in the statement annexed to these financial statements as **Annexure I.**

**As per our Attached Report of Even Date
For D D Desai & Associates**
Chartered Accountants

D D Desai
Proprietor
Membership No. 042031

F. R. NO. 102297W

Place : Valsad
Date : 30th May, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MANOJ SHAH
Managing Director

MAYUR SHAH
Jt. Managing Director

MAHESH SHAH
Jt. Managing Director

NITYA BABU
Company Secretary

ANNEXURE 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICES AND PRACTICIES:

1 General :

- i The accounts are prepared on historic cost basis.
- ii The company follows accrual system of accounting as requires under section 209(3)(b) of the Companies Act 1956 generally.

2 Recognition of Income and Expenditure:

- i Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.
- ii Sale of Goods is recognised on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods.

3 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

4 Basis of Valuation of Fixed Assets :

- i Land Free Hold - At Cost
- ii Other Fixed Assets - At Cost less Depreciation 'Cost' for the aforesaid purpose comprises of its purchase price and attributable cost for bringing the asset to its working condition for its intended use.

5 Depreciation :

- i Depreciation on Fixed Assets is provided on Straight Line Method in accordance with the provisions of Company Act, 1956 at the rates specified in Schedule XIV of the Companies Act 1956, as revised by GSR No.756(E) Dated 10.12.93 by the Central Government, except in case of following Assets, which are amortised over the period as estimated by the management, as under. :-

Nature of Assets	Period of Amortisation
Goodwill (Generated in Amalgamation)	5 years
Patents	15 years
Trademark, Formulation etc	15 years

- ii Depreciation on Fixed Assets acquired during the year is provided from the month in which assets is put to use.
- iii Plant & Machinery acquired during the year but not put to use are shown as Capital Work-In-Progress and no depreciation is claimed thereon.
- iv Depreciation on Fixed Assets disposed off during the period under consideration is provided up to the month of dispossal.

6 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

7 Impairment of Assets

Impairment loss is provided to the extent the carrying amount(s) of assets exceed their recoverable amount.

Recoverable amount is the 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 the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

8 Inventories

Items of inventory are valued at Cost or Net Realizable Value, whichever is lower. Cost is determined on the following basis. :-

Raw Materials, Stores and Spares		FIFO
Work In Process and Finished Goods	At material cost plus appropriate value of overheads	
Trading Goods		FIFO

9 Retirement Benefits to Employees

- i The Company contributes towards Provident Fund and Family Pension Fund, which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required under the statutes / rules.
- ii Gratuity liability as on 31-03-2013 has been recognised in Balance Sheet. No provision is required to be made for leave encashment.

10 Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected. At the year-end, monetary items denominated in foreign currency and exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization of foreign exchange are accounted in the relevant year, as income or expense.

11 Taxes on Income

Tax expense comprises of both current and deferred tax at the applicable enacted / substantively enacted rates. Current tax represents the amount of income-tax payable in respect of the taxable income for the reporting period. Deferred tax represents the effect of current year timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets are recognised only to the extent that there is a reasonable certainty that sufficient future Taxable Income will be available against which such Deferred tax Assets can be realised. In absence of reasonable certainty, Deferred Tax Asset worked out as under has not been recognised. :-

<u>Deferred Tax Liabilities</u>	31-03-2013	31-03-2012
Related to Fixed Assets	4,165,668	4,298,128
 <u>Deferred Tax Assets</u>		
Related to Disallowance under income tax Act, 1961	265,479	144,186
Related to Carried forward Losses & Unabsorbed Depreciation	22,626,622	18,651,962
Net Deferred Tax Assets	18,726,433	14,498,020

- 12 The accounts of customers / suppliers are under reconciliation / confirmation and the same have been taken as per balances appearing in the books. Any difference arising on account of such reconciliation, which are not likely to be material, will be accounted for as and when these reconciliation are completed.

- 13 Previous year's figures have been regrouped / reclassified wherever considered necessary.

Segment Information for the Year Ended 31st March, 2013

Sr. No.	Particulars	Storage Systems Div.		IT Services Div.		Proyurveda Div.		Total Segment		Unallocated		Grand Total	Grand Total		
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year				
1	SEGMENT REVENUE	Sales	124,020,692	112,645,237	41,583,569	15,286,906	77,490,384	18,862,330	243,094,645	206,794,473	-	243,094,645	206,794,473		
		Other Income	331,969	137,672	78,691	648,916	-	-	410,660	786,588	-	1,843,536	410,660	2,630,124	
	Net Sales/Income From Operations	124,352,661	112,782,909	41,662,260	15,935,822	77,490,384	18,862,330	243,505,305	207,581,061	-	1,843,536	243,505,305	209,424,597		
2	SEGMENT RESULTS	Profit before Tax, depreciation & Interest	9,976,608	19,470,883	29,164,951	6,681,094	(9,770,845)	(4,594,851)	29,370,714	24,452,126	(6,477,642)	(5,386,519)	22,893,072	16,170,607	
		Less : Depreciation	3,027,404	2,461,908	85,769	98,037	1,565,148	1,561,969	4,678,321	4,121,914	12,077,567	12,077,570	16,755,888	16,199,484	
		Profit After Depreciation	6,949,204	17,008,975	29,079,182	6,583,057	(11,335,993)	(6,156,820)	24,692,393	20,330,212	(18,555,209)	(17,464,089)	6,137,184	(28,877)	
		Less : Interest	8,447,854	8,127,738	-	-	3,171,337	1,062,527	11,619,191	9,190,265	-	-	11,619,191	9,190,265	
		Profit before Extra Ordinary Item	(1,498,650)	8,881,237	29,079,182	6,583,057	(14,507,330)	(7,219,347)	13,073,202	11,139,947	(18,555,209)	(17,464,089)	(5,482,007)	(9,219,142)	
		Less: Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-	-	-	-
		Less: Provision for Taxation	-	-	-	-	-	-	-	-	-	-	249,574	-	249,574
		NET PROFIT	(1,498,650)	8,881,237	29,079,182	6,583,057	(14,507,330)	(7,219,347)	13,073,202	11,139,947	(18,555,209)	(17,713,663)	(5,482,007)	(9,466,716)	
		OTHER INFORMATION													
		3	Segment Assets	150,137,844	119,290,057	36,352,406	14,061,278	68,926,588	32,667,214	255,416,838	166,018,549	65,933,395	33,798,224	321,350,233	199,816,773
4	Segment Liabilities	125,357,590	64,105,269	1,015,589	686,804	39,342,879	8,174,475	165,716,058	72,966,548	11,769,576	23,113,889	177,485,634	96,080,437		

NOTE:-
Items of Expenses and Income, Assets and Liabilities (including Provision for Taxation, Provision for Gratuity, Deferred Tax Liability and Advance Tax), which are not directly attributable / identifiable / allocated to business segment are considered Unallocated.

MAXIMAA SYSTEMS LIMITED

Regd. Office : Suraj Estate, Kailash Road, Valsad- Gujarat- 396 001 (INDIA)

PROXY FORM

I/We _____ of _____
being a member(s) of Maxima Systems Ltd, hereby appoint _____ of _____ or
failing him _____ of _____ as my/our proxy and to vote for me/us on my/our behalf
at the **ANNUAL GENERAL MEETING** of the Company at Suraj Estate, Kailash Road, Valsad- 396 001 to be
held on Friday, 27th September, 2013, at 9:00 a.m. or at any adjournment thereof

Signed this _____ day of _____, 2013

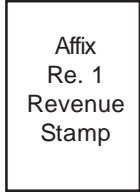
Ledger Folio No. _____

DP ID * _____

CLIENT IN * _____

No. of Shares held _____

*Applicable for the members holding shares in electronic form



(Signature across the stamp)

Note : This form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

MAXIMAA SYSTEMS LIMITED

Regd. Office : Suraj Estate, Kailash Road, Valsad- Gujarat- 396 001 (INDIA)

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the Member attending
(IN BLOCK LETTERS): _____

Full Name of Proxy
(IN BLOCK LETTERS): _____
(To be filled in if Proxy attends instead of the Member)

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company at Suraj Estate, Kailash Road, Valsad- 396 001 to be held on Friday, 27th September, 2013, at 9:00 a.m.

Ledger Folio No. _____

DP ID * _____

CLIENT IN * _____

No of Shares held _____

(To be signed at the time of handing over this slip)

* Applicable for the members holding shares in electronic form.

Note: Members are requested to bring their copies of the Annual Report to the meeting.

Member's /Proxy's Signature


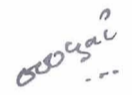
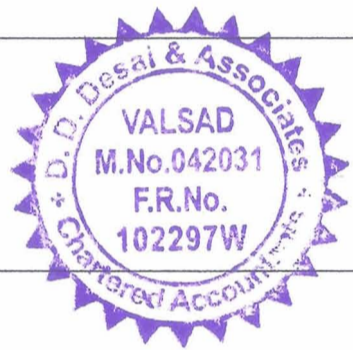

If undelivered, please return to :
MAXIMAA SYSTEMS LIMITED

240, Naman Plaza, S.V. Road, Kandivali (W),
Mumbai- 400 067 (INDIA)

Ph: 022- 2864 8478, 2801 2704

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Maximaa Systems Limited
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit Observation	Un-Qualified
4	Frequency of Observation	Not Applicable
5	To be Signed by -	
	Mr Manoj Shah (CEO/Managing Director)	
	D D Desai & Associates Chartered Accountants (Auditor of the Company)	 
	Mr Mayur Shah (Director)	
	Mr Dipak Mistry (Chairman of Audit Committee)	