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Maestros Mediline Systems Limited

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BOARD OF DIRECTORS

DR. NITIN PARANJPE : CHAIRMAN & NON EXECUTIVE DIRECTOR
DR. KRISHNA KUMAR MENON : MANAGING DIRECTOR
MR. BALKRISHNA TENDULKAR : EXECUTIVE DIRECTOR
MR. NARENDRA MAHAJANI : NON EXECUTIVE DIRECTOR
DR. DHANANJAY MAHAJAN : INDEPENDENT NON EXECUTIVE DIRECTOR
MR. KETAN SHAH : INDEPENDENT NON EXECUTIVE DIRECTOR

REGISTERED OFFICE

PLOT NO. EL 63-64, T.T.C INDUSTRIAL AREA
ELECTRONIC ZONE, M.I.D.C.,
MAHAPE, NAVI MUMBAI - 400 701.
MAHARASHTRA
TEL. NO.: +91-22-4119 3100/3200
FAX NO.: +91-22-2762 2153
E-MAIL: accounts@maestros.net
WEBSITE: www.medi-line.com, www.maestros.net

PLANT LOCATIONS:

UNIT I:

PLOT NO.EL 63-64, T.T.C INDUSTRIAL AREA,
ELECTRONIC ZONE, M.I.D.C.,
MAHAPE, NAVI MUMBAI - 400 701

UNIT II:

PLOT NO.82-A, SECTOR-I,
INDUSTRIAL AREA, PARWANOO,
DIST. SOLAN - 173 220.
HIMACHAL PRADESH

AUDITORS

R A R. & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS

STATE BANK OF INDIA

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED
C-13 PANNALAL SILK MILLS COMPOUND,
L. B. S MARG, BHANDUP (WEST),
MUMBAI - 400 078.
TEL NO.: +91-22-5555 5454
FAX NO.: +91-22-2567 2693.

NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of Maestros Mediline Systems Limited will be held at Hotel Days-Inn, Plot no. L-1, Sector 19, Near Truck Terminal, Opp. Modern College, Near Palm Beach Marg, Vashi, Navi Mumbai-400 705 on Monday, September 27, 2010 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2010.
2. To appoint statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board Directors to fix their remuneration. The retiring auditors M/s. R A R and Associates (Formerly known as M/s. Anil Goyal & Co.), Chartered Accountants are eligible for Re-appointment and have confirmed their willingness to accept office, if re-appointed.
3. To appoint a director in place of Mr.Ketan Shah who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors

Dr. N. S. Paranjape
(Chairman)

Registered Office:

Plot no. EL 63-64, TTC Indl. Area, Electronic Zone,
M.I.D.C., Mahape, Navi Mumbai - 400 701,
Maharashtra.

Date: August 18, 2010.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

2. All documents referred to in the above Notice are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m. to 12.30 p.m. up to the date of the Annual General Meeting.
3. Members / Proxies should bring the Attendance slips duly filled in for attending the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2010 to 27th September, 2010 (both days inclusive).

By Order of the Board of Directors

Dr. N. S. Paranjape
(Chairman)

Registered Office:

Plot no. EL 63-64, TTC Indl. Area, Electronic Zone,
M.I.D.C., Mahape, Navi Mumbai - 400 701,
Maharashtra.

Date: August 18, 2010.

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Thirty Seventh Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the period ended 31st March, 2010.

1. Financial Results (Rs. In Thousands)

	Current Year	Previous Year
Total Income	293,395	280,301
Less: Expenditure	248,241	243,986
Profit before Depreciation, Finance Charges and Tax	45,154	36,315
Less: Interest and Financial Charges	23,853	13,943
Less: Depreciation	17,324	12,396
Profit before Tax	3,977	9,976
Less: Provision for Taxation	1,801	7,170
Profit / (Loss) after tax	2,176	2,806
Less: Short provision for tax on earlier years	-	818
Add: Prior period items	-	-
Add: Balance brought forward from previous year	70,003	68,015
Profit available for appropriation	72,179	70,003
Less: Appropriations Transfer to General Reserve	-	-
Balance carried forward	72,179	70,003

2. Management Discussion And Analysis

(a) **Industry Structure and Development:** The Indian economic growth enhanced to 7.4 percent in 2009-10. The performance of your Company during the year under report has shown the fall over the previous year. The total revenue for the year ended March 31, 2010 amounted to Rs.2,858.60 lacs, as against Rs.2,788.45 lacs, registering a growth by 3 per cent over the last year.

(b) **Segment wise operational performance:** Your Company has three main segments of business viz. Medical Embedded Systems ("MES"), Information Technology ("IT") and Electronics & Instrumentation (ELE).

The sale of MES division has increased by 22 per cent. The sale of IT division has decreased significantly by 49 per cent. The gross income from Infrastructure activity has increased significantly by 8 per cent. The sale of Electronics division has decreased significantly by 37 per cent. During the year under review your Company has upgraded its existing products with better technology and features.

(c) **Outlook:** The overall outlook for the Indian Economy continues to be positive and growth oriented. The focus on strengthening the health care and IT with increase in all allocation for capital goods and infrastructure related projects in Public and private sectors, both the business segments are expected to accelerate the growth rate in the year ahead.

(d) **Threats and Concerns:** The most important threat continues to be competition from low cost imported products.

Manpower costs are rising as many large companies are mopping

the available talent pool supply of which is limited. Thus for small and mid-range companies, retaining high quality manpower is a concern.

(e) **Internal control systems and their adequacy:** Your Company has well established and adequate systems for internal control to provide reasonable assurance that all assets are safeguarded; transactions are authorized and reported correctly.

The internal control system provides well documented policies, guidelines authorization and approval procedures for its operations. Your Company maintains controls of high norms both in raw material as well as finished goods. The percentage of rejection from market has reduced drastically due to controls set up in this division.

To achieve high level of customer satisfaction, your company is regularly conducting training programs for its engineers and technical staff on continuous basis, this has resulted in call solving at the initial level itself.

The distribution activity of your Company is mainly controlled through appointing well established dealers who are experienced in this field and setting up targets for sales and service.

(f) **Human Resources:** Your Company continuously endeavors to improve the work environment for its employees. Competitive compensation package, innovative and challenging environment to work, transportation facilities, etc., are some of the steps taken by the Company for the welfare of its employees.

3. Dividend

Considering the need for conservation of resources, the Board does not recommend any dividend.

4. Equity Capital

During the year ended March 31, 2010 the Company repurchased a total of 43,702 equity shares through Bombay Stock Exchange for an aggregate consideration of Rs.20,12,840/- being 6.18% of the amount authorised for the buy back. Subsequently, the Company extinguished 43,702 equity shares on different dates.

5. Consolidated Financial Statements

As stipulated in the listing agreement with the stock exchanges, the consolidated financial statements have been prepared by the company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors Report thereon form part of the Annual Report.

6. Directors

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Ketan Shah retires by rotation, and being eligible, offers himself for re-appointment at the ensuing general meeting.

7. Directors' Responsibility Statement

To the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors make the following statement, pursuant to Section 217 (2AA) of the Companies Act, 1956:

(i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;

- (ii) the appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year April 1, 2009 to March 31, 2010;
- (iii) the proper and sufficient care has been taken 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 detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

8. Report on Subsidiary Companies

In the year 2007-08 your Company had set-up wholly owned subsidiary Company in Free Trade Zone, Sharjah viz. Maestros Middle East FZE. The subsidiary has been setup to focus on the Middle East Market. The subsidiary is engaged in providing IT & IT enabled services and has competencies like advance infrastructure solutions, business process and integration solutions, data management solutions etc. and specialisations like active directory, database management, exchange migration and deployment, identity & secure access etc. The total revenue of subsidiary has reached to 1,473,583 AED as compared to 1,334,767 AED of last year. Pursuant to Section 212 of the Companies Act, 1956 the annual audited accounts of the same are attached herewith and form part of this Annual Report.

9. Corporate Governance

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement. A separate report on Corporate Governance compliance is included as a part of the Annual Report along with the Auditors' Certificate.

10. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgoings

Disclosure of information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption is not applicable to your Company.

The particulars regarding foreign exchange earnings and foreign exchange expenditure during the year of Rs.5,310,397/- and Rs.3,859,626/- respectively are as appearing in Note no. XV I of the Notes to Accounts.

11. Public Deposits

The Company has not accepted any Fixed Deposits from the Public / Shareholders.

12. Auditors and Auditors' Report

M/s. R A R & Associates, Chartered Accountants, Mumbai, the statutory auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received a Certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

13. Particulars of Employees

Information required pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars

of Employees) Rules, 1975, as amended, is not applicable to your Company.

14. Appreciation

Your Board takes this opportunity to express its sincere appreciation of the excellent contribution made by all its employees towards the overall performance of your company. Your Directors also thank all the shareholders, dealers, suppliers, bankers and other business associates for their valuable service and support during the year.

For and on behalf of Board of Directors

Dr. N. S. Paranjape **Dr. K. K. Menon** **Mr. B. K. Tendulkar**
(Chairman) (Managing Director) (Director)

Registered Office:

Plot No. EL-63, Electronic Zone,
T.T.C Industrial Area, M.I.D.C,
Mahape, Navi Mumbai – 400 701,
Maharashtra,
India.

Date: June 21, 2010.

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

Corporate Governance for Maestros is effective and controlled management practices and compliance with laws and regulations. Maestros is committed to build value based and ethical management practices to ensure greater transparency and fairness, which in turn will ensure maximum satisfaction of all the stakeholders.

A. Board of Directors

1. Composition of Board of Directors

The constitution of the Board of Directors is given below:-

Name	Executive / Non-Executive / Independent	No. of Directorships held in other companies	Memberships held in Committees as specified in Clause 49
Dr. Krishnakumar Menon	Executive	None	None
Mr. Balkrishna Tendulkar	Executive	None	None
Dr. Nitin S. Paranjape	Non - Executive	None	None
Mr. Narendra Mahajani	Non - Executive	None	None
Dr. Dhananjay Mahajan	Independent & Non - Executive	None	None
Mr. Ketan Shah	Independent & Non - Executive	None	None

Directors Profile:-

Dr. Krishna Kumar Menon

Dr. Krishna Kumar Menon holds doctorate in Macro Economics and Marketing from University of London. Besides he holds Diploma in Management Studies and Diploma and Masters in Marketing Management. He was Management Trainee with Philips India from 1983 to 1985 in the area of sales promotion, marketing displays, dealer development and monetary controls.

Dr. Krishna Kumar Menon did a short stint as Senior Sales Executive with Blow Plast Ltd. and as Area Manager with Amrex Air Conditioners. Subsequently he joined Ulmer Spatz (a subsidiary of Unilever Plc.) as Regional Manager for Middle East operations.

He is looking after Finance and Marketing of Maestros for the past 12 years.

Mr. B. K. Tendulkar

Mr. B. K. Tendulkar is B. E (Instrumentations) from University of Mumbai. Besides he has done Post Graduate Diploma in Business Management from University of Mumbai.

He had been with K. E. M Hospital, Mumbai, Research & Development team for almost 8 years and developed many new technologies with the help of physicians.

He has led the embedded systems and medical instrument division since its beginning with a vision to foray into adaptation of new technologies in the field of medicine for the Indian sub-continent with a dream to make affordable medical aid to the masses.

He is the visionary in establishing the "Electronics and Instrumentations" division and his expertise knowledge has led to the development of OEM products having applications in various industries.

Dr. Dhananjay Mahajan

After completing his PhD in Operations Research from IIT, Mumbai, Dr. Dhananjay Mahajan did a short stint as a lecturer in Pune University. Subsequently he joined the TATA group and had a long career of nearly 17 years with them in a variety of roles in software services life cycle and moving on to become Director, Information Services- India Operations.

Dr. Dhananjay Mahajan was the founding CEO of Mahindra Consulting and has been instrumental in building the company from scratch to almost 210 employees by the year 2000.

He has total 24 years of experience in the IT services industry and has worked in the Information Technology Services business in major industrial groups including the TATA's, Mahindra Group & Birla Group.

2. Number of Board Meetings held and the dates on which held.

During the period April 1, 2009 to March 31, 2010, 8 Board Meetings were held. The date on which the said meetings were held as follows:

May 27, 2009, July 09, 2009, August 04, 2009, November 02, 2009, December 12 2009, January 02, 2010, January 30, 2010, March 21, 2010.

3. The details in respect of attendance of directors in Board meetings and General Meetings are as under:

Name of Director	Number of board Meetings attended	Whether AGM dated 29/09/2009 attended (Y/N)
Dr. Krishnakumar Menon	8	Y
Mr. Balkrishna Tendulkar	8	Y
Dr. Nitin S. Paranjape	4	Y
Mr. Narendra Mahajani	8	Y
Dr. Dhananjay Mahajan	4	Y
Mr. Ketan Shah	4	Y

4. Remuneration of Directors

Details of remuneration during 2009-2010.

Sr. No.	Name	Designation	Total Salary and Perquisites (Rs.)	Sitting Fees (Rs.)
1	Dr. Krishnakumar Menon	Managing Director	2,792,596	N.A.
2	Mr. Balkrishna Tendulkar	Executive Director	1,491,408	N.A.
3	Dr. Nitin S. Paranjape	Chairman & Non-Executive Director	N.A.	8,000
4	Mr. Narendra Mahajani	Non-Executive Director	N.A.	8,000
5	Dr. Dhananjay Mahajan	Independent & Non-Executive	N.A.	8,000
6	Mr. Ketan Shah	Independent & Non-Executive	N.A.	8,000

Dr. Krishnakumar Menon, Managing Director and Mr. Balkrishna Tendulkar, Executive Director of the Company are in the whole time employment, and their employment is contractual in nature. They were re-appointed in the board meeting held on October 30, 2007 and hold office up to 25th November 2012.

5. Tenure

As per the provisions of the Companies Act, 1956 and Articles of the Company, out of total directors two third directors are liable to retire by rotation. Out of this two third, one third is liable to retire in every Annual General Meeting. Accordingly, the tenure of each director is 3 years but they are eligible for reappointment.

Dr. Krishnakumar Menon, Managing Director and Mr. Balkrishna Tendulkar, Executive Director are permanent members of the Board.

B. Audit Committee

The audit committee was formed on March 31, 2003. The committee consist of three directors; all of them are non-executive directors. The chairman of the committee is an independent director. All the members of audit committee are financially literate and two of them are possesses

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accounting and related financial management expertise.

1. Meetings During the Year

The Audit Committee held four meetings during the year on July 9, 2009, August 4, 2009, November 2, 2009, and January 30, 2010

2. Composition of the Committee and details of attendance

Name of Director	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Ketan Shah	Chairman	4	4
Dr. Dhananjay Mahajan	Member	4	4
Mr. Narendra Mahajani	Member	4	4

3. Functions of the Committee

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

4. Power of Audit Committee

The following powers are vested with the Audit Committee:

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

5. Review of Information by the Audit Committee.

The Audit Committee is responsible for reviewing the following information:

- Financial statements and draft audit report, including quarterly/half-yearly financial information.
- Management's discussion and analysis of financial condition and results of operation.
- Reports relating to compliance with laws and to risk management.
- Management's letters/letters of internal control weakness issued by statutory/internal auditors; and
- Record of related party transactions
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

C. Investors Grievance Committee

The committee consist of three directors; out of them two are executive directors.

The chairman of the committee is independent non-executive director.

1. Composition of the Committee

Name of Director	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Ketan Shah	Chairman	4	4
Dr. Krishnakumar Menon	Member	4	4
Mr. Balkrishna Tendulkar	Member	4	4

2. Functions of the Committee

The role of the Committee includes looking into the redressing of shareholder and investors complaints relating to transfer of shares, non-receipt of balance sheet, non- receipt of declared dividends and any other investor grievance.

During the year no investor complaints were received. There were no outstanding complaints as of June 21, 2010.

D. Remuneration Committee

The remuneration committee was set up on June 30, 2007. The committee consist of two directors; all of them are non-executive directors. The Chairman of the committee is an independent director.

1. Meetings during the Year

The Remuneration Committee held one meeting during the year on October 30, 2007.

2. Composition of the Committee

Name of Director	Designation	No. of Meetings Held	No. of Meetings Attended
Dr. Dhananjay Mahajan	Chairman	1	1
Mr. Narendra Mahajani	Member	1	1
Mr. Ketan Shah	Member	1	1

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3. Functions of the Committee

The committee discharges the Board's responsibility relating to remuneration of the senior management of the company and recommendation of compensation for Board members. The Committee has overall responsibility for approving and evaluating and recommending plans, policies and programs relating to remuneration of Executive Directors of the Company.

E. General Body Meeting

1. Location and time for the last three Annual General meetings were:

Year ended	Date	Time	Location
31/03/2007	28 th September, 2007	02.30 p.m.	Hotel Days-Inn, Plot no. L-1, Sector 19, Near Truck Terminal, Opp. Modern College, Near Palm Beach Marg, Vashi, Navi Mumbai - 400 705.
31/03/2008	12 th September, 2008	11.00 a.m.	Hotel Days-Inn, Plot no. L-1, Sector 19, Near Truck Terminal, Opp. Modern College, Near Palm Beach Marg, Vashi, Navi Mumbai - 400 705.
31/03/2009	29 th September, 2009	03.00 p.m.	Hotel Days-Inn, Plot no. L-1, Sector 19, Near Truck Terminal, Opp. Modern College, Near Palm Beach Marg, Vashi, Navi Mumbai - 400 705.

F. Disclosures

During the year under review, the Company has not entered into transactions of material nature with its Promoters, Directors, etc., that may have potential conflict with the interests of the Company.

There are no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.

G. Means of Communication

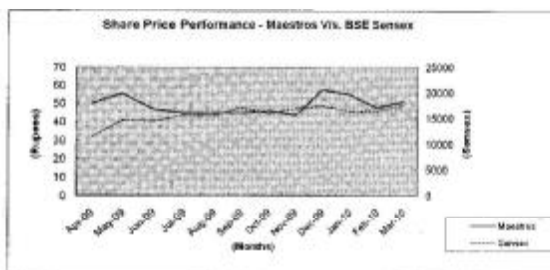
Half yearly report sent to each household of shareholders	No, as the unaudited financial results of the Company are published in the newspapers every quarter.
Quarterly Results published in newspapers	Yes, the newspapers are : a) The Free Press Journal, Mumbai edition b) Navshakti, Mumbai edition
Website, where results or official news are displayed	www.maestros.net www.medi-line.com
Whether Management Discussion and Analysis is a part of the Annual Report or not	Yes

H. Shareholders Information

Annual General meeting	Date : September 27, 2010.
Date, time and venue	Time : 3.00 p. m. Venue: Hotel Days-Inn, Plot no. L-1, Sector 19, Near Truck Terminal, Opp. Modern College, Near Palm Beach Marg, Vashi, Navi Mumbai - 400 705.
Financial Calendar (Tentative)	The financial calendar for the year 2010-2011 is as below: First Quarter Results - July 2010. Second Quarter Results - October 2010. Third Quarter Results - January 2011. Fourth Quarter Results - April 2011. Annual Results - June 2011. Annual General Meeting - September 2011.
Dates of Book Closure	The Register of Members and Share Transfer Register will remain closed from 22nd September, 2010 to 27th September, 2010 (both days inclusive) on account of Annual General Meeting.
Listing on Stock Exchanges and payment of listing fees	The Equity Shares of the Company are listed at The Stock Exchange, Mumbai. Listing fees for the year 2010-2011 have been paid.
Stock Code	501209

Market price data

Month & Year	High (Rs.)	Low (Rs.)	Volume
April 2009	51.90	36.05	16,678
May 2009	59.00	36.50	35,240
June 2009	63.80	43.50	27,656
July 2009	51.00	36.75	88,717
August 2009	56.00	38.10	14,377
September 2009	56.95	40.10	20,935
October 2009	55.00	42.05	30,036
November 2009	49.85	38.00	14,394
December 2009	70.70	41.10	85,327
January 2010	62.40	52.85	1,26,727
February 2010	56.95	43.75	10,662
March 2010	63.90	50.05	2,31,967



Registrar and Transfer Agents	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, Maharashtra. Tel: 91-022-2596 3838 Fax: 91-022-2594-6969
Share Transfer System	The share transfer function has been delegated by the Board to a Share Transfer Committee.

SHAREHOLDING PATTERN AS ON MARCH 31, 2010.

Sr. No.	Particulars	No. of Shares	% to total
1	Promoters, Directors and Relatives	1971,057	45.07
2	Bodies Corporate (Domestic)	529,626	12.11
3	Financial Institutions, Banks	15,000	0.34
4	Mutual Funds, UTI	50,000	1.14
5	General Public	1796,830	41.09
6	Others (Clearing Members)	10,747	0.25
	TOTAL	4,373,260	100.00

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DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010.

No. of Equity Shares held	No. of Shareholders		in Rs. % to total	
	Number	% to total		
UPTO 5000	1139	94.28	553012	12.65
5001 – 10000	25	2.07	188092	4.30
10001 – 20000	15	1.24	253369	5.79
20001 – 30000	7	0.58	173836	3.98
30001 – 40000	4	0.33	135704	3.10
40001 – 50000	6	0.50	281313	6.43
50001 – 100000	7	0.58	579333	13.25
100001 and above	5	0.42	2208601	50.50
TOTAL	1208	100.00	4373260	100.00

CERTIFICATE

To,
The Members,
Maestros Mediline Systems Limited.

We have examined the compliance of the conditions of Corporate Governance by Maestros Mediline Systems Limited for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange, Mumbai.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreements.

We state that in respect of investor grievances received during the year ended March 31, 2010, no investor grievances are pending against the Company as on June 21, 2010 as per the record maintained by the Company and presented to the Investor/Shareholders Grievances Committee.

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

Place: Mumbai
Date : June 21, 2010.

**For R A R & Associates,
Chartered Accountants**

Anil Goyal
(Partner)
Membership No. 43429

Dematerialisation of Equity Shares and liquidity

The Company has signed agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for making its shares available in dematerialised form.
As of March 31, 2010, around 95.68% of the shares of the Company are in dematerialised form.

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

NIL

Plant locations

Medical equipment manufacturing plant at:

- 1) Navi Mumbai - Plot No. EL-63 & 64, TTC Industrial Area, Electronic Zone, M.L.D.C., Malape, Navi Mumbai - 400701, Maharashtra.
- 2) Himachal Pradesh (Unit I) - Plot No. R2-A, Sector I, Industrial Area, Dist-Solan-173220, Parwanoo, Himachal Pradesh.

Information Technology Division at:

- 1) D-514 Floral Deck Plaza, Opp. Roli Net, Near SEEPZ, M.L.D.C., Andheri (East), Mumbai - 400093, Maharashtra.

Address for correspondence

Shareholder correspondence should be addressed to the Company's Registrars and Share Transfer Agents at the address mentioned above.

MAESTROS MEDILINE SYSTEMS LIMITED

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AUDITORS' REPORT

To the Members of

Maestros Mediline Systems Limited.

1. We have audited the attached balance sheet of Maestros Mediline Systems Limited, as at 31st March 2010, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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 (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditor's Report(s) have been forwarded to us and have been appropriately dealt with);
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanation given to us, and subject to our comments in the Annexure, and subject to the representations and confirmations received by the management, the said accounts give the information required by the Companies Act 1956, in

the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2010;
- (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**For RAR & Associates,
Chartered Accountants**

Anil Goyal
(Partner)
Membership No. 43429

Place : Mumbai.

Date : June 21, 2010.

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We have **relied upon the management** regarding the confirmations of debtors outstanding for more than six months and creditors and inventories, as it was not possible for us to verify the same, nor we received the confirmations.
- (c) The company has not disposed off a substantial part of fixed assets during the year and accordingly going concern is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the company has not taken or granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, clauses (iii) b, (iii) c and (iii) d of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are not adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, during the period, there are no contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The company has not accepted any deposits from public.
- (vii) In our opinion, the company does not have an internal audits system commensurate with the size and nature of its business.
- (viii) In our opinion and according to the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) The company is **not regular** in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state

insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it. The details are as under:-

Particulars	Amount Outstanding as on 31.03.2010	Amount Outstanding as on Date of Signing
Cess	53,88,182	49,88,182
Sales Tax	4,95,76,587	4,89,93,480
Property Tax	41,354	41,354
Provident Fund	9,11,999	NIL
ESIC	19,305	NIL
Professional Tax	15,29,148	11,13,348
Service Tax	33,30,849	33,30,849
TDS	44,98,221	37,03,643

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the company does not have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In respect of company's dealing in or trading in its investments, proper records have been maintained of transactions and contracts and timely entries have been made. The investments have been held by the company in its own name.
- (xv) In our opinion and according to the information and explanations given to us the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the terms loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For RAR & Associates,
Chartered Accountants

Anil Goyal
(Partner)
Membership No. 43429

Place : Mumbai,
Date : June 21, 2010.

MAESTROS MEDILINE SYSTEMS LIMITEDmaestros
enabling technology for you**BALANCE SHEET AS AT 31st MARCH, 2010**

(All Amounts in Rupees)

Particulars	Schedule	AS AT	AS AT
		31st MARCH, 2010	31st MARCH, 2009
SOURCES OF FUND			
SHAREHOLDERS FUND			
SHARE CAPITAL	1	43,732,600	44,169,620
RESERVES AND SURPLUS	2	314,373,122	313,772,168
LOAN FUNDS			
SECURED LOANS	3	74,984,181	77,893,432
DEFERRED TAX LIABILITY		32,300,606	31,074,811
TOTAL		465,390,509	466,910,031
APPLICATIONS OF FUND			
FIXED ASSETS			
GROSS BLOCK	4	394,635,278	375,483,815
LESS: ACCUMULATED DEPRECIATION		113,062,404	95,738,518
NET BLOCK		281,572,874	279,745,297
CAPITAL WORK IN PROGRESS		-	3,623,400
		281,572,874	283,368,697
INVESTMENTS	5	10,306,235	10,306,235
CURRENT ASSETS, LOANS AND ADVANCES			
STOCK IN TRADE	6	103,076,029	80,909,029
SUNDRY DEBTORS	7	117,131,816	106,874,019
CASH AND BANK BALANCES	8	62,784,643	74,198,382
LOANS AND ADVANCES	9	113,997,366	111,016,022
		396,989,854	372,997,453
LESS: CURRENT LIABILITIES AND PROVISIONS	10	224,659,004	202,427,198
NET CURRENT ASSETS		172,330,849	170,570,255
MISCELLANEOUS EXPENDITURE	11	1,180,551	2,664,845
TOTAL		465,390,509	466,910,031

Statement of Significant Accounting Policies

and Notes to the Accounts

18

Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date

For and on behalf of R A R & Associates.

Chartered Accountants

For and on behalf of Board of Directors

Anil Goyal
(Partner)
Membership No. 43429Dr. N. S. Paranjape
(Chairman)Mr. B.K. Tendulkar
(Director)Dr. K.K. Menon
(Managing Director)

Mumbai, June 21, 2010.

MAESTROS MEDILINE SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(All Amounts in Rupees)

Particulars	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
INCOME			
BUSINESS INCOME	12	285,859,511	278,845,259
OTHER INCOME	13	7,535,134	5,861,156
TOTAL		293,394,645	284,706,415
EXPENDITURE			
COST OF SALES & SERVICES	14	139,956,698	130,504,013
PERSONNEL COST	15	62,473,649	59,565,356
ADMINISTRATION, SELLING & OTHER EXPENSES	16	44,325,654	51,260,148
FINANCE CHARGES	17	23,852,894	18,348,466
DEPRECIATION		17,323,886	12,395,909
DEFERRED REVENUE EXPENDITURE WRITTEN OFF		1,484,293	2,656,187
TOTAL		289,417,075	274,730,079
Profit / (Loss) Before Taxation		3,977,569	9,976,336
Provision For Taxation :			
Fringe Benefit Tax		-	888,110
Current Tax		575,000	750,000
Deffered Tax		1,225,795	5,532,213
INCOME TAX - EARLIER YEARS (PROVISION)		-	818,276
Profit / (Loss) After Tax and Prior Period Adjustments		2,176,774	1,987,737
Surplus Brought Forward From Previous Year		70,002,806	68,015,069
PROFIT AVAILABLE FOR APPROPRIATION AND CARRIED TO BALANCE SHEET		72,179,580	70,002,806

Statement of Significant Accounting Policies

and Notes to the Accounts

18

Schedules referred to above form an integral part of the Profit and Loss Account

As per our attached report of even date

For and on behalf of R A R & Associates.

Chartered Accountants

For and on behalf of Board of Directors

Anil Goyal
(Partner)
Membership No. 43429

Dr. N. S. Paranjape
(Chairman)

Mr. B.K. Tendulkar
(Director)

Dr. K.K. Menon
(Managing Director)

Mumbai, June 21, 2010.

MAESTROS MEDILINE SYSTEMS LIMITEDmaestros
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(All Amounts in Indian Rupees)

Particulars	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	a	32,799,867	72,821,216
Net cash inflow from operating activities	A	32,799,867	72,821,216
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(15,528,064)	(62,957,232)
Sale proceeds on disposal of fixed assets		-	5,000
Dividends received		89,442	1,426,432
(Purchase) / Sale of Investments		-	35,789,109
Net cash inflow/(Outflow) from investing activities	B	(15,438,621)	(25,736,691)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in term loans		(2,909,251)	34,013,679
Financial charges paid		(23,852,894)	(18,348,466)
Buy back of Shares		(2,012,840)	(5,844,878)
Net cash inflow/(outflow) from financing activities	C	(28,774,985)	9,820,335
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C)	(11,413,739)	56,904,860
Cash and cash equivalents at the beginning of the year		74,198,382	17,293,523
Cash and cash equivalents at the end of the year	b	62,784,643	74,198,382

For and on behalf of Board of Directors

Dr. N. S. Paranjape
(Chairman)Mr. B.K. Tendulkar
(Director)Dr. K.K. Menon
(Managing Director)

Mumbai, June 21, 2010.

MAESTROS MEDILINE SYSTEMS LIMITEDmaestros
enabling technology for you**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010**

(All Amounts in Indian Rupees)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
a CASH GENERATED FROM OPERATIONS		
Net Profit before taxation	3,977,569	9,976,336
Adjustments For :		
Depreciation	17,323,886	12,395,909
Deffered Revenue Expenses Written Off	1,484,293	2,656,187
Loss on sale of fixed assets	-	8,857
Dividends received	(89,442)	(1,426,432)
Financial charges	23,852,894	18,348,466
Working capital changes (note a.1)	(13,749,333)	30,861,893
	32,799,867	72,821,216
a.1 Working capital changes		
<u>(Increase)/Decrease in current assets</u>		
Stock-in-trade	(22,167,000)	3,054,584
Trade debts	(10,257,796)	34,197,266
Loans, advances, deposits and prepayments	(2,981,344)	(46,586,858)
	(35,406,140)	(9,335,008)
<u>Increase/(Decrease) in current liabilities</u>		
Creditors, accrued and other liabilities (net)	(21,656,807)	40,196,901
	(13,749,333)	30,861,893
b CASH AND CASH EQUIVALENTS		
Cash and bank balances	62,784,643	74,198,382
	62,784,643	74,198,382

AUDITORS' CERTIFICATE

We have reviewed the attached Cash Flow Statement of Maestros Mediline Systems Limited for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreements with the Stock Exchanges, and is based on, and is in agreement with, the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated June 21, 2010 to the members of the Company.

For and on behalf of R A R & Associates.
Chartered Accountants

Anil Goyal
(Partner)
Membership No. 43429
Mumbai, June 21, 2010.

MAESTROS MEDILINE SYSTEMS LIMITEDmaestros
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(All Amounts in Rupees)

Particulars	As At 31st March, 2010	As At 31st March, 2009
1. SHARE CAPITAL		
Authorised Capital :		
55,00,000 Equity Shares of Rs. 10/- each.	55,000,000	55,000,000
Issued, subscribed and paid up :	43,732,600	44,169,620
44,16,962 (2008 : 45,49,940) Equity Shares of Rs. 10/- each fully paid up.	43,732,600	44,169,620
2. RESERVES AND SURPLUS		
Capital Redemption Reserve	1,766,800	1,369,510
Capital Reserve	4,494,600	4,494,600
General Reserve	5,000,000	5,000,000
Share Premium Account	238,789,860	238,789,860
Profit & Loss Account :		
Opening Balance	64,118,198	68,015,069
Add: Profit / (Loss) for the year	2,176,774	1,987,737
Transfer to Capital Redumption Reserve	(397,290)	(1,369,510)
Utilised for buyback shares	(1,575,820)	(4,515,098)
	64,321,862	64,118,198
	314,373,122	313,772,168
3. SECURED LOANS		
From Banks :		
Cash Credit	62,673,059	61,377,349
Term Loans	9,957,992	16,087,766
(Repayment due in one year Rs. 5,100,000)		
Hire Purchase for Vehicles	2,353,131	428,317
(Repayment due in one year Rs. 1,374,180)		
	74,984,181	77,893,432

MAESTROS MEDILINE SYSTEMS LIMITED

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SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

4. FIXED ASSETS

(All Amounts in Rupees)

Sl.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 01.04.2009	ADDITIONS DURING THE YEAR	SALES/ ADJUST. MENTS	AS AT 31.03.2010	UPTO 01.04.2009	FOR THE YEAR	SALES/ ADJUST. MENTS	TOTAL	AS AT 31.03.2010	AS AT 31.03.2009
1	LEASEHOLD LAND	1,651,000	-	-	1,651,000	75,853	17,559	-	93,412	1,557,588	1,575,147
2	FACTORY PREMISES	24,395,621	470,076	-	24,865,697	2,227,071	807,651	-	3,034,722	21,830,975	22,168,550
3	OFFICE PREMISES	142,469,138	11,620,728	-	154,089,866	15,928,177	2,376,734	-	18,304,911	135,784,955	126,540,961
4	PLANT & MACHINERY	13,702,793	1,847,849	-	15,550,642	6,067,298	767,312	-	6,834,610	8,716,032	7,635,495
5	ELECTRICAL INSTALLATION	4,922,364	688,863	-	5,611,227	253,489	284,879	-	538,368	5,072,859	4,668,875
6	FURNITURE & FIXTURES	103,250,897	1,247,420	-	104,498,317	36,173,154	3,978,195	-	40,151,349	64,346,968	67,077,743
7	AIR CONDITIONERS	10,983,422	348,603	-	11,332,025	3,241,402	524,305	-	3,765,707	7,566,318	7,742,020
8	OFFICE EQUIPMENTS	5,035,502	124,772	-	5,160,274	1,232,981	240,512	-	1,473,493	3,686,782	3,802,522
9	COMPUTERS & SOFTWARE	63,308,960	699,638	-	64,008,599	28,597,974	7,727,664	-	36,325,638	27,682,961	34,710,987
10	VEHICLES	5,764,117	2,103,514	-	7,867,631	1,941,119	599,075	-	2,540,194	5,327,437	3,822,998
	TOTAL	375,483,815	19,151,464	-	394,635,278	95,738,518	17,323,886	-	113,062,404	281,572,874	279,745,297
	CAPITAL WORK IN PROGRESS	3,623,400	-	3,623,400	-	-	-	-	-	-	3,623,400
	TOTAL ASSETS	379,107,215	19,151,464	3,623,400	394,635,278	95,738,518	17,323,886	-	113,062,404	281,572,874	283,368,697
	PREVIOUS PERIOD	316,212,833	64,749,712	1,855,330	379,107,215	83,391,602	12,395,909	48,993	95,738,518	283,368,697	232,821,231

MAESTROS MEDILINE SYSTEMS LIMITED

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SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

(All Amounts in Rupees)

Particulars	As At	As At
	31st March, 2010	31st March, 2009
5. INVESTMENTS :		
(Trade)		
Long Term		
Quoted		
800 shares (2009 : 800) in Bank of Maharashtra	18,400	18,400
100 shares (2009 : 100) in Biocon Ltd.	31,500	31,500
1 share (2009 : 1) in BPL Ltd.	27	27
1550 shares (2009 : 1550) in Datamatics Technologies Ltd.	234,500	234,500
54 shares (2009 : 54) in Dredging Corporation Ltd.	21,600	21,600
200 shares (2009 : 200) in Foursoft Ltd.	5,000	5,000
20 shares (2009 : 20) in Indo Count Industries Ltd.	530	530
672 shares (2009 : 680) in J. K. Cement Ltd.	99,456	99,456
35 shares (2009 : 35) in M & M Financial Services Ltd.	7,000	7,000
90 shares (2009 : 60) in ONGC Ltd.	42,750	42,750
66 shares (2009 : Nil) in Patel Engineering Ltd.	29,040	29,040
850 shares (2009 : 850) in Patni Computer Systems Ltd.	258,310	258,310
3400 shares (2009 : 3400) in Petronet LNG Ltd.	51,000	51,000
20 shares (2009 : Nil) in Plethico Pharmaceuticals Ltd.	6,000	6,000
200 shares (2009 : 200) in Power Trading Corporation Ltd.	3,200	3,200
5000 shares (2009 : 5000) in Finolex Industries Ltd.	511,443	511,443
200 shares (2009 : 200) in Great Offshore Ltd.	57,736	57,736
1500 shares (2009 : 1500) in MTNL	331,442	331,442
3000 shares (2009 : 3000) in Punjab Chemicals Ltd.	733,715	733,715
1500 shares (2009 : 1500) in Tata Chemicals Ltd.	408,194	408,194
800 shares (2009 : 800) in The Great Eastern Shipping Co. Ltd.	230,946	230,946
125 shares (2009 : Nil) in Power Grid Corporation of India Ltd.	6,500	6,500
60 shares (2009 : Nil) in Central Bank of India	6,120	6,120
Market value Rs. 2,943,082/- (Previous Year Rs. 1,537,120/-)		
	3,094,410	3,094,410
Unquoted		
Investment in Subsidiary Companies		
Shares in Maestros Middle East (FZE)	7,174,575	7,174,575
	7,174,575	7,174,575
(Non Trade)		
Government Securities		
6 years National Saving Certificate	15,000	15,000
890 Shares of Rs. 25/- each fully paid up in Shamrao Vithal Co-Op. Bank Ltd.	22,250	22,250
	37,250	37,250
	10,306,235	10,306,235

MAESTROS MEDILINE SYSTEMS LIMITEDmaestros
enabling technology for you**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010**

(All Amounts in Rupees)

Particulars	As At	
	31st March, 2010	31st March, 2009
6. STOCK IN TRADE		
Raw Material	32,376,906	11,643,395
Work-in-progress	2,613,913	1,714,918
Finished Goods	68,085,210	67,550,717
	103,076,029	80,909,029
7. SUNDRY DEBTORS		
(Unsecured, considered good)		
More than six month	47,599,566	40,041,318
Others	69,532,250	66,832,701
	117,131,816	106,874,019
8. CASH AND BANK BALANCES		
Cash on hand	815,729	590,677
Balances with Scheduled Banks:		
In Current Account	7,483,748	19,747,518
In Fixed Deposits	54,485,166	53,860,187
	62,784,643	74,198,382
9. LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or kind for value to be received	21,123,875	24,133,178
Deposits	12,783,932	37,530,649
Tax Deducted at Source & Advance Tax	30,807,922	23,629,788
Prepaid Expenses	149,786	405,828
Advances to Suppliers	49,131,850	25,316,578
	113,997,366	111,016,022
10. CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors	88,474,069	60,251,619
Advances from Customers	6,514,689	5,977,002
Deposits	22,974,687	67,236,360
Other Liabilities	99,349,929	62,191,587
Unclaimed Dividend	12,195	12,195
Provisions:		
Provision For Taxation	7,333,435	6,758,435
	224,659,004	202,427,198
11. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary expenses	8,264	50,387
Deferred Revenue expenses	1,172,287	2,614,457
	1,180,551	2,664,845

MAESTROS MEDILINE SYSTEMS LIMITEDmaestros
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SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(All Amounts in Rupees)

Particulars	Year Ended 31st March, 2010	Year Ended 31st March, 2009
12. BUSINESS INCOME		
Medical Embeded System & Software	186,543,787	153,184,229
IT Softwares and Services	7,776,230	15,301,626
Income from Infrastructure Activities	52,841,880	48,863,330
Electronics & Instrumentation	38,697,613	61,496,074
	285,859,511	278,845,259
13. OTHER INCOME		
Dividend	89,442	1,426,432
Interest Received :		
On Deposits with Bank (TDS Rs. 405,143, Previous Year :311,318)	5,095,970	2,039,932
From Others	2,334,921	2,365,463
Miscellaneous Income	14,800	29,329
	7,535,134	5,861,156
14. COST OF SALES & SERVICES		
Purchase of Materials & Components	155,825,152	121,982,158
Power & Fuel	668,889	1,337,500
Excise Duty and Taxes	4,420,858	2,969,027
Cess/Octroi on Purchases	1,208,799	1,160,744
Sub Total (a)	162,123,698	127,449,429
(Increase) / Decrease in Stocks of Finished Goods , Work In Progress & Raw Material :		
Closing Stock		
Raw Material	32,376,906	11,643,395
Work-in-progress	2,613,913	1,714,918
Finished Goods	68,085,210	67,550,717
Sub Total (b)	103,076,029	80,909,029
Less :- Opening Stock		
Raw Material	11,643,395	12,259,277
Work-in-progress	1,714,918	2,855,331
Finished Goods	67,550,717	68,849,005
Sub Total (c)	80,909,029	83,963,613
Sub Total (c)-(b)=(d)	(22,167,000)	3,054,584
TOTAL (a)+(d)	139,956,698	130,504,013
15. PERSONNEL COST		
Salaries, Wages and Bonus	56,271,366	55,282,249
Contribution to P.F. and Other Funds	3,282,767	1,794,657
Welfare Expenses	2,919,516	2,488,450
	62,473,649	59,565,356

MAESTROS MEDILINE SYSTEMS LIMITEDmaestros
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SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(All Amounts in Rupees)

Particulars	Year Ended 31st March, 2010	Year Ended 31st March, 2009
16. ADMINISTRATION, SELLING AND OTHER EXPENSES		
Advertisement and Business Promotion Expenses	2,025,424	4,864,032
Agency Charges	598,692	486,947
Auditors' Remuneration	450,000	450,000
Books & Periodicals, Subscr. & Membership Fees	237,146	354,239
Commission	2,934,307	2,291,779
Directors' Sitting Fees	32,000	32,000
Exchange Rate Difference	(1,920,963)	58,168
Freight and Forwarding Expenses	5,715,054	6,092,952
General & Misc. Expenses	1,035,569	369,026
Hire Charges	37,881	110,830
Installation Charges	-	180,800
Insurance	992,270	354,478
Legal Charges	338,438	-
Loss on Sale of Fixed Assets	-	8,857
Other Sundry Expenses	565,489	801,239
Postage, Telegram and Telephone	3,050,452	4,422,579
Printing and Stationery	1,446,977	1,281,889
Professional and Other Fees	8,277,882	9,794,146
Rates and Taxes	426,285	1,262,032
Recruitment Expenses	294,979	165,000
Rent	4,299,437	3,152,437
Repairs and Maintenance :		
Plant and Machinery	196,938	161,813
Building	680,250	264,589
Vehicles	378,898	398,875
Others	2,669,950	2,502,642
Security Charges	503,607	469,462
Travelling and Conveyance	8,986,247	10,839,038
Water Charges	72,445	90,300
	44,325,654	51,260,148
17. FINANCE CHARGES		
Interest to Bank:		
On Cash Credit	8,803,982	8,502,364
On Term Loan	1,697,475	1,072,279
Interest to Others	7,489,617	5,112,608
Bank Charges	5,861,820	3,661,216
	23,852,894	18,348,466

18. SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS:**1. SIGNIFICANT ACCOUNTING POLICIES:****i) Basis of Accounting**

The financial statements have been prepared in accordance with generally accepted accounting principles, the provisions of the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The accounts have been prepared using historical cost convention and on the basis of a going concern.

ii) Revenue Recognition

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. The principles of revenue recognition are given below:

- (a) Revenue from goods sold is recognised at the point of dispatch of goods to the customers.
- (b) Sales are reflected at net of trade discounts.
- (c) Revenue from the sale of software products is recognised when the sale is completed with the passing of title.
- (d) Income from annual maintenance contracts and annual subscriptions is accounted for in the ratio of the period expired to the total period of contract and amount received from customers towards unexpired portion of annual maintenance contracts and annual subscriptions is shown as advances received from customers which is accounted as income in the following financial year(s).
- (e) Dividend income is recognised when the right to receive dividend is established.
- (f) Incomes from services rendered are booked based on agreements/arrangements with the concerned parties.

iii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require 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.

Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

iv) Fixed Assets and Depreciation**a) Fixed Assets**

All fixed assets are stated at cost of acquisition/construction less depreciation. Cost includes acquisition and all identifiable expenditure incurred to bring the assets to its present condition and location.

Fixed Assets are eliminated from financial statements, either on disposal or when retired from active use. Such assets are removed from fixed asset records on disposal.

b) Depreciation

Depreciation is provided (except in case of Leasehold Land which is being amortised over the period of lease) on straight-line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions/deletions to assets during the period is provided on a pro-rata basis from / up to date of addition or deletion, as the case may be.

c) Capital Work –In –Progress

Capital Work-in-progress includes all the expenses and payments incurred / made for fixed assets under construction, till such assets are ready for intended use.

v) Investments

Long Term investments are stated at cost.

vi) Borrowing Costs

Borrowing costs attributable to the acquisition and construction of assets are capitalised as part of the cost of respective assets up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the revenue in the period in which they are incurred.

vii) Inventories

Inventories are valued on the following basis:

- (a) Raw material at cost.
- (b) Work-In-Progress at cost.
- (c) Finished goods at lower of cost and market price.

Cost includes direct labour and direct overheads.

viii) Retirement Benefits

- (a) Contributions are made by the Company to provident fund on a monthly basis and charged to Profit & Loss Account.
- (b) Provision has been made in respect of gratuity.
- (c) Provisions are made for leave encashment on accrual basis.

ix) Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.
- (b) Any gain or losses on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account.

x) Research and Development

Revenue Expenditure on research and development is charged to Profit and Loss account in the year of incurrence except in case of development of new products undertaken where the same are deferred and expensed out over a reasonable period for which the benefit is received after commercial development of the products.

xi) Income Tax

Income Tax is accounted for in accordance with Accounting Standard 22 (AS 22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured using the relevant enacted tax rates. At each Balance Sheet date, the Company reassesses unrealised deferred tax assets to the extent they have become reasonably certain or virtually certain of realisation, as the case may be.

xii) Deferred Revenue Expenditure

Deferred Revenue Expenditure includes expenditure made on research and development of medical embedded systems.

xiii) Contingencies & Events Occurring after the Balance Sheet Date

- (a) Accounting for contingencies (gains and losses) arising out of contractual obligations, are made only on the basis of mutual acceptances. These are disclosed by way of notes to the Balance Sheet.
- (b) Provision is made in the accounts in respect of those contingencies which are likely to materialise into liabilities after the year-end, till the date of approval of the accounts by the Board of Directors and have material effect on the position stated in the Balance Sheet.

2. NOTES TO THE ACCOUNTS:**i) Contingent Liabilities**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year Rs. Nil).
- b) Guarantees issued by banks on behalf of the Company, counter guaranteed by the Company Rs. 11,712,199/- (Previous year Rs. 6,015,237/-).

ii) Managerial Remuneration

(All Amounts in Indian Rupees, except share data)

	Current Year	Previous Year
Salary	1,697,000	1,226,000
House Rent Allowance	848,500	613,000
Contribution to provident fund and other funds	18,720	18,720
Perquisites	1,738,504	1,844,793
Total	4,302,724	3,702,513

iii) Payment to Auditors

(All Amounts in Indian Rupees, except share data)

	Current Year	Previous Year
Audit fees	390,000	390,000
Tax Audit fees	60,000	60,000
Other Matters	-	-
Total	450,000	450,000

iv) Amounts due to small scale industrial undertaking

Amount, due to small scale industrial undertaking if any could not be disclosed as such parties could not be identified from the records of the Company.

v) Related Party Disclosure

Information pursuant to "Accounting Standard 18" issued by the Institute of Chartered Accountants of India is as follows

a) List of Related Parties :

Enterprises over which key management personnel exercise significant influence:

• Maestros Software Solutions Pvt. Ltd.

Key managerial personnel:

Dr. Nitin S. Paranjape. - Chairman.

Dr. Krishnakumar Menon. - Managing Director.

Mr. Balkrishna Tendulkar. - Executive Director.

Relatives of Key managerial personnel:

Mrs. Chitralekha K. Menon - Wife of Dr. Krishnakumar Menon (Managing Director)

Subsidiaries:

Maestros Middle East (FZE)

b) Transactions and Balances with related parties:

Transactions during the Year

(All Amounts in Indian Rupees, except share data)

Particulars	Year	Subsidiaries	Enterprise over which key managerial personnel exercise significant influence	Key managerial personnel	Relatives of key managerial personnel	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Purchase of Materials	Current	-	-	-	-	-
	(Previous)	-	-	-	-	-
Managerial Remuneration	Current	-	-	4,302,724	-	4,301,948
	(Previous)	-	-	(3,702,513)	-	(3,702,513)
Sales and Service	Current	189,552	-	-	-	118,982
	(Previous)	(118,982)	-	-	-	(118,982)
Finance (incl. loans and equity contribution)	Current	(682,242)	-	-	-	1,252,219
	(Previous)	(1,252,219)	-	-	-	(1,252,219)
Salary	Current	-	-	-	453,360	453,360
	(Previous)	-	-	-	(453,360)	(453,360)

MAESTROS MEDILINE SYSTEMS LIMITED

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Balance As at 31 March 2010

Particulars	Year	Subsidiaries	Enterprise over which key managerial personnel exercise significant influence	Key managerial personnel	Relatives of key managerial personnel	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Managerial Remuneration	Current (Previous)	- -	- -	525,390 (275,227)	- -	275,227 (275,227)
Salary	Current (Previous)	- -	- -	- -	37,780 (37,780)	37,780 (37,780)
Finance (incl. loans and equity contribution)	Current (Previous)	9,672,989 (10,355,231)	- -	- -	- -	10,355,231 (10,355,231)
Receivables	Current (Previous)	787,400 (864,556)	- -	- -	- -	864,556 (864,556)

vi) Leases

Leasehold Land includes land taken on lease and Office Premises includes building taken on lease from Maharashtra Industrial Development Corporation for a period of 95 years.

vii) Earnings / (Loss) Per Share

Earning / (Loss) per share is calculated by dividing the profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period as under:

(All Amounts in Indian Rupees, except share data)

	Current Year	Previous Year
Profit/(Loss) after Tax	2,176,774	1,987,737
Profit/(Loss) attributable to Equity Shareholders	2,176,774	1,987,737
Weighted average number of shares outstanding		
During the period	4,373,260	4,416,962
Basic/Diluted Earning/(Loss) Per Share	0.50	0.45
Nominal Value per share	10.00	10.00

viii) Deferred Tax Liability

The Deferred tax Assets/(liabilities) arising out of timing difference comprise of the following major components:

(All Amounts in Indian Rupees, except share data)

	Current Year	Previous Year
Depreciation	1,225,795	5,532,213

ix) Segment Information for the Period Ended

The Company's financial reporting is organized into three major operating divisions' viz. medical embedded systems, software and infrastructure activities. These divisions are the basis on which the Company reports its primary segment. The composition of these segments is given below.

i) Types of products and services:

Business Segment	Types of Product and Services
Medical Embedded Systems (MES)	Fetal Monitors, ECG Machines, Pulse Oxymeters, Multi Parameter Monitors, Etc.
IT	Trading in Software Products, Software Development, Support and Training.
Infrastructure Activity	Income from Infrastructure Facilities.
Electronics and Instrumentation	Industrial panel printer.

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ii) Primary Segment :

(All Amounts in Indian Rupees, except share data)

Sr. No.	Particulars	Current Year	Previous Year
A.	Segment Revenue		
i)	Medical Embedded Systems (MES)	186,543,787	153,184,229
ii)	IT	7,776,230	15,301,626
iii)	Infrastructure Activities	52,841,880	48,863,330
iv)	Electronics and Instrumentation	38,697,613	61,496,074
v)	Others	—	—
	Total	285,859,511	278,845,259
	Less: Inter Segment Revenue	—	—
	Net Sales/Income from operations	285,859,511	278,845,259
B.	Segment Results (Profit (+)/Loss (-) before tax and interest)*		
i)	Medical Embedded Systems (MES)	17,351,189	16,249,035
ii)	IT	(7,285,376)	(60,54,706)
iii)	Infrastructure Activities	23,453,177	20,663,228
iv)	Electronics	12,788,250	21,777,779
v)	Others	—	—
	Total	46,307,240	52,635,336
Less: i)	Interest	19,531,277	18,348,466
ii)	Other unallocable expenditure net of unallocable income	22,798,394	24,310,534
	Total Profit Before Tax and Prior Period Adjustments	3,977,569	9,976,336

iii) Segment capital employed :

Fixed assets used in Company's business or liabilities have not been identified to any reportable segment, as the fixed assets are used interchangeably between segments. It is currently not possible to furnish segmental disclosure relating to total assets and liabilities.

x) Prior Year Comparatives

Figures for the previous year have been regrouped and rearranged wherever necessary.

xi) Balance Confirmations

Sundry Debtors, Sundry Creditors and Loans and Advances, are subject to confirmation.

xii) Current Assets, Loans and Advances

Current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

xiii) Additional information pursuant to the provisions of paragraph 3 (i) & (ii) of Part II of the Schedule VI to the Companies Act, 1956:

I) (All Amounts in Indian Rupees, except share data)

Sr. No.	Particulars	Current Year	Previous Year
1	Value of imports.		
a)	Raw materials	48,244,556	27,499,618
b)	Bought outs	25,402,948	27,460,866
c)	Capital Goods	96,338	593,366
		73,743,842	55,553,850
2	Expenditure in foreign exchange.		
a)	Travelling	1831,116	2,468,404
b)	Seminar & Conferences	453,003	1,615,201
c)	Salary	979,232	1,413,518
d)	Rent	596,275	592,825
		3,859,626	6,089,948
3	Earning In foreign exchange.		
a)	Value of Exports (including recovery of freight and Insurance as the case may be)	5,310,397	10,582,650
		5,310,397	10,582,650

II) Value of Consumption of Raw Materials

(All Amounts in Indian Rupees, except share data)

Particulars	Current Year		Previous Year	
	Rs.	%	Rs.	%
Raw materials				
Electronics Components, part, accessories, Consumables, etc. :				
Medical Embedded Systems :				
Imported	22,997,968	25.31	14,150,827	16.17
Local	40,243,036	44.28	42,049,306	48.05
	63,241,004	69.59	56,200,133	64.21
Electronics and Instrumentation :				
Imported	11,384,106	12.53	14,526,350	16.60
Local	16,256,438	17.89	16,793,649	19.19
	27,640,544	30.41	31,319,999	35.79
Total	90,881,548	100.00	87,520,132	100.00

III) Sales Turnover

(All Amounts in Indian Rupees, except share data)

Sr. No.	Particulars	Current Year		Previous Year	
		Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
1	Medical Embedded Systems and Other Accessories.	3,198	84,879,646	3,223	77,356,722
2	Other Bought Outs, Accessories and Consumables	1,525	98,287,592	41,790	73,968,659
3	Medical Software Products.	—	—	—	—
4	Servicing of Medical Equipments.	—	33,76,550	—	1,858,848
5	Electronics and Instrumentation	14,783	38,697,613	31,081	61,496,074
6	IT Software.	2	457,999	22	51,583
7	IT Services.	—	73,18,231	—	15,250,043
8	Infrastructure Activities.	—	52,841,880	—	48,863,330
	Total		285,859,511		278,845,259

IV) Inventories

(All Amounts in Indian Rupees, except share data)

Sr. No.	Particulars	Current Year		Previous Year	
		Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
1	Raw materials-Electronics Components, part, accessories, Consumables, etc. :				
	Medical Embedded Systems	—	21,447,806	—	8,754,141
	Electronics and Instrumentation	—	8,563,990	—	2,889,254
			<u>30,011,796</u>		<u>11,643,395</u>
2	Work in progress :				
	Medical Embedded Systems	376	2,050,598	321	1,384,328
	Electronics and Instrumentation	1025	563,315	878	330,590
			<u>2,613,913</u>		<u>1,714,918</u>
3	Finish goods :				
	Medical Embedded Systems	459	9,456,411	289	7,681,106
	Electronics and Instrumentation	381	460,992	757	281,994
	Bought outs :				
	Medical Embedded Systems	20	23,65,110	655	1,419,809
	IT Software	—	58,167,807	—	58,167,807
			<u>70,450,320</u>		<u>67,550,716</u>
	Total		103,076,029		80,909,029

V) Purchases

(All Amounts in Indian Rupees, except share data)

Particulars	Current Year		Previous Year	
	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
Raw materials-Electronics Components, part, accessories, Consumables, etc. :				
Medical Embedded Systems	—	75,934,669	—	55,912,032
Electronics and Instrumentation	—	33,315,280	—	30,992,218
		<u>109,249,949</u>		<u>86,904,250</u>
Bought outs :				
Medical Embedded Systems	744	46,223,379	2560	35,030,808
IT Software	2	351,824	22	47,100
		<u>46,575,203</u>		<u>35,077,908</u>
Total		155,825,152		121,982,158

VI) It is difficult to furnish quantitative information for raw materials due to heterogeneity of the item involved.

As per our attached report of even date
For and on behalf of R A R & Associates.
Chartered Accountants

Anil Goyal
(Partner)
Membership No. 43429

Mumbai, June 21, 2010.

For and on behalf of Board of Directors

Dr. N. S. Paranjape
(Chairman)

Mr. B.K. Tendulkar
(Director)

Dr. K.K. Menon
(Managing Director)

MAESTROS MEDILINE SYSTEMS LIMITED

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Statement pursuant to Section 212 of the Companies Act, 1956 relating to Holding Companies interest in the Subsidiary Companies :

1	Name of Subsidiary	: Maestros Middle East (FZE)
2	Financial year of the subsidiary ended on	: March 31, 2010
3	Extent of the Companies Interest	: 100% Subsidiary Company
4	Net aggregate amount of profit of the subsidiary as they concern the members of the Company and dealt with in the accounts of Company.	-
a)	as regards the Financial year ended on March 31, 2010 of Maestros Middle East FZE	: Nil
b)	as regards any other previous financial years of Maestros Middle East FZE since it becomes subsidiary of the Company	: Nil
5	Net aggregate amount of profit of the subsidiary as they concern the members of the Company and not dealt with in the accounts of Company.	
a)	as regards the Financial year ended on March 31, 2010 of Maestros Middle East FZE	: 3,793,317
b)	as regards any other previous financial years of Maestros Middle East FZE since it becomes subsidiary of the Company	: (7,996,903)
6	Reporting Currency	: AED
7	Exchange Rate (Average Rate)	: 13.02
8	Country	: UAE

Statements required under serial no. (a) to (d) of sub-section (1) of Section 212 is forming part of this Annual Report.

For and on behalf of Board of Directors

Dr. N. S. Paranjape
(Chairman)

Mr. B.K. Tendulkar
(Director)

Dr. K.K. Menon
(Managing Director)

MAESTROS MEDILINE SYSTEMS LIMITED



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS

I. Registration Details

Registration No.	<input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="8"/>	State Code	<input type="text" value="1"/> <input type="text" value="1"/>
Balance Sheet	<input type="text" value="3"/> <input type="text" value="1"/>	<input type="text" value="0"/> <input type="text" value="3"/>	<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/>
	Date	Month	Year

II. Capital Raised during the year (Amount in Rupees)

Public Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilization and Deployment of Fund (Amount in Rupees)

Total Liabilities	<input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="9"/>	Total Assets	<input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="9"/>
Sources of Funds		Reserves & Surplus	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="2"/>
	Paid-up Capital	Unsecured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
	<input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/>	Investments	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="5"/>
	Secured Loans	Misc. Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="1"/>
	<input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="1"/>	Net Fixed Assets	<input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="7"/> <input type="text" value="4"/>
Application of Funds		Net Current Assets	<input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="9"/>
	Accumulated Losses		<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>		

IV. Performance of Company (Amount in Rupees)

Turnover	<input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="1"/>	Total Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
Profit / Loss Before Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="9"/>	Profit / Loss After Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="4"/>
Earning Per Share in Rs.	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="5"/> <input type="text" value="0"/>	Dividend (%)	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/>

V. Generic Names of Principal Products / Services of company (as per monetary term)

Item	
Code No.	<input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="*"/> <input type="text" value=""/> <input type="text" value=""/>
(ITC Code)	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="*"/> <input type="text" value=""/> <input type="text" value=""/>
	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="*"/> <input type="text" value=""/> <input type="text" value=""/>
	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="*"/> <input type="text" value=""/> <input type="text" value=""/>
	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="*"/> <input type="text" value=""/> <input type="text" value=""/>
	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="*"/> <input type="text" value=""/> <input type="text" value=""/>
	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="*"/> <input type="text" value=""/> <input type="text" value=""/>
Product Description	M E D I C A L E Q U I P M E N T S
	C O M P U T E R S O F T W A R E
	I N F O R M A T I O N T E C H N O L O G Y
	E N A B L E D S E R V I C E S
	E L E C T R O N I C S &
	I N S T R U M E N T A T I O N

*Represents Heading No. of the Harmonised Commodity Description and Coding System.

DIRECTORS' REPORT

1. Financial Results

The Following are the consolidated financials of Maestros Mediline Systems Limited with its wholly owned subsidiary Maestros Middle East (FZE).

The consolidated financial statements for the year ended March 31, 2010 are presented with comparative figures of previous year.

The subsidiary has been setup to tap the opportunities available in Middle East markets and African continent. The subsidiary is engaged in providing IT and IT enable services and has competencies like advance infrastructure solutions, business process and integration solutions, data management solutions etc. and specialisation like active directory, database management, exchange migration and deployment, identity and secure access etc.

(Rs. In Thousands)

	Current Year	Previous Year
Total Income	312,388	301,123
Less: Expenditure	263,068	259,573
Profit before Depreciation, Finance Charges and Tax	49,320	41,550
Less: Interest and Financial Charges	23,908	18,360
Less: Depreciation	17,635	12,655
Profit before Tax	7,777	10,535
Less: Provision for Taxation	1,801	7,170
Profit / (Loss) after tax	5,976	3,365
Less: Short provision for tax on earlier years	-	818
Add: Prior period items	-	-
Add: Balance brought forward from previous year	63,269	60,722
Profit available for appropriation	69,245	63,269
Less: Appropriations Transfer to General Reserve	-	-
Balance carried forward	69,245	63,269

2. Management Discussion And Analysis

Global Industry Structure and Development: Enterprise adoption of technology applications continues to grow with an increasing emphasis on standardization, process efficiency and automation. Today, the electronic medium has become indispensable to most forms of business communication and for integrating the expanding global supply chain. Apart from the core drivers, there are number of environmental factors, namely, economic growth, technology related spending, propensity to outsource IT & business process that influence impetus of global sourcing.

The global sourcing industry is fundamentally driven by three factors namely, access to newer talent pools, reduction in cost and business improvements. The future outlook on these factors favours growth for global sourcing. Cost pressure is likely to continue unabated on businesses as customers continue to demand more for less in an ever increasing competitive environment. Developed countries would be facing skilled workforce shortage, in contrast with developing nations would have a surplus in the same period. This imbalance in the available pool of talent is likely to continue driving the global outsourcing demand. Buyers utilize the global sourcing effectively to achieve other business improvements such as improved quality, productivity, customer satisfaction and revenue – realization. Global sourcing has become an effective tool for global companies to expand their business with optimized cost.

With significant potential still untapped, it is expected that the global sourcing phenomenon will continue to expand in scope, scale and geographic coverage. As global delivery matures, multi-location strategies will become the norm and most sourcing destinations, including emerging locations, will grow in size.

3. Segment wise operational performance:

Your Company has two main segments of business viz. Medical Embedded Systems ("MES") and Information Technology ("IT").

The sale of MES division has increased by 22 per cent. The sale of IT division has decreased significantly by 15 per cent. The gross income from Infrastructure activity has increased significantly by 8 per cent. The sale of Electronics division has decreased significantly by 37 per cent. During the year under review your Company has upgraded its existing products with better technology and features.

4. Threats and Concerns:

We operate in highly competitive environment and this competitive pressure is likely to be continued. The market for Medical embedded systems and IT is rapidly evolving and highly competitive. We expect that competition will continue to intensify. We face competition or competitive pressure from Indian IT service companies, in-house IT department of large corporations, Foreign and significantly East Asian competitors, various domestic manufacturers of medical embedded systems, .

Many of our competitors have significantly greater financial, technical and marketing resources and generate greater revenues than we do Clients and customers may prefer them. Therefore, we can not assure you that we will be able to retain our clients while competing against such competitors. We believe that our ability to compete also depends in part on a number of factors beyond our control, including the of our competitor to attract, train, motivate and retain highly skilled employees, the price at which our competitors offer comparable products and services and the extent of our competitors to our clients needs.

Further, with increase in number of international companies setting up their operations in India and presence of existing domestic competitors has resulted in increased employee attrition and increased wage pressure to retain talent work force and reduce such attrition.

5. Internal control systems and their adequacy: Your Company has well established and adequate systems for internal control to provide reasonable assurance that all assets are safeguarded; transactions are authorized and reported correctly.

The internal control system provides well documented policies, guidelines authorization and approval procedures for its operations. Your Company maintains controls of high norms both in raw material as well as finished goods. The percentage of rejection from market has reduced drastically due to controls set up in this division.

To achieve high level of customer satisfaction, your company is regularly conducting training programs for its engineers and technical staff on continuous basis, which has resulted in call solving at the initial level itself.

The distribution activity of your Company is mainly controlled through appointing well established dealers who are experienced in this field and setting up targets for sales and service.

6. Human Resources: Your Company continuously endeavors to improve the work environment for its employees. Competitive

compensation package, innovative and challenging environment to work, transportation facilities, etc., are some of the steps taken by the Company for the welfare of its employees.

7. Equity Capital

During the year ended March 31, 2010 the Company repurchased a total of 43,702 equity shares through Bombay Stock Exchange for an aggregate consideration of Rs.20,12,840/- being 6.18% of the amount authorised for the buy back. Subsequently, the Company extinguished 43,702 equity shares on different dates.

8. Consolidated Financial Statements

As stipulated in the listing agreement with the stock exchanges, the consolidated financial statements have been prepared by the company in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India.

9. Directors' Responsibility Statement

To the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors make the following statement, pursuant to Section 217 (2AA) of the Companies Act, 1956:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year April 1, 2009 to March 31, 2010;
- (iii) the proper and sufficient care has been taken 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 detecting fraud and other irregularities;

and

- (iv) that the annual accounts have been prepared on a going concern basis.

10. Report on Subsidiary Companies

In the year 2007-08 your Company had set-up wholly owned subsidiary Company in Free Trade Zone, Sharjah viz. Maestros Middle East FZE. The subsidiary has been setup to focus on the Middle East Market. The subsidiary is engaged in providing IT & IT enabled services and has competencies like advance infrastructure solutions, business process and integration solutions, data management solutions etc. and specialisations like active directory, database management, exchange migration and deployment, identity & secure access etc. The total revenue of subsidiary has reached to 1,473,583 AED as compared to 1,334,767 AED of last year. Pursuant to Section 212 of the Companies Act, 1956 the annual audited accounts of the same are attached herewith and form part of this Annual Report.

11. Corporate Governance

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement. A separate report on Corporate Governance compliance is included as a part of the Annual Report along with the Auditors' Certificate.

12. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgoings

Disclosure of information in accordance with the provisions of

Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption is not applicable to your Company.

The particulars regarding foreign exchange earnings and foreign exchange expenditure during the year of Rs.5,310,397/- and Rs.3,859,626/- respectively are as appearing in Note no. XVI of the Notes to Accounts.

13. Public Deposits

The Company has not accepted any Fixed Deposits from the Public / Shareholders.

14. Auditors and Auditors' Report

M/s. R A R and Associates, Chartered Accountants, Mumbai, the statutory auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received a Certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

15. Particulars of Employees

Information required pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable to your Company.

16. Appreciation

Your Board takes this opportunity to express its sincere appreciation of the excellent contribution made by all its employees towards the overall performance of your company. Your Directors also thank all the shareholders, dealers, suppliers, bankers and other business associates for their valuable service and support during the year.

For and on behalf of Board of Directors

Dr. N. S. Paranjape **Dr. K. K. Menon** **Mr. B. K. Tendulkar**
(Chairman) (Managing Director) (Director)

Registered Office:

Plot No. EL-63, Electronic Zone,
T.T.C Industrial Area, M.I.D.C,
Mahape, Navi Mumbai - 400 701,
Maharashtra,
India.

Date: June 21, 2010.

AUDITORS' REPORT

To the Board of Directors of
Maestros Mediline Systems Limited and its Subsidiaries

We have audited the attached consolidated Balance Sheet of Maestros Mediline Systems Limited and its subsidiary as at 31 March, 2010, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21- 'Consolidated Financial Statements' prescribed by companies (Accounting Standards) Rules, 2006.

In our opinion and on the basis of information and explanation given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the consolidated Balance Sheet, of the state of affairs of the Maestros Mediline Systems Limited and its Subsidiary as at 31 March, 2010.
2. in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
3. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For and behalf of
R A R & Associates.
Chartered Accountants

Anil Goyal.
(Partner)
Membership No. 43429

Place : Mumbai.
Date : June 21, 2010.

MAESTROS MEDILINE SYSTEMS LTD. & ITS SUBSIDIARY
maestros
enabling technology for you
BALANCE SHEET AS AT 31st MARCH, 2010

(All Amounts in Indian Rupees)

Particulars	Schedule	AS AT	AS AT
		31st MARCH, 2010	31st MARCH, 2009
SOURCES OF FUND			
SHAREHOLDERS FUND			
SHARE CAPITAL	1	43,732,600	44,169,620
RESERVES AND SURPLUS	2	312,265,078	307,682,531
LOAN FUNDS			
SECURED LOANS	3	74,984,181	77,893,432
DEFERRED TAX LIABILITY		32,300,606	31,074,811
TOTAL		463,282,465	460,820,394
APPLICATIONS OF FUND			
FIXED ASSETS			
GROSS BLOCK	4	395,607,312	376,548,649
LESS: ACCUMULATED DEPRECIATION		113,722,128	96,132,991
NET BLOCK		281,885,184	280,415,658
CAPITAL WORK IN PROGRESS		-	3,623,400
INVESTMENTS	5	281,885,184	284,039,058
CURRENT ASSETS, LOANS AND ADVANCES			
STOCK IN TRADE	6	103,689,354	81,679,615
SUNDRY DEBTORS	7	125,232,467	110,742,301
CASH AND BANK BALANCES	8	62,839,896	74,724,085
LOANS AND ADVANCES	9	113,034,422	108,632,005
		404,796,139	375,778,006
LESS: CURRENT LIABILITIES AND PROVISIONS	10	227,711,069	204,793,174
NET CURRENT ASSETS		177,085,070	170,984,832
MISCELLANEOUS EXPENDITURE	11	1,180,551	2,664,845
TOTAL		463,282,465	460,820,394

Statement of Significant Accounting Policies

and Notes to the Accounts

18

Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date

For and on behalf of R A R & Associates,

Chartered Accountants

For and on behalf of Board of Directors

Anil Goyal
 (Partner)
 Membership No. 43429

Dr. N. S. Paranjape
 (Chairman)

Mr. B.K. Tendulkar
 (Director)

Dr. K.K. Menon
 (Managing Director)

Mumbai, June 21, 2010.

MAESTROS MEDILINE SYSTEMS LTD. & ITS SUBSIDIARY
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 enabling technology for you

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Particulars	Schedule	(All Amounts in Indian Rupees)	
		For the year ended 31st March, 2010	For the year ended 31st March, 2009
INCOME			
BUSINESS INCOME	12	304,853,127	295,261,880
OTHER INCOME	13	7,535,134	5,861,156
TOTAL		312,388,261	301,123,036
EXPENDITURE			
COST OF SALES & SERVICES	14	143,724,372	130,886,785
PERSONNEL COST	15	69,907,724	68,398,588
ADMINISTRATION, SELLING & OTHER EXPENSES	16	47,952,044	57,631,089
FINANCE CHARGES	17	23,908,145	18,359,987
DEPRECIATION		17,634,752	12,654,917
DEFERRED REVENUE EXPENDITURE WRITTEN OFF		1,484,293	2,656,187
TOTAL		304,611,331	290,587,554
Profit / (Loss) Before Taxation		7,776,930	10,535,482
Provision For Taxation :			
Fringe Benefit Tax		-	888,110
Current Tax		575,000	750,000
Deffered Tax		1,225,795	5,332,213
INCOME TAX - EARLIER YEARS (PROVISION)		-	818,276
Profit / (Loss) After Tax and Prior Period Adjustments		5,976,135	2,546,883
Surplus Brought Forward From Previous Year		63,268,536	60,721,653
PROFIT AVAILABLE FOR APPROPRIATION AND CARRIED TO BALANCE SHEET		69,244,671	63,268,536

 Statement of Significant Accounting Policies
 and Notes to the Accounts

18

Schedules referred to above form an integral part of the Profit and Loss Account

 As per our attached report of even date
 For and on behalf of R A R & Associates,
 Chartered Accountants

 Anil Goyal
 (Partner)
 Membership No. 43429

Mumbai, June 21, 2010.

 Dr. N. S. Paranjape
 (Chairman)

For and on behalf of Board of Directors

 Mr. B.K. Tendulkar
 (Director)

 Dr. K.K. Menon
 (Managing Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(All Amounts in Indian Rupees)

Particulars	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	a	32,155,251	72,190,372
Net cash inflow from operating activities	A	32,155,251	72,190,372
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(15,558,396)	(63,072,176)
Sale proceeds on disposal of fixed assets		-	5,000
Dividends received		89,442	1,426,432
(Purchase) / Sale of Investments		-	35,789,109
Net cash inflow/(Outflow) from investing activities	B	(15,468,953)	(25,851,635)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in term loans		(2,909,251)	34,013,679
Financial charges paid (net)		(23,908,145)	(18,359,987)
Buy back of Shares		(2,012,840)	(5,844,878)
Net cash inflow/(outflow) from financing activities	C	(28,830,236)	9,808,814
Effects of Changes in Foreign Exchange Rates	D	259,749	622,553
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C+D)	(11,884,190)	56,770,104
Cash and cash equivalents at the beginning of the year		74,724,085	17,953,981
Cash and cash equivalents at the end of the year	b	62,839,896	74,724,085

For and on behalf of Board of Directors

Dr. N. S. Paranjape
(Chairman)

Mr. B.K. Tendulkar
(Director)

Dr. K.K. Menon
(Managing Director)

Mumbai, June 21, 2010.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(All Amounts in Indian Rupees)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
a CASH GENERATED FROM OPERATIONS		
Net Profit before taxation	7,776,930	10,535,482
Adjustments For :		
Depreciation	17,634,752	12,654,917
Deffered Revenue Expenses Written Off	1,484,293	2,656,187
Loss on sale of fixed assets	-	8,857
Dividends received	(89,442)	(1,426,432)
Financial charges	23,908,145	18,359,987
Working capital changes (note a.1)	(18,559,427)	30,861,893
	32,155,251	73,650,891
a.1 Working capital changes		
(Increase)/Decrease in current assets		
Stock-in-trade	(22,009,739)	2,283,998
Trade debts	(14,490,166)	29,977,079
Loans, advances, deposits and prepayments	(4,402,417)	(44,682,579)
	(40,902,322)	(12,421,502)
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities (net)	22,342,894	41,822,876
	(18,559,427)	29,401,374
b CASH AND CASH EQUIVALENTS		
Cash and bank balances	62,839,896	74,724,085
	62,839,896	74,724,085

AUDITORS' CERTIFICATE

We have reviewed the attached Cash Flow Statement of Maestros Mediline Systems Limited for the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreements with the Stock Exchanges, and is based on, and is in agreement with, the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated June 21, 2010 to the members of the Company.

For and on behalf of R A R & Associates.
Chartered Accountants

Anil Goyal
(Partner)
Membership No. 43429
Mumbai, June 21, 2010.

MAESTROS MEDILINE SYSTEMS LTD. & ITS SUBSIDIARY
maestros
enabling technology for you
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

(All Amounts in Indian Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
1. SHARE CAPITAL		
<u>Authorised Capital :</u>		
55,00,000 Equity Shares of Rs. 10/- each.	55,000,000	55,000,000
	<hr/>	<hr/>
<u>Issued, subscribed and paid up :</u>		
44,16,962 (2008 : 45,49,940) Equity Shares of Rs. 10/- each fully paid up.	43,732,600	44,169,620
	<hr/>	<hr/>
	43,732,600	44,169,620
	<hr/>	<hr/>
2. RESERVES AND SURPLUS		
Capital Redemption Reserve	1,766,800	1,369,510
Capital Reserve	4,494,600	4,494,600
General Reserve	5,000,000	5,000,000
Share Premium Account	238,789,860	238,789,860
Foreign Currency Translation Reserve	826,864	644,633
<u>Profit & Loss Account :</u>		
Opening Balance	57,383,928	60,721,653
Add: Profit / (Loss) for the year	5,976,135	2,546,883
Transfer to Capital Redemption Reserve	(397,290)	(1,369,510)
Utilised for buyback shares	(1,575,820)	(4,515,098)
	<hr/>	<hr/>
	61,386,953	57,383,928
	<hr/>	<hr/>
	312,265,078	307,682,531
	<hr/>	<hr/>
3. SECURED LOANS		
<u>From Banks :</u>		
Cash Credit	62,673,059	61,377,349
Term Loans	9,957,992	16,087,766
(Repayment due in one year Rs. 5,100,000)		
Hire Purchase for Vehicles	2,353,131	428,317
(Repayment due in one year Rs. 1,374,180)		
	<hr/>	<hr/>
	74,984,181	77,893,432
	<hr/>	<hr/>

MAESTROS MEDILINE SYSTEMS LTD. & ITS SUBSIDIARY



4. FIXED ASSETS

(All Amounts in Indian Rupees)

Sr.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		ASAT 01.04.2009	ADDITIONS DURING THE YEAR	SALES/ADJUST-MENTS	ASAT 31.03.2010	FOR THE YEAR	SALES/ADJUST-MENTS*	TOTAL	ASAT 31.03.2010	ASAT 31.03.2009
1	LEASEHOLD LAND	1,651,000	-	-	1,651,000	17,559	-	93,412	1,557,588	1,575,147
2	FACTORY PREMISES	24,395,621	470,076	-	24,865,697	807,651	-	3,034,722	21,830,975	22,168,550
3	OFFICE PREMISES	142,469,138	11,620,728	-	154,089,866	2,376,734	-	18,304,911	135,784,955	126,540,961
4	PLANT & MACHINERY	13,702,793	1,847,849	-	15,550,642	767,312	-	6,834,610	8,716,032	7,635,495
5	ELECTRICAL INSTALLATION	4,972,364	688,863	-	5,611,227	284,879	-	538,368	5,072,859	4,668,875
6	FURNITURE & FIXTURES	103,689,847	1,247,420	50,758	104,886,509	4,081,363	18,878	40,398,895	64,487,614	67,353,437
7	AIR CONDITIONERS	10,983,422	348,603	-	11,332,025	524,305	-	3,765,707	7,566,318	7,742,020
8	OFFICE EQUIPMENTS	5,042,080	124,772	761	5,166,091	242,129	128	1,476,090	3,690,001	3,807,991
9	COMPUTERS & SOFTWARE	63,928,268	729,970	71,614	64,586,024	7,933,745	26,609	36,735,219	27,851,405	35,100,184
10	VEHICLES	5,764,117	2,103,514	-	7,867,631	599,075	-	2,540,194	5,327,437	3,822,998
	TOTAL	376,548,649	19,181,796	123,133	395,607,312	17,634,752	45,615	113,722,128	281,885,184	280,415,658
	CAPITAL WORK IN PROGRESS	3,623,400		3,623,400						3,623,400
	TOTAL ASSETS	380,172,049	19,181,796	3,746,533	395,607,312	17,634,752	45,615	113,722,128	281,885,184	284,039,058
	PREVIOUS PERIOD	316,960,452	64,864,656	1,653,058	380,172,049	12,654,917	20,147	96,132,991	284,039,058	233,462,231

*Represents transitional adjustments of the foreign exchange on fixed assets.

MAESTROS MEDILINE SYSTEMS LTD. & ITS SUBSIDIARY
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SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

(All Amounts in Indian Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
5. INVESTMENTS :		
(Trade)		
Long Term		
Quoted		
800 shares (2009 : 800) in Bank of Maharashtra	18,400	18,400
100 shares (2009 : 100) in Biocon Ltd.	31,500	31,500
1 share (2009 : 1) in BPL Ltd.	27	27
1550 shares (2009 : 1550) in Datamatics Technologies Ltd.	234,500	234,500
54 shares (2009 : 54) in Dredging Corporation Ltd.	21,600	21,600
200 shares (2009 : 200) in Foursoft Ltd.	5,000	5,000
20 shares (2009 : 20) in Indo Count Industries Ltd.	530	530
672 shares (2009 : 680) in J. K. Cement Ltd.	99,456	99,456
35 shares (2009 : 35) in M & M Financial Services Ltd.	7,000	7,000
90 shares (2009 : 60) in ONGC Ltd.	42,750	42,750
66 shares (2009 : Nil) in Patel Engineering Ltd.	29,040	29,040
850 shares (2009 : 850) in Patni Computer Systems Ltd.	258,310	258,310
3400 shares (2009 : 3400) in Petronet LNG Ltd.	51,000	51,000
20 shares (2009 : Nil) in Plethico Pharmaceuticals Ltd.	6,000	6,000
200 shares (2009 : 200) in Power Trading Corporation Ltd.	3,200	3,200
5000 shares (2009 : 5000) in Finolex Industries Ltd.	511,443	511,443
200 shares (2009 : 200) in Great Offshore Ltd.	57,736	57,736
1500 shares (2009 : 1500) in MTNL	331,442	331,442
3000 shares (2009 : 3000) in Punjab Chemicals Ltd.	733,715	733,715
1500 shares (2009 : 1500) in Tata Chemicals Ltd.	408,194	408,194
800 shares (2009 : 800) in The Great Eastern Shipping Co. Ltd.	230,946	230,946
125 shares (2009 : Nil) in Power Grid Corporation of India Ltd.	6,500	6,500
60 shares (2009 : Nil) in Central Bank of India	6,120	6,120
Market value Rs. 2,943,082/- (Previous Year Rs. 1,537,120/-)		
	3,094,410	3,094,410
(Non Trade)		
Government Securities		
6 years National Saving Certificate	15,000	15,000
890 Shares of Rs. 25/- each fully paid up in Shamrao Vithal Co-Op. Bank Ltd.	22,250	22,250
	37,250	37,250
	3,131,660	3,131,660

MAESTROS MEDILINE SYSTEMS LTD. & ITS SUBSIDIARY
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SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

(All Amounts in Indian Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
6. STOCK IN TRADE		
Raw Material	32,376,906	11,643,395
Work-in-progress	2,613,913	1,714,918
Finished Goods	68,698,535	68,321,303
	103,689,354	81,679,615
7. SUNDRY DEBTORS (Unsecured, considered good)		
More than six month	57,147,257	43,567,804
Others	68,085,210	67,174,496
	125,232,467	110,742,301
8. CASH AND BANK BALANCES		
Cash on hand	822,973	606,806
Balances with Scheduled Banks:		
In Current Account	7,531,757	20,257,092
In Fixed Deposits	54,485,166	53,860,187
	62,839,896	74,724,085
9. LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or kind for value to be received	18,824,823	21,361,445
Deposits	13,010,296	37,620,655
Tax Deducted at Source & Advance Tax	30,807,922	23,629,788
Prepaid Expenses	599,054	703,538
Advances to Suppliers	49,792,327	25,316,578
	113,034,422	108,632,005
10. CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors	91,033,729	62,617,595
Advances from Customers	6,520,078	5,977,002
Deposits	22,974,687	67,236,360
Other Liabilities	99,836,944	62,191,587
Unclaimed Dividend	12,195	12,195
Provisions:		
Provision For Taxation	7,333,435	6,758,435
	227,711,069	204,793,174
11. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary expenses	8,264	50,387
Deferred Revenue expenses	1,172,287	2,614,457
	1,180,551	2,664,845

MAESTROS MEDILINE SYSTEMS LTD. & ITS SUBSIDIARY
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SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(All Amounts in Indian Rupees)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
12. BUSINESS INCOME		
Medical Embeded System & Software	186,354,235	153,065,246
IT Softwares and Services	26,959,399	31,837,230
Income from Infrastructure Activities	52,841,880	48,863,330
Electronics & Instrumentation	38,697,643	61,496,074
	304,853,127	295,261,880
13. OTHER INCOME		
Dividend	89,442	1,426,432
Interest Received :		
On Deposits with Bank	5,095,970	2,039,932
(TDS Rs. 405,143, Previous Year :311,318)		
From Others	2,334,921	2,365,463
Miscellaneous Income	14,800	29,329
	7,535,134	5,861,156
14. COST OF SALES & SERVICES		
Purchase of Materials & Components	159,435,565	123,135,517
Power & Fuel	668,889	1,337,500
Excise Duty and Taxes	4,420,858	2,969,027
Cess/Octroi on Purchases	1,208,799	1,160,744
Sub Total (a)	165,734,111	128,602,787
(Increase) / Decrease in Stocks of Finished Goods , Work In Progress & Raw Material :		
Closing Stock		
Raw Material	32,376,906	11,643,395
Work In Progress	2,613,913	1,714,918
Finished Goods	68,698,535	68,321,303
Sub Total (b)	103,689,354	81,679,615
Less :- Opening Stock		
Raw Material	11,643,395	12,259,277
Work In Progress	1,714,918	2,855,331
Finished Goods	68,321,303	68,849,005
Sub Total (c)	81,679,615	83,963,613
Sub Total (c)-(b)=(d)	(22,009,739)	2,283,998
TOTAL (a)+(d)	143,724,372	130,886,785
15. PERSONNEL COST		
Salaries, Wages and Bonus	63,297,195	63,934,202
Contribution to P.F. and Other Funds	3,329,346	1,794,657
Welfare Expenses	3,281,183	2,669,729
	69,907,724	68,398,588

MAESTROS MEDILINE SYSTEMS LTD. & ITS SUBSIDIARY

SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(All Amounts in Indian Rupees)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
16. ADMINISTRATION, SELLING AND OTHER EXPENSES		
Advertisement and Business Promotion Expenses	2,377,861	5,388,680
Agency Charges	598,692	486,947
Auditors' Remuneration	703,852	672,991
Books & Periodicals, Subscr. & Membership Fees	237,146	360,309
Commission	2,934,307	2,638,654
Directors' Sitting Fees	32,000	32,000
Exchange Rate Difference	(1,920,963)	759,398
Freight and Forwarding Expenses	5,715,054	6,188,901
General & Misc. Expenses	1,323,965	410,650
Hire Charges	37,881	110,830
Installation Charges	-	180,800
Insurance	1,010,983	375,947
Legal Charges	338,438	-
Loss on Sale of Fixed Assets	-	8,857
Other Sundry Expenses	565,489	801,239
Postage, Telegram and Telephone	3,439,539	4,777,870
Printing and Stationery	1,464,369	1,388,238
Professional and Other Fees	8,520,610	9,856,088
Rates and Taxes	426,285	1,501,537
Recruitment Expenses	294,979	165,000
Rent	5,168,392	3,821,409
Repairs and Maintenance :		
Plant and Machinery	198,501	161,813
Building	680,250	264,589
Vehicles	378,898	398,875
Others	2,669,950	2,504,122
Security Charges	503,607	469,462
Software Development Charges	-	1,888,552
Travelling and Conveyance	10,179,514	11,865,191
Water Charges	72,445	90,300
Office Expenses	-	61,843
	47,952,044	57,631,089
17. FINANCE CHARGES		
Interest to Bank:		
On Cash Credit	8,803,982	8,502,364
On Term Loan	1,697,475	1,072,279
Interest to Others	7,489,617	5,112,608
Bank Charges	5,917,071	3,672,737
	23,908,145	18,359,987

18. SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS:**1. SIGNIFICANT ACCOUNTING POLICIES:****i) Basis of preparation of financial statements.**

The consolidated financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP"), under historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting standards) Rules, 2006 and the provisions of the Companies Act, 1956.

ii) Basis of consolidation.

These consolidated financial statements include the financial statements of Maestros Mediline Systems Limited and its subsidiary Maestros Middle East FZE. This consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard 21-"Consolidated Financial Statements" (AS-21) issued by ICAI for the purpose of preparation and presentation of consolidated financial statements.

The financial statements of the parent Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra group balances-transactions and resulting unrealized profits in full. Unrealised losses from intra group transactions have also been eliminated unless cost can not be recovered in full.

iii) Revenue Recognition

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. The principles of revenue recognition are given below:

- (a) Revenue from goods sold is recognised at the point of dispatch of goods to the customers.
- (b) Sales are reflected at net of trade discounts.
- (c) Revenue from the sale of software products is recognised when the sale is completed with the passing of title.
- (d) Income from annual maintenance contracts and annual subscriptions is accounted for in the ratio of the period expired to the total period of contract and amount received from customers towards unexpired portion of annual maintenance contracts and annual subscriptions is shown as advances received from customers which is accounted as income in the following financial year(s).
- (e) Dividend income is recognised when the right to receive dividend is established.
- (f) Incomes from services rendered are booked based on agreements/arrangements with the concerned parties.

iv) Use of Estimates

The presentation of the consolidated financial statements in accordance with the generally accepted accounting principals requires that management makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates are prudent and reasonable. Actual results could differ from these estimates. Differences between the actual results and estimates are recognised prospectively in the current and future periods.

v) Fixed Assets and Depreciation**a) Fixed Assets**

All fixed assets are stated at cost of acquisition/construction less depreciation. Cost includes acquisition and all identifiable expenditure incurred to bring the assets to its present condition and location.

Fixed Assets are eliminated from financial statements, either on disposal or when retired from active use. Such assets are removed from fixed asset records on disposal.

b) Depreciation

Depreciation is provided (except in case of Leasehold Land which is being amortised over the period of lease) on straight-line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions/deletions to assets during the period is provided on a pro-rata basis from / up to date of addition or deletion, as the case may be.

c) Capital Work –In –Progress

Capital Work-in-progress includes all the expenses and payments incurred / made for fixed assets under construction, till such assets are ready for intended use.

vi) Investments

Long Term investments are stated at cost.

vii) Borrowing Costs

Borrowing costs attributable to the acquisition and construction of assets are capitalised as part of the cost of respective assets up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the revenue in the period in which they are incurred.

viii) Inventories

Inventories are valued on the following basis:

- (a) Raw material at cost.
- (b) Work-In-Progress at cost.

- (c) Finished goods at lower of cost and market price.
Cost includes direct labour and direct overheads.

ix) Retirement Benefits

- (a) Contributions are made by the Company to provident fund on a monthly basis and charged to Profit & Loss Account.
- (b) Provision has been made in respect of gratuity.
- (c) Provisions are made for leave encashment on accrual basis.

Maestros Middle East (FZE) has adopted to recognize the terminal benefits such as leave salary and gratuity are accounted as and when paid.

x) Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.
- (b) Any gain or losses on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account.

xi) Foreign Currency Translation

Pursuant to Para 24 of AS-11 (revised 2003), the financial statements of the foreign subsidiary, being non-integral operations, are translated into Indian rupees as follows:

- a) Income and expense items are translated by using yearly average exchange rate.
- b) Assets and liabilities, both monetary and non-monetary, are translated at the closing rate.
- c) All resulting exchange differences are accumulated in a foreign currency translation reserve which is included under Reserves and Surplus.

xii) Research and Development

Revenue Expenditure on research and development is charged to Profit and Loss account in the year of incurrence except in case of development of new products undertaken where the same are deferred and expensed out over a reasonable period for which the benefit is received after commercial development of the products.

xiii) Income Tax

Income Tax is accounted for in accordance with Accounting Standard 22 (AS 22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured using the relevant enacted tax rates. At each Balance Sheet date, the Company reassesses unrealised deferred tax assets to the extent they have become reasonably certain or virtually certain of realisation, as the case may be.

xiv) Deferred Revenue Expenditure

Deferred Revenue Expenditure includes expenditure made on research and development of Medical Embedded Systems.

xv) Contingencies & Events Occurring after the Balance Sheet Date

- (a) Accounting for contingencies (gains and losses) arising out of contractual obligations, are made only on the basis of mutual acceptances. These are disclosed by way of notes to the Balance Sheet.
- (b) Provision is made in the accounts in respect of those contingencies which are likely to materialise into liabilities after the year-end, till the date of approval of the accounts by the Board of Directors and have material effect on the position stated in the Balance Sheet.

2. NOTES TO THE ACCOUNTS :

i) Contingent Liabilities

- a Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year Rs. Nil).
- b Guarantees issued by banks on behalf of the Company, counter guaranteed by the Company Rs. 11,712,199/- (Previous year Rs. 6,015,237/-).

ii) Managerial Remuneration

(All Amounts in Indian Rupees, except share data)

	Current Year	Previous Year
Salary	5,685,818	5,685,818
House Rent Allowance	613,000	613,000
Contribution to provident fund and other funds	18,720	18,720
Perquisites	1,844,793	1,844,793
Total	8,162,331	8,162,331

iii) Payment to Auditors

(All Amounts in Indian Rupees, except share data)

	Current Year	Previous Year
Audit fees	715,568	612,991
Tax Audit fees	60,000	60,000
Other Matters	-	-
Total	775,568	672,991

iv) Related Party Disclosure

Information pursuant to "Accounting Standard 18" issued by the Institute of Chartered Accountants of India is as follows

a) List of Related Parties:

Enterprises over which key management personnel exercise significant influence:

Maestros Software Solutions Pvt. Ltd.

Key managerial personnel:

Dr. Nitin S. Paranjape.	-	Chairman.
Dr. Krishnakumar Menon.	-	Managing Director.
Mr. Balkrishna Tendulkar.	-	Executive Director.

Relatives of Key managerial personnel:

Mrs. Chitralkha K. Menon - Wife of Dr. Krishnakumar Menon (Managing Director)

b) Transactions and Balances with related parties:

Transactions during the Year

(All Amounts in Indian Rupees, except share data)

Particulars	Year	Enterprise over which key managerial personnel exercise significant influence	Key managerial personnel	Relatives of key managerial personnel	Total
(1)	(2)	(3)	(4)	(5)	(6)
Managerial Remuneration	Current	-	4,302,724	-	4,302,724
	(Previous)	-	(8,162,331)	-	(8,162,331)
Salary	Current	-	-	453,360	453,360
	(Previous)	-	-	(453,360)	(453,360)

Balance As at 31 March 2010

(All Amounts in Indian Rupees, except share data)

Particulars	Year	Enterprise over which key managerial personnel exercise significant influence	Key managerial personnel	Relatives of key managerial personnel	Total
(1)	(2)	(3)	(4)	(5)	(6)
Managerial Remuneration	Current	-	525,390	-	525,390
	(Previous)	-	(275,227)	-	(275,227)
Salary	Current	-	-	37,780	37,780
	(Previous)	-	-	(37,780)	(37,780)

v) **Leases**

Leasehold Land includes land taken on lease and Office Premises includes building taken on lease from Maharashtra Industrial Development Corporation for a period of 95 years.

vi) **Earnings / (Loss) Per Share**

Earning / (Loss) per share is calculated by dividing the profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period as under:

(All Amounts in Indian Rupees, except share data)

	Current Year	Previous Year
Profit/(Loss) after Tax	5,976,135	2,546,883
Profit/(Loss) attributable to Equity Shareholders	5,976,135	2,546,883
Weighted average number of shares outstanding During the period	4,373,260	4,416,962
Basic/Diluted Earning/(Loss) Per Share	1.37	0.58
Nominal Value per share	10	10

vii) **Deferred Tax Liability**

The Deferred tax Assets/(liabilities) arising out of timing difference comprise of the following major components:

(All Amounts in Indian Rupees, except share data)

	Current Year	Previous Year
Depreciation	1,225,795	1,651,634

viii) **Segment Information for the Period Ended**

The Company's financial reporting is organized into three operating divisions' viz. medical embedded systems, software and infrastructure activities. These divisions are the basis on which the Company reports its primary segment. The composition of these segments is given below.

i) **Types of products and services :**

Business Segment	Types of Product and Services
Medical Embedded Systems (MES)	Fetal Monitors, ECG Machines, Pulse Oxymeters, Multi Parameter Monitors, Etc.
Information Technology (IT)	Trading in Software Products, Software Development, Support Training and Consultancy.
Infrastructure Activity	Income from Infrastructure Facilities.
Electronics and Instrumentation	Industrial panel printer.

ii) Primary Segment :

(All Amounts in Indian Rupees, except share data)

Sr. No.	Particulars	Current Year	Previous Year
A.	Segment Revenue		
i)	Medical Embedded Systems (MES)	186,354,235	153,065,246
ii)	Information Technology (IT)	26,959,399	31,837,230
iii)	Infrastructure Activities	* 52,841,880	48,863,330
iv)	Electronics and Instrumentation	38,697,613	61,496,074
v)	Others	—	—
	Total	304,853,127	295,261,880
	Less: Inter Segment Revenue	—	—
	Net Sales/Income from operations	300,746,775	295,261,880
B.	Segment Results (Profit (+)/Loss (-) before tax and interest)*		
i)	Medical Embedded Systems (MES)	17,351,263	16,249,035
ii)	Information Technology (IT)	(34,86,425)	(54,95,560)
iii)	Infrastructure Activities	23,453,185	20,663,228
iv)	Electronics and Instrumentations	12,788,306	21,777,779
v)	Others	—	—
	Total	50,106,329	53,194,482
	Less: i) Interest	19,531,277	18,348,466
	ii) Other unallocable expenditure net of unallocable income	22,798,394	24,310,534
	Total Profit Before Tax and Prior Period Adjustments	7,776,930	10,535,482

iii) Segment capital employed :

Fixed assets used in Company's business or liabilities have not been identified to any reportable segment, as the fixed assets are used interchangeably between segments. It is currently not possible to furnish segmental disclosure relating to total assets and liabilities.

ix) Prior Year Comparatives

The consolidated financial statements for the year ended March 31st, 2010 are presented with comparative figures of previous year.

x) Balance Confirmations

Sundry Debtors, Sundry Creditors and Loans and Advances, are subject to confirmation.

xi) Current Assets, Loans and Advances

Current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

As per our attached report of even date
 For and on behalf of R A R & Associates.
 Chartered Accountants

Anil Goyal
 (Partner)
 Membership No. 43429

Mumbai, June 21, 2010.

For and on behalf of Board of Directors

Dr. N. S. Paranjape
 (Chairman)

Mr. B.K. Tendulkar
 (Director)

Dr. K.K. Menon
 (Managing Director)

DIRECTORS' REPORT

Your Directors are pleased to place before the Third Annual Report of your Company together with the audited Accounts and Auditors' Report thereon for the year ended March 31, 2010.

The highlights of the Company's financial results are as follows:

1. Financial Results

(Amount in AED)

	Current Year	Previous Year
Total Income	1,473,583	1,334,767
Less : Expenditure	1,147,555	1,219,263
Profit before Depreciation, Finance Charges and Tax	326,028	115,504
Less : Interest and Financial Charges	4,244	-
Less : Depreciation	23,880	18,705
Profit before Tax	297,904	96,799
Less : Provision for Taxation	-	-
Profit / (Loss) after tax	297,904	96,799
Add : Short provision for tax on earlier years	-	-
Add : Prior period items	-	-
Add : Balance brought forward from previous year	(571,214)	(668,013)
Profit available for appropriation	(273,309)	(571,214)
Less : Appropriations Transfer To General Reserve	-	-
Balance carried forward	(273,309)	(571,214)

2. About the Company

Maestros Middle East (FZE) is a 100% subsidiary of Maestros Mediline Systems Ltd., India. The subsidiary has been setup to focus on the Middle East Market. The subsidiary is engaged in providing IT & IT enabled services and has competencies like advance infrastructure solutions, business process and integration solutions, data management solutions etc. and specialisations like active directory, database management, exchange migration and deployment, identity & secure access etc.

During the year the performance of Company was very good. The total revenue of subsidiary has reached to 1,473,583 AED as compared to 1,334,767 AED of last year.

3. Outlook:

The overall outlook for the Middle East economy continues to be positive and growth oriented. We see a very good and promising market in the near future & this will certainly lead to increase in revenue manifold.

4. Internal control systems and their adequacy:

Your Company has well established and adequate systems for internal control to provide reasonable assurance that all assets are safeguarded; transactions are authorized and reported correctly.

The internal control system provides well documented policies, guidelines authorization and approval procedures for its operations.

5. Human Resources:

Your Company continuously endeavors to improve the work environment for its employees. Competitive compensation package, innovative and challenging environment to work, etc., are some of the steps taken by the Company for the welfare of its employees.

6. Equity Capital

The Company has not issued any additional shares during the year under review.

7. Auditors

The present auditors Tamim, Chartered Accountants, Sharjah - UAE, retire and being eligible, offer themselves for re-appointment.

8. Appreciation

Your Board takes this opportunity to express its sincere appreciation of the excellent contribution made by all its employees towards the overall performance of your company. Your Directors also thank all the shareholders, dealers, suppliers, bankers and other business associates for their valuable service and support during the year.

9. Previous Year Comparatives

The financial statements for the year ended March 31, 2010 are presented with comparative figures of previous year.

Dr. K. K. Menon
(Director)

Registered Office:
P.O. Box 121267,
Saif Zone,
Sharjah, UAE.

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Maestros Middle East (FZE)
Sharjah
United Arab Emirates

Report on the Financial Statements

We have audited the accompanying financial statements of **Maestros Middle East (FZE), Sharjah**, which comprise the balance sheet as at March 31, 2010, and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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, the financial statements present fairly, in all material respects, the financial position of Maestros Middle East (FZE), Sharjah as of March 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

For Tamim Chartered Accountants

Aisha Al Mazroua
Licenced Auditor No.347

Sharjah
May 12, 2010

MAESTROS MIDDLE EAST (FZE)


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INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Notes	31-Mar-10 AED	31-Mar-09 AED
Sales	13	1,473,583	1,334,767
Cost of sales	14	(297,929)	(200,089)
Gross profit		1,175,654	1,134,678
Less : General & administrative expenses and other charges			
General expenses	15	849,626	1,018,244
Depreciation of fixed assets	6	23,880	18,705
Finance charges	16	4,244	930
Total expenses		877,750	1,037,879
Net profit for the period		297,904	96,799

(Notes on pages 51 to 54 form an integral part of these financial statements)

FOR MAESTROS MIDDLE EAST(FZE)

DIRECTOR

The report of the Auditor is set out on page 48

BALANCE SHEET AS AT 31ST MARCH 2010

	Notes	31-Mar-10 AED	31-Mar-09 AED
ASSETS			
CURRENT ASSETS			
Cash in hand and at banks	3	4,512	37,965
Accounts receivable	4	725,364	341,795
Advances, deposits & prepayments	5	125,388	57,531
Inventory		50,085	55,650
Total Current Assets		905,349	492,941
NON CURRENT ASSETS			
Property, plant & equipments	6	26,862	48,412
TOTAL ASSETS		932,211	541,353
LIABILITIES AND SHAREHOLDER'S EQUITY			
CURRENT LIABILITIES			
Accounts payable	7	70,786	19,675
Due to related party	8	77,027	62,002
Accruals and other payables	9	178,007	151,190
Total Current Liabilities		325,820	232,867
CAPITAL AND SHAREHOLDER'S EQUITY			
Capital account	10	650,000	650,000
Shareholder's current account	11	229,700	229,700
Retained earnings		(273,309)	(571,214)
TOTAL CAPITAL & SHAREHOLDER'S EQUITY		606,391	308,486
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY		932,211	541,353

(Notes on pages 51 to 54 form an integral part of these financial statements)

We approve these Financial Statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation.

FOR MAESTROS MIDDLE EAST(FZE)

DIRECTOR

The report of the Auditor is set out on page 48

MAESTROS MIDDLE EAST (FZE)

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2010

	Capital AED	Current A/c AED	Retained earnings AED	Total AED
As on 31/3/2008	650,000	169,700	(668,013)	151,687
Shareholder's current A/c	-	60,000	-	60,000
Profit for the period	-	-	96,799	96,799
At 31/3/2009	650,000	229,700	(571,214)	308,486
Shareholder's current A/c	-	-	-	-
Profit for the year	-	-	297,904	297,904
At 31/3/2010	650,000	229,700	(273,309)	606,391

(Notes on pages 51 to 54 form an integral part of these financial statements)

FOR MAESTROS MIDDLE EAST(FZE)

DIRECTOR

The report of the Auditor is set out on page 48

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2010

	31-Mar-10 AED	31-Mar-09 AED
Cash Flow from Operating Activities		
Operating profit/(loss) for the year	297,904	96,799
Adjustments for,		
Depreciation of fixed assets	23,880	18,705
Operating Income Before Working Capital Changes	321,784	115,504
(Increase) / Decrease in operating assets		
Accounts receivable	(383,569)	(322,745)
Inventory	5,565	(55,650)
Prepayments and other receivables	(67,856)	48,335
Increase / (Decrease) in operating liabilities		
Accounts payable	51,111	13,775
Accruals & other payables	26,817	116,253
Due to related party	15,025	10,194
Net Cash Flow from Operating Activities	(31,123)	(74,334)
Cash Flow from Investing Activities		
Purchase of fixed assets	(2,330)	(8,301)
Net Cash Outflow from Investing Activities	(2,330)	(8,301)
Cash Flow from Financing Activities		
Shareholder's current account	-	60,000
Net Cash Inflow from Financing Activities	-	60,000
Net increase (Decrease) in cash and cash equivalents	(33,453)	(22,636)
Add opening cash and bank balances	37,965	60,601
Closing Cash and Bank Balances	4,512	37,965

(Notes on pages 51 to 54 form an integral part of these financial statements)

FOR MAESTROS MIDDLE EAST(FZE)

DIRECTOR

The report of the Auditor is set out on page 48

NOTES TO THE FINANCIAL STATEMENTS AT 31ST MARCH 2010**1. COMPANY'S NATURE, OPERATIONS AND OWNERSHIP**

- a) MAESTROS MIDDLE EAST (FZE) Sharjah, U.A.E., is registered with License No.02-01-05234 dated 19th August 2007 at the Sharjah Airport International Free Zone, as per the Emiri Decree No. (2) of 1995. Maestros Mediline Systems Limited (India) is the sole share holder of the company. The company has also taken an additional license No. 01-01-07595 dated 24th November 2009 for carrying out General Trading.
- b) The Company is located in SAIF Zone P. O. Box 121267- Sharjah, U. A. E.
- c) The main activities of the Company is Providing IT Consultancy Services and General Trading.
- d) The Capital of the Company is Dhs. 650,000 (Dhs. Six hundred and fifty thousand only), with limited liability, one share, the value of the share being Dirhams 650,000 (Dhs. Six hundred and fifty thousand only).

Name of Shareholders	No. of Share	Value of Share	Total Value (AED)
Maestros Mediline Systems Limited	1	650,000	650,000
Total			650,000

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies, which comply with the Accounting Standards have been applied consistently in dealing with items that are considered material in relation to the Company's Financial Statements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board and the requirements of the U.A.E Federal Law No. 8 of 1984 (as amended). The following accounting policies have been applied consistently in dealing with items that are considered material in relation to these financial statements.

1) Accounting convention

- * Accounts have been prepared under the historical cost convention.
- * The accounting policies have been consistently applied by the company and are consistent.
- * Profit & Loss Account is shown for the year from 1st April 2009 to 31st March 2010.
- * The Financial Statements have been presented in AED.
- * The figures in the financial statements are rounded off to the nearest AED.

2) Cash and Cash equivalents

Cash and cash equivalents are defined as cash and bank balances that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of changes in values.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances.

3) Accounts receivable

Accounts receivable are stated net of provisions for amounts estimated to be non-collectibles. An estimate for doubtful accounts is made when collection of the full amount is no longer collectable. Bad debts are written off as incurred.

4) Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not it billed to the company by the supplier.

5) Revenue

Revenue is recognised based on the percentage of completion method or when the goods are sold, based on the invoices raised after completion of the work or delivery of goods. Forseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

6) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date whenever there is any indication of impairment. If any such indication exists, the asset recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the income statement.

7) Property, plant & equipment and depreciation

Property, plant & equipment are stated at cost less accumulated depreciation and impairment, if any. Depreciation on property, plant & equipment is provided on a straight line basis at rates calculated to write off the cost of each asset by equal annual installments over its expected useful life. The rates of depreciation are based upon the following estimated useful lives: -

Furniture & fixtures	4 Years
Computer & office equipment	3 Years

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8) Employees' end of services benefits

Employees end of service benefits are accrued in accordance with U.A.E. Labour Law.

3. CASH IN HAND AND AT BANKS

Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:

	31-Mar-10 AED	31-Mar-09 AED
Cash in hand	592	1,165
Cash at bank	3,920	36,800
	<u>4,512</u>	<u>37,965</u>

4. ACCOUNTS RECEIVABLE

	31-Mar-10 AED	31-Mar-09 AED
Accounts receivable	<u>725,364</u>	<u>341,795</u>

AGED RECEIVABLES

	31-Mar-10 AED	31-Mar-09 AED
0 to 60 days	249,984	256,346
60 and above	475,380	85,449
	<u>725,364</u>	<u>341,795</u>

Although the debtors' balances are not confirmed, the management considers the receivables to be good and realizable.

Accounts receivable are stated net of any required provision and are short term in nature, fair value approximates carrying value.

The company's terms of sale require the amounts to be paid within 90 days of date of invoice.

5. ADVANCES, DEPOSITS & PREPAYMENTS

	31-Mar-10 AED	31-Mar-09 AED
Advance for suppliers	-	15,000
Advance to staff	16,280	14,531
Refundable deposits	18,485	6,500
Prepayments	36,688	21,500
Other receivables	53,935	-
	<u>125,388</u>	<u>57,531</u>

6. PROPERTY, PLANT & EQUIPMENT

	Furniture & Fixture AED	Computer Equipments AED	Total AED
<i>Cost</i>			
As on 31/3/2009	31,700	45,200	76,900
During the year	-	2,330	2,330
As on 31/3/2010	<u>31,700</u>	<u>47,530</u>	<u>79,230</u>
<i>Depreciation</i>			
As on 31/03/2009	11,790	16,698	28,488
For the year	7,925	15,955	23,880
As on 31/3/2010	<u>19,715</u>	<u>32,653</u>	<u>52,368</u>
Net Book Value			
As on 31/3/2010	<u>11,985</u>	<u>14,877</u>	<u>26,862</u>

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7. ACCOUNTS PAYABLE		
	31-Mar-10	31-Mar-09
	AED	AED
Accounts payable	<u>70,786</u>	<u>19,675</u>
8. DUE TO RELATED PARTY		
	31-Mar-10	31-Mar-09
	AED	AED
Maestros Mediline Systems Limited	<u>77,027</u>	<u>62,002</u>
9. ACCRUALS AND OTHER PAYABLES		
	31-Mar-10	31-Mar-09
	AED	AED
Staff benefits payable	46,793	14,633
Salary payable	107,758	51,950
Telephone expense payable	2,823	4,164
Professional fee payable	15,000	5,000
Conveyance expense payable	5,633	-
Other payables	-	75,443
	<u>178,007</u>	<u>151,190</u>
10. SHAREHOLDER'S CAPITAL ACCOUNT		
	31-Mar-10	31-Mar-09
	AED	AED
Maestros Mediline Systems Limited	<u>650,000</u>	<u>650,000</u>
11. SHAREHOLDER'S CURRENT ACCOUNT		
	31-Mar-10	31-Mar-09
	AED	AED
Maestros Mediline Systems Limited	<u>229,700</u>	<u>229,700</u>
12. FINANCIAL INSTRUMENTS		
a) Financial assets of the company include cash and bank balances, trade debtors, deposits and advances.		
b) Financial liabilities include trade creditors, provisions, accruals and advances.		
c) The fair values of the company's financial assets and liabilities are approximate to their carrying values.		
d) In the opinion of the Management, all the assets as shown in the Financial Statements are existing and realizable at the amount shown against them, and there are no liabilities contingent or otherwise not included in the above Financial Statements.		
e) Cash and cash equivalents		
For the purpose of statement of cash flows, cash and cash equivalents include, cash and bank balances.		
f) Interest risk management		
The unit does not invest in securities that are subject to interest rate risk .		
g) Credit risk		
For all classes of financial instruments held by the unit the maximum credit risk exposure to the unit is the carrying value as disclosed in the financial statements at the balance sheet date .		
h) Fair values		
The fair values of the unit's financial assets and liabilities are not materially different from their carrying values in the balance sheet date.		
13. SALES		
	31-Mar-10	31-Mar-09
	AED	AED
Revenue	<u>1,473,583</u>	<u>1,334,767</u>

MAESTROS MIDDLE EAST (FZE)

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14 COST OF SALES

	31-Mar-10 AED	31-Mar-09 AED
Opening stock	55,650	-
Purchases	15,025	103,294
Less: closing stock	(50,085)	(55,650)
Project expenses	248,990	60,270
Direct expenses	28,350	92,175
	297,929	200,089

15. GENERAL & ADMINISTRATIVE EXPENSES

	31-Mar-10 AED	31-Mar-09 AED
Rent expenses	66,750	54,000
Staff salaries & allowances	559,741	338,392
Director's remuneration	-	360,000
Communication expenses	23,650	19,679
Professional & legal fees	38,146	42,333
Visa expenses	7,195	8,818
Business development expenses	27,073	116,950
Transportation charges	70,038	2,471
Office expenses	6,017	5,602
Printing & stationery	1,336	8,585
Insurance	1,438	1,733
Postage & courier charges	6,238	6,275
Vehicle expenses	4,257	35,414
Employees benefits	35,235	14,633
Miscellaneous expenses	2,513	3,360
	849,626	1,018,244

16. FINANCE CHARGES

	31-Mar-10 AED	31-Mar-09 AED
Bank charges	4,244	930

17. CONTINGENT LIABILITIES

Except for the ongoing business obligations which are in the normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on concern's account as on the balance sheet date.

18. GOING CONCERN

The Financial Statements are prepared on a going concern basis which assumed that the company will continue to operate as a going concern for the foreseeable future.

19. GENERAL

The figures in the financial statements are rounded off to the nearest UAE Dirhams.

Previous year figures have been reclassified or regrouped wherever necessary to match the presentation of the financial statements.

FOR MAESTROS MIDDLE EAST(FZE)

DIRECTOR