

# **MADHUSUDAN SECURITIES LIMITED**



## **ANNUAL ACCOUNTS**

**2004 – 2005**



**MADHUSUDAN SECURITIES LIMITED**  
**Registered Office: 6/A-2, Court Chambers,**  
**6<sup>th</sup> Floor, 35, New Marine Lines,**  
**Mumbai - 400 020.**

**22<sup>nd</sup> ANNUAL REPORT AND ACCOUNTS 2004 - 2005**

**BOARD OF DIRECTORS**

Smt. K. Sujatha Reddy  
Shri. K. Madhusudan Reddy  
Smt. Piya Reddy

Director - Chairperson  
Director  
Director

**AUDITORS**

M/s. Vora & Associates,  
Chartered Accountants  
Mumbai.

**ADVOCATE & SOLICITORS**

M/s. Kanga & Co.,  
Advocates & Solicitors  
Mumbai.

**BANKERS**

UTI Bank

**REGISTERED OFFICE**

6/A-2, Court Chambers,  
35, New Marine Lines,  
Mumbai: 400 020.

**SHARE TRANSFER DEPARTMENT**

Intime Spectrum Registry Limited.  
C – 13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (West),  
Mumbai-400 078.

**Email:** [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)

**Telephone:** (022) 5555 5454

**Fax No.:** (022) 5555 5353

**TWENTY SECOND**  
**ANNUAL GENERAL MEETING**

*Date:* July 30, 2005

*Day:* Saturday

*Time:* 10.00 A.M.

*Venue:* Regd. Office:

6/A-2, Court Chambers,  
35, New Marine Lines,  
Mumbai: 400 049.

Shareholders are requested to bring their  
copies of Annual Report along with them at  
the Annual General Meeting.

BSE Code No. 511000  
(BSE Code No. 11000)



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**NOTICE TO MEMBERS**

NOTICE is hereby given that the *Twenty Second Annual General Meeting* of the Members of **MADHUSUDAN SECURITIES LIMITED** will be held on Saturday, July 30, 2005 at Registered Office: 6/A-2, Court Chambers, 6<sup>th</sup> Floor, 35, New Marine Lines, Mumbai – 400 020 at. To transact the following business.

**ORDINARY BUSINESS**

**Adoption of Directors' Report and Annual Accounts:**

1. To receive, consider and adopt the statement of Balance Sheet as at 31<sup>st</sup> March 2005 and Profit and Loss Account for the year ended 31<sup>st</sup> March 2005 of the Company and the Reports of the Directors and Auditors thereon.

**Adoption of Directors' retiring by Rotation:**

2. To appoint a Director in place of Shri. Madhusudan Reddy, who retires by rotation and, being eligible, offers himself for reappointment.

**Appointment of Auditors:**

3. To appoint Auditors of the Company and to fix their remuneration.
4. To consider any other matter with the permission of the chair.

By order of the Board  
**MADHUSUDAN SECURITIES LIMITED**

**DIRECTORS**

*Mumbai, Dated: June 29, 2005.*



**MADHUSUDAN SECURITIES LIMITED**  
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**NOTES**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2. Proxies, in order to be effective, must be lodged at the Registered office of the Company not less than 48 hours before the Annual General Meeting.**
- 3. Members desiring any information about accounts at the meeting are requested to write to the Company at an early date so as to enable the management to keep the information ready.**
- 4. Members are requested to:**
  - a. Immediately intimate change of address, if any, to the Company.**
  - b. Produce the Attendance Slip, duly filled, at the entrance of the Meeting Venue.**
  - c. Bring their copies of the Annual Report to the venue of the *Twenty Second Annual General Meeting*.**
  - d. Convert their shares in Demat form for easy liquidity or transfer on stock exchange and safety.**
  - e. Members holding shares in physical form can avail of the nomination facility by filing Form 2B with the Company at its Registered Office, which will made available on request and in the case of shares held in demat form the nomination has to be lodged with their respective Depository Participants (DP).**
- 5. Members register shall remain close for transfer of shares on 13<sup>th</sup> July 2005 to 16<sup>th</sup> July 2005 (Both days inclusive).**

By order of the Board  
**MADHUSUDAN SECURITIES LIMITED**

**DIRECTORS**

**Mumbai, Dated: June 29, 2005.**



**MADHUSUDAN SECURITIES LIMITED**

Regd. Office: 6 / A- 2, Court Chambers, 6<sup>th</sup> Floor,  
35, New Marine Lines, Mumbai 400 020. INDIA.  
Telephone: +91-022-2200 9290

**DIRECTORS' REPORT**

Your directors present herewith the 22<sup>nd</sup> Annual Report of the company with the Audited Statements of the Accounts for the year ended March 31, 2005.

**FINANCIAL RESULTS:**

The financial results for the year under review are as follows:

<u>Particulars</u>	<u>Current Year</u> <u>2004 – 2005</u> <u>(in Rs.)</u>	<u>Previous Year</u> <u>2003 – 2004</u> <u>(in Rs.)</u>
Business Income	1,634,566	26,79,858
Profit before Interest, Depreciation & Tax	5,98,843	12,39,541
Less:		
a. Interest	-	-
b. Depreciation	76	10,108
Profit before tax	5,98,767	12,29,433
Provision for Tax	2,05,000	2,83,000
Provision for Deferred Taxation	(8,543)	(5,266)
Profit after tax but before Extraordinary items	4,02,309	9,51,698
<u>Add/(Less): Extraordinary items</u>		
Excess/(Short) provision for tax of prior years: Current	(57,071)	93,865
Prior Period Incomes	NIL	28,711
Profit available for appropriation	345,238	10,74,274
Transfer to Special Reserve u/s. 45IC as per The Reserve Bank of India (Amendment) Act, 1997	70,000	2,10,000
Balance brought forward from Previous Year	40,72,042	32,07,768
Balance carried to Balance Sheet	43,47,280	40,72,042

**DIVIDEND:**

Your Company has continued to make profits. To strengthen the financial resources, the Board regrets its inability to recommend any dividend for the year.

**CURRENT YEARS OPERATIONS:**

During the year under review money market has remained range bound and the rate of interest on investment in money market instruments have been on an all time low side. The sentiment on the stock market has been volatile. The impact of change in political situation was evident from the movement on bourses. Despite this your Company has managed to clock profits. Barring unforeseen circumstances your Directors are hopeful to have better performance in the current year.

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### **OUTLOOK AND FUTURE PROSPECTS:**

Your Company shall look into the possibility of exploring new avenue of business including participation by others having similar object and the efforts are on to redesign the working in these present circumstances.

To augment resources to meet the funding requirements of venturing into new business activities, your Company may issue further share capital to promoters and / or others by way of private placement of shares or borrowings as the case may be viable for the new business activities. Otherwise the Company may wait and watch for opportunities in the due course.

### **CLAUSE 32:**

Cash flow statement pursuant to clause 32 of the listing agreement is provided along with Notes to Accounts here in after.

### **NEW SHARE CERTIFICATES:**

Your Company took steps to replace the old share certificates (issued in the old names of the Company) with new share certificates bearing names of "Madhusudan Securities Limited " members are advised to get old share certificates exchanged against new share certificates.

As you are aware, trading in the shares of your Company on the Stock Exchange is in compulsory demat form; it is advisable that shareholders get their holdings demated for easy liquidity and trading.

### **REGISTRARS AND TRANSFER AGENTS:**

In compliance with directives of SEBI, requiring companies to provide single point service to shareholders of all work relating to share registry, in terms of both physical and electronics, your Company has appointed IN-TIME SPECTRUM REGISTRY LIMITED, C – 13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (w), Mumbai 400 078, as the Registrars and Transfer Agents. All your requests for dematerialisation, transfer of physical shares, etc., (and grievances related thereto) may be sent to the above address of the Registrars and Transfer agents.

### **FIXED DEPOSITS:**

The Company has not accepted any Fixed Deposits from public.

### **PRUDENTIAL NORMS:**

Your Company has, during the year under review, have complied with guidelines of RBI / GOI, as may be applicable. Reviews on the level of compliance have been made and reports were submitted to the Board.

### **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Madhusudan Reddy, Director, retire by rotation in the forthcoming Annual General Meeting and is eligible for reappointment. Shri Madhusudan Reddy offers himself for reappointment.



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**COMPOSITION OF THE BOARD OF DIRECTORS:**

The present board comprises of three (3) Directors. The Board has offered and requested other independent persons to join the Board and share their knowledge for better of company. However, the acceptance of our offer is under their consideration, Board shall be expanded in due course.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

5. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2005, the applicable accounting standards have been followed,
6. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March 2005 and of the profit of the Company for that period,
7. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
8. that the annual accounts for the financial year ended 31<sup>st</sup> March 2005 are prepared on a 'going concern' basis.

**MATERIAL CHANGES AFTER THE DATE OF BALANCE SHEET**

Pursuant to provisions of section 217 (1) (d) of the Companies Act, 1956, there has been no material change and commitment affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

**REPORT ON CORPORATE GOVERNANCE:**

The company Madhusudan Securities Limited has been practicing the principles of good corporate governance over the years.

**RESPONSIBILITIES:**

The Board has formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance & ensuring adequate availability of financial resources. During the year under review the Board met six (6) times. The Board members ensure that their responsibilities do not materially impact on their responsibilities as a director of the Company and they are regularly discharging their duties for the Company.

**NUMBER OF BOARD MEETINGS:**

Madhusudan Securities Ltd. held 6 Board Meetings during the year ended 31<sup>st</sup> March 2005. They were on 1) 30<sup>th</sup> April 2004, 2) 30<sup>th</sup> July 2004, 3) 3<sup>rd</sup> September 2004, 4) 31<sup>st</sup> October 2004, 5) 31<sup>st</sup> January 2005 and 6) 21<sup>st</sup> March 2005.

Cont. 4/-



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### **BOARD COMMITTEES:**

To enable better and more focused attention on the affairs of the Company, the board delegate's particular matters to committees of the board set up for the purpose. The three core committees, which have been constituted during the course of the year are (i) Audit Committee, (ii) Remuneration Committee and (iii) Shareholders / Investors' Grievance Committee.

### **PARTICULARS OF EMPLOYEES:**

The Company has not paid any remuneration attracting the Provisions of Sec. 217(2A) of the Companies Act, 1956.

### **PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT 1956:**

Additional information required under the provisions of the above section read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of Energy, Technology Absorption are not applicable as the company is not carrying out any manufacturing operation.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review the Company has not earned or incurred any amount of foreign exchange.

### **AUDITORS' REPORT:**

The observation of the Auditors in the Report have been dealt with in the Notes forming part of the Accounts which are self explanatory in nature and requires no further explanation.

### **AUDITORS:**

M/s. Vora & Associates, Chartered Accountants, Mumbai retires at the ensuing Annual General Meeting, being eligible offers themselves for reappointment as Auditors of the Company. Members are requested to appoint the auditors and fix their remuneration.

### **ACKNOWLEDGMENTS:**

Your Directors wishes to place on record their appreciation to the Employees, Bankers, Brokers and Business Associates for their co-operation and contribution to the company.

For AND ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTORS

Place: Mumbai

Dated: June 29, 2005.



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH  
THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

To The Members Of,  
**MADHUSUDAN SECURITIES LIMITED.**

We have examined the compliance of conditions of Corporate Governance MADHUSUDAN SECURITIES LIMITED, for the year ended March 31, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company, for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that generally no Investors grievance are pending for a period extending 30 days against the Company as per the records maintained by the Shareholders' / Investors Grievance Committee.

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

For VORA & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
BHARAT B. CHOVATIA  
PARTNER

(Membership No. 31756)

Place: Mumbai  
Dated: June 29, 2005.