

MADHUSUDAN SECURITIES LIMITED

28TH ANNUAL REPORT

2010-2011

28th ANNUAL REPORT AND ACCOUNTS 2010-2011

BOARD OF DIRECTORS

Shri. K. Madhusudan Reddy - Chairman
Smt. K.Sujatha Reddy - Director
Smt. Piya Reddy - Director

REGISTERED OFFICE

6/A-2, Court Chambers,
35, New Marine Lines,
Mumbai 400 020,
Email: mslsecurities@yahoo.com

BANKERS

Axis Bank
Canara Bank
South Indian Bank

ADVOCATE & SOLIITORS

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

AUDITORS

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

SHARE TRANSFER DEPARTMENT

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078,
Email: mumbai@linktime.co.in
Telephone: (022) 2596 3838
Fax No: (022) 2594 6969

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28TH ANNUAL GENERAL MEETING

Date: 30th September 2011

Day: Friday

Time: 3.30 P.M.

Venue: Regd. Office:

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

BSE Code No. 511000

SIN No. INE856D01011 (NSDL)

SHAREHOLDERS ARE REQUESTED TO
BRING THEIR COPIES OF ANNUAL REPORT
ALONG WITH THEM AT THE ANNUAL
GENERAL MEETING.

NOTICE TO MEMBERS

NOTICE is hereby given that the 28th Annual General Meeting of the Members of **MADHUSUDAN SECURITIES LIMITED** will be held on September 30, 2011, at Registered Office: 6/A-2, Court Chambers, 6th Floor, 35, New Marine Lines, Mumbai – 400 020 at 3.30 P.M.. To transact the following business

ORDINARY BUSINESS1. Adoption of Directors' Report and Annual Accounts:

To receive, consider and adopt the statement of Balance Sheet as at 31st March 2011 and Profit & Loss Account and for the year ended 31st March 2011 of the Company and the Reports of the Directors and Auditors thereon.

2. Appointment of Directors:

To appoint a Director in place of Mrs. Piya Reddy, who retires by rotation, and being eligible offers herself for reappointment.

3. Appointment of Auditors:

To appoint Auditors of the Company, M/s Vora & Associates, Chartered Accountants are retiring auditors of the Company and being eligible for reappointment, members are requested to reappoint them as an Auditors until conclusion of the next Annual General Meeting and fixed their remuneration.

SPECIAL BUSINESS4. Appointment of Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions, if any of the companies Act, 1956, Mr. Nitin Anand, who was appointed by the Board of Director as an additional Director of the Company u/s 260 of the Companies Act, 1956, to hold office up to the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the director be and is hereby appointed as a director, liable to retire by rotation under the Articles of Association of the Company”

5. Borrowing Power of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED that pursuant to the provisions of section 293 (1) (d) of the Companies Act, 1956 in relation to the borrowing powers, the Board of Directors of the Company be and is hereby authorised to borrow money from time to time upto a limit not exceeding in the aggregate of Rs. 100 Crores (Rs. 100 Crores).”

By order of the Board of Directors
For MADHUSUDAN SECURITIES LIMITED

K.MADHUSUDAN REDDY
CHAIRMAN

Place: Mumbai
Dated: 05th August 2011

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH 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 not less than 48 hours before the Annual General Meeting, 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 28th Annual General Meeting.
 - d. Convert their shares in Demat form for easy liquidity or trade on Bombay stock exchange.
 - e. Members holding physical shares are requested to convert their shares into Demat Form for easy trading facility on Stock Exchange.
 - f. Members can avail the facility of nominations by submitting the Form with the Company at its Registered Office.
- 5 Members register shall remain close for transfer of shares from September 26, 2011 to September 30, 2011(Both days inclusive).

By order of the Board of Directors
For MADHUSUDAN SECURITIES LIMITED

K.MADHUSUDAN REDDY
CHAIRMAN

Mumbai
Dated: 05th August 2011

DIRECTORS' REPORT

To the members,
MADHUSUDAN SECURITIES LIMITED

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the company along with the audited Financial Statement of Accounts for the year ended March 31, 2011.

RESULTS OF OPERATION:

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

<u>Particulars</u>	<u>Current Year</u> <u>2010 – 2011</u> <u>(inRs.)</u>	<u>Previous Year</u> <u>2009 – 2010</u> <u>(inRs.)</u>
Business Income	37,30,842	44,42,700
Profit before Interest & Tax	28,68,944	32,32,331
Less: Interest	4,38,451	14,31,124
Profit before tax	24,30,493	18,01,207
Provision for Tax	4,25,000	4,25,000
Profit after tax but before Extraordinary items	20,05,493	13,76,207
Profit available for appropriation	21,32,291	13,44,564
Transfer to Special Reserve u/s. 45IC as per The Reserve Bank of India (Amendment) Act, 1997	5,00,000	3,00,000
	16,32,291	10,44,564
Balance brought forward from Previous Year	1,24,00,642	1,13,56,078
Balance carried to Balance Sheet	1,40,32,933	1,24,00,642

DIVIDEND:

The Board recommends strengthening the working capital and to augment the financial resources, no dividend has been proposed for the year.

TRANSFER TO RESERVES:

As per section 45IC of the Reserve Bank of India (Amendment) Act, 1997, applicable to Non-Banking Financial Company for creation of Special Reserve Fund, the company has voluntarily transferred Rs.5,00,000/- to the Special Reserves of the Company.

BUSINESS:

The Company has performed reasonably well during the year under review. The Company has earned profit after tax of Rs. 21,32,291/- which has been increased by 59% compared to previous year. The Company has invested its funds to acquire the retail business of readymade clothes from Primus Retail Private Limited under its "Weekender Brand and other Brand" for a consideration of Rs. 100 Crores for better prospects in the upcoming consumer market of India. The Company has also changed its main object to manufacture, export, import, sell and deal in readymade or made to measure garments business activity vide postal ballot resolution dated 31st May, 2011. The Company will also carry on its investment business activity. The authorised capital of the Company has also been increased to Rs. 15 Crore vide EGM resolution dated 11th April, 2011. Barring unforeseen circumstances, your Directors are hopeful to have better performance in the year to follow.

FUTURE OUTLOOK:

The Company shall deploy its financial resources in better modes of Investment for better deals with the upcoming industrial organisations. The company has changed its main object from finance & investing business to purchasing & selling clothes in the Brand name of Weekender in the retail market. The company will take better advantage of the retail cloth market. The new financial policies and inflation control measure shall bring better prospectus in years to come. The performance of the industrial sector has improved markedly in recent months.

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 LINK INTIME INDIA PRIVATE 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, during the year under review.

PRUDENTIAL NORMS:

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

MATERIAL CHANGES AFTER THE DATE OF BALANCE SHEET:

The Company has issued 61,42,857 equity shares of Rs. 10 each at a premium of Rs. 60/- for consideration other than cash to M/s. Primus Retail Pvt. Ltd. For part payment of the Business acquired as per agreement dated 04/02/2011. The said equity shares are pari-pasu to the existing equity shares of 15,00,000. The said equity shares are listed on Bombay Stock Exchange on 03/08/2011 and are eligible for trading after the lock in period.

CORPORATE GOVERNANCE:

The Company has been practicing the principles of good corporate governance voluntarily over the years though not applicable, being the equity paid up capital is below Rs. 300 Lacs. However a separate section of voluntary compliance has been included as separate section of this annual report.

PARTICULARS OF EMPLOYEES:

There are no employees in receipt of remuneration exceeding the limit as prescribed under the provisions of Section 217(2A) of the Companies Act, 1956, and rules framed thereunder read with the Companies (Particulars of Employees) Rules, 1975.

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 GO OUT:

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

DIRECTORS:

The Board has expressed its graceful appreciation for Smt. K. Sujatha Reddy who has passed away on 09/07/2011 for her contribution to the Company during the tenure of her directorship in the Company. Mrs. Piya Reddy retires by rotation, and being eligible offers herself for reappointment.

Mr. Nitin Anand has been appointed as an additional director w.e.f. August 5, 2011 and holds office of the Director until conclusion of the ensuing Annual General Meeting. Notice has been received from the members proposing his candidature as director of the Company. He has expressed his willingness to be appointed as a director in the ensuing Annual General Meeting..

The Company shall invite skilled business entrepreneurs to carry out the business of Weekender Brand and other independent directors to comply the statutory requirements of Corporate Governance in due course.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

1. That in the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent to maintain the matching revenue concept, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or loss for that period;
3. 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; and
4. That the annual accounts for the financial year ended 31st March 2011 are prepared on a 'going concern' basis.

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.

AUDITORS' REPORT:

The observation made by the Statutory Auditors in their Report read together with the relevant notes as given in the Notes to Accounts for the financial year ended 31st March, 2011 are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956

ACKNOWLEDGMENTS:

The Directors take this opportunity to express their appreciation for continued assistance and co-operation received from Banks, Brokers, Business Associates, Customers and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Employees of the Company.

For AND ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTORS / CHAIRMAN

Place: Mumbai

Dated: 05th August 2011