

MADHUSUDAN SECURITIES LIMITED

33rd ANNUAL REPORT

2015-2016

33rd ANNUAL REPORT AND ACCOUNTS 2015-2016

BOARD OF DIRECTORS

Mr. Salim P govani
Mrs. Sausan Bukhari
Mr. Harsh Javeri
Mr. Abhilash Padmanabh

- Chairman
- Director
- Independent Director
- Independent Director

REGISTERED OFFICE

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

BANKERS

Axis 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

Contents	Page No
Notice	02
Directors' Report	04
Management Discussion and Analysis Report	13
Report on Corporate Governance	14
CEO / CFO Certificate	17
Auditors' Report	18
Balance Sheet	24
Profit and Loss Account	25
Cash Flow Statement	26
Notes Forming Part of the Financial Statement	27
Notes to Profit & Loss	33
Other Disclosure	34

33rd ANNUAL GENERAL MEETING

Date: 19th August 2016

Day: Friday

Time: 10.00 A.M.

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

BSE Code No. 511000

SIN No. INE856D01011 (CDSL)

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 33rd Annual General Meeting of the Members of **MADHUSUDAN SECURITIES LIMITED** will be held on August 19, 2016, at the Registered Office: 6/A-2, Court Chambers, 6th Floor, 35, New Marine Lines, Mumbai – 400 020 at 10.00 A.M. to transact the following business

ORDINARY BUSINESS:

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

To receive, consider and adopt the Balance Sheet as at 31st March 2016 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. **Appointment of Auditors:**

To appoint Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

3. Any other matter with the permission of the Chairman.

By order of the Board of Directors
For MADHUSUDAN SECURITIES LIMITED

MR. SALIM P. GOVANI
CHAIRMAN

PLACE: Mumbai

DATED: May 30, 2016

NOTES

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under item nos. 4 to 7 as stated above is annexed hereto.
2. 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.
3. 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.
4. 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.
5. 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 33rd Annual General Meeting.
 - d) Members holding physical shares are requested to convert their shares into Demat Form for easy liquidity and trading facility on Stock Exchange.
 - e) Members can avail the facility of nominations by submitting the Form with the Company at its Registered Office.
6. Members register shall remain close for transfer of shares from 12th August, 2016 to 19th August, 2016 (Both days inclusive).

By order of the Board of Directors
For MADHUSUDAN SECURITIES LIMITED

MR. SALIM P. GOVANI
CHAIRMAN

PLACE: Mumbai
DATED: May 30, 2016

DIRECTORS' REPORT

To the Members,
MADHUSUDAN SECURITIES LIMITED

Your Directors have pleasure in presenting the 33rd Annual Report on the business and operations of the company along with the Audited Financial Statement of Accounts for the year ended March 31, 2016.

1. Financial Result (Standalone)

Particulars	Current year 2015 - 2016 Rs.	Previous year 2014 - 2015 Rs.
Total Revenue	36,13,198	30,63,544
Total Expense	(52,75,301)	(41,41,779)
Profit/ (Loss) before tax	(16,62,103)	(10,78,236)
Tax expense	NIL	NIL
Profit/ (Loss) for the year	(16,62,103)	(10,78,236)
Add: Balance brought forward of the previous year	45,55,760	56,33,997
Balance carried to balance sheet	28,93,656	45,55,760
Earnings per share	(0.65)	(0.18)

2. Dividend

Due to losses incurred during the year by the Company, the Board regrets its inability to recommend any dividend to strengthen the financial resources of the Company.

3. Operations and Future Prospects

During the year under review, the Company has not made any business activity worth mentioning. However, it has traded in securities and earned meager surplus. However, it has suffered losses due to statutory compliance expenses & administrative expenses incurred by the Company. The net loss suffered by the Company is of Rs. 16,62,103/-.

61,42,847 equity Shares of Rs. 10/- each were issued without any cash consideration to Primus Retail (P) Ltd. pursuant to Business Transfer Agreement (BTA) dated 04/02/2011 for transfer of its Brand & Business. However, Karnataka High Court has declined Primus Retail (P) Ltd. to transfer the Brand & Business. Hence, due to non performance by Primus Retail (P) Ltd of their obligation, BTA Agreement stands cancelled. Therefore, equity shares issued in lieu of BTA stands cancelled by the Board of Directors and consequently the said shares have been forfeited by the Company pending statutory approvals from respective authorities. Further the face value of such shares are accounted as Forfeited Shares (to be reissued) through Scheme of arrangement under the Companies Act, in due course for further allotment.

In view of the above, the securities premium charged to 61,42,847 equity shares at the time of allotment has been reversed from the premium account to give effect of such forfeited equity shares for fair presentation of the financial statements.

The Company has paid Rs. 12 Crores to Primus Retail (P) Ltd. pursuant to the BTA. The amount of Rs. 12 Crores stands recoverable and is treated as Advance to be recovered in cash or kind. The Company has not made any provision for such advances of Rs. 12 Crores from Primus Retail (P) Ltd. which is considered under liquidation by the authorities.

4. Number of meetings of the board

The Board of Directors have conducted quarterly Board Meetings during the Financial Year 2015 - 2016 on various dates namely,

I. April 21, 2015; II. May 25, 2015; III. August 7, 2015; IV. October 15, 2015; V. January 15, 2016; VI. March 22, 2016

5. Equity Share Capital

The Equity Share Capital as on March 31, 2016 is Rs. 8,69,54,870/-, including forfeited shares of Rs. 6,14,28,470/- which results into effective Equity Capital of Rs.2,55,26,400/- until forfeited shares are reissued through the Scheme of Arrangement or otherwise after obtaining statutory approvals under the Companies Act.

6. Extract of annual return**(a) Registration and Other Details:**

CIN No	L18109MH1983PLC029929
Registration Date	06 th May 1983

Name of The Company	Madhusudan Securities Limited
Category	Public Limited Company
Address	6/A-2, Court Chambers, 35 New Marine Lines, Mumbai 400 020, Emailid: mslsecurities@yahoo.com Tel No. 022 22009290
Listed	Bombay Stock Exchange, Mumbai.
Registrar and Transfer Agents	M/s Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S Marg, Bhandup (w), Mumbai 400 078 Email : mumbai@linkintime.co.in Tel No: 022 25963838

(b) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Name and Description of Main Product/ Services	NIC Code of the Product/ Service	% of total turnover to the Company
Trading	64990	98.59%

(c) Particulars of Holding, Subsidiary & Associate Companies:

S. No.	Name And Address Of The Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A	N.A	N.A	N.A	N.A

I. i. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

The Equity Share Capital as on March 31, 2016 is Rs. 8,69,54,870/-, including forfeited shares of Rs. 6,14,28,470/- which results into effective Equity Capital of Rs. 2,55,26,400/- until forfeited shares are reissued through the Scheme of Arrangement or otherwise after obtaining statutory approvals under the Companies Act.

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	%	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	5,450		5,450	0.21	5450		5,450	0.21	Nil
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	14,34,973		14,34,973	56.22	14,34,004		14,34,004	56.17	(0.05)
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A) (1)	14,40,423		14,40,423	56.43	14,39,454		14,39,454	56.38	(0.05)
(2) Foreign									

Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Any Others(Specify)	-	-	-	-	-	-	-	-	-
Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of new Promoter and Promoter Group (A)= (A)(1)+(A)(2)	14,40,423	-	14,40,423	56.43	14,39,454	-	14,39,454	56.39	(0.05)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-		NIL	NIL	NIL		NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.	7,98,479		7,98,479	31.28	7,98,376	-	7,98,376	31.27	(0.01)
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	22,102	3350	25,452	0.99	21,524	3,350	2,4874	0.97	(0.02)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,86,266	-	2,86,266	11.21	2,87,665	-	2,87,665	11.27	0.06
c) Others (specify)									

Hindu Undivided Family	-	-	-	-	1201	-	1201	0.04	0.04
Non Resident Indians	200	-	200	0.01	200	-	200	0.01	-
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	1820		1820	0.08	870		870	0.03	(0.05)
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	11,08,867	3350	11,12,217	43.57	11,09,836	3350	11,13,186	43.61	(0.06)
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2549290	3350	2552640	100	2549290	3350	2552640	100	NIL

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1.	Mr. Salim Govani	5450	0.21	-	5450	0.21	-	-
2.	Foresight Holding P. L.	972973	38.11	-	972973	38.12		-
3.	Growsafe Securities Pvt Ltd	231000	9.05	-	231000	9.05		-
4.	Indusage Advisors Ltd	231000	9.05	9.05	230031	9.01	9.01	(0.04)
	Total	1440423	56.42	9.05	1439454	56.39	9.01	(0.04)

iii) Change in Promoters' Shareholding

Sl. No	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
1. Mr. Salim Govani	5450	0.21%		
2. Foresight Holdings Pvt. Ltd	972973	38.11%		
3. GrowsafeSecuritiesPvtLtd	231000	9.05%		
4. Indusage Advisors Ltd	231000	9.05%	1440423	56.42%
Date wise Increase / Decrease in	(969)	0.04%		

Promoters Shareholding during the year specifying the reasons for increase/decrease				
At the closing of the year (New Promoter)				
Mr. Salim Govani	5450	0.21%	1439454	56.39%
Foresight Holding P. L.	972973	38.12%		
Growsafe Securites Pvt Ltd	231000	9.05%		
Indusage Advisors Ltd	230031	9.01%		

1

v) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr.No		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1	Dewsoft Overseas Private Limited	394737	15.46	394736	15.46
2	Acme Investments Consultants P Ltd	263157	10.31	263157	10.31
3	Exemplar International P. L.	134800	5.28	134800	5.28
4	Mr. Zainal Khan	76500	3.00	76500	3.00
5	Mr. Shyam G Shroff	71826	2.81	71826	2.81
6	Mr. Madhusudan Reddy	63,500	2.48	63,500	2.48
7	Mr. Sidharth Ratanlal Bafna	50950	1.99	50950	1.99
8	Mr. Vipul Priyakant Dalal	24990	0.97	24890	0.97
9	Mr. Raghvendra Mohta	4,650	0.18	4,650	0.18
10	VSL Securities P. L.	4,000	0.15	4000	0.15

(v) Shareholding of Directors and Key Managerial Personnel:

Sr.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
1.	At the beginning of the year 1. Mr. Salim Govani	5450	0.21	5450	0.21
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease	NIL	NIL	NIL	NIL
1.	At the End of the year Mr. Salim Govani	5450	0.21	5450	0.21