

MADHUSUDAN SECURITIES LIMITED

34th ANNUAL REPORT

2016-2017

BOARD OF DIRECTORS

Mr. Salim P Govani
Mrs. Sausan Bukhari
Mr. Harsh Javeri
Mr. Abhilash Padmanabh
Ms. Isha Sekhri (w.e.f. 25/01/2017)

- Chairman
- Director
- Independent Director
- Independent Director
- Independent Director

REGISTERED OFFICE

37, National Storage Building,
Plot No, 424-B, Nr. Johnson & Johnson Building,
S. B. Road, Mahim (West),
Mumbai - 400 016.
Email: mslsecurities@yahoo.com

BANKERS

Axis Bank

AUDITORS

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

SHARE TRANSFER DEPARTMENT

M/s Link Intime India Private Limited

C 101, 247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai – 400083

Email: mumbai@linkintime.co.in

Tel No: 022 49186000

Contents	Page No
Notice	02
Directors' Report	04
Management Discussion and Analysis Report	12
Report on Corporate Governance	13
CEO / CFO Certificate	16
Secretarial Audit Report	17
Certificate on Corporate governance	21
Auditors' Report	22
Balance Sheet	28
Profit and Loss Account	29
Cash Flow Statement	30
Notes Forming Part of the Financial Statement	31
Notes to Profit & Loss	37
Other Disclosure	38

34th ANNUAL GENERAL MEETING

Date: 29th September 2017

Day: Friday

Time: 03.00 P.M.

Venue: Mahatma Gandhi Memorial Building,
7 Netaji Subhash Marg,
Near Charni Road Station (West),
Mumbai – 400 002
India

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 34th Annual General Meeting of the Members of **MADHUSUDAN SECURITIES LIMITED** will be held on 29th September, 2017, at Mahatma Gandhi Memorial Building, 7 Netaji Subhash Marg, Near Charni Road Station (West), Mumbai – 400 002 at 3.00 P.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 2017 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. Approval of Appointment of Director, Mrs. Isha Sekhri

To appoint Mrs. Isha Sekhri as an Independent Director of the Company who is appointed as additional director on 25/01/2017.

3. Appointment of M/s. S. V. Bhat & Co., Chartered Accountants Firm, (FRNo.: 101298W) as statutory auditors of the Company and fix their remuneration:

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 sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force), M/s. S. V. Bhat & Co., Chartered Accountants, FRNo.: 101298W be and is hereby appointed as auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:**4. 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: August 5, 2017

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 34th 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 23.09.2017 to 28.09.2017 (Both days inclusive).

By order of the Board of Directors
For MADHUSUDAN SECURITIES LIMITED

MR. SALIM P. GOVANI
CHAIRMAN

PLACE: Mumbai
DATED: August 5, 2017

DIRECTORS' REPORT

To the Members,
MADHUSUDAN SECURITIES LIMITED

Your Directors have pleasure in presenting the 34th Annual Report on the business and operations of the company along with the Audited Financial Statement of Accounts for the year ended March 31, 2017.

1. Financial Result (Standalone)

Particulars	Current year 2016 - 2017 Rs.	Previous year 2015 - 2016 Rs.
Total Revenue	74,56,222	36,13,198
Total Expense	(89,09,617)	(52,75,301)
Profit/ (Loss) before tax	(14,53,395)	(16,62,103)
Tax expense	100	NIL
Profit/ (Loss) for the year	(14,53,495)	(16,62,103)
Add: Balance brought forward of the previous year	28,93,656	45,55,760
Balance carried to balance sheet	14,40,160	28,93,656
Earnings per share	(0.57)	(0.65)

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 earned surplus in its trading activity in securities. With the efforts of the management, the other expenses have reduced during the year under review. 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. 14,53,495/-.

The 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 re 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 by the Board for fair presentation of the financial statements.

The Company has paid Rs. 12 Crores to Primus Retail (P) Ltd. pursuant to the BTA. However, the Primus Retail Pvt. Ltd. could not honour the Agreement due to Court order. Therefore, amount of Rs. 12 Crores paid for the contract stands recoverable which is treated as Advance to be recovered in cash or kind. The Primus Retail P. L. has been declared under liquidation, hence, the advance of Rs. 12 Crores has become doubtful in nature, the Company has filed suit in the Court for recovery till outcome of the Court order, no provision of doubtful debts is made in the books of accounts.

4. Number of meetings of the board

The Board of Directors have conducted quarterly Board Meetings during the Financial Year 2016 - 2017 on various dates namely,

I. May 30, 2016 II. July 21, 2016 III. October 21, 2016 IV. January 25, 2017

5. Equity Share Capital

The Equity Share Capital as on March 31, 2017 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	37, National Storage Building, Plot No, 424-B, Nr. Johnson & Johnson Building, S. B. Road, Mahim (West), Mumbai - 400 016. Emailid: mslsecurities@yahoo.com Tel No. 9867658845
Listed	Bombay Stock Exchange, Mumbai.
Registrar and Transfer Agents	M/s Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083 Email : mumbai@linkintime.co.in Tel No: 022 49186270

(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	99.69%

(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, 2017 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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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.	14,34,004		14,34,004	56.17	14,33,999		14,34,999	56.17	-
e) Banks / FI									

f) Any other									
Total shareholding of Promoter (A) (1)	14,39,454		14,39,454	56.38	14,39,449		14,39,449	56.38	-
(2) Foreign	-	-	-	-	-	-	-	-	-
Total Shareholding of new Promoter and Promoter Group (A)= (A)(1)+(A)(2)	14,39,454	-	14,39,454	56.39	14,39,449	-	14,39,449	56.39	(0.05)
B. Public Shareholding (B1)		NIL	NIL	NIL		NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.	7,98,376		7,98,376	31.27	7,98,335	-	7,98,335		(0.01)
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	21,524	3350	24,874	0.97	21,992	3,350	25,342	0.99	(0.02)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,87,665	-	2,87,665	11.27	2,87,813	-	2,87,813	11.28	0.01
c) Others (specify)									
Hindu Undivided Family	1201	-	1201	0.04	1201	-	1201	0.04	-
Non Resident Indians	200	-	200	0.01	200	-	200	0.01	-
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	870		870	0.03	300		300	0.01	(0.02)
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	11,09,836	3350	11,13,186	43.61	11,09,841	3350	11,13,191	43.61	-
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

S r. N o	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 Securites Pvt Ltd	230031	9.01	-	230026	9.01	-	-
4.	Indusage Advisors Ltd	231000	9.05	9.05	231000	9.05	9.05	-
	Total	1439454	56.39	9.05	1439454	56.39	9.05	-

(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. GrowsafeSecuritesPvtLtd	230031	9.01%		
4. Indusage Advisors Ltd	231000	9.05%	1439454	56.39%
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease	(5)	0.00%		
At the end of the year				
1. Mr. Salim Govani	5450	0.21%		
2. Foresight Holdings Pvt. Ltd	972973	38.11%		
3. Growsafe SecuritesPvtLtd	230026	9.01%		
4. Indusage Advisors Ltd	231000	9.05%	1439449	56.39%

(iv) Share holding 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	394736	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	50949	1.99	50950	1.99
8	Mr. Vipul Priyakant Dalal	24890	0.97	24990	0.97
9	Mr. Raghvendra Mohta	4,650	0.18	4,650	0.18
10	VSL Securities P. L.	4,000	0.15	4,000	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
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

(d) ITS INDEBTEDNESS;

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	20,35,754	-	20,35,754
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition	-	5,00,000	-	5,00,000
* Reduction	-	-	-	-
Net Change	-	5,00,000	-	5,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	25,35,754	-	25,35,754
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		25,35,754	-	25,35,754

(e) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- No Remuneration was paid to any of the Directors in the year under review.

(f) Penalty or punishment imposed on the company, its directors or officers and details of compounding of offences and appeals made against such penalty or punishment;

- No Penalty under the Companies Act 2013 has been imposed during the Financial Year 2016-17

7. Its promoters, directors, key managerial personnel along with changes therein since the close of the previous financial year

Name of the Director	Position	Changes (Appointment/ Resignation)
Mr. Salim Govani	Promoter	No Change
Mrs. Sausan Bukhari	Woman Director	No Change
Mr. Harsh Javeri	Independent Director	No Change
Mr. Abhilash Padmanabh	Independent Director	No Change
Mrs. Isha Sekhri	Independent Director	Appointed on 25 th January, 2017

8. Meetings of members or a class thereof, Board and Annual General Meetings along with attendance details;

Name of the Director	Position as on 31/03/2017	Date of Appointment/Resignation	Attendance at		No. of Directorship(s) in other Companies	No. of Membership(s) in Board Committees of other Companies
			Board Meeting	Last AGM		
Mr. Salim Govani	Promoter	Appointment on 21/04/2015	4	Yes	11	-
Mrs. Sausan Bukhari	Director	Appointment on 21/04/2015	4	Yes	2	-
Mr. Harsh Javeri	Independent Director	Appointment on 30/05/2013	4	Yes	3	-
Mr. Abhilash Padmanabh	Independent Director	Appointment on 30/05/2013	4	No	2	-
Mrs. Isha Sekhri	Independent Director	Appointment on 21/01/2017	-	No	5	NA

9. Board Committees:

Details of the Board Committees and Other related information are provided hereunder:

Audit Committee

Name of the Members	Composition and Category	Designation	Total Meetings Attended
Mr. Harsh Javeri	Non Executive Director/ Independent Director	Chairman	4
Mr. Abhilash Padmanabh	Non Executive / Independent Director	Member	4
Mr. Abhilash Padmanabh	Non Executive / Independent Director	Member	4

Shareholders / Investors Grievance Committee

Name of the Members	Composition and Category	Designation	Total Meetings Attended
Mrs. Sausan Bukhari	Director	Chairperson	4
Mr. Salim. Govani	Promoter Director	Member	4
Mr. Harsh Javeri	Non Executive / Independent Director	Member	4
Mr. Abhilash Padmanabh	Non Executive / Independent Director	Member	4

Management Remuneration Committee

Name of the Members	Composition and Category	Designation	Total Meeting Attended
Mr. Abhilash	Non-Executive/ Independent	Chairman	1