

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

Contents	Page No
Notice	02
Directors' Report	04
Management Discussion and Analysis Report	07
Certificate by CEO	10
Corporate Governance Certificate	11
Auditors' Report	12
Balance Sheet	15
Profit and Loss Account	16
Cash Flow Statement	17
Schedules	18
Notes to Accounts	21
Six Year Highlights	24

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

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN FINANCIAL STRUCTURE AND DEVELOPMENTS

While the Indian financial system is dominated by Banks, Non-Banking Financial Institutions (NBFIs) play an important role by complementing banks in providing a wide range of financial services. In the wake of the recent global financial crisis and its fall out on the financial institutions (FIs), the Reserve Bank and SEBI have taken a number of measures to preserve financial stability and arrest the moderation in the growth momentum. The Indian Stock market has been very volatile. India has become one of the favorite investment destinations for the foreign Investors across the globe and is emerging as one of the best performance markets. The national economy continues to be among the fastest growing economies.

OPPORTUNITIES & THREATS

The Indian Capital market is showing more strength and stability due to better and transparent systems introduced by Government and administrative authorities. This has resulted into higher valuations and excellent investment opportunities to the company. Though a bundle of opportunities are there in the financial sector it is not immune from the global and political developments and normal business treats and challenges. Your Company is making investment decisions after due diligence and considering current economic and political scenario in India and abroad. The current retail market is booming and retail business amongst the middle income group of society had been accelerated and is an upcoming market to get better opportunities for the company.

FUTURE OUTLOOK

Your company foresees a bright investment scenario next year and its strategy will be focused on reasonable growth by continuing with the investments and expanding business activities in other industries by acquiring different business organizations so that it can utilize the available opportunities with caution and earn more wealth for the shareholders and investors.

The company has taken over the business of Weekender from Primus Retail Private Limited vide agreement dated 04-02-2011 and part payment is made. The Company is entering into retail consumer market by acquiring the Weekender Brand and changing its main line of business.

The company is planning to restructure its Board of Directors by inviting 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. The Company has already increased its authorized Capital to Rs. 15 Crores vide EGM dated 11-04-2011 and is planning to issue more equity shares as private placement with premium as may be required by the financial planning of the company and prevailing business conditions.

RISKS AND CONCERNS

During the year higher inflation rate remains a major economic threat. Remedial measures taken by Government and Reserve Bank of India like CRR hike, REPO rate, etc has resulted in higher interest rates which will squeeze the profitability of the corporate world. The increasing inflation has resulted into less investing power of the individuals.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control systems, which ensures proper recording of financial, operational and compliance control transactions. The Company also makes risk assessment from time to time in the interest of the company. The established internal control system and organization structure is adequate commensurate with the size and nature of the business.

FINANCIAL PERFORMANCE

With the efforts of the Directors and the professional advice, the company has increased the Profits of the company compared to the previous year. The Financial resources of the Company are proposed to be invested in diversified sectors like retail sector, consumer products, etc for better valuation and good returns.

STATUTORY & LISTING COMPLIANCE

The company has been adequately complying the necessary applicable statutory requirements of The Income Tax Act, 1961, Reserve Bank of India, Companies Act, 1956, SEBI guidelines, provisions of the Listing Agreements with Bombay Stock Exchange and other government authorities.

CORPORATE GOVERNANCE:

The Company has been practicing the principles of good corporate governance over the years voluntarily though not applicable being the equity paid up capital is below Rs. 300 Lacs, However, the information of the Corporate Governance is voluntarily given in this annual report.

GENERAL SHAREHOLDER INFORMATION**NUMBER OF BOARD MEETINGS:**

Madhusudan Securities Ltd. Has held 5 Board Meetings during the financial year ended 31st March 2011. They were on 1) 30th July 2010, 2) 29th October 2010, 3) 28th January 2011, 4) 9th February 2011 and 28th April 2011.

Name of the Director	Category of Directorship	Total meetings attended
Shri. K. Madhusudan Reddy	Chairman	5
Smt. K. Sujatha Reddy	Director	3
Smt. Piya Reddy	Director	5

BOARD COMMITTEES:

For better and focused attention on the affairs of the Company, the Board conducts its Committee meetings after the end of the Board meeting. These Committees are serving an aid for better working of the Company. The Core Committees of the Company are:

1. Audit Committee
2. Management Committee
3. Shareholder's / Investors Grievance Committee

ANNUAL GENERAL MEETINGS

The last four Annual General Meetings of the shareholders of the Company were held as under:

Financial Year	Date	Time	Venue
2009-2010	Sept 30, 2010	03.30 P.M.	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020
2008-2009	July 31, 2009	03.30 P.M.	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020
2007-2008	July 31, 2008	03.30 P.M.	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020
2006-2007	Sept 29, 2007	03.30 P.M.	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020

BOOK VALUE OF EQUITY SHARES OF Rs. 10/- EACH FULLY PAID UP:

Financial Year	Book Value per share (Rs.)
2010 - 2011	30.62
2009 - 2010	29.20
2008 - 2009	28.30
2007 - 2008	27.79
2006 - 2007	25.20

SHARE HOLDING PATTERN AS ON MARCH 31, 2011

Category	No. of Shares held Rs. 10/- each	Percentage of shareholding
Promoter's Holding	1,98,300	13.22%
Corporate Bodies	6,98,581	46.57%
Public	5,64,015	37.60%
NRI	39,104	2.61%
Total	15,00,000	100.00%

The promoter & their family associates have sold 4,87,600 equity shares in the open market during the year.
The Promoter and promoter Group has NOT PLEDGED any shares of the Company.

DEMATERIALISATION OF SHARES

99.75% (P.Y. 65.05%) of the Company's paid up Equity Share Capital has been Dematerialized up to March 31, 2011. The Board expresses its graceful appreciation to the members for their cooperation for dematerializing their physical shares for free trading on the Bombay Stock Exchange.

The details of Demat /physical of shares as on March 31, 2011 are as under:

Depository	No. of Shares	% of Capital
NSDL	10,40,374	69.36%
CDSL	4,55,826	30.39%
Physical	3,800	0.25%
Total	15,00,000	100.00%

MARKET PRICE DATA OF THE COMPANY AND COMPARISON WITH BSE SENSEX

Month	High Price (Rs.)	Low Price (Rs.)	BSE Sensex	
			High	Low
Apr 2010	56.00	41.50	18,048	17,277
May 2010	53.00	53.00	17,537	15,960
Jun 2010	60.00	47.90	17,920	16,318
Jul 2010	79.80	62.15	18,238	17,396
Aug 2010	63.00	60.00	18,475	17,820
Sep 2010	66.15	56.00	20,268	18,027
Oct 2010	63.00	50.05	20,855	19,769
Nov 2010	55.50	48.00	21,209	18,955
Dec 2010	71.25	53.00	20,552	19,075
Jan 2011	67.00	58.05	20,665	18,038
Feb 2011	77.15	56.00	18,691	17,296
Mar 2011	86.75	63.10	19,575	17,792

Source: BSE website

DISCLAIMER

Statements in this Management Discussion and Analysis describing the Company's objectives, projections and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. Important factors that might materially affect the future performance of the Company include the state of the Indian economy, changes in government regulations, tax laws and the state of the financial markets and other factors such as litigation over which the company does not have direct control.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTORS

Place: Mumbai

Dated: 05th August 2011

CERTIFICATE BY CEO

To,
The Board of Directors of
Madhusudan Securities Limited.

We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief.

1. These Statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading.
2. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2011 which is fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors, deficiency in the design or operation of the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors:

1. Significant changes in internal control over financial reporting during the year, if any.
2. Significant changes in accounting policies, if any, during the year and that the same have been disclosed in the financial statements; and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

K.MADHUSUDAN REDDY
CHAIRMAN

Place: Mumbai
Date: 05th August 2011

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of,
MADHUSUDAN SECURITIES LIMITED.

We have examined the compliance of conditions of Corporate Governance by Madhusudan Securities Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of 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, Management and the records produced, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, there were no Investor's grievance are pending for a period extending 30 days against the Company as per the records maintained by Shareholder's / Investors Grievances Committee.

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

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm. Reg. 111612W)

BHARAT B. CHOVATIA
PARTNER
(Membership No. 31756)

Place: Mumbai
Dated: 05th August 2011

AUDITORS' REPORT

To,
THE MEMBERS OF
MADHUSUDAN SECURITIES LIMITED.

1. We have audited the attached Balance Sheet of MADHUSUDAN SECURITIES LIMITED as at 31st March 2011 and also the annexed Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date as 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 auditing standards 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 reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 ("the order") issued by the Central Government of India under sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the same order.
4. Further to our comments in the Annexure referred to in Paragraph (3) above; we report that;
 - (a) We have obtained all the information and explanations, which to best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and the 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;
 - (e) on the basis of the written representations from the Directors of the Company as at 31st March, 2011 and taken on record by the Board of Directors, we report that as per the information and explanation given to us, none of the Directors are prima-facie disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 and
 - (f) Without qualifying our report, we draw your attention to the following Notes to Accounts:
 Note no. II. 2 a: Regarding takeover of Business of Weekender from Primus Retail Pvt. Ltd.
 Note no. II 2 c: Changing its main object to manufacture, export, import, sell and deal in readymade or made to measure garments.....from all other textiles.
 Subject to above,
 In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with the notes to accounts, thereon 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:
 - (i) In case of the Balance Sheet, of the State of affairs of the company as at March 31st, 2011, and;
 - (ii) In the case of Profit & Loss A/c of the PROFIT of the company for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Reg. No.: 111612W)

BHARAT B. CHOVATIA
PARTNER

(Membership No.31756)
Place: Mumbai
Dated: 05th August 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on accounts of Madhusudan Securities Limited for the year ended 31st March 2011.)

1. In respect of its Fixed Assets
During the year under audit, the Company does not have any Fixed Assets as on 31st March, 2011. Hence, the provisions of Clause 4(i) of the order are not applicable to the Company.
2. In respect of Inventory :
During the year covered by our audit report, the company does not have any inventory. Hence, a provision of clause 4(ii) of the order is not applicable to the company.
3. In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered under register maintained u/s 301 of The Companies Act, 1956
 - (a) The company has not granted any loan during the year under review. Consequently, the requirements of Clause (iii) b, c & d of order are not applicable to the company.
 - (b) The Company has taken unsecured loan from the three of the parties, the parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 1,10,00,000/- & year-end balance is Rs. 35,00,000/-.
 - (c) The company has paid the interest on the loan taken and rate of Interest and other terms and conditions of loan taken are not prejudicial to the interest of the company.
 - (d) The Company has repaid the amount of the Loan along with interest regularly.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for purchase of inventories, fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements 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, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and Section 58AA of the Companies Act 1956. Therefore the clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In our opinion and according to the information and explanation given to us, the Company has no formal internal audit system as such but its internal control procedures generally ensure reasonable internal check of its financial and other records, commensurate with the size of the Company and the nature of its business.
8. As informed 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, in respect of activities carried on by the Company.
9. According to information and explanation given to us, in respect to statutory dues :
 - (a) the company is generally regular in depositing with the appropriate authorities in India the undisputed statutory dues under Income tax Act and other material statutory dues as applicable to it. However, the provision of the Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues are not applicable.
 - (b) at the end of the financial year there were no undisputed amounts payable in respect of income tax and other statutory dues as applicable, for a period of more than six months from the date they become payable.

- 10 The Company has no accumulated losses as at 31st March, 2011 and it has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11 The company has not defaulted in repayment of its dues to any bank or financial institution during the year.
- 12 The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, reporting on paragraph 4 (xii) of the Order is not applicable.
- 13 The provisions of any special statute applicable to a chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company. Accordingly, reporting under paragraph 4 (xiii) of the Order is not applicable.
- 14 The Company has maintained proper records of the transactions and contracts in respect of dealing in shares, securities, debentures, mutual funds and other investments and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the Company in its own name.
- 15 The company has not given any guarantee for loans taken by others from bank and financial institutions. Accordingly, reporting on paragraph 4 (xv) of the Order is not applicable.
- 16 In our opinion and according to the information and explanation given to us, there was no term loans taken by the Company and hence provision of clause (xiv) of the order is not applicable.
- 17 According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
- 19 The company has not raised any funds by the way of debenture issue during the year. Accordingly, the provision of clause 4 (xix) of the Order is not applicable to the Company.
- 20 The Company has not raised any money by public issue during the year under review.
- 21 During the year covered by our audit report and as explained to us, to the best of our knowledge and belief, no material fraud has been noticed or reported by the company.

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Reg. No.: 111612W)

BHARAT B. CHOVATIA
PARTNER

(Membership No.31756)

Place: MUMBAI
Dated: 05th August 2011

BALANCE SHEET AS AT MARCH 31, 2011

<u>SOURCES OF FUNDS</u>	<u>SCH</u>	<u>As At</u> <u>31.03.2011</u> <u>Amount / Rs.</u>	<u>As At</u> <u>31.03.2010</u> <u>Amount / Rs.</u>
<u>Shareholders funds :</u>			
Share Capital	A	1,50,00,000	1,50,00,000
Reserves and Surplus	B	3,09,32,936	2,88,00,643
<u>Loan Funds:</u>			
Secured Loan	C	-	3,89,76,573
Unsecured Loan from Directors		35,00,000	-
	Total Rs.	<u>4,94,32,936</u>	<u>8,27,77,216</u>
<u>APPLICATION OF FUNDS :</u>			
<u>FIXED ASSETS</u>		NIL	NIL
<u>INVESTMENTS</u>	D	90,61,643	2,12,15,647
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>	E		
Cash and Bank Balances		3,06,672	5,76,84,772
Loans And Advances		<u>7,25,84,547</u>	<u>49,03,966</u>
		7,28,91,220	6,25,88,738
<u>CURRENT LIABILITIES & PROVISIONS</u>	F		
Sundry Creditors		3,25,19,925	
		<u>3,25,19,925</u>	<u>10,27,170</u>
Net Current Assets		4,03,71,295	6,15,61,568
	Total Rs.	<u>4,94,32,936</u>	<u>8,27,77,216</u>
<u>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</u>			
As per our attached reports on even date			
As per our attached Reports of even date			
For VORA & ASSOCIATES CHARTERED ACCOUNTANTS (ICAI Firm Reg. No. 111612W)		For and on behalf of the Board of Directors MADHUSUDAN SECURITIES LIMITED	
BHARAT B. CHOVATIA PARTNER (Membership No. 31756)		Mr. K. Madhusudan Reddy Mrs. Piya Reddy Mr. Nitin Anand Directors	
Place: Mumbai Dated: 05 th August 2011		Place: Mumbai Dated: 05 th August 2011	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

<u>PARTICULARS</u>	<u>SCH</u>	<u>As At</u> <u>31.03.2011</u> <u>Amount / Rs.</u>	<u>As At</u> <u>31.03.2010</u> <u>Amount / Rs.</u>
<u>INCOME</u>			
Dividend		1,80,586	1,59,575
Interest Income		19,24,748	32,48,293
Capital Gains on Shares and Securities		16,10,916	6,92,371
Gain / (Loss) on Share business		14,298	1,01,163
Other Income		294	2,41,298
	Total	<u>37,30,842</u>	<u>44,42,700</u>
<u>EXPENDITURE</u>			
Administrative and Other Expenses	G	8,61,898	11,69,319
Financial Expenses	H	<u>4,38,451</u>	<u>14,72,175</u>
	Total	<u>13,00,349</u>	<u>26,41,494</u>
Profit Before Tax		24,30,493	18,01,207
Provision for Income Tax		<u>4,25,000</u>	<u>4,25,000</u>
Profit after Tax		20,05,493	13,76,207
<u>Add / (Less): Prior period items</u>			
Prior period Tax adjustment		1,26,798	(31,643)
Profit available for Appropriation		21,32,291	13,44,564
<u>Less: Appropriation</u>			
Transfer to Special Reserve u/s. 45IC as per The Reserve Bank of India (Amendment) Act, 1997		5,00,000	3,00,000
Retained Earnings for the year		<u>16,32,291</u>	<u>10,44,564</u>
Balance brought forward from previous year		1,24,00,642	1,13,56,078
Balance carried to the Balance Sheet		<u>1,40,32,933</u>	<u>1,24,00,642</u>
Basic and Diluted Earnings per Share (Rs.)		1.42	0.90

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO ACCOUNTS

I

As per our attached Reports of even date

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Reg. No. 111612W)BHARAT B. CHOVATIA
PARTNER
(Membership No. 31756)Place: Mumbai
Dated: 05th August 2011For and on behalf of the Board of Directors
MADHUSUDAN SECURITIES LIMITEDMr. K. Madhusudan Reddy
Mrs. Piya Reddy
Mr. Nitin Anand
DirectorsPlace: Mumbai
Dated: 05th August 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	<u>As At</u> <u>31.03.2011</u>	<u>As At</u> <u>31.03.2010</u>
	<u>(inRs.)</u>	<u>(inRs.)</u>
(I) <u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before Tax and Extraordinary items	24,30,493	18,01,207
ADJUSTMENTS FOR:		
Less: Dividend	(1,80,586)	(1,59,575)
(Profit)/ Loss on sale of Investments	(16,10,916)	(6,92,371)
Interest Income	(19,24,748)	(32,48,293)
Interest Expenses	4,38,451	14,72,175
	<u>(8,47,306)</u>	<u>(8,26,858)</u>
Less: Net Income Taxes paid / (Refund)	<u>(4,12,771)</u>	<u>6,91,979</u>
Operating Profit before Working Capital Changes	(4,34,535)	(15,18,837)
(Increase) / Decrease in Loans & Advances	(6,83,91,550)	(3,04,646)
Increase / (Decrease) In Sundry Creditors / Others	3,14,92,755	(5,326)
	<u>(3,68,98,795)</u>	<u>(3,09,972)</u>
Cash generated from / (Used in) Operations (A)	(3,73,33,330)	(18,28,809)
(II) <u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
(Purchase) / Sale of Investment (Net)	1,21,54,004	(1,45,20,940)
Profit/ (loss) on Sale of Investments	16,10,916	6,92,371
Dividend	1,80,586	1,59,575
Net cash used in investing activities (B)	<u>1,39,45,506</u>	<u>(1,36,68,994)</u>
(III) <u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Interest Income	19,24,748	32,48,293
Secured Loan	(3,89,76,573)	3,89,76,573
Unsecured loans	35,00,000	(2,20,00,000)
Interest Expenses	(4,38,451)	(14,72,175)
	<u>(3,39,90,276)</u>	<u>1,87,52,691</u>
Net cash generated from Financial Activities (C)	<u>(3,39,90,276)</u>	<u>1,87,52,691</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	<u><u>(5,73,78,100)</u></u>	<u><u>32,54,888</u></u>
Cash and cash equivalents at the beginning of the year	5,76,84,771	5,44,29,883
Cash and cash equivalents at the close of the year	3,06,671	5,76,84,771

Notes:

1. The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 Cash Flow Statement' issued by The Institute of Chartered Accountants of India.
2. Cash and Cash Equivalents include Cash and Bank Balance.
3. Figures of Previous years have been regrouped and rearranged wherever necessary to confirm with current year's classification.

As per our attached Reports of even date

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Reg. No. 111612W)

BHARAT B. CHOVATIA
PARTNER
(Membership No. 31756)

Place: Mumbai
Dated: 05th August 2011

For and on behalf of the Board of Directors
MADHUSUDAN SECURITIES LIMITED

Mr. K. Madhusudan Reddy
Mrs. Piya Reddy
Mr. Nitin Anand
Directors

Place: Mumbai
Dated: 05th August 2011

SCHEDULES FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2011

	<u>As At</u>		<u>As At</u>		
	<u>31.03.2011</u>		<u>31.03.2010</u>		
	<u>Amount / Rs.</u>		<u>Amount / Rs.</u>		
<u>Schedule - " A " : Share Capital</u>					
<u>Authorised:</u>					
50,00,000 Equity Shares of Rs. 10/- each		5,00,00,000		5,00,00,000	
<u>Issued subscribed and paid up:</u>					
15,00,000 Equity shares of Rs. 10/- each		1,50,00,000		1,50,00,000	
fully paid - up.		1,50,00,000		1,50,00,000	
<u>Schedule - " B " : Reserves & Surplus</u>					
Securities Premium		1,26,00,000		1,26,00,000	
Special Reserve u/s. 45IC as per The Reserve Bank of India (Amendment)Act,1997					
Balance as per last year	38,00,000			35,00,000	
Add : Transfer from Profit & Loss A/c.	5,00,000			3,00,000	
		43,00,000		38,00,000	
<u>Surplus:</u>					
Balance in Profit and Loss Account	1,24,00,644			1,13,56,079	
Add: Profit for the Year	16,32,291			10,44,565	
		1,40,32,935		1,24,00,644	
		3,09,32,935		2,88,00,644	
<u>Schedule - " C " : Loan Funds</u>					
<u>Secured Loans</u>					
South Indian Bank O/D		-		3,89,76,573	
<u>Unsecured Loans from Directors</u>					
Smt. K.Sujatha Reddy		35,00,000		-	
		35,00,000		-	
<u>Schedule - " D " Investments</u>					
	<u>Face</u>	<u>No. of</u>	<u>Cost</u>	<u>AS AT</u>	<u>AS AT</u>
<u>Name of the Scripts</u>	<u>Value</u>	<u>Shares</u>	<u>Per Shares</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
<u>Investments - At Cost</u>					
<u>(Quoted Shares & units)</u>					
Bhubaneswar Stock Exchange	1	20,000	1	20,000	20,000
Baroda Rayon Corporation Ltd	10	155	10	1,550	-
Farm Enterprises Ltd	10	1	10	10	-
Goa Invecast Ltd	10	10,000	10	1,00,000	1,00,000
Gold star Steel & Alloy Ltd	10	160	10	1,600	-
Grasim Industries Ltd	10	25	10	250	-
Haryan Industries	10	4,100	1	4,100	4,100
Hitek Industries	10	3,000	1	3,000	3,000
Hope Leasing	10	200	1	200	200
Orkay Industries	10	2,136	1	2,136	2,050
Prime Property Dev. Corp. Ltd.	5	57,000	112	63,74,332	63,74,332
Pooja Granites	10	4,000	1	4,000	4,000
Samruddhi Cements Ltd	5	25	5	125	

Shubangini Holiday Resorts	10	5,000	10	50,000	50,000
Thapaer Ispat	10	200	1	200	200
Ultratech Cement Ltd	10	14	10	140	-
ACC	10	500		-	3,50,843
Arcient Tecno Shares	10	1,620		-	16,200
Bank of Baroda	10	950		-	4,94,040
Federal Bank Ltd	10	1,050		-	2,50,375
Fertilizers & Chemiclas	10	1,000		-	39,999
Great Offshore Ltd.	10	100		-	10,492
Himachal Futuristic	10	11,950		-	5,75,995
Hindalco Industries	1	1,000		-	1,53,871
Hindustan Biotech	10	1,000		-	1,000
Indokem Ltd.	10	1,050		-	1,050
ITC Li mited	10	500		-	98,125
Joy Reality Ltd (MLFL)	10	42,650		-	44,450
Lic Housing Finance Limited	10	300		-	2,46,094
Magna Industries	10	9,500		-	8,550
Mangalore Chemical Fertilizers	10	2,000		-	45,927
Mind Tree Shares	10	635		-	3,93,979
Niit Tecnologies	10	2,225		-	4,02,988
Nilkamal Plastics	10	1,500		-	1,84,242
Pennar Aluminium Co. Ltd.	10	66,000		-	1,99,301
Pennar Insudtries Limited	10	28,851		-	9,74,347
PTC India	10	500		-	43,342
Reliance Capital Ltd.	10	230		-	3,81,087
Reliance Communication	5	600		-	1,05,700
Reliance Industrial	10	55		-	1,13,636
Reliance Industries Ltd.	10	1,804		-	21,27,450
Reliance Natural Resouces	10	1,600		-	1,59,985
Reliance Power	10	320		-	70,114
Shalibhadra Finance Ltd.	10	9,000		-	53,340
State Bank Of India	10	50		-	1,12,444
Sterlite Optical Industries Ltd.	5	500		-	3,99,470
Tata Motors	10	500		-	3,27,781
TISCO Ltd.	10	1,455		-	9,64,688
			Total	65,61,643	1,59,08,786

Unquoted Shares & SecuritiesKotak Securities PMS Fund

Deutsche Investments India P.L	25	1,00,000	25,00,000	-
--------------------------------	----	----------	-----------	---

Reliance Capital Asset Debt Pms Fund - At coat

CitiFinancial Consumer Fin. India NCD	10		-	10,30,000
---------------------------------------	----	--	---	-----------

Investment In Debentures

Citicorp finance debentures			-	40,40,000
-----------------------------	--	--	---	-----------

Investment In Mutual Funds

Kotak Floater Long Term (G)			-	2,36,861
Total			90,61,643	2,12,15,647

Market Value of above shares and funds			42,85,272	1,37,80,301
--	--	--	-----------	-------------

(See Note II - 4)

	<u>AS AT</u> <u>31.03.2011</u> <u>Amount / Rs.</u>	<u>AS AT</u> <u>31.03.2010</u> <u>Amount / Rs.</u>
<u>Schedule - " E " : Current Assets Loans and Advances</u>		
<u>A) Current Assets</u>		
a. Cash & Bank Balances		
i. Cash & Current Account with Scheduled Banks	1,85,354	12,71,452
ii. Fixed Deposits pledged with Bhubaneswar Stock Exchange (with accrued Interest)	1,21,318	1,01,281
iii. Fixed Deposits with Banks (with accrued interest)	-	5,63,12,039
	<u>3,06,672</u>	<u>5,76,84,772</u>
<u>B) Loans And Advances</u>		
i. <u>Advances recoverable in cash or kind</u>		
Primus Retail Private Limited	7,00,00,000	-
(Part payment for takeover of business of Weekender)		
(See Note II - 1 & 2)		
Other receivables	17,13,146	33,21,596
ii. Refund Dues, T.D.S., Advance Payment of Taxes (Net of provision for Taxation)	8,71,401	15,82,370
	<u>7,25,84,547</u>	<u>49,03,966</u>
<u>Schedule - " F " : Current Liabilities & Provisions</u>		
<u>Current Liabilities</u>		
Sundry Creditors	20,67,925	10,27,170
Other Liabilities	3,04,52,000	-
(See Note II - 3)		
	<u>3,25,19,925</u>	<u>10,27,170</u>
	<u>As At</u> <u>31.03.2011</u> <u>Amount / Rs.</u>	<u>As At</u> <u>31.03.2010</u> <u>Amount / Rs.</u>
<u>Schedule - " G " : Administrative & Other Expenses</u>		
Advertisement / Statutory	34,772	20,358
Books & periodicals	7,330	7,940
Demat Charges	7,649	4,690
Miscellaneous Expenses	10,225	32,883
Office Expenses	6,605	5,300
Postage & Courier Charges	3,383	2,410
Printing & Stationery	12,541	15,279
Legal and Professional Fees	67,171	1,93,896
ROC filling fees	1,500	2,500
Rent	15,000	15,000
Salaries, Bonus & Other Benefits	1,40,400	1,26,000
Security Transaction Tax	24,153	14,026
Shop & Establishment Fees	2,880	-
Stock Exchange Listing fees	25,266	3,07,572
Staff Welfare	7,895	2,240
Travelling and Conveyance Expenses	3,975	11,090
<u>Auditors Remuneration:</u>		
For Audit Fees	2,10,300	1,50,000
For Tax Matters	76,180	50,000
For Company Law	69,522	50,000
For Other Services	1,05,150	1,10,134
For Reimbursement of Expenses	30,000	48,000
	<u>4,91,152</u>	<u>48,000</u>
	<u>8,61,898</u>	<u>11,69,319</u>
<u>Schedule " H " Financial Expenses</u>		
Interest paid on Loan	4,37,580	14,31,124
Bank Charges	871	41,051
	<u>4,38,451</u>	<u>14,72,175</u>

SCHEDULE – 'I'**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS:****I. ACCOUNTING POLICIES:****i. Basis of Accounting:**

The financial statements are prepared under the historical cost convention, on an accrual & ongoing concern basis, in accordance with generally accepted accounting principles in India and materially comply with mandatory accounting standards issued by the Institute of the Chartered Accountants of India and the provisions of the Companies Act, 1956.

ii. Other Accounting Policies:

These are generally consistent with the well accepted accounting standard principles and practices.

iii. Revenue Recognition:

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. In case of uncertainties revenue recognition is postponed to the year in which it is properly measured and realisability is assured. Interest income net is recognised on time proportion basis. Dividend income is recognised when the right to receive dividend is established and/ or receipts.

iv. Fixed Assets:

Fixed Assets, if any are stated at historical cost of acquisition net of depreciation provided as per policy.

v. Shares Investment:

Investments are valued at cost plus brokerage and other charges. Profit or losses on investment are accounted as and when realised as Capital Gain/ Loss, if any. No Provisions is made for diminishing in value of investment being Long Term in nature as considered by the management.

vi. Expenses:

All expenses are accounted for on accrual basis.

vii. Depreciation:

Depreciation on Fixed Assets, if any shall be provided as per Straight Line method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956.

viii. Retirement Benefits:

The provisions of the Provident Fund Act 1952 are not applicable to the company, as number of employees does not exceed the statutory limits prescribed in the Act

ix. Events occurring After the Balance Sheet Date

Where material, events occurring after the Balance Sheet Date are considered up to the date of approval of accounts by the Board of Directors.

x. Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

II. NOTES TO ACCOUNTS:

1. The estimated amount of contracts remaining to be executed on Capital A/c and not provided for is Rs. 93 Crores.
2. a. The Company has taken over the business of Weekender from Primus Retail Private Limited vide agreement dated 04-02-2011 for Rs. 100 Crores and part payment is made.
b. The revenue figures of the business takeover are not included above since requisites permission are under process and is yet to be received from the statutory authorities and pending balance payment thereof.
c. The Company has changed its main object to manufacture, export, import, sell and deal in readymade or made to measure garmentsfrom all others textiles. as per Postal Ballot resolution dated 31/05/2011. Therefore, it ceases to be the Investment Company
3. The Company has received Rs. 3 Crores as advance from party for contractual obligations which shall be appropriated in due course after meeting statutory compliance.
4. a) Investment made by the company being of long term nature, diminution in the value of quoted investments of Rs. 47,76,371/- are not considered, being permanent in nature and thus in the opinion of the management and consistent accounting policy followed by the company, no provision for the same has been made thereon.

b) All the investments held by the Company in Shares and Debentures and others are long term in nature, are registered in its own name (physical / Demat form) or are under process of registration by the Company and free from any encumbrances.

5. No employee was in receipt of a remuneration aggregating to Rs. 24,00,000/- or more per annum, if employed for the whole year or Rs. 2,00,000/- or more per month, were employed for a part of the year.
6. Other information as required by Schedule VI, Part II of the Companies Act, 1956 relating to employees, Micro, Small & Medium Enterprises Development Act, 2006, exports, imports and earnings in foreign currency, remittance in foreign currency is not given, as the same is NOT APPLICABLE.
7. **Segment reporting as per A.S. 17 issued by ICAI:**
The Company has mainly one reportable business segment at present. Therefore, no further disclosure is required under AS 17 on segment reporting.
8. **Related party Disclosures as per A.S.- 18 issued by ICAI:**
In accordance with the Accounting Standard 18, "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the company has complied and certified the required information as stated below:

a) LIST OF RELATED PARTIES:

Sr. No.	Particulars	Name of Related Parties
1.	Key Management Personnel	- Shri. K. Madhusudan Reddy - Smt. Sujatha Reddy
2.	Enterprise owned or significantly influenced by Key Management Personnel or their relatives.	- K.S.R. Clearing & Shipping Agents Pvt Ltd - Nav Bharat Carriers Pvt Ltd.

b) NATURE OF TRANSACTIONS:

Particulars	Enterprise owned or controlled or significantly influenced by Key Management Personnel	Total (Rs.)	Maximum Due During the Year
Rent Paid	15,000	15,000	15,000
Interest Paid on Loans	4,37,580	4,37,580	4,37,580
Due to Related Parties (Balance At The Year End)	35,00,000	35,00,000	1,10,00,000

9. Earnings Per Share (EPS) under A.S. 20 issued by ICAI:

	Particulars	2010-11 (Rs.)	2009-10 (Rs.)
(i)	Profit after Tax	21,32,292	13,44,564
(ii)	Weighted Average No. of Equity shares for basic E.P.S.	15,00,000	15,00,000
(iii)	Nominal value of Equity shares	10	10
(iv)	Basic / Diluted Earnings Per Equity Shares	1.42	0.90

10. Previous years' figures have been regrouped / recast wherever necessary and applicable.

As per our attached Reports of even date

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Reg. No. 111612W)

BHARAT B. CHOVATIA
PARTNER
(Membership No. 31756)

Place: Mumbai
Dated: 05th August 2011

For and on behalf of the Board of Directors
MADHUSUDAN SECURITIES LIMITED

Mr. K. Madhusudan Reddy
Mrs. Piya Reddy
Mr. Nitin Anand
Directors

Place: Mumbai
Dated: 05th August 2011

STATEMENT PURSUANT TO PART-IV, SCHEDULE VI TO THE COMPANY ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS

Registration No.	2 9 9 2 9	State Code	1 1
Balance Sheet Date	3 1 0 3 1 1		
	Date Month Year		

2. CAPITAL RAISED DURING THE YEAR

(Amount in Rupees)

Public Issue	N I L	Bonus Issue	N I L
Rights Issue	N I L	Private Placement	N I L

3. DETAILS OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rupees)

Total Liabilities and Shareholders' Funds	4,94,32,936
Total Assets	4,94,32,936
<u>Sources of funds :</u>	
Paid-up Capital	1,50,00,000
Reserves & Surplus	3,09,32,936
Secured Loans	-
Unsecured Loans	35,00,000
	4,94,32,936
<u>Application of Funds :</u>	
Net Fixed Assets	-
Investments	90,61,643
Net Current Assets **	4,03,71,295
	4,94,32,936

** Net of Current Liabilities

4. PERFORMANCE OF THE COMPANY (Amount in Rupees)

Total Income	37,30,842
Total expenditure	13,00,349
Profit Before Tax	24,30,493
Profit After Tax	21,32,291
Earning Per Share in Rs. (Weighted Average)	1.42
Dividend Rate %	-

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(as per monetary terms)

<u>Product Description</u>	<u>Item Code No.</u>
Securities and Investment Business	NOT APPLICABLE
Project Financing	NOT APPLICABLE

For and on behalf of the Board of Directors
MADHUSUDAN SECURITIES LIMITED

Mr. K. Madhusudan Reddy
Mrs. Piya Reddy
Mr. Nitin Anand
Directors

Place: Mumbai
Dated: 05th August 2011

EIGHT YEAR FINANCIAL HIGHLIGHTS AT A GLANCE

(Rs. In Lacs)

PARTICULARS	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
SALES & OTHER RECIEPTS	37.31	44.43	31.32	229.31	67.11	55.89	16.35	26.80
PROFIT BEFORE TAXES	24.30	18.01	10.53	43.88	7.47	45.70	5.99	12.29
PROFIT AFTER TAXES	20.05	13.76	7.53	38.91	5.20	39.48	4.02	9.52
EQUITY SHARE CAPITAL	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00
RESERVES & SURPLUS	309.33	288.01	274.55	266.86	228.03	222.87	183.97	180.52
TANGIBLE NET WORTH	459.33	438.01	424.55	416.86	378.03	372.87	333.97	330.52
BOOK VALUE PER SHARE OF Rs. 10	30.62	29.20	28.30	27.79	25.20	24.86	22.26	22.03
DEBT EQUITY RATIO	0:1	0:1	0.5 : 1	0:1	0:1	0:1	0:1	0:1
EPS (Rs) ON Rs. 10 PAID UP	1.34	0.92	0.50	2.59	0.35	2.63	0.27	0.63
DIVIDEND %	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
REVENUE EXPENSES TO GROSS RECIEPTS (%)	34.85	59.46	66.38	80.87	88.87	18.24	63.37	54.14
PROFIT AFTER TAX TO GROSS RECIEPTS (%)	53.75	30.98	24.04	16.97	7.75	70.63	24.61	35.52

PROXY FORM

I/We _____ of
_____ being a member/members of MADHUSUDAN SECURITIES LIMITED hereby appoint _____ of
_____ in the district of _____ or failing him
_____ of _____ in the district of _____ as my/our
proxy to vote for me/us and on my/our behalf at the Twenty Eight Annual General Meeting of the Company to be
held on September 30, 2011 at Regd. Office: 6/A-2, Court Chambers, 35, New Marine Lines, Mumbai : 400 020, at
3.30 P.M. and at any adjournment thereof.

Signed this _____ day of _____, 2011

Revenue
Stamp

Folio No:

Signature of Shareholder

NOTE: This form duly completed should be deposited at the Registered Office of the Company before 48 hours of the
meeting. A Proxy need not be a Member.

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

ATTENDANCE SLIP

(Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand
over at the entrance of the Meeting Hall)

I hereby record my presence at the Twenty Eight Annual General Meeting of the Company at Regd. Office:
Registered Office: 6/A-2, Court Chambers, 6th Floor, 35, New Marine Lines, Mumbai - 400 020, on September 30 ,
2011 at 3.30 P.M.

Folio No _____

Full name of the Shareholder/Proxy _____
(IN BLOCK LETTERS)

Signature:

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING