

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

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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
	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

(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

Padmanabh	Director		
Mr. Harsh Javeri	Non-Executive / Independent Director	Member	1
Mrs. Sausan Bukhari	Director	Member	1

In accordance with the Companies Act 2013 and the rules prescribed thereunder, the Company is not required to constitute the following Board Committees being no remuneration to KMP and profit:

- (I) Stakeholders Remuneration Committee and
- (II) Corporate Social Responsibility Committee.

10. Directors Responsibility Statement

As per section 134 (3) (c) of the Companies Act 2013

1. That in the preparation of the annual accounts for the financial year ended March 31, 2017, 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 Act 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 March 31, 2017 are prepared on a 'going concern' basis;
5. That proper internal financial controls were in place and the financial controls were adequate and operating effectively;
6. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

11. Directors And Key Management Personnel

Mrs. Isha Sikhri, a young Chartered Accountant, has been appointed as additional Independent Director vide board meeting dated 25/01/2017, and her approval shall be taken in the ensuing AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and in the Listing Agreement with the Stock Exchanges.

The Management is desirous to appoint a suitable candidate at reasonable cost to look after the secretarial compliances in view of meagre activities at present.

12. Particulars of loans, guarantees or investment

The Company has not made any investment either by loans/ guarantees/ any other form through more than two layers of investment companies.

13. Related Parties Transaction

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

The Related Party Transactions are duly recorded as part of Notes to Accounts which is self-explanatory and the terms and conditions of which are not prejudicial to interests of the Company.

14. Material changes and commitments

No material changes have occurred after the Balance Sheet date.

15. Particulars Regarding Conservation of Energy and Technology Absorption

Additional information required regarding Conservation of Energy and Technology Absorption are NOT APPLICABLE as the Company is not carrying out any manufacturing operation.

16. Foreign Exchange Earnings And Outgo

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

17. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements and during the year, no much activities has been carried out to report any material weakness in the design or operations of the Company.

18. Corporate Social Responsibility

The Company is not liable to constitute a Corporate Social Responsibility Committee since the Company has not attained the prescribed limit under the Companies Act, 2013.

19. Corporate Governance

The company is not mandatorily required to comply corporate governance as per new listing Agreement, However, the company generally maintains proper standards of corporate governance as required by SEBI and voluntarily the report on corporate governance as stipulated under Clause 27 of the LODR is attached in the annual Report.

20. Risk Management

The Company has a Fraud and Risk Management Policy to deal with the instances of fraud and mismanagement, if any.

During the year, the Company has not identified any element of risk which may threaten the existence of the Company.

21. Particulars of Employee

There are no employees in receipt of remuneration exceeding the limit as prescribed under the provisions of Section 197 of the Companies Act, 2013.

22. Details of Policy Development and Implementation

The change of management shall draw up the Business Plan and Corporate Social Responsibility in due course.

23. Secretarial Audit Report

Pursuant to the provision of the Section 204 of the Companies Act 2013 and the Companies Rule 2014, the company shall appoint a Practising Company Secretary, to conduct secretarial audit in due course to comply the provisions of the Act.

24. Internal Auditor

The Company has adequate internal control commensurate to the size of the company and nature of its business. However, due to cash crunches and no much activity during the year, the Management has done adequate internal check.

25. Auditors Report & Auditors

The company's statutory auditors M/s. Vora & Associates, Chartered Accountants ICAI FRN 111612W, Mumbai, retire at the ensuing AGM and have tendered their ineligibility of being reappointed as the Statutory Auditors in the AGM due to mandatory rotation of auditors as per the provisions of the Companies Act, 2013. The Management thanks the outgoing auditors for being associated with the Company and timely carrying out the statutory audits of the Company and rendering its other professional services to the Company.

The observations made by the Statutory Auditors in their Report read together with Significant Accounting Policies and the relevant Notes forming part of the accounts for the financial year ended 31st March, 2017 are self explanatory and therefore do not call for any further comments.

The Management has approached M/s. S. V. Bhat & Co., Chartered Accountant, as new Statutory auditors of the Company. The new firm shall be appointed after the approval of the members in the ensuing AGM of the Company.

26. Explanation by the Board on Qualifications Or Adverse Remark by the Auditor in its Audit Report

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. Refer Note no. 16(b), (c) and (d) for detailed explanation.

27. Acknowledgement

Your Directors wish to place on record their deep sense of appreciation to the Outgoing Promoters, employees, Bankers for their continued support and co-operation extended by them to the Company.

For AND ON BEHALF OF THE BOARD OF DIRECTORS

MR. SALIM P. GOVANI

CHAIRMAN

Place: Mumbai

Dated: August 5, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN FINANCIAL STRUCTURE AND DEVELOPMENTS

The change in the Government of India due to the change in the dynamic visionary Prime Minister, the corporate world is hoping stimulating of the economy by change in business laws, taxation restructuring and business friendly environment more of a governance than Government to create jobs, industrial development, infrastructural development, invitations to foreign investors to invest and to build nation as MAKE IN INDIA.

The financial ease, skilled labour, foreign capital and export oriented business shall ensure prosperity to India with strong Government support. The energy of the youth shall be diverted to creative workforce and upliftment of the society in all spheres of people of India.

Therefore, it is a good time for business establishments and new ventures to reach the opportunity available under the regime of new Government in the Central and State. The environment of business has reasonably improved during the last few months, which is encouraging to any entrepreneur of India.

FUTURE OUTLOOK

OPPORTUNITIES, THREATS, RISKS & CONCERNS

The new Government is expected to bring reformatory changes in the interest of the citizens and in the business sectors. The current retail business had been accelerated and is an upcoming market to get better opportunities for the Company. The Indian Stock market has continued to be very volatile.

The demand for finance is also expected to rise with the inflation & interest rates. The Investments options available to the Company are decided after proper due diligence and considering the current economic and political scenario in India and abroad.

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 and commensurate with the size and nature of the business.

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, 2013, SEBI guidelines, provisions of the Listing Agreements with Bombay Stock Exchange and other government authorities.

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

MR. SALIM P. GOVANI
CHAIRMAN

Place: Mumbai
Dated: August 5, 2017

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016 – 2017

The Corporate Governance Code is a professional system framed for directing and controlling the organization. The purpose is to ensure compliance of local statutes and ensure safeguard and value addition in long term to the interest of its members, creditors, customers and employees.

The Company has initiated the practice of incorporating the Corporate Governance Report in the Annual Report in compliance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of BSE. A concerted attempt has been made to bring in transparency and professionalism to ensure ethical standard in business activities while implementing the Corporate Governance Code. The management places on record that the mandatory compliances to constitute various committees as required by the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of BSE, are in place.

The Detailed Report on Corporate Governance as per the Format prescribed by SEBI and incorporated in the Listing Agreement as applicable to the Company is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to good Corporate Governance and has implemented the Corporate Governance as prescribed by SEBI. The Company's philosophy of Corporate Governance is based on preserving core values and ethical business conduct which enhances the efficiency of the Board and inculcates a culture of transparency, accountability and integrity across the Company.

2. BOARD OF DIRECTORS– Specified in Director's Report

3. COMMITTEE MEETING

a. Audit Committee

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Regulation 18 of the SEBI (LODR) Regulations, 2015 as well as section 177 of the Companies Act, 2013.

The primary role of the Audit Committee is:

- To oversee the Company's Financial Reporting process and disclosure of financial information.
- To review the financial statements, adequacy of internal control systems and periodic audit reports.
- To recommend to the Board the matters relating to the financial management of the Company.
- To recommend appointment / re-appointment of Statutory Auditors and fixation of their remuneration.
- To hold discussions with Statutory Auditors periodically.

The Statutory Auditors of the Company are invited to attend Audit Committee Meeting, to discuss and review the Quarterly / Half yearly unaudited results, Annual Audited Accounts, Internal Audit, matters relating to the Compliance with Accounting Standards, auditor's observations arising from the audit of the Company's accounts and other related matters.

b. Shareholders / Investors Grievance Committee

The Committee reviews all matters connected with the physical securities transfer. The Committee also looks into redressal of Shareholders Complaints related to securities of the Company.

There were no investor's complaint pending as on 31/03/2017.

c. Management Remuneration Committee

The terms of reference of the Remuneration Committee is to determine, review and recommend the Company's policy on specific remuneration packages. The recommendations of the Committee are put up to the Board of Directors and Shareholders of the Company.

The remuneration Committee met once in the year on May 30, 2016.

4. ANNUAL GENERAL MEETINGS

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

Financial Year	Date	Time	Venue
2015-2016	August 19, 2016	10.00 A.M	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020
2014-2015	June 20, 2015	02.00 P.M.	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020

2013-2014	Sept 30, 2014	03.30 P.M.	6/A-2, Court Chambers, 35, New Marine Lines, Mumbai - 400 020
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5. **DISCLOSURES**

There are no materially significant related party transactions, which have the potential to conflict with the interest of the Company at large.

6. **CODE OF CONDUCT**

The Company has formulated and implemented a Code of Conduct for all Board members and senior management of the Company which is in compliance with SEBI (LODR) Regulations, 2015.

7. **MEANS OF COMMUNICATION**

The quarterly, half yearly and yearly financial results of the Company are sent to the Bombay Stock Exchange immediately after they are approved by the Board and these are published in the leading newspapers.

8. **GENERAL SHAREHOLDER INFORMATION:**

- a. **34th Annual General Meeting** will be held on 29th September, 2017 at 3.00 P.M at Mahatma Gandhi Memorial Building, 7 Netaji Subhash Marg, Near Charni Road Station (West), Mumbai – 400 002

- b. The **Company's Financial Year** begins on 1st April and ends on 31st March

- c. **Financial Calendar:**

Results for the Quarter	Tentative Date
Results for Quarter ending June, 2017	Second Week of August, 2017
Results for Quarter ending September, 2017	Second week of November, 2017
Results for Quarter ending December, 2017	Second week of February, 2018
Results for Quarter ending March, 2018	Fourth week of May, 2018

- d. **Date of Book Closure:** 23.09.2017 to 28.09.2017(Both day inclusive)

- e. **Listing on Stock Exchanges** – Only on Bombay Stock Exchange

- f. **Stock Code:**

The Stock Exchange Code, Mumbai: 511000
Bombay Stock Exchange of India Ltd: MADHUSE
Demat ISIN No. in NSDL& CDSL: INE856D01011

- g. **Market Price Data of the Company and Comparison with BSE Sensex**

Month	BSE Sensex,			
	High Price (Rs.)	Low Price (Rs.)	High	Low
Apr 2016	65.50	65.50	26,100	24,523
May 2016	65.50	65.50	26,837	25,057
Jun 2016	65.50	65.50	27,105	25,911
Jul 2016	65.50	65.50	28,240	27,034
Aug 2016	65.50	65.50	28,532	27,627
Sep 2016	65.50	65.50	29,077	27,716
Oct 2016	65.50	65.50	28,477	27,488
Nov 2016	65.50	65.50	28,029	25,717
Dec 2016	62.25	53.40	26,803	25,753
Jan 2017	50.75	35.60	27,980	26,447
Feb 2017	34.90	28.40	29,065	27,590
Mar 2017	27.95	22.80	29,824	28,716

Source: BSE Website

h. **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 49186000

i. **Distribution of Share Holding as on March 31, 2017**

No. of Equity Shares held	Shareholders		No. of Shares	
	No.	% of Total	No. of Shares Held	% of Total
1 – 500	170	87.18	12698	0.50
501 – 1000	6	3.08	5418	0.21
1001 – 2000	4	2.05	5919	0.23
2001 – 3000	0	0	0	0.00
3001 – 4000	1	0.51	4000	0.16
4001 – 5000	1	0.51	4650	0.18
5001 – 10000	1	0.51	5450	0.21
10001 and Above	12	6.16	2514505	98.51
Total	195	100.00	25,52,640	100.00

j. **Shareholding pattern as on March 31, 2017**

Category	No. Of Shares	% of Shareholding
Promoter's Holding	14,39,449	56.39
Corporate Bodies	7,92,693	31.27
Public (In India)	3,14,356	12.32
NRIs	200	0.01
Clearing Members	300	0.01
Total	25,52,640	100.00

k. **Dematerialization of Shares**

99.87% (P.Y. 99.87%) of the Company's paid up equity Shares Capital has been Dematerialized upto March 31, 2017. The Board expresses its grateful appreciation to the members for their cooperation for dematerializing their physical shares for free trading on the Bombay Stock Exchange.

Depository	No. of Shares	% of Capital
NSDL	20,40,448	79.94
CDSL	5,08,842	19.94
Physical	3,350	0.12
Total	25,52,640	100.00

l. **Address for Correspondence**

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

m. **Book Value of Equity Shares of Rs. 10/- Each Fully Paid Up:**

Financial Year	Book Value per share (Rs.)
2016 – 2017	44.40
2015 – 2016	44.98
2014 – 2015	45.62
2013 – 2014	62.97
2012 – 2013	63.06
2011 – 2012	63.79

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MR. SALIM GOVANI

CHAIRMAN

Place: Mumbai

Date: August 5, 2017

CEO / CFO CERTIFICATE

As provided under Regulation 72 of the SEBI (LODR) Regulations, 2015 with the Stock Exchange, the Board Members have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March, 2017.

For and On Behalf of the Board of Directors

Chairman

Place: Mumbai

Date: August 5, 2017

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s MADHUSUDAN SECURITIES LIMITED
37, National Storage Building,
Plot No, 424-B,
Nr. Johnson & Johnson Building,
S. B. Road, Mahim (West),
Mumbai - 400 016.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s MADHUSUDAN SECURITIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Madhusudan Securities Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31st, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (6) Income Tax Act, 1961 and Indirect Tax Laws
- (7) Prudential Norms of NBFC Act

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. *The Company has not appointed a Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director as required under Section 203 of the Companies Act, 2013;*
2. *The Company has not appointed a Company Secretary, Chief Financial Officer as required under Section 203 of the Companies Act, 2013;*
3. *The Company has not complied with the provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulation, 2015;*
4. *The Company has not published Notice of Book closure in News Paper;*
5. *The Company does not have any website; under Regulation 46 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, therefore disclose of relevant information's under LODR regulations and the Companies Act, 2013 not comply;*
6. *The Company has not provided e-voting facilities to its members under Section 108 of the Companies Act, 2013 and under Regulation 44 of the LODR;*
7. *The Company had submitted six copies of Annual Report for the Financial Year 2015-16 physically within the Stipulated time period, but after the Listing Regulation the Report was to be submitted online which was compiled by the Company in due course.*
8. *The Company has not comply with Section 101 of the Companies Act, 2013 and Regulation 36 under the LODR regulations;*
 - I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there is scope to improve the systems and processes in the company and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place: Mumbai
Date: 05.08.2017

Sd/-
Jenish S. Doshi
Practicing Company Secretary
ACS No. - 50447
C. P. No. - 18523

‘ANNEXURE A’

**To,
The Members,
Madhusudan Securities Limited
37, National Storage Building, Plot No. 424-B,
Nr. Johnson & Johnson Building,
S.B. Road, Mahim (West),
Mumbai – 400 016.**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on text basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Mumbai
Date: 05.08.2017**

**Sd/-
Jenish S. Doshi
Practicing Company Secretary
ACS No. - 50447
C. P. No. - 18523**

CERTIFICATE ON CORPORATE GOVERNANCE

**The Members,
MADHUSUDAN SECURITIES LIMITED.**

We have examined the compliance of conditions of Corporate Governance by Madhusudan Securities Limited, for the year ended 31st March, 2017, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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

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

MAYUR A. VORA
PARTNER
(Membership No. 030097)

PLACE: MUMBAI
DATED: August 5, 2017

INDEPENDENT AUDITORS' REPORT

To,
The Members Of,
MADHUSUDAN SECURITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MADHUSUDAN SECURITIES LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Basis for Qualified Opinion

Refer Note 17.1

- *Due to non performance of Business Transfer Agreement, the 61,42,847 equity shares allotted to Primus Retail (P) Ltd. of face value of Rs. 10/- each have been cancelled and consequentially the securities premium have been reversed.*
- *The face value of such shares is accounted as Forfeited Shares to be re-issued through Scheme of Arrangement, pending statutory approval.*
- *The Company has not made any provision for advances of Rs. 12 Crores outstanding beyond 3 years from Primus Retail (P) Ltd which is considered under liquidation by the authorities.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the LOSS for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Government of India in terms of sub section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph*, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company does not have any pending litigations which shall impact its financial positions.
 - ii. The Company does not have any long terms contracts for which provisions are required to be made.
 - iii. The Company is not liable to transfer any amount to the Investor Education and Protection Fund.
 - iv. The company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company (Refer disclosure to the financial statement).

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

MAYUR A. VORA
 PARTNER
 (Membership No. 030097)

PLACE: MUMBAI
 DATED: 15th May, 2017

Annexure to the Auditors' Report**(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date for the year ended 31st March 2017)**

- (i) In respect of its Fixed Assets
The Company does not hold any fixed assets as on 31/03/2017. Accordingly sub-clause (a), (b) and (c) are not applicable.
- (ii) In respect of inventories
During the year under review, the Company does not have any inventory. Hence, provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) In respect of loans granted, secured or unsecured, by the Company to firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013;
The Company has not granted any secured / unsecured loan to any of the parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub clauses (a) (b) and (c) are not applicable.
- (iv) In respect of loans, investments, guarantees and securities, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied, as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to Section 76 of the Companies Act 2013.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013, in respect of activities carried on by the Company.
- (vii) In respect to statutory dues
(a) According to the records of the Company, the undisputed statutory dues under Income tax, Service Tax and other Statutory Dues as applicable to it have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there were no dues of Income Tax, Service Tax and other Statutory Dues as applicable to it, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of dues to any bank or financial institution during the year under review.
- (ix) In our opinion and according to the information and explanations given to us the Company, the Company has not raised any funds by way of Initial Public Offer or obtained term loans during the year.
- (x) According to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us, The Company has not paid any managerial remuneration to any key management personnel during the year under review.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of "the Order" are not applicable to the Company.

- (xiii) According to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and section 188, as applicable, during the year under review.
- (xiv) The Company has not made any preferential allotment of shares or Debentures during the year. Therefore, the provisions of clause 3 (xiv) of “the Order” are not applicable to the Company.
- (xv) According to the information and explanations given to us, there are no non cash transactions with Directors or any persons connected with them during the year under review.
- (xvi) According to the information and explanations given to us, the company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

MAYUR A. VORA
PARTNER
(Membership No. 030097)

PLACE: MUMBAI
DATED: 15th May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MADHUSUDAN SECURITIES LIMITED

Independent Auditors Report on Internal Financial Control over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MADHUSUDAN SECURITIES LTD** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

MAYUR A. VORA
PARTNER
(Membership No. 030097)

PLACE: MUMBAI
DATED: 15th May, 2017

BALANCE SHEET AS ON 31ST MARCH 2017

PARTICULARS	NOTES	As At 31.03.2017	As At 31.03.2016
		₹	₹
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS FUNDS</u>			
Share Capital	2	8,69,54,870	8,69,54,870
Reserves and Surplus	3	8,78,14,342	8,92,67,838
		17,47,69,212	17,62,22,708
<u>NON CURRENT LIABILITIES</u>			
Long- Term Borrowings	4	25,35,624	20,35,624
		25,35,624	20,35,624
<u>CURRENT LIABILITIES</u>			
Short Term Provisions	5	100	-
Other Current Liabilities	6	64,08,860	59,37,718
		64,08,960	59,37,718
TOTAL Rs.		18,37,13,797	18,41,96,050
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Non-Current Investments	7	3,33,189	1,87,032
Long- Term Loans and Advances	8	12,17,24,986	12,18,98,801
Other Non- Current Assets	9	6,14,28,470	6,14,28,470
		18,34,86,646	18,35,15,003
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	10	2,25,756	6,79,747
Other Current Assets	11	1,395	2,000
		2,27,151	6,81,747
TOTAL Rs.		18,37,13,797	18,41,96,050

The notes are an integral part of the Financial Statements

SIGNIFICANT ACCOUNTING POLICIES &

1

OTHER DISCLOSURES

17

As per our Report of even date attached

For VORA & ASSOCIATES

FOR AND ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS

MR. SALIM P. GOVANI
PROMOTER DIRECTOR

MRS. SAUSAN BUKHARI
DIRECTOR

MAYUR A. VORA

MS. ISHA SEKHRI MR.HARSH JAVERI MR. ABHILASH
PARTNER PADMANABH
INDEPENDENT DIRECTORS

(Membership No. 030097)

PLACE : MUMBAI

PLACE : MUMBAI

DATED : May 15, 2017

DATED : May 15, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

PARTICULARS	NOTES	For the year ended 31.03.2017	For the year ended 31.03.2016
INCOMES		₹	₹
Revenue from operations	12	74,33,281	35,62,198
Other Income	13	22,941	51,000
TOTAL INCOME		74,56,222	36,13,198
EXPENSES			
Purchases	14	73,75,996	35,40,126
Employee benefits expense	15	3,45,000	15,000
Other expenses	16	11,88,621	17,20,175
TOTAL EXPENSES		89,09,617	52,75,301
(LOSS) BEFORE TAX		(14,53,395)	(16,62,103)
<u>Less: Tax expense</u>			
Current tax		100	-
(LOSS) AFTER TAX		(14,53,495)	(16,62,103)
<u>Earnings / (Loss) per equity share (Rs.) Basic & Diluted</u> (Face Value of Rs. 10/- each)		(0.57)	(0.65)

The notes are an integral part of the Financial Statements

SIGNIFICANT ACCOUNTING POLICIES

1

OTHER DISCLOSURES

17

As per our Report of even date attached

For VORA & ASSOCIATES

FOR AND ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS

(ICAI Firm Reg. No. 111612W)

MAYUR A. VORA

PARTNER

(Membership No. 030097)

MR. SALIM P. GOVANI
PROMOTER DIRECTOR

MRS. SAUSAN BUKHARI
DIRECTOR

MS. ISHA SEKHRI MR. HARSH JAVERI MR. ABHILASH
PADMANABH

INDEPENDENT DIRECTORS

PLACE : MUMBAI

PLACE : MUMBAI

DATED : May 15, 2017

DATED : May 15, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

		<u>2016 - 2017</u>	<u>2015 - 2016</u>
		₹	₹
(I)	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit / (Loss) before Tax and Extraordinary items	(14,53,395)	(16,62,103)
	<u>ADJUSTMENTS FOR:</u>		
	<u>Less:</u> Dividend received	(590)	-
	Share Issue Expenses written off	-	1,98,897
	Operating Profit / (loss) before Working Capital Changes	(14,53,984)	(14,63,206)
	(Increase) / Decrease in Other Non-Currents Assets	-	-
	(Increase) / Decrease in Long Term Loans & Advances	1,73,815	-
	(Increase) / Decrease in Other Currents Assets	605	41,665
	Increase / (Decrease) in Other Current Liabilities	4,71,142	(62,349)
	Cash (used) / generated from Operations	(8,08,423)	(14,83,890)
	<u>Less:</u> Net Income Taxes paid / (Refund)	-	-
	Net Cash Flow from Operating Activities (A)	(8,08,423)	(14,83,890)
(II)	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Dividend	590	-
	Purchase of Investments (Net)	(1,46,157)	-
	Net cash used in investing activities (B)	(1,45,568)	-
(III)	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	Unsecured Long Term Borrowings	5,00,000	21,35,624
	Net cash generated from Financial Activities (C)	5,00,000	21,35,624
	NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	(4,53,991)	6,51,734
	Cash and cash equivalents at the beginning of the year	6,79,747	28,014
	Cash and cash equivalents at the close of the year	2,25,756	6,79,747

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 includes 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 on even date

For and on behalf of the Board of Directors

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

MR. SALIM P. GOVANI
 PROMOTER DIRECTOR

MRS. SAUSAN BUKHARI
 DIRECTOR

MAYUR A VORA
 PARTNER
 (Membership No. 030097)

MS. ISHA SEKHRI MR.HARSH JAVERI MR. ABHILASH
 PADMANABH
 INDEPENDENT DIRECTORS

Place : Mumbai

PLACE :MUMBAI

DATED : 15th May, 2017

DATED : 15th May, 2017

NOTES FORMING PART OF FINANCIAL STATEMENTS**1. SIGNIFICANT ACCOUNTING POLICIES****a. BASIS OF PREPARATION**

The financial statements are prepared under the historical cost convention on an accrual & going concern basis of accounting, in accordance with the generally accepted Accounting Principles, Accounting Standards notified under the Companies Act, 2013 and the relevant provisions thereof.

b. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible Fixed Assets & Depreciation

Tangible Fixed Assets, if any, are stated at cost of acquisition net of accumulated depreciation. Cost comprises purchase price and directly attributable cost incurred for bringing the asset for its intended use.

Depreciation on fixed assets, if any, shall be provided as per Straight Line Method at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

d. REVENUE RECOGNITION

The Revenue is recognized on accrual basis. However, the recognition of revenue is restricted to the extent it is probable or there is a certainty that the economic benefits will flow to the Company and the revenue can be reliably measured. The Revenue shall be accounted on the basis of prudence to the extent it is quantifiable.

Interest is recognized on a time proportionate basis taking into account the amount outstanding and the rate as applicable.

Dividend is recognized when Company's right to receive dividend is established and / or receipts, whichever is earlier.

e. Investments

Investments, which are readily realizable and intended to be held for not more than 12 months from the date on which such investments are made, are classified as Current Investments. All other Investments are classified as Non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Non-current Investments are carried at cost. However, provision in diminution in the value is made to recognize a decline, other than temporary, in the carrying value of each investment.

Profit or Loss on sale of investments is recorded at the time of transfer of title from the company and is determined as the amount of difference between the sale proceeds and the carrying value of investment as on that date.

f. TAX EXPENSES

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company

g. RETIREMENT AND OTHER EMPLOYEE BENEFITS

The provisions of Provident Fund Act, 1952 and Payment of Gratuity Act, 1972 are not applicable to the Company at present as the number of employees does not exceed the statutory limits prescribed in the Act.

h. 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

i. PROVISIONS

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at the required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

j. CONTINGENT LIABILITIES

The company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

Note 2- Share Capital		As At 31.03.2017	As At 31.03.2016
Authorised Capital 1,50,00,000 Equity Shares (P.Y 1,50,00,000) of ₹ 10/- each		15,00,00,000	15,00,00,000
TOTAL ₹		15,00,00,000	15,00,00,000
Issued, Subscribed and Fully Paid Up 25,52,640 Equity Shares (P.Y 25,52,640) of ₹ 10/- each fully paid up		2,55,26,400	2,55,26,400
Forfeited Shares 61,42,847 Equity Shares (P.Y NIL) of ₹ 10/- each fully unpaid (See Note 16.1)		6,14,28,470	6,14,28,470
TOTAL ₹		8,69,54,870	8,69,54,870

a) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As At 31.03.2017	As At 31.03.2016
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	25,52,640	25,52,640
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
Equity Shares at the end of the year	25,52,640	25,52,640

b) Details of shareholders holding more than 5% of equity shares of the company#

Sr. No	Name of the Shareholder	As At 31.03.2017		As At 31.03.2016	
		No. of Shares Held	Percentage of Shareholdin g	No. of Shares Held	Percentage of Shareholding
1	FORESIGHT HOLDING PVT LTD	9,72,973	38.12%	9,72,973	38.12%
2	DEWSOFT OVERSEAS PVT LTD	3,94,736	15.46%	3,94,737	15.46%
3	ACME INVESTMENT CONSULTANTS PVT LTD	2,63,157	10.31%	2,63,157	10.31%
4	GROWSAFE SECURITIES PVT LTD	2,30,026	9.01%	2,30,031	9.01%
5	INDUSAGE ADVISORS LTD	2,31,000	9.05%	2,31,000	9.05%
6	EXEMPLAR INTERNATIONAL PVT LTD	1,34,800	5.28%	1,34,800	5.28%
7	PRIMUS RETAIL PVT LTD (See Note 16c)	-	-	-	-
	TOTAL	22,26,692	87.23%	22,26,698	87.23%

As per the records of the company, including the register of members.

For the purpose of percentage of shareholding as on 31/03/2017, the share capital considered is only paid up capital i.e. 25,52,640 Shares

c) Terms / rights attached to the equity shares

The Company has equity shares having a Face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note 3- Reserves & Surplus		As At 31.03.2017	As At 31.03.2016
Securities Premium Account		8,20,74,180	45,06,45,000
Special Reserve *		43,00,000	43,00,000
Surplus in Profit & Loss			
As per Last Balance Sheet		28,93,656	45,55,760
Add: Loss for the period		(14,53,495)	(16,62,103)
Closing Balance		14,40,160	28,93,656
TOTAL ₹		8,78,14,340	8,92,67,838

* - The Special Reserve was created as per the RBI Regulation u/s 45 (IC) in the past. The Company has further added in its Main Object to Dealing in Textile Garments. Therefore, application of provisions of NBFC will not be applicable and the said reserve shall be part of General Reserve, henceforth.

			As At 31.03.2017	As At 31.03.2016
Note 4- Long Term Borrowings				
<u>Unsecured, Considered Good</u>				
Loans & Advances from related Parties	Nature of relationship	Volume of transactions		
Foresight Holding Capital Limited	Concern in which Director's are interested	25,35,624	25,35,624	20,35,624
TOTAL ₹			25,35,624	20,35,624
Note 5 – Short Term Provisions				
Income Tax Provision			100	-
TOTAL ₹			100	-
Note 6 - Other Current Liabilities				
TDS Payable			17,000	30,400
Other Payables			23,43,730	18,59,188
Payable to Promoter Group			40,48,130	40,48,130
TOTAL ₹			64,08,860	59,37,718

Note 7 - Non Current Investment (Long Term)

Sr. No	Particulars	No. of Shares 31.03.2017	Cost per share	31.03.2017	31.03.2016
	<u>Investment in Quoted Equity Shares (Fully Paid Up)</u>		₹	₹	₹
1	Grasim Industries Ltd	25	10	250	250
2	Camlin fine Science Ltd	45	111	5,015	-
3	Container corporation of India Ltd	45	1,377	61,976	-
4	Den Networks Ltd	45	79	3,541	-
5	Indraprasta Gas	45	864	38,860	-
6	KCP Sugar	45	32	1,441	-
7	UPL	45	697	31,382	-
8	Yuken India Ltd	9	438	3,942	-
	Total I			1,46,407	250
	Market value of Quoted Investment			1,80,607	90,554
	<u>Investment in Unquoted Equity Shares (Fully Paid Up)</u>				
1	Bhubaneswar Stock Exchange	20,000	1	20,000	20,000
2	Baroda Rayon Corporation Ltd	155	10	1,550	1,550
3	Goa Invecast Ltd	10,000	10	1,00,000	1,00,000
4	Gold star Steel & Alloy Ltd	160	10	1,600	1,600
5	Haryana Petro	4,100	1	4,100	4,100
6	Hitek Industries	3,000	1	3,000	3,000
7	Hope Leasing	200	1	200	200
8	Orkay Industries	2,136	1	2,132	2,132
9	Pooja Granites	4,000	1	4,000	4,000
10	Shubangini Holiday Resorts	5,000	10	50,000	50,000
11	Thapaer Ispat	200	1	200	200
	Total II			1,86,782	1,86,782
	Total I+II			3,33,189	1,87,032

Note: All the investments held by the Company in Shares 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 are free from any encumbrances.

No Provisions is made for diminishing in value of investment being Long Term in nature as considered by the management

Note 8 - Long Term Loans & AdvancesAdvances recoverable in Cash or Kind

Primus Retail Pvt. Ltd. (amount paid by Cheque) , **considered doubtful**
(See Note 16.1)

Other Advances / receivables (doubtful)

MAT Credit Entitlement

Income Tax Refund Dues

TOTAL ₹

As At 31.03.2017	As At 31.03.2016
12,00,00,000	12,00,00,000
12,81,770	12,81,770
22,406	22,406
4,20,810	5,94,625
12,17,24,986	12,18,98,801

Note 9- Other Non- Current Assets

Forfeited Shares (to be reissued) (See Note 16.1)

TOTAL ₹**Note 10 - Cash & Cash Equivalents****Cash on Hand****Balances with Bank**

In Current Accounts

TOTAL ₹**Note 11- Other Current Assets**

Philip Capital Services P. L. (Share Broker)

TOTAL ₹

6,14,28,470	6,14,28,470
6,14,28,470	6,14,28,470
11,332	-
2,14,434	6,79,747
2,25,756	6,79,747
1,395	2,000
1,395	2,000

NOTES TO STATEMENT OF PROFIT & LOSS

PARTICULARS	For the year ended 31.03.2017	For the year ended 31.03.2016
Note 12- Revenue From Operations		
Sales of Shares (Futures)	74,33,281	35,62,198
TOTAL ₹	74,33,281	35,62,198
Note 13- Other Income		
Dividend on Shares	590	-
Short Term Gain on Sale of share	626	-
Interest on Income Tax Refund	21,725	-
Bad Debt Realised	-	50,000
Miscellaneous Income	-	1,000
TOTAL ₹	22,941	51,000
Note 14 - Purchases		
Purchase of Shares (Futures)	73,75,996	35,40,126
	73,75,996	35,40,126
Note 15- Employees Benefit Expense		
Salaries, Wages & Bonus	3,45,000	15,000
TOTAL ₹	3,45,000	15,000
Note 16- Other Expenses		
<u>Establishment Expenses</u>		
Rent	17,175	17,175
Insurance	3,435	3,371
<u>Compliance Expenses</u>		
Depository Fees	68,701	51,526
Listing and stock exchange fees	2,29,000	2,24,720
Statutory Advertisement Expenses	28,135	52,868
SEBI Expenses Paid	-	3,67,260
ROC Filling Fees	31,800	20,400
Registrar & Secretarial Fees	62,661	66,930
<u>Administrative Expenses</u>		
Bank & Demat Charges	977	1,254
Miscellaneous Expenses	18,678	20,490
Printing & Stationery	9,450	5,250
Professional Fees	97,426	2,62,444
Legal Fees	1,81,323	1,50,000
Security Transaction Tax	158	356
Share Issue Expenses amortised Written Off	-	1,98,897
<u>Auditors Remuneration:</u>		
- For Statutory Audit	1,20,000	1,20,000
- For Tax Matters	34,350	28,500
- For Company Law Matters	2,85,351	1,28,735
TOTAL ₹	11,88,621	17,20,175

17. OTHER DISCLOSURES

1. (a) 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 has 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.
- (b) 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.
- (c) 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.
2. (a) Contingent Liability
As declared by the Management, there are no contingent liabilities to the company as on March 31, 2017.
- (b) Capital Commitments
As per the Management, no capital Commitment or any future contracts are made by the Company.
3. The Company has no significant business activities at present. Therefore, the Company has not provided for any deferred taxes on Business losses made during the year.
4. SEGMENT REPORTING (as per AS-17 issued by I.C.A.I.):
The Company has mainly one reportable business segment and hence no further disclosures is required under Accounting Standard (AS) -17 on segment reporting.
5. No employee was in receipt of a remuneration aggregating to Rs. 1,02,00,000/- or more per annum, if employed for the whole year or Rs. 8,50,000/- or more per month, were employed for a part of the year.
6. The outstanding balance of assets considered good and liabilities are actuals as they appear in the books of accounts and are subject to reconciliation / adjustments, if any, and confirmation by respective parties.
7. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	1,812	1,812
(-) Permitted receipts	-	10,000	10,000
(-) Permitted payments	-	130	130
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	11,682	11,682

8. RELATED PARTY DISCLOSURE (as per AS-18 issued by I.C.A.I.):

The transaction with the related party is mentioned in the specific Notes, as applicable

9. Previous year's figures are regrouped and / or rearranged, wherever necessary.

As per our attached reports on even date

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

MAYUR A VORA
PARTNER

(Membership No. 030097)

Place : Mumbai

DATED : 15th May, 2017

For and on behalf of the Board of Directors

MR. SALIM P. GOVANI
PROMOTER DIRECTOR

MRS. SAUSAN BUKHARI
DIRECTOR

MS. ISHA SEKHRI MR.HARSH JAVERI MR. ABHILASH
PADMANABH
INDEPENDENT DIRECTORS

PLACE :MUMBAI

DATED : 15th May, 2017

Form No. MGT-11**Proxy Form**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L18109MH1983PLC029929
Name of the Company : MADHUSUDAN SECURITIES LIMITED
Registered office : 37, NATIONAL STORAGE BUILDING, PLOT NO. 424-B, NR. JOHNSON & JOHNSON BUILDING, MAHIM (WEST), MUMBAI - 400 016.

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

DP ID:

I/ We being the member of holding.....shares, hereby appoint

1. Name:

Address :

E-mail Id :

Signature :

Or failing him

2. Name:

Address :

E-mail Id :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Fourth Annual General Meeting of members of the Company, to be held on 29th September, 2017 at 03:00 P.M. at the address at Mahatma Gandhi Memorial Building, 7 Netaji Subhash Marg, Near Charni Road Station (West), Mumbai - 400 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of the Reports of Board of Directors and Auditors and financial statements of the Company.
2. Approval of Appointment of Director, Mrs. Isha Sekhri
3. Appointment of Auditors

Signed this day of 2017

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.

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 Thirty fourth Annual General Meeting of the Company at Following Address: Mahatma Gandhi Memorial Building, 7 Netaji Subhash Marg, Near Charni Road Station (West), Mumbai - 400 002 on 29th September, 2017 at 03.00 P.M.

Folio No _____

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

Signature:

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING