



Madhusudan
Industries Limited

**ANNUAL REPORT
2013-14**



Madhusudan
Industries Limited

Annual Report 2013-2014

Board of Directors

Shri Rajesh B. Shah
Shri Sanwarmal Agarwal
Shri P. K. Shashidharan
Shri P. C. Surana

Auditors

M/s. H. V. Vasa & Co.,
Chartered Accountants,
B-2, "Usha Kiran", Opp. Khanpur Gate,
Ahmedabad - 380 001.

Registered Office

Rakhial Station - 382 315
Taluka - Dehgam,
Dist. Gandhinagar, Gujarat.
Phone : (02716) 267409, Fax : 079-26427287
E-mail : madhusudan_i@yahoo.in
CIN : L29199GJ1945PLC000443

Ahmedabad Office

"Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006.

Registrar & Share Transfer Agent

MCS Limited,
101, Shatdal Complex, 1st Floor,
Opp. Bata Show Room, Ashram Road,
Ahmedabad - 380 009.

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**Annual General Meeting at 11.30 a.m. on Friday,
the 26th day of September, 2014 at the Registered Office.**

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of **MADHUSUDAN INDUSTRIES LIMITED** will be held at 11.30 a.m. on Friday, the 26th day of September, 2014 at the Registered Office of the Company at Rakhial Station, Taluka Dehgam, District Gandhinagar – 382 315, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2014 including statement of Audited Profit and Loss for the year ended 31st March, 2014 and Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Shri Sanwar Mal Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Rajesh B. Shah (DIN 00607602) Director of the Company who retires by rotation at this 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 Director, be and is hereby appointed as an Independent Director of the Company (who will not retire by rotation) to hold office for five consecutive years for a term up to 31st March, 2019."
5. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Prem Chand Surana (DIN 06508125) Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company (who will not retire by rotation) to hold office for five consecutive years for a term up to 31st March 2019."
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:
"RESOLVED that Smt. Rutva Acharya (DIN 06933478), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 28.07.2014 in terms of section 161 of the Companies Act, 2013 and Article 131 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company (who will not retire by rotation) pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for five consecutive years for a term up to 31st March 2019."

Regd. Office :
Rakhial Station – 382 315
Taluka - Dehgam, Dist. Gandhinagar.
28th July, 2014

By Order of the Board of Directors

Rutu Shah
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of total share capital of the Company.
2. Members are requested to notify immediately the change of address, if any, to the Company or MCS Limited, Registrar and Share Transfer Agent.
3. The Register of Members and Share transfer book of the Company will remain closed from 19.09.2014 to 26.09.2014 (both days inclusive).
4. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
5. Members are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
6. Explanatory Statement pursuant to provisions of section 102 of the Companies Act, 2013 is annexed hereto.
7. Unpaid / Unclaimed Dividend, Share application money received and due for refund and matured deposits unclaimed and unpaid for a period of seven years up to the financial year 2005-06 have been transferred to the Investor Education and Protection Fund pursuant to the provisions of Section 205C of the Companies Act, 1956.

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8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the registrar.
9. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same and physical copy of Annual report 2013-14, who have not registered their email address. Members who have not registered their email address are requested to get your email address registered with the Company / Depository Participants and update the same, if required.
10. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members at the registered office of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.
11. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members facility to exercise their right to vote at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "Madhu [e-Voting.pdf](#)" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Madhusudan Industries Limited.
 - (viii) Now you are ready for e-voting as Cast Vote Page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mil.scrutiniser@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
 - (i) Initial password will be provided separately:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
------------------------------	---------	--------------
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No.(xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. Members are required to vote only through the electronic system or through ballot only at Annual General Meeting (AGM) and in no other form. In the event a member casts his votes through both the processes, the votes in the electronic system would be considered and the ballot vote would be ignored.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- VI. The e-voting period commences on 20th September, 2014 (10.00 am) and ends on 22nd September, 2014 (6.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VII. The e-voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd August, 2014.
- VIII. Shri Umesh Parikh, partner of Parikh Dave & Associates, Companies Secretaries, (Membership No.FCS:4152) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IX. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Director of the Company.
- X. The Results will be declared at the AGM of the Company on 26.09.2014. The Results declared along with the Scrutinizer's Report shall be placed on the website of NSDL within two(2) days of the AGM of the Company and communicated to the BSE Limited.
12. **MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEROF, ARE REQUESTED TO BRING THEIR DPID AND CLIENT ID FOR IDENTIFICATION.**
13. Brief resume of directors, who are proposed to be appointed / re-appointed at this meeting are given below:

Name of Director	Shri Sanwar Mal Agarwal	Shri Rajesh B. Shah	Shri Prem Chand Surana	Smt. Rutva Acharya
Date of Birth	11.07.1953	11.11.1958	12.09.1960	05.07.1976
Date of appointment	07.08.2006	07.08.2006	30.07.2013	28.07.2014
Expertise in specific functional areas	Commercial	Finance and Accounts	Accounts and Commercial	Administration & Commercial
List of other directorships held	Gujarat Soaps Pvt. Ltd.	Madhusudan Cybernetic Pvt.Ltd Goodluck Ceramics Pvt. Ltd.	Gujarat Soaps Pvt. Ltd.	—
Chairman / Member of the Committees of the Board of other Companies	—	—	—	—
Shareholding in the Company	200	—	—	250

Explanatory Statement Pursuant to the Provisions of Section 102 of the Companies Act, 2013.

Item No.4

Shri Rajesh B. Shah is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in August, 2006. He is the Chairman of the Audit committee, remuneration committee, share transfer committee and Investors' grievance committee of the Board of Directors of the Company. He is a commerce graduate and fellow member of The Institute of Chartered Accountants of India. He is having very rich experience of more than 25 years in the fields of accountancy, corporate finance, project implementation, taxation etc. He is an expert in Corporate Financial Management. He is a Director in three other companies. He does not hold by himself or by any other person any share in the company.

Shri Rajesh B. Shah retires by rotation at the ensuing Annual General Meeting under erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made there under, Shri Rajesh B. Shah being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019. A notice has been received from a member proposing Shri Rajesh B. Shah being appointed as Director of the Company.

In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution for appointment of Shri Rajesh B. Shah as an Independent Director for passing by the members of the Company.

Except Shri Rajesh B. Shah, none of your Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as per item No.4 of the notice. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with BSE Limited.

Item No.5

Shri Prem Chand Surana, is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company in July, 2013. He is a member of the audit committee, remuneration committee, share transfer committee and investors' grievance committee of the Board of Directors of the Company. He is a Master of Commerce with specialization in financial management. He is having to his credit vast experience of more than 30 years in middle and senior management cadre in a manufacturing organization, having actively involved in the areas of budgeting, planning, costing, operation and management. He is a director in one private company. He does not hold by himself or by any other person any share in the Company.

Shri Prem Chand Surana is a director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and rules made there under, Shri Prem Chand Surana being eligible and offering himself for appointment, is proposed to be appointed as an

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Independent Director for five consecutive years for a term up to 31st March, 2019. A notice has been received from a member proposing Shri Prem Chand Surana being appointed as Director of the Company.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to receive his services as an Independent Director. Accordingly, the Board recommends the resolution for appointment of Shri Prem Chand Surana as an Independent Director for passing by the members of the Company.

Except Shri Prem Chand Surana, none of your Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as per the item No.5 of the notice. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the BSE Limited.

Item No.6

The Board of Directors at their meeting held on 28.07.2014 has appointed Smt. Rutva Acharya as an additional director of the Company w.e.f. 28.07.2014 u/s 161 of the Companies Act, 2013 and article 131 of the Articles of Association of the Company. She is a member of the Audit committee and remuneration committee of the Board of Directors of the Company. She is a Science graduate with Chemistry as principle subject and is having experience in handling various aspects of business. She is not a director in any other Company. She holds 250 equity shares in the Company through her relatives.

As per the provisions of Section 161 of the Companies Act, 2013, read with Article 131 of the Articles of Associations of the Company, she will hold office till this Annual General Meeting. However, being eligible and offering herself for reappointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019 in terms of Section 149 and other applicable provisions of the Companies Act, 2013. A notice has been received from a member proposing Smt. Rutva Acharya being appointed as Director of the Company.

In the opinion of the Board, Smt. Rutva Acharya fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company and is independent of the management.

The Board considers that appointment of Smt. Rutva Acharya would be of immense benefit to the Company and it is desirable to avail her services as an Independent Director. Accordingly, the Board recommends the resolution for appointment of Smt. Rutva Acharya as an Independent Director for passing by the members of the Company.

Except Smt. Rutva Acharya, none of your Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as per item No.6 of the notice. This Explanatory Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the BSE Limited.

Regd. Office :
Rakhial Station – 382 315
Taluka - Dehgam, Dist. Gandhinagar.
28th July, 2014

By Order of the Board of Directors

Rutu Shah
Company Secretary



Directors' Report

To
The Members,

The Directors have pleasure in submitting the Annual Report together with the Statement of Accounts of your Company for the year ended 31st March, 2014.

Performance

The summary of your Company's financial performance is given below:

	Year ended March 31, 2014 (Rs. in lacs)	Year ended March 31, 2013 (Rs. in lacs)
Profit before Depreciation and Taxes & Exceptional item	86.99	86.92
Deducting therefrom Depreciation	12.89	15.33
Profit / Loss before tax and Exceptional item	74.10	71.59
Less : Exceptional Item	16.00	—
Profit before tax	58.10	71.59
Deducting therefrom taxes of:		
- Current Tax	—	—
- Deferred Tax	—	—
Profit after tax	58.10	71.59
Add: Balance brought forward from previous year	(-) 750.08	(-) 821.67
Amount available for Appropriations	(-) 691.97	(-) 750.08
The proposed appropriations are :		
1. Proposed Dividend	—	—
2. Tax on proposed Dividend	—	—
3. Debenture Redemption Reserve	—	—
4. Balance Carried forward	(-) 691.97	(-) 750.08
Total	(-) 691.97	(-) 750.08

Review of Company's Performance

The company continued with the horticulture operations during the year. Production of colour capsicum continued till May, 2013. Thereafter we started to produce only green capsicum. The life of the green houses are over and it got damaged due to storm and rain. The total production of colour capsicum and green capsicum during the year was 7.47 MT and 17.64 MT respectively. We have also cultivated vegetables and Golden Rod in the open space available at the factory premises. The rental income of godowns was Rs.79.41 lacs during the year. The rental income will continue to be a recurring source of revenue in the coming years.

Management Discussion and Analysis

a) Industry structure and developments

The Company has existing infrastructure readily available for undertaking suitable manufacturing activity in future.

b) Opportunities & threats

The future of horticulture industries remains bright, but the extreme weather conditions and poor quality of water available in our factory premises continue to be a threat.

c) Segment-wise/Product-wise performance

During the year, the income from horticulture was Rs.6.71 lacs. The total production of Capsicum was 25.11 MT. While turnover from horticulture division decreased from Rs.6.89 lacs to Rs.6.71 lacs, the overall profit also decreased from Rs.71.59 lacs to Rs.58.10 lacs. This was mainly due to the loss of Rs.15,99,600/- on sale of entire share holding of wholly owned subsidiary – Madhusudan Fiscal Limited during the year. This loss is shown as exceptional item. Madhusudan Fiscal Limited has now ceased to be a subsidiary or a group company and hence no consolidated accounts are prepared as on 31st March, 2014.

d) Outlook

The Company has decided to continue growing Green Capsicum and vegetables in open areas.

e) Risks and concerns

It is a challenging task to market the horticulture products as the commodity is a perishable item and the market is volatile. We supply our produce directly to the main Vendor.

f) Internal control system and their adequacy

The Company has computerized its accounting system since many years. The system of internal control of the Company is commensurate with the size and complexity of the Company's business. The operations are subject to periodic internal audit by independent Auditors.

g) Financial performance with respect to Operational Performance is discussed in the main part of the report.

h) Material development in Human Resources /Industrial Relations

The Company values and nurtures its human resources and Company would continue to adopt and implement the best HRD practices in future.

Corporate Governance

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Report on Corporate Governance has been included in this Annual Report as a separate annexure.

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Directors' Responsibility Statement

In compliance of Section 217 (2AA) of the Companies Act, 1956, Directors of your Company confirm:

- that the applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departures;
- that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken 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;
- that the annual accounts have been prepared on a going concern basis.

Dividend

Your Directors have not recommended any dividend, as consolidation and restructuring process is underway.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

The details required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed to this report.

Exchequer

The Company has contributed Rs.10.14 lac to the exchequer by way of Income tax, VAT and other fiscal levies.

Fixed Deposits

During the year, the company has repaid Fixed Deposits of Rs.1.80 lacs. There is no Fixed Deposit outstanding as on 31.03.2014.

Subsidiary Company

During the year, the company has sold its entire shareholding (12,90,000 shares – 100%) in the wholly owned subsidiary company viz. Madhusudan Fiscal Limited on 22.08.2013. Madhusudan Fiscal Limited has now ceased to be a subsidiary company or a group company.

Finance

The Company has obtained credit facilities from Bank of Baroda.

Employees

The Company has no employee as specified under Section 217(2A) of the Companies Act, 1956, hence, there is no information required to be provided in this regard.

Directors

Shri S. N. Mohata has resigned as director w.e.f. 30-07-2013. Board of Directors places on record their appreciation for the contribution made by him to the Company. Shri Prem Chand Surana has been appointed as an Additional Director w.e.f. 30-07-2013.

Shri Sanwamal Agarwal and Shri Rajesh B. Shah, directors are due to retire at the end of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resumes of directors as required under clause 49 of the Listing Agreement executed with the Stock Exchange are provided in the notice convening the Annual General Meeting.

Auditors

M/s. H.V. Vasa & Co., Statutory Auditors of the Company retire at the end of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

Insurance

The Company has adequately insured all its assets.

Industrial Relations

The Company's relations with its employees remained cordial during the year.

The Company has taken adequate steps for the health and safety of its employees.

Appreciation

Your Directors would like to place on record their gratitude for the co-operation and assistance given by Bank of Baroda and various departments of both State and Central Governments.

For and on behalf of the Board of Directors,

Ahmedabad
29th May, 2014

Rajesh B. Shah
Sanwamal D. Agarwal
P. C. Surana
Directors

Annexure to the Directors' Report

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the year ended 31st March, 2014.

A. Conservation of Energy		
Form - A	:	Nil
B. Technology Absorption		
Form B	:	Nil
C. Foreign Exchange earnings and outgo		
Total foreign exchange used	:	Rs. Nil
Total foreign exchange earned	:	Rs. Nil

Annexure to the Directors' Report

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of BSE Ltd.)

1) Company's Philosophy

The Company believes in the practice of good Corporate Governance and acting as a good corporate citizen. The spirit of Corporate Governance has been prevailing in the Company for years together. The Company believes in the values of transparency, professionalism and accountability. The Company recognizes the accountability of the Board and importance of its decisions on its customers, dealers, employees, shareholders, and with every individual, who comes in contact with the Company.

2) Board of Directors

The Board comprises of two non-executive independent directors and two non-executive directors. The Company did not have any pecuniary relationship or transactions with the non-executive directors during the period under review.

During the year, 5 Board Meetings were held – on 11.04.2013, 27.05.2013, 30.07.2013, 28.10.2013 and 07.02.2014.

None of the directors on the Board are members in more than ten committees and they do not act as Chairmen of more than five committees across all companies in which they are directors.

The composition of Board of directors and their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of other directorships and Committee Memberships are given below:

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance At last AGM	No. of Other directorships	No. of Other Committee Memberships
1.	Shri Rajesh B. Shah	Non-Executive Independent Director	5	YES	3	-
2.	Shri Shree Narayan Mohata *	Non-Executive Director	-	-	2	-
3.	Shri Sanwermal Agarwal	Non-Executive Director	5	YES	1	-
4.	Shri P. K. Shashidharan	Non-Executive Director	2	NO	-	-
5.	Shri Prem Chand Surana**	Non-Executive Independent Director	2	YES	1	-

* Resigned w.e.f. 30.07.2013.

** Appointed w.e.f. 30.07.2013.

Code of Conduct

The Company has in place model code of conduct for the Board members and senior Officers of the Company.

CEO/CFO certification

The Board of Directors of the Company comprises only non-executive directors. No CEO/CFO was appointed by the Company for the period upto 31.03.2014.

Whistle Blower Policy

The Company has finalized a whistle-Blower policy and it will be implemented shortly.

3) Audit Committee

The Audit Committee consists of 4 (four) independent directors, Shri Rajesh B. Shah – Chairman, Shri P. K. Shashidharan, Shri

Prem Chand Surana and Shri S. M. Agarwal. The Company Secretary is also Secretary to the Audit Committee. During the year under review, 4 (four) Committee Meetings were held on – 27.05.2013, 30.07.2013, 28.10.2013 and 07.02.2014.

Terms of reference:

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committee under Clause 49 of Listing Agreement and section 292A of the Companies Act, 1956.

4) Remuneration Committee

The Remuneration Committee consists of Shri Rajesh B. Shah – Chairman, Shri P. K. Shashidharan, Shri Prem Chand Surana and Shri S. M. Agarwal.

The Committee fixes the Remuneration of Executive / Whole-time Directors, which include all elements of remuneration package i.e. salary, benefits, bonus, pension, retirement scheme, share options and such other benefits.

The Committee also decides the fixed component and performance linked incentives, performance criteria, service contracts, notice period, severance fees etc. of the remuneration package of working directors, as and when necessary. Presently the Company has no Executive / whole time director. No committee meeting was held during the year.

5) Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites.

The component of the total remuneration varies for different grades and is governed by Industry pattern, qualifications and experience of the employee, responsibilities handled by him and his individual performance, etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution and to retain talent in the organization and accord merit.

6) Details of remuneration for the year ended 31.03.2014

(i) Whole-time Directors

The Company has no Whole-time Director

(ii) Non-Executive Directors

Remuneration by way of sitting fees for attending Board Meetings are paid to the non-executive directors. Due to inadequate profit for the year ended 31.03.2014 no commission was paid to the Non-Executive Directors. The details of remuneration paid to them during the year are as under:

Name	Sitting Fees (Rs.)
Shri Rajesh B. Shah	10,000
Shri Prem Chand Surana	4,000
Shri Sanwar Mal Agarwal	10,000
Shri P. K. Shashidharan	4,000
Total	28,000

(iii) Shareholding of Non-Executive Directors

Name	No. of Shares held	% of total shareholding
Shri Rajesh B. Shah	NIL	NIL
Shri Sanwar Mal Agarwal	200	0.00
Shri Prem Chand Surana	NIL	NIL
Shri P. K. Shashidharan	NIL	NIL

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7) Share Transfer Committee

In accordance with the Listing Agreement with the Stock Exchange, the Board had delegated the powers of share transfers to the Share Transfer Committee. In order to expedite the process of share transfers/ transmissions / splits / consolidation, the Committee meets at least once in a 10 days.

The share transfer committee, consists of four directors, Shri Rajesh B. Shah – Chairman, Shri P. K. Shashidharan, Shri Prem Chand Surana and Shri S. M. Agarwal.

The Company has appointed MCS Limited, Ahmedabad, a SEBI registered Share Transfer Agent as Registrar and Share Transfer Agent.

8) Shareholders' / Investors' Grievance Committee

The Board has formed a Shareholders' / Investors' Grievance Committee consisting of Shri Rajesh B. Shah – Chairman, Shri P. K. Shashidharan, Shri Prem Chand Surana and Shri Sanwar Mal Agarwal.

All investor complaints, which cannot be settled at the level of Company Secretary and Compliance Officer, will be forwarded to the Shareholders' Grievance Committee for final settlement.

During the year ended 31.03.2014, the Company had received 15 complaints / queries from the Shareholders.

All the complaints received from the Shareholders were resolved. There is no complaint pending as of 31.03.2014, which is not attended / replied by the Company.

The Company confirms that there were no share transfers lying pending as on date, which were received upto 31.03.2014 and all requests for dematerialisation and rematerialisation of shares as on that date were confirmed / rejected into the NSDL / CDSL system. During the year, one Committee Meeting was held on 27.05.2013.

9) General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year ended	Date	Time	Venue
31.03.2013	21.09.2013	11.30 a.m.	Rakhial Station, Tal : Dehgam, Dist. Gandhinagar, PIN:382315
31.03.2012	24.09.2012	11.30 a.m.	Rakhial Station, Tal : Dehgam, Dist. Gandhinagar, PIN:382315
31.03.2011	17.09.2011	11.30 a.m.	Rakhial Station, Tal : Dehgam, Dist. Gandhinagar, PIN:382315

No resolution is required to be passed during current year and up to the date of Annual General Meeting through postal ballot.

10) Disclosures

- There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year, which could have potential conflict with the interests of the Company at large.
- There were no instances of non-compliance of any matter related to the capital market, during the last three years.
- As per the amended clause 5A of the Listing Agreement executed with Stock Exchange, the Company has no unclaimed shares as the Company has not offered / issued any shares to the public since 1993.

11) Means of Communication

- Quarterly results are published in leading daily newspapers viz. Financial Express / Indian Express and a local language newspaper viz. Financial Express /Jai Hind. The annual results (Annual Reports) are posted to all the members of the Company either electronically or in a physical form.
- Management Discussion & Analysis forms part of this Annual Report, which is also being sent to all the members of the Company.
- The official news releases, if any, sent first to Stock Exchange and then to the press.
- The Company submits its financial results, shareholding pattern and other information to the BSE Limited. These information are also uploaded by the BSE Ltd., on its website <http://www.bseindia.com>.

12) General Shareholders' Information

1. Annual General Meeting :

Date and Time : 26.09.2014: 11.30 a.m.
Venue : Rakhial Station,
Taluka – Dehgam,
Dist. Gandhinagar, Pin – 382315.

2. Financial Calendar 2014-15 (tentative)

Annual General Meeting	3rd / 4th week of September, 2015
<u>Results for quarter ending</u>	<u>By 15th day of</u>
June 30, 2014	August, 2014
September 30, 2014	November, 2014
December 31, 2014	February, 2015
Results for year ending	By 30 th May, 2015
March 31, 2015 (Audited)	

3. Book Closure date

19.09.2014 to 26.09. 2014

4. Dividend payment by the Company

In view of insufficient profit and accumulated losses of previous years, no dividend is recommended by the Board of Directors for the year ended 31.03.2014.

5. Listing on Stock Exchange

The Company's shares are listed at BSE Limited and company has paid listing fees for the year 2013-14 and 2014-15.

BSE Limited

Stock Code : 515059.

Scrip ID : MADHUIN

6. Share price at BSE Ltd.

Month	High (Rs.)	Low (Rs.)
April 2013	13.55	11.22
May 2013	12.88	12.24
June 2013	12.15	11.55
July 2013	-	-
August 2013	-	-
September 2013	-	-
October 2013	-	-
November 2013	11.50	11.50
December 2013	10.93	10.93
January 2014	11.45	10.36
February 2014	10.50	9.98
March 2014	10.40	8.00



7. Share Transfer

Entire Share Transfer work and dematerialisation / rematerialisation work is assigned to R & T Agent, MCS Limited, Ahmedabad, a SEBI registered Share Transfer Agent. Request for Share transfer, dematerialisation and rematerialisation should be sent directly to MCS Limited, 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009. Shareholders have option to open their accounts with either NSDL or CDSL as the Company has entered into agreements with both of these depositories.

13) Share Transfer System

The share transfer/s is normally effected within a period of 10-13 days from the date of receipt, provided the documents being complete in all respects. The Company has formed Share Transfer Committee of directors, which meets atleast once in 10 days for effecting transfer of shares and other related matters.

14) Distribution of Shareholding as on 31.03.2014

Shares	No. of Shareholders	Total No. of Shares
1-500	5139	661326
501 – 1000	130	105243
1001 – 2000	63	96521
2001 – 3000	17	42431
3001 – 4000	11	38325
4001 – 5000	7	33272
5001 – 10,000	18	136241
10,001 – 50,000	15	416894
50001-1,00,000	3	236448
1,00,001 And Above	11	3608299
Total	5414	5375000

15) Pattern of Shareholding as on 31.03.2014.

Sr. No.	Category	No. of Shares	(%)
1.	NRI	1374	0.03
2.	Financial Institutions/ Banks	271117	5.04
3.	Mutual Funds	275	0.01
4.	Promoters	3137980	58.38
5.	Bodies Corporate	131884	2.45
6.	Others	1832370	34.09
	Total	5375000	100.00

16) Dematerialisation of Shares as on 31.03.2014

As on 31st March 2014, 90.84% of the Company's total shares representing 48,82,432 Shares were held in dematerialized form and the balance 9.16% representing 4,92,568 shares were in paper form.

The ISIN Number in NSDL and CDSL is "INE 469C01023".

17) Locations

The Company's Regd. Office is located at Rakhial Station, Taluka Dehgam, Dist. Gandhinagar, Pin – 382315 and Ahmedabad office is located at 'Madhusudan House', Opp. Navrangpura Telephone Exchange, Ahmedabad-380 006.

18) Address for Correspondence

The Company's Registered Office is situated at Rakhial Station, Taluka Dehgam, Dist. Gandhinagar, Pin-382315. Shareholders' correspondence should be addressed either to the Registered Office of the Company as stated above and / or to the Ahmedabad Office of the Company at "Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006 or to the Registrar and Share Transfer Agent, MCS Limited, 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009.

AUDITORS' CERTIFICATE

To,
The Members of
Madhusudan Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by **Madhusudan Industries Limited**, for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 H. V. Vasa & Co.
Chartered Accountants
Firm Registration No. 131054W

Ahmedabad
29th May, 2014

Tushar H. Vasa
Proprietor
Membership No. 16831

Auditors' Report

To,

The Members of **Madhusudan Industries Limited**

We have audited the accompanying financial statements of **MADHUSUDAN INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Company's Management is responsible for 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 Standards notified under Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2014;
 - b) in the case of the Profit and Loss Account, of the profit 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.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the

Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs);

- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
H. V. Vasa & Co.
Chartered Accountants
Firm Registration No. 131054W
(Tushar H. Vasa)
Proprietor
Membership No. 16831

Place : Ahmedabad

Date : 29th May, 2014

The Annexure referred to in paragraph 1 of Our Report of even date to the members of MADHUSUDAN INDUSTRIES LIMITED on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets :
 - (a) The company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets on the basis of available information, other than furniture and fixtures.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
 - (c) In our opinion, there was no substantial disposal of fixed assets during the year, which would affect the going concern of the company.
2. In respect of its inventories :
 - (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provision of clauses iii(b), iii(c) and iii(d) of the order are not applicable to the Company.



- (b) The Company had taken unsecured loan of Rs. 45 lacs from a Company covered in the register maintained under section 301 of the Act. The Maximum amount involved during the year was Rs. 45 lacs and at the year end balance of loan from such company was Rs. Nil.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which the loans have been taken from company listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- (d) The payment of principal amount and interest have been regular as per stipulations.
- (e) There were no overdue amounts remaining outstanding as at the year end.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with its size of the company and the nature of business for the purchase of inventories, fixed assets and also for sale of goods and services. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor have we have been informed of any instance of major weakness in the aforesaid internal control systems.
5. In respect of transactions covered under section 301 of the Companies Act, 1956:
- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 and exceeding the value of Rs. five lacs in respect of each party have been made at prices which appear reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, in this regard, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company.
7. In our opinion, the internal audit system of the Company is commensurate with its size and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for the company under section 209(1)(d) of the companies Act, in respect of business activities of the company in the previous year.
9. In respect of statutory dues :
- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues 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 of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, following disputed statutory dues have not been

deposited on account of disputed matter pending before appropriate authorities are as under :

Sr. No.	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Amount (Rs.) In Lacs
1	Gujarat Sales Tax Act	Sales-tax	Gujarat Sales Tax Tribunal	139.34
2	Central Excise Act	Central Excise Duty	CESTAT	97.76

10. The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. As per the Books and records maintained by the company and according to the information and explanations given to us, we are of the opinion that, the Company has not defaulted in repayment of dues to bank.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company has not dealt in or is trading in Shares, securities, debentures and other investments. The company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The Investments in the marketable securities and mutual funds have been held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions.
16. In our opinion and according to the information and explanations given to us, there are no term loans availed by the company during the year.
17. According to the cash flow statement and other records examined by us and the information and explanations given to us, on the 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 (fixed assets, etc.)
18. During the year, 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.
19. As the Company has not issued any debentures, clause (xix) of the order is not applicable to the company.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

**For and on behalf of
H. V. Vasa & Co.**
Chartered Accountants
Firm Registration No. 131054W

(Tushar H. Vasa)

Place : Ahmedabad
Date : 29th May, 2014

Proprietor
Membership No. 16831

Annual Report 2013-2014**Balance Sheet as at 31st March, 2014**

Particulars	Note	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	1	2,68,75,000	2,68,75,000
(b) Reserves and Surplus	2	10,93,61,113	10,35,50,707
2 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Other Long Term Liabilities	3	18,30,800	17,04,000
(c) Long Term Provisions	4	53,02,982	53,02,982
3 Current liabilities			
(a) Short-term borrowings	5	-	51,26,047
(b) Other current liabilities	6	32,49,296	46,84,145
(c) Short-term provisions	7	4,10,542	4,09,246
TOTAL		14,70,29,733	14,76,52,127
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	1,38,52,956	1,51,34,562
(ii) Capital work-in-progress		30,66,975	-
(b) Non-current investments	9	1,93,12,882	1,93,14,129
(c) Long-term loans and advances	10	3,32,27,228	3,34,39,858
2 Current assets			
(a) Current Investments	11	2,93,34,411	3,58,75,841
(b) Inventories	12	40,025	45,075
(c) Trade receivables	13	1,70,38,315	1,70,15,911
(d) Cash and cash equivalents	14	2,75,05,471	1,33,18,360
(e) Short-term loans and advances	15	23,26,825	1,23,98,309
(f) Other current assets	16	13,24,645	11,10,082
TOTAL		14,70,29,733	14,76,52,127

Significant Accounting Policies

Notes to Accounts on Financial Statements

23 to 35

As per our report of even date attached
For and on behalf of
H. V. Vasa & Co.
Chartered Accountants
Firm Registration No. 131054W
Tushar H. Vasa
Proprietor
Membership No. 16831

Rajesh B. Shah Director
Sanwamal D. Agarwal Director
P. C. Surana Director

Ahmedabad
29th May, 2014

B. K. Patodia
Company Secretary

Ahmedabad
29th May, 2014



Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note	2013-14 Rs.	2012-13 Rs.
I Revenue from operations	17	86,12,184	84,23,347
II Other income	18	52,84,026	65,11,943
III Total Revenue (I + II)		1,38,96,210	1,49,35,290
IV Expenses :			
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	-	7,595
Employee benefits expenses	20	28,45,302	32,82,611
Finance costs	21	26,049	6,57,434
Depreciation and amortisation expenses		12,89,206	15,32,868
Other expenses	22	23,25,647	22,95,102
Total expenses		64,86,204	77,75,610
V Profit / (Loss) before tax		74,10,006	71,59,680
Less: Exceptional Items		15,99,600	-
Profit / (Loss) before tax after Exceptional Item		58,10,406	71,59,680
VI Tax expense:			
(a) Current tax expense for current year		-	-
(b) (Less): MAT credit (where applicable)		-	-
(c) Deferred tax		-	-
VII Profit / (Loss) for the year		58,10,406	71,59,680
VIII Earning per Equity Share of Rs. 5/- each			
Basic and Diluted (Before Exceptional Item)		1.38	1.33
Basic and Diluted (After Exceptional Item)		1.08	1.33
Weighted average number of shares outstanding		53,75,000	53,75,000

Significant Accounting Policies

Notes to Accounts on Financial Statements

23 to 35

As per our report of even date attached

For and on behalf of

H. V. Vasa & Co.

Chartered Accountants

Firm Registration No. 131054W

Tushar H. Vasa

Proprietor

Membership No. 16831

Rajesh B. Shah

Director

Sanwamal D. Agarwal

Director

P. C. Surana

Director

Ahmedabad

29th May, 2014

B. K. Patodia
Company Secretary

Ahmedabad

29th May, 2014

Annual Report 2013-2014

Cash Flow Statement for the year ended 31st March, 2014

	Year ended March 31, 2014		Year ended March 31, 2013	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net profit before tax after Extra-ordinary items		58,10,406		71,59,680
Adjusted for				
- Depreciation	12,89,206		15,32,868	
- Interest Charged	26,049		6,57,434	
- Interest Received	(27,55,915)		(23,05,537)	
- Dividend Received	(10,21,514)		(18,08,602)	
- Profit on Sale of Investments	(5,34,150)		(11,83,124)	
- Loss on Sale of Subsidiary Company	(15,99,600)		-	
- (Profit) / Loss on Sale of Fixed Assets (Net)	-		(70,521)	
		(45,95,924)		(31,77,482)
Operating profit before working capital changes		12,14,482		39,82,198
Adjusted for changes in working capital				
- Inventories	5,050		26,942	
- Trade and other receivable	(22,404)		1,06,952	
- Short-term loans and advances	1,00,71,484		79,870	
- Other Current Assets	(2,14,563)		(3,31,999)	
- Long-term loans and advances	(34,88,927)		(5,73,589)	
- Long Term Provision	-		-	
- Short Term Provision	1,296		(7,36,769)	
- Other Current Liabilities	(14,34,849)		(23,29,522)	
- Other Long Term Liabilities	1,26,800		-	
		50,43,887		(37,58,115)
Cash generated from operations		62,58,369		2,24,083
Direct taxes paid		37,01,557		3,08,515
Net Cash From Operating Activities Total (A)		99,59,926		5,32,598
B. Cash flow from Investing activities				
Purchase of fixed assets	(30,74,575)		-	
Proceeds from sale of fixed assets	-		75,000	
Purchase of Current Investments	(3,57,93,198)		(1,75,54,493)	
Sale of Current Investments	4,44,69,625		2,62,86,509	
Interest received	27,55,915		23,05,537	
Dividend received	10,21,514		18,08,602	
Net Cash Used in Investing Activities Total (B)		93,79,281		1,29,21,155
C. Cash flow from financing activities				
Proceeds from borrowings / Repayment of Loan	(51,26,047)		(63,64,860)	
Interest paid	(26,049)		(6,57,434)	
Net Cash Used in Financing Activities Total (C)		(51,52,096)		(70,22,294)
Net Changes in Cash & Cash Equivalents (A+B+C)		1,41,87,111		64,31,459
Cash & Cash Equivalents - Opening Balance		1,33,18,360		68,86,901
Cash & Cash Equivalents - Closing Balance		2,75,05,471		1,33,18,360

As per our report of even date attached

For and on behalf of

H. V. Vasa & Co.

Chartered Accountants

Firm Registration No. 131054W

Tushar H. Vasa

Proprietor

Membership No. 16831

Ahmedabad

29th May, 2014

B. K. Patodia
Company Secretary

Rajesh B. Shah

Director

Sanwamal D. Agarwal

Director

P. C. Surana

Director

Ahmedabad
29th May, 2014

Annual Report 2013-2014

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
4 Long Term Provisions		
Provision for Taxation	53,02,982	53,02,982
Total	<u>53,02,982</u>	<u>53,02,982</u>
5 Short Term Borrowings		
Secured		
Working Capital Loans from Bank	-	-
Cash Credit / WCDL	-	6,26,010
Unsecured		
Inter Corporate Loan from Subsidiary Company	-	45,00,037
Total	<u>-</u>	<u>51,26,047</u>
<p>Working Capital loans were secured by hypothication of Stocks, Book Debts, all movable assets and by mortgage of fixed assets of the company situated at Village Rakhial, Dehgam, Gujarat and guarantee of two directors.</p>		
6 Other Current Liabilities		
Interest accrued but not due on Borrowings	11,792	1,31,776
Matured Unclaimed Fixed Deposits	-	1,80,000
Unpaid Preference Shares	29,000	29,000
Deposits from Dealers, Agents etc	1,01,500	1,00,500
Statutory Dues	50,902	16,674
Advance against Sales	3,04,685	2,99,332
Other Payables	27,51,417	39,26,863
Total	<u>32,49,296</u>	<u>46,84,145</u>
7 Short Term Provisions		
Provision for Employees' benefits	1,96,575	1,95,279
Other Provisions	2,13,967	2,13,967
Total	<u>4,10,542</u>	<u>4,09,246</u>



8. Fixed Assets

Particulars	Gross Block			Depreciation			Net Block			
	As at 1/4/2013 (Rs.)	Additions (Rs.)	Deductions/ Adjustments (Rs.)	As at 31/3/2014 (Rs.)	As at 1/4/2013 (Rs.)	Additions (Rs.)	Deductions/ Adjustments (Rs.)	Upto 31/3/2014 (Rs.)	As at 31/3/2014 (Rs.)	As at 31/3/2013 (Rs.)
TANGIBLE ASSETS										
Freehold Land	8,44,888	-	-	8,44,888	-	-	-	-	8,44,888	8,44,888
Buildings	2,27,62,507	-	-	2,27,62,507	1,22,28,727	8,94,181	-	1,31,22,908	96,39,599	1,05,33,780
Plant & Machinery	44,55,774	7,600	53,280	44,10,094	14,05,244	2,58,750	53,280	16,10,714	27,99,380	30,50,530
Electric Installation	1,13,188	-	-	1,13,188	1,08,141	-	-	1,08,141	5,047	5,047
Laboratory Equipments	5,38,827	-	-	5,38,827	5,27,198	3,235	-	5,30,433	8,394	11,629
Weighing Machinery	3,87,654	-	-	3,87,654	2,95,607	12,804	-	3,08,411	79,243	92,047
Furniture, Fixtures & Equipments	44,54,073	-	-	44,54,073	40,45,556	67,896	-	41,13,452	3,40,621	4,08,517
Vehicles	7,93,161	-	-	7,93,161	6,05,037	52,340	-	6,57,377	1,35,784	1,88,124
Total	3,43,50,072	7,600	53,280	3,43,04,392	1,92,15,510	12,89,206	53,280	2,04,51,436	1,38,52,956	1,51,34,562
Previous Year	3,47,50,372	6,604	4,06,904	3,43,50,072	1,80,85,067	15,32,868	4,02,425	1,92,15,510	1,51,34,562	
Capital Work In Progress									30,66,975	-

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		As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
9	Non Current Investments (Long Term Investments)		
	Investment in Subsidiary Company		
	0 (12,90,000) Fully paid Equity shares of Madhusudan Fiscal Ltd of Rs. 10/- each (Unquoted)	-	1,29,00,000
	Investments in Government Securities - Unquoted (Deposited with Government Departments)		
	National Savings Certificates	37,000	37,000
	Non-Trade Other Investments (Quoted)		
	In fully paid Equity Shares of Rs. 10/- each		
	37 (37) Aditya Birla Nuvo Ltd	3,172	3,172
	1,000 (1,000) Clutch Auto Ltd	69,013	69,013
	300 (300) Dynamatic Forgings India Ltd	5,736	5,736
	100 (100) Eicher Motors Ltd	4,465	4,465
	322 (322) Essar Steels Ltd	28,207	28,207
	69 (69) Eurotex Ltd	4,140	4,140
	10 (10) Euro Ceramics Ltd	639	639
	200 (200) Gujarat Refractories Ltd	3,370	3,370
	50 (50) Hanuman Tea Co Ltd	2,224	2,224
	1,300 (1,300) I G Petro Ltd	1,13,874	1,13,874
	200 (200) Lan Esseda Software Systems Ltd	27,104	27,104
	10 (10) Nitco Ltd	953	953
	300 (300) Orkey Silk Mills Ltd	11,841	11,841
	100 (100) Orient Bell Ltd	5,210	5,210
	670 (670) Premier Ind. (India) Ltd	29,762	29,762
	1,072 (1,072) Reliance Industries Ltd	5,98,979	5,98,979
	1,700 (1,700) SREI Infrastructure Finance Ltd	1,01,213	1,01,213
	36 (36) Ultra Tech Cement Ltd	11,365	11,365
	1,000 (1,000) Unicorn Organics Ltd	35,509	35,509
	200 (200) Western India Sugar & Chem Ltd	8,000	8,000
	200 (200) XLO Machine Ltd	4,180	4,180
	145 - Tata Communications Ltd	20,807	-
	400 - Melstar Information Tech Ltd	1,140	-
	1112 - Entegra Ltd	3,948	-
	150 - MW Unitex Ltd	1,230	-
		10,96,081	10,68,956
	In fully paid Equity Shares of Rs. 5/- each		
	17065 - Cera Sanitaryware Ltd	1,30,57,520	-
	300 - Shree Rama Multi-Tech Ltd	2,670	-
		1,30,60,190	-
	In fully paid Equity Shares of Rs. 2/- each		
	180 (180) Larsen & Toubro Ltd	2,273	2,273
	415 (415) HSIL Ltd.	13,315	13,315
	10 (10) Kajaria Ceramics Ltd	339	339
	500 (500) Somany Ceramics Ltd	2,624	2,624
	1,000 (1,000) West Coast Paper Mills Ltd	1,03,949	1,03,949
	2500 - Dairy Den Ltd	-	-
		1,22,500	1,22,500
	In fully paid Equity Shares of Re. 1/- each		
	2,000 (2,000) Electro Steel & Casting Ltd	1,25,902	1,25,902
	86 - Zee Entertainment Enterprises Ltd	20,820	-
	20 - Siticable Network Ltd	326	-
	18 - Zee News Ltd	198	-
	23 - Dish TV India Ltd	1,133	-
	11 - Zee Learn Ltd	203	-
		1,48,582	1,25,902
	In fully paid Preference Shares of Re. 1/- each		
	1806 - Zee Entertainment Enterprises Ltd	-	-
		-	-
	Indian Depository Receipt		
	2,500 (2,500) Standard Chartered PLC	3,02,564	3,02,564



	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
In Units of Mutual Funds of Rs. 10/- each		
700 (700) UTI Equity Fund	8,826	8,826
1,200 (1,200) UTI Master Plus Fund	23,353	23,353
1,427 (1,427) UTI Master Share Fund	30,233	30,233
	<u>62,412</u>	<u>62,412</u>
In Fully paid Non - Convertible Debentures		
40 (40) Western India Sugar & Chem Ltd of Rs. 50/- each	2,000	2,000
51094 (70491) Milestone Bullion Scheme	5,10,940	7,04,910
	<u>5,12,940</u>	<u>7,06,910</u>
In Bonds		
2 (2) 10.90% Tata Motors Finance - 2020	20,59,796	20,70,096
4 (4) 11.69% Tata Teleservices - 2025	20,79,325	20,86,297
	<u>41,39,121</u>	<u>41,56,393</u>
	<u>1,94,81,390</u>	<u>1,94,82,637</u>
Less: Provision in Diminution in value of Investments	1,68,508	1,68,508
Total	<u>1,93,12,882</u>	<u>1,93,14,129</u>
Aggregate amount of quoted investments	1,46,23,821	15,13,826
Market Value of quoted investments	1,79,97,409	21,93,961
Aggregate amount of unquoted investments	46,89,061	1,78,00,303
10 Long Term Loans and Advances (Unsecured and Considered Good)		
Capital Advances	2,03,71,331	1,68,79,024
Security Deposits	5,32,854	5,36,234
Loans and Advances	31,92,647	31,92,647
Advance Income Tax (including for earlier years)	91,30,396	1,28,31,953
Total	<u>3,32,27,228</u>	<u>3,34,39,858</u>
11 Current Investments		
Fixed Deposits with Housing Development Finance Corporation Ltd	45,00,000	-
Mutual Funds (Units of Rs. 10/- each, unless otherwise specified)		
- (85,665.334) DSP Black Rock Mutual Fund - Equity Fund - Reg - G	-	15,00,000
- (2,39,499.543) Kotak Bond (Deposit) Quarterly Dividend	-	30,00,000
- (1,49,564.767) BNP Paribas Income Gold Fund	-	15,00,000
- (4,944.107) HDFC Top 200 Fund - Growth	-	10,00,000
1.594 (1.594) LIC Mutual Fund Floater MIP Fund - Quarterly Plan	16	16
0.022 - LIC Nomura Mutual Fund MIP - Quarterly Dividend Plan	-	-
- (1,43,341.775) Birla Sun Life Gold Fund Growth-Regular Plan	-	15,00,000
6,589.481 (17,354.146) HDFC Equity Fund - Dividend	3,33,318	9,09,367
10,581.351 (9,312.553) HDFC Growth Fund - Dividend	3,46,103	3,18,166
- (80,032.440) IDFC - SSIF - Medium Term - Plan A - Growth	-	15,00,000
- (6,11,381.809) HDFC Cash Management Fund - TAP - Retail - Daily Dividend	-	61,33,077
- (3,12,431.226) Axis Triple Advantage Fund-Dividend Reinvestment	-	31,78,422
- (2,85,952.455) Canara Robeco Mutual Fund Collection	-	32,76,445
- (3,66,064.000) LIC Nomura MF FMP Series 52-377 days - Growth Plan	-	36,60,640
1,183.339 (1,183.339) SBI SHF Ultra Short Term Fund-Retail Plan-Growth (Units of Rs. 1000/- each)	15,99,708	15,99,708
- (83,346.530) UTI Bond Fund - Growth	-	10,00,000
- (1,28,416.804) DSP BR Short Term Fund-Regular Plan-Monthly Dividend	-	14,00,000
2,94,743.881 (1,21,249.913) Birla Sun Life Dynamic Bond Fund-Quarterly Dividend	34,26,663	14,00,000
3,00,000.000 (3,00,000.000) HDFC FMP 400D March 2013(1) series 23-Regular-Growth	30,00,000	30,00,000
78.962 - IDFC Money Manager Fund- Treasury Plan - Growth	1,466	-
3,47,786.241 - Birla Sun Life Income Plus -Quarterly Dividend	45,00,000	-
3,35,871.512 - ICICI Prudential Income - Regular Plan	46,88,788	-
2,33,343.409 - UTI Bond Fund - Dividend Reinvest	30,70,110	-
30.085 - Reliance Liquid Fund	33,519	-
80,534.102 - ICICI Prudential Regular Saving Fund- Regular Plan	10,00,000	-
1,43,472.000 - Birla Sunlife Fixed Term Plan - Series JR (490 Days) - Growth Regular	14,34,720	-
1,40,000.000 - DSP Black Rock Dynamic Assets Allocation Fund	14,00,000	-
	<u>2,48,34,411</u>	<u>3,58,75,841</u>
Total	<u>2,93,34,411</u>	<u>3,58,75,841</u>
Aggregate amount of quoted investments	2,48,34,411	3,58,75,841
Market Value of quoted investments	2,43,88,904	3,61,31,677
Aggregate amount of unquoted investments	45,00,000	-

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	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
12 Inventories		
Stores, Chemicals and Packing Materials	40,025	45,075
Stock-in-Trade	-	-
Total	<u>40,025</u>	<u>45,075</u>
13 Trade Receivables (Unsecured and Considered Good)		
Over Six months	1,69,44,558	1,69,34,805
Others	93,757	81,106
Total	<u>1,70,38,315</u>	<u>1,70,15,911</u>
14 Cash and Cash Equivalents		
Cash on Hand	42,957	74,165
Balance with Banks in Current Accounts	13,86,423	46,39,973
Fixed Deposits with Banks	2,60,76,091	86,04,222
Total	<u>2,75,05,471</u>	<u>1,33,18,360</u>
Fixed Deposit maturing within - 3 months	34,83,499	57,00,000
Fixed Deposit maturing within - 12 months	2,25,77,624	29,04,222
15 Short Term Loans and Advances (Unsecured and Considered Good)		
Balances with Excise Authorities	1,62,210	1,62,210
Inter Corporate Deposits	-	1,00,00,000
Others	21,64,615	22,36,099
Total	<u>23,26,825</u>	<u>1,23,98,309</u>
16 Other Current Assets		
Interest Accrued on Fixed Deposits & Advances	13,24,645	11,10,082
Total	<u>13,24,645</u>	<u>11,10,082</u>
	2013-14	2012-13
	Rs.	Rs.
17 Revenue From Operations		
Sale of Products	6,70,897	6,89,296
Other Operating Revenues		
Rent	79,41,287	77,34,051
Total	<u>86,12,184</u>	<u>84,23,347</u>
Particulars of Sale of Products		
Horticulture	6,70,897	6,89,296
18 Other Income		
Interest Income	27,55,915	23,05,537
Dividend Income :		
Current Investment (Mutual Fund)	9,75,859	17,58,014
Long Term Investment	45,655	50,588
	<u>10,21,514</u>	<u>18,08,602</u>
Net Gain on :		
Sale of Investments	5,34,150	11,83,124
Sale of Fixed Assets	-	70,521
	<u>5,34,150</u>	<u>12,53,645</u>
Other Incomes	9,72,447	11,44,159
Total	<u>52,84,026</u>	<u>65,11,943</u>



	2013-14 Rs.	2012-13 Rs.		
19 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade				
Opening Stock				
Work In Progress	-	-		
Stock In Trade	-	7,595		
	<u>-</u>	<u>7,595</u>		
Closing Stock				
Work In Progress	-	-		
Stock In Trade	-	-		
	<u>-</u>	<u>-</u>		
Total	<u>-</u>	<u>7,595</u>		
20 Employees Benefit Expenses				
Salaries, Wages and Bonus	19,75,676	22,82,781		
Contribution to Provident and Other funds	3,45,474	5,19,388		
Staff and Labour Welfare Expenses	5,24,152	4,80,442		
Total	<u>28,45,302</u>	<u>32,82,611</u>		
21 Finance Costs				
Interest Expenses	26,049	6,57,434		
Other borrowing costs	-	-		
Total	<u>26,049</u>	<u>6,57,434</u>		
22 Other Expenses				
Stores, Spare Parts and Packing Materials	1,75,574	3,37,104		
Power, Fuel and Electricity Expenses	2,17,060	3,18,551		
Repairs - Building	3,410	915		
Repairs - Plant & Machinery	6,906	14,060		
Repairs - Others	21,140	10,941		
Rent	46,396	41,097		
Insurance	30,049	41,344		
Rates and Taxes	1,78,246	1,57,256		
Legal & professional Expenses	6,71,285	3,47,132		
Telephone Expenses	93,096	1,05,735		
Vehicle Expenses	40,752	96,899		
Miscellaneous Expenses	8,13,733	8,00,068		
Directors Sitting Fees	28,000	24,000		
Total	<u>23,25,647</u>	<u>22,95,102</u>		
23 Transfer of Ceramic Division to Cera Sanitaryware Ltd. [Madhusudan Oils and Fats Limited (MOFL)]				
The Honourable High Court of Judicature at Gujarat vide its order dated 30.10.2001 has sanctioned Scheme of Arrangement (the Scheme) as approved by the shareholders in the Court-convened meeting held on 13.10.2001. Under which all the assets (movable and immovable) as per Clause 2 of Scheme, liabilities and debts as described in the Scheme pertaining to the Ceramic business (described as the "Ceramic Division" in the Scheme) were transferred to Cera Sanitaryware Ltd. [Madhusudan Oils and Fats Limited (MOFL)] at book value w.e.f. 01.04.2001.				
24 Import of Chemicals				
The Company had sold Chemicals on highsea sale arrangement. This material purchased from M/s. Tianjin Kaiyong Chemicals Co. Ltd. Jin Nam, China, did not meet the specification of the order given hence are rejected. The company is pursuing recovery of purchase amount Rs.16,76,549/- which is included in "Loans and Advances".				
25				
Company has sold its entire share holding of wholly owned subsidiary - Madusudan Fiscal Limited during the year. Loss of Rs. 15,99,600/- on sale of same is shown as exceptional item. Madusudan Fiscal limited has now ceased to be subsidiary or a group company and hence no consolidated accounts are prepared as on 31st March, 2014.				
26 Value of Stores, Chemicals and Packing Material Consumed				
Particulars	Year Ended 31st March, 2014		Year Ended 31st March, 2013	
	Amount	% of	Amount	% of
	Rs.	Consumption	Rs.	Consumption
Imported	-	-	-	-
Indegenous	1,75,574	100	3,37,104	100
	<u>1,75,574</u>	<u>100</u>	<u>3,37,104</u>	<u>100</u>

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27 There is no expenditure in foreign currency for import of Raw Materials, Components and Spare Parts, Capital Goods, Royalty, Know-how, Professional and consultation fees, interest during the year.

	2013-14 Rs.	2012-13 Rs.
28 Payment to the Auditors		
a. Audit Fees	33,708	33,708
b. Certification and Consultation Fees	5,618	5,618
c. Other Services	28,090	39,326
Total	67,416	78,652

29 There are no earnings in foreign exchange in respect of Export of Goods, Royalty, Know-how, Professional and Consultation Fees, Interest, Dividend or and other income during the year.

30 Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below.

1 Relationships :

(a) Subsidiary Company	Madhusudan Fiscal Ltd.
(b) Associates	Cera Sanitaryware Ltd. Gujarat Soaps Pvt. Ltd.
(c) Key Management Personnel	-
(d) Relatives of Key Management Personnel	-

Note : Related party relationship is as identified by the Company and relied upon by the Auditors

2 Transactions during the year with related parties

Nature of Transactions (Excluding Reimbursement)	Subsidiary Company	Associates	Key Management Personnel	Total
	Rs.	Rs.	Rs.	Rs.
Purchase - Material	-	95,300	-	95,300
	(-)	(-)	(-)	(-)
Income				
Rent	-	78,63,357	-	78,63,357
	(-)	(76,55,796)	(-)	(76,55,796)
Service Charges	-	6,16,836	-	6,16,836
	(-)	(5,88,258)	(-)	(5,88,258)
Other Services	-	6,18,639	-	6,18,639
	(-)	(5,88,267)	(-)	(5,88,267)
Expenses				
Director Sitting Fees	-	-	28,000	28,000
	(-)	(-)	(24,000)	(24,000)
Finance				
Loans / Advance Given	45,00,037	41,621	-	45,41,658
	(-)	(33,984)	(-)	(33,984)
Fixed Deposit / Loan Received	-	-	-	-
	(-)	(-)	(-)	(-)
Rent Deposit Received	-	1,26,800	-	1,26,800
	(-)	(-)	(-)	(-)
Balance at the end of the year				
Receivables	-	3,81,965	-	3,81,965
	(-)	(3,40,344)	(-)	(3,40,344)
Payables	-	18,30,800	-	18,30,800
	(45,00,037)	(17,04,000)	(-)	(62,04,037)



3 Disclosure in Respect of Material Related Party Transactions during the year

Particulars	2013-14 Rs.	2012-13 Rs.
Purchase :		
Cera Sanitaryware Limited	95,300	—
Income :		
Rent :		
Cera Sanitaryware Limited	78,63,357	76,55,796
Service Charges :		
Cera Sanitaryware Limited	6,16,836	5,88,258
Other Services :		
Cera Sanitaryware Limited	6,18,639	5,88,267
Finance :		
Loans / Advance Given :		
Gujarat Soaps Pvt. Ltd.	41,621	33,984
Rent Deposit Received :		
Cera Sanitaryware Limited	1,26,800	—

31 **Employee Benefits**

The company has with effect from 1st April 2007, adopted Accounting Standard 15, Employee benefits (revised 2005), issued by the Institute of Chartered Accountants of India (the revised AS 15). Consequently, the disclosure as required as per revised AS 15 are as under :

a Brief description of the plans :

The company has various schemes for long-term benefits such as provident fund, gratuity and leave encashment. In case of funded scheme, the funds are recognised by the income tax authorities and administered through trustees / appropriate authorities.

The company defined contribution plans are Provident Fund (exempted employees) recognised by the Income Tax Authorities and administered through trustees. Since the company has no further obligation beyond making contributions and interest shortfall.

Further the pattern of investment for investible funds is as prescribed by the Government. Accordingly other related disclosures in respect of provident fund have not been made.

The company's other defined contribution plans are Provident Fund (non exempted employees), Employees' Pension Scheme (under the Provisions of the employees' Provident Funds and Miscellaneous Provisions Act, 1952), state plans namely Employees' State Insurance Fund, Since company has no further obligation beyond making contributions.

The Company's defined benefit are Gratuity and leave encashment for all its employees. Gratuity fund is recognised by the Income Tax Authorities and is administered through trustees.

Liabilities for Defined Benefit Plan is provided on the basis of valuations, as Balance Sheet date, carried out by an independent actuary.

b Charge to the Profit and Loss Account based on contributions

	2013-14 Rs.	2012-13 Rs.
Provident Fund	1,06,490	1,04,333
Employees Pension Scheme	71,663	88,040
ESIC	-	-
	<u>1,78,153</u>	<u>1,92,373</u>

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c Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2014.

Particulars	2013-14		2012-13	
	Gratuity Funded Plan Rs.	Leave Encashment Non-funded Plan Rs.	Gratuity Funded Plan Rs.	Leave Encashment Non-funded Plan Rs.
Change in Defined Benefits Obligation				
Opening defined benefits obligation	13,28,716	1,95,279	16,77,848	9,32,048
Current service cost	78,229	15,967	80,827	22,139
Interest cost	1,19,584	17,575	1,38,043	76,683
Acturial losses / (gain)	89,756	69,841	91,154	1,04,559
benefits paid	-31,731	-1,02,087	-6,59,156	-9,40,150
Closing defined benefits obligation	15,84,554	1,96,575	13,28,716	1,95,279
Change in Fair Value of Assets				
Opening fair value of Plan Assets	13,26,387	-	16,77,848	-
Expected return on plan assets	1,30,895	-	1,35,191	-
Acturial gain / (losses)	-30,895	-	-58,034	-
Contributions by employer	1,87,734	-	2,30,538	-
Benefits paid	-31,731	-	-6,59,156	-
Closing fair value of plan assets	15,82,390	-	13,26,387	-
Movement in net liability recognised in Balance Sheet				
Net opening liability	-	1,95,279	-	9,32,048
P & L Charge	1,87,569	1,03,383	2,32,866	2,03,381
Contribution / Benefit Paid	-31,731	-1,02,087	-6,59,156	-9,40,150
Closing Net (asset) / liability	-	1,96,575	-	1,95,279
Expenses recognised in the Profit and Loss Account				
Current Service Cost	78,229	15,967	80,827	22,139
Interest on defined benefit obligation	1,19,584	17,575	1,38,043	76,683
Expected return on plan assets	-1,30,895	-	-1,35,191	-
Net actuarial loss / (gain) recognised in the current year	1,20,651	69,841	1,49,187	1,04,559
Total Expenses	1,87,569	1,03,383	2,32,866	2,03,381
Assets Information				
Government of India Securities	-	-	-	-
High Quality Corporate Bonds	-	-	-	-
Equity Shares of listed Companies	-	-	-	-
Property	-	-	-	-
Insurance Company	100%	-	100%	-
Principal actuarial assumption				
Discount Rate (p.a.)	9.00%	9.00%	8.25%	8.25%
Expected rate of return on plan assets (p.a)	9.00%	-	9.00%	-
Proportion of employees opting for early retirement	-	-	-	-
Annual Increase in Salary Cost & interest cost	6.75%	6.75%	6.00%	6.00%
Effect on the aggregate Service Cost & interest cost	-	-	-	-
Effect on defined benefit obligation	-	-	-	-

d The Company has provided upto 31-03-2014 Rs. 1.97 Lacs (Rs. 1.95 Lacs) being incremental discounted value of liability for unavailed leave of the employees determined as per Actuarial Valuation.

32 Contingent Liabilities and Commitments

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Contingent Liabilities		
A Claims against the company / disputed liabilities not acknowledged as debts	2,42,57,476	2,42,57,476
Commitments		
A Estimated amount of contracts remaining to be executed on capital account and not provided for	21,87,178	67,01,094

33 Segment Information

The company is organised into following reportable segments referred to in Statement of Accounting Standard AS - 17 for segmental reporting :

Particulars	Trading/Outsourcing Rs.	Horticulture Rs.	Total Rs.
Revenue			
External	-	6,70,897	6,70,897
Inter-Segment	(-)	(6,89,296)	(6,89,296)
Total	(-)	-	-
Result			
Segment Result	95,60,988	-8,35,727	87,25,261
Less : Depreciation	(1,07,33,970)	(-13,83,988)	(93,49,982)
Less : Interest	2,85,811	10,03,395	12,89,206
Less : Exceptional item	(3,29,237)	(12,03,631)	(15,32,868)
Less : Interest	26,049	-	26,049
Less : Exceptional item	(3,73,843)	(2,83,591)	(6,57,434)
Profit before Tax	15,99,600	-	15,99,600
Less : Provision for Tax	(-)	(-)	(-)
Net Profit for the year	76,49,528	-18,39,122	58,10,406
Other Information			
Segment Assets	13,74,60,592	95,69,141	14,70,29,733
Segment Liabilities	(13,71,22,020)	(1,05,30,107)	(14,76,52,127)
Capital Expenditure	1,06,57,854	1,35,766	1,07,93,620
Depreciation	(1,70,95,465)	(1,30,955)	(1,72,26,420)
Non-cash expenses other than depreciation	-	7,600	7,600
	(-)	(6,604)	(6,604)
	2,85,811	10,03,395	12,89,206
	(3,29,237)	(12,03,631)	(15,32,868)
	-	-	-
	(-)	(-)	(-)

34 The Company has reclassified previous year figures to conform to this year's classification.

35 Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.

As per our report of even date attached

For and on behalf of

H. V. Vasa & Co.
Chartered Accountants
Firm Registration No. 131054W
Tushar H. Vasa
Proprietor
Membership No. 16831
Ahmedabad
29th May, 2014

B. K. Patodia
Company Secretary

Rajesh B. Shah Director
Sanwormal D. Agarwal Director
P. C. Surana Director
Ahmedabad
29th May, 2014

Annual Report 2013-2014

Annexure - I

Significant accounting policies and practices :

(annexed to and forming part of the financial statement for the year ended 31st March, 2014)

* **Basis of Accounting**

The Company prepares its financial statements on accrual basis in accordance with generally accepted accounting principles and comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

* **Sales**

Sales is net of discounts and Value Added Tax

* **Retirement Benefits**

- (i) Contribution to Provident Fund is made at applicable rates.
- (ii) Contribution to approved Gratuity Fund is made of the present liability for future Gratuity as determined on an actuarial valuation. The Company has no further obligation except contribution to the fund.
- (iii) Leave encashment benefit is accounted for on the basis of actuarial valuation.

* **Fixed Assets & Depreciation**

- (a) Fixed Assets are stated at cost. The Company capitalises all costs relating to the acquisition and installation of Fixed Assets.
- (b) Assets acquired under hire purchase instalment credit scheme, the cost of asset is capitalised while the annual financial charges at equated instalments are charged to revenue.
- (c) Depreciation for the year is provided at the rates and in the manner specified in Schedule-XIV of the Companies Act, 1956 as under:
 - (1) On Plant & Machinery and Electric Plant & Installation on straight-line method.
 - (2) On other assets on written down value method.
- (d) Leasehold land is amortised over the period of lease. In respect of other assets taken on lease before 01.04.2001, the value thereof is not capitalised, but the contracted lease rentals are charged to revenue on accrual basis.
- (e) The value of discarded Plant and Machinery has been written down to the lower of net book value and net realisable value.

* **Inventories**

- (a) Raw-materials, packing materials, stores, coal and chemicals are taken at lower of cost or net realisable value following (FIFO Method)
- (b) Stock-in-Process is valued at cost.
- (c) Finished goods are valued at lower of cost and net realisable value.
- (d) Excise duty on goods manufactured by the Company and remaining in inventory is included as a part of valuation of finished goods.
- (e) By-products are valued at - net realisable value.

* **Investments**

Investments are stated at cost.

* **Foreign Currency Transactions**

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction.

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss account. Exchange differences arising in respect of fixed assets acquired from outside India on or before accounting period commencing before December 2006 were capitalised as part of fixed assets.

* **Borrowing Costs**

Borrowing Costs that are attributable to the acquisition or construction of assets are capitalised as part of the cost of such assets.

* **Taxation**

Provision for tax for the year comprises current income-tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period (s).

* **Contingent Liability**

Contingent liabilities determined on the basis of available information; wherever material are provided for and Contingent liabilities not provided for in the accounts are disclosed by way of notes to the accounts.

Madhusudan Industries Limited

Regd. Office : Rakhial Station - 382 315 Taluka - Dehgam, Dist. Gandhinagar, Gujarat.
Phone : (02716) 267409, Fax : 079-26427287 E-mail : madhusudan_i@yahoo.in
CIN : L29199GJ1945PLC000443

DP ID	Client ID	Folio No.	No. of shares held

ATTENDANCE SLIP

Annual General Meeting - 2014
at Regd. Office : Rakhial Station - 382 315 Taluka - Dehgam, Dist. Gandhinagar, Gujarat.

Name of the attending Member/Proxy (In block letters) :

I hereby record my presence at the Annual General Meeting held at 11.30 a.m. on 26th September, 2014.

Member's / Proxy's Signature

- Notes : 1. Please bring this attendance slip to the meeting and handover at the entrance duly filled in.
2. Members are requested to bring copy of Annual Report with them.

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CIN : L29199GJ1945PLC000443

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

PROXY FORM

Name of the member(s) : _____
Registered address : _____
E-mail Id : _____
Folio No. / Client Id : _____
DP Id : _____

I/We, being a member(s) of _____ shares of Madhusudan Industries Limited, hereby appoint :

1. Name : _____
Address : _____
E-mail Id : _____
Signature _____, or failing him
2. Name : _____
Address : _____
E-mail Id : _____
Signature _____, or failing him
3. 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 Annual General Meeting of the Company to be held on Friday, the 26th September, 2014 at 11.30 a.m. at the registered office of the Company at Rakhial Station - 382 315 Taluka - Dehgam, Dist. Gandhinagar, Gujarat. , and at any adjournment thereof in respect of such resolutions as are indicated below:

PTO

Resolutions:	For	Against
1. To consider and adopt Audited Financial Statements, Reports of Board of Directors and Auditors.		
2. Reappointment of Shri Sanwarmal Agarwal as Director, who retires by rotation		
3. Appointment of Auditors and fixing their remuneration		
4. Appointment of Shri Rajesh B. Shah as an Independent Director		
5. Appointment of Shri Premchand Surana as an Independent Director		
6. Appointment of Smt. Rutva Acharya as an Independent Director		

Signed this _____ day of _____ 2014.

Affix Revenue Stamp

Signature of Shareholder(s) _____

Signature of Proxy Holder(s) _____

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



If undelivered, please return to :

Madhusudan Industries Limited

Rakhial Station - 382 315 Taluka - Dehgam, Dist. Gandhinagar, Gujarat.

Phone : (02716) 267409, Fax : 079-26427287 E-mail : madhusudan_i@yahoo.in

CIN : L29199GJ1945PLC000443