



MS SECURITIES LIMITED

Your Partner in Growth

18TH ANNUAL REPORT

2009-10

BOARD OF DIRECTORS

Manoj Kumar Saraf , Chairman
Sanjeev Kumar Saraf, Director
Dr. Rajeev Kumar Saraf, Director
Sushil Kumar Sureka, Director
Rajat Kumar Banka, Director

SHARE TRANSFER AGENT & REGISTRAR

S. K. Computers
34/1A, S K Chaterjee Street
Kolkata 700 006

AUDITORS

S K Nayak & Co.
Chartered Accountant
Patna 800001

BANKERS

HDFC Bank Ltd.
Canara Bank

Registered Office: Head Office:

601-B, Ashiana Plaza	32, Vaibhav Apartment
Budh Marg	Budh Marg
Patna 800 001	Patna 800 001

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held at its Head Office at 32, Vaibhav Apartment, Budh Marg, Patna 800 001 on Thursday, the 30th day of September, 2010 at 10.00 AM to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2010 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Kumar Saraf and Mr Sushil Kumar Sureka who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS (by ordinary resolution):

4. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution "Resolved that pursuant to provision of section 262 of the Companies Act, 1956, Sri Mahendra Kumar Choudhary (who was appointed as an Independent Director of the Company in the meeting held on 26.08.2010 in place of Sri Rajat Banka and Dr. Rajeev Kumar Saraf who cease with effect from 26.08.2010) hold office upto the conclusion of the ensuing Annual General Meeting for which notice from members under section 257 of the Companies Act, 1956, received for being reappointed, be and is hereby appointed as a Director of the Company."

By Order of the Board

Manoj Kumar Saraf
Chairman

Place: Patna

Dated: 28th August, 2010

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not to be a member of the Company. The instrument of proxy in order to be effective must be deposited at the Head Office of the Company duly completed and signed not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September, 2010 to 30th September, 2010 (both days inclusive).
3. Members are requested to intimate the change in their address, and e-mail id if any at the Head Office of the Company.
4. As measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of Annual Report at the meeting.
5. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business item no. 4 is annexed herewith.

Registered Office:

601-B, Ashiana Plaza, Budh Marg, Patna 800 001

Head Office:

32, Vaibhav Apartment, Budh Marg, Patna 800 001

By order of the Board

Manoj Kumar Saraf
Chairman

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956
SPECIAL BUSINESS: Item No. 4**

Sri Rajat Banka and Dr. Rajeev Kumar Saraf were ceased from the Directorship with effect from 26.08.2010. The Company has received a notice under section 257 of the Companies Act, 1956 from the member for reappointment of Sri Mahendra Kumar Choudhary as an Independent Director of the Company who was appointed as an Independent Director with effect from 26.08.2010 and who holds office of the Director pursuant to 262 of the Companies Act, 1956 till the ensuing Annual General Meeting.

Hence, his reappointment is recommended.

None of the Directors is interested in this resolution.

Registered Office:

601-B, Ashiana Plaza, Budh Marg, Patna 800 001

Head Office:

32, Vaibhav Apartment, Budh Marg, Patna 800 001

By order of the Board

Manoj Kumar Saraf
Chairman

DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors has pleasure in presenting before you the 18th ANNUAL REPORT together with Audited Statement of Accounts for the year ended 31st March 2010. The financial statements for the year 2009-10, are enclosed with the reports of the auditors which are self explanatory need no further comments. The significant accountings policies on which the financial statements of the company are drawn up as well as the explanatory notes on the accounts are also attached. The financial statements have been prepared in accordance with the provision of the Companies Act, 1956, in the manner required, and exhibit a true and fair view of the state of affairs of the operating results.

1. FINANCIAL RESULT

Profit or Loss before Taxation	Rs.	(21,036.41)
Provision for Taxation /Tax Expense	Rs.	Nil
Deferred Tax Exps / Savings	Rs.	1,290.00
Profit or Loss after Tax	Rs.	(19,746.41)
Profit or (Loss) B/F from Previous year	Rs.	(1,83,05,751.81)
Profit or Loss C/F to Balance Sheet	Rs.	(1,83,25,498.22)

2. PERFORMANCE

Your Directors are informing you that the company has incurred a loss during the year. The Directors are very positive that the company will make the profit in the coming year.

3. DIVIDEND

Your Directors have not recommended any dividend in view of the need for finance for expansion and consolidation of the Company.

4. EMPLOYEES REMUNERATION:

There is no employee drawing remuneration to the extent as required to be disclosed under section 217(2A) of the Companies Act, 1956 and the rules thereunder as amended.

5. AUDITORS

M/s S.K. Nayak & Co., Chartered Accountants, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for re-appointment. The members are requested to consider their re-appointment for the current financial year 2010-11 and authorize the Board of Directors to fix their remuneration. The retiring auditor have, under section 224 (1B) of the Companies Act, 1956, furnished certificate of their eligibility for the appointment.

6. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

The disclosures of particulars regarding energy conservation technology absorption and foreign exchange earning out go as required in The Companies (Disclosures of particulars in the report of Board of Directors) Rules 1988 in term of section 217 (1) (c) of The Companies Act, are at present not applicable to the Company.

7. DIRECTORS RESPONSIBILITY STATEMENT

The Directors state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2010 and of the Profit or Loss of the company for the year ended 31st March, 2010.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors have prepared the annual accounts ongoing concern basis.

9. COMPOSITION OF BOARD OF DIRECTORS

There is change in the composition of the Board of Directors. Dr. Rajeev Kumar Saraf and Sri Rajat Banka ceased to be Directors of the Company with effect from 26.08.2010 and Sri Mahendra Kumar Choudhary was appointed as an Independent Director of the Company with effect from 26.08.2010 to fill up the casual vacancy.

Sri Manoj Kumar Saraf and Mr. Sushil Kumar Sureka retires by rotation and being eligible offer themselves for reappointment. The present Board of Directors consist of four persons namely Sri Manoj Kumar Saraf, Sri Sanjeev Kumar Saraf, Sri Mahendra Kumar Choudhary and Mr. Sushil Kumar Sureka.

10. ACKNOWLEDGEMENT

Your Directors wish to express their sincere appreciation for the co-operation and support received from Government authorities, Suppliers, customers and shareholders. The Directors also place on record their appreciation for the dedication and commitment of all employees of the Company.

For and on Behalf of the Board of Directors of
MS Securities Ltd

-sd-

Manoj Kumar Saraf
Director

Date : 28/08/2010
Place : Patna

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of MS Securities Ltd.,

We have examined the compliance of conditions of Corporate Governance by M S Securities Ltd., for the year ended 31st March 2010, 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 has been limited to review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is said clause. 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 by the Directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

Based on the certificate received from the Share Transfer Agents of the company and the minutes of Share Transfer and Shareholders' Grievance Committee, we state that no investor grievance is pending for a period exceeding one month.

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.

Date :28th August,2010

Place: Patna

For S. K. Nayak & Co.
Chartered Accountants

Suman Kumar Nayak
Partner
M. No. 73290

Corporate Governance Report for the year ended 31.03.2010
Compliance with Clause 49 of the listing Agreement

The Equity Shares of the Company are listed on the Magadh, Calcutta and Bombay Stock Exchange. We present our report on compliance of governance conditions specified in clause 49 of the listing Agreement.

I) BOARD OF DIRECTORS

(A) BOARD COMPOSITION

i. Board Strength

The current strength of the Board of Directors of the Company is of five directors. Except Shri Manoj Kumar Saraf and Shri Sanjeev Kumar Saraf, Dr. Rajeev Kumar Saraf is non-executive Director and Shri Sushil Kumar Sureka and Sri Rajat Banka are non-executive and independent directors.

The composition of and the category of directors on the Board of the Company as on 31st March, 2010 was as under:-

<u>Name of the Directors</u>	<u>Category</u>
Shri Manoj Kumar Saraf,	Chairman, Executive Director
Shri Sanjeev Kumar Saraf	Executive Director
Dr. Rajeev Kumar Saraf (ceased w.e.f. 26.08.2010)	Non Executive Director
Shri Sushil Kumar Sureka	Independent Director
Shri Rajat Banka (ceased w.e.f. 26.08.2010)	Independent Director

NOTES

- (a) None of the Directors has any business relationship with the Company.
 (b) None of the Directors received any loan and advances from the Company during the year.
 (c) The Company has no Company Secretary and is in search of a suitable candidate.

ii. Conduct of Board Proceedings

The day to day business is conducted by the executives of MS Securities Ltd. under the Chairmanship of Shri Manoj Kumar Saraf and the supervision of the Board. The Board holds periodic meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to the oversight of the business and the management:

- review, monitor and approve major finance, business strategies and corporate actions;
- assess critical risks facing the Company-review options for their mitigation;
- ensure that processes are in place for maintaining the integrity of
 - a. the Company
 - b. the financial statements.
 - c. compliance with laws
 - d. relationships with customers and stakeholders;
- delegation of appropriate authority to the senior executives of the Company for effective management of operations.

A. BOARD MEETINGS

The Board held ten meetings during F.Y. 2009-2010 on 30.04.2009, 15.05.2009, 27.05.2009, 30.07.2009, 02.08.2009, 30.09.2009, 29.10.2009, 29.12.2009, 29.01.2010 and 15.03.2010. The maximum time gap between any two meetings was 61 days and the minimum gap was 3 days.

Attendance at Board Meetings held during 2009-2010 and at the last A.G.M held on 30.09.2009

<i>Name of Directors</i>	<i>Number of Board meeting attended out of ten meetings held</i>	<i>Attendance at the last A.G.M held on 30.09.2010</i>	<i>Directorship other in companies</i>
Shri Manoj Kumar Saraf	10	Present	
Shri Sanjeev Kumar Saraf	9	Present	
Shri Rajat Kumar Banka	10	Present	
Dr. Rajeev Kumar Saraf	8	Present	
Shri Sushil Kumar Sureka	10	Present	

- The Board holds periodic meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues, relating to the Company.
- The Board periodically reviews compliance reports of all laws applicable to the Company and takes appropriate actions.

B. OTHER PROVISIONS AS TO BOARD & COMMITTEES ATTENDANCE OF DIRECTORS AND OTHER DIRECTORSHIP

The overall attendance of Directors at the Board meetings and the AGM was 80 to 100 percent. None of the Director has membership of more than 10 Committees of Boards and Chairmanship of more than 5 Committees of the Boards.

C. DETAILS OF DIRECTORS

The brief resumes of all Directors are furnishing here under:-

- Shri Manoj Kumar Saraf:**
Aged 47 years, is a commerce graduate having 26 years of experience in the Capital Market related activities, is the Chairman of the Company. He is also an ex-director/treasurer of Magadh Stock Exchange Association Patna.
- Shri Sanjeev Kumar Saraf:**
Aged 45 years, is a science graduate with a degree in Mechanical Engineering from Delhi College of Engineering. He has been associated with the Capital Markets since 1986 and having an experience of 23 years. He is a member of the Bhubaneswar Stock Exchange from 1989.
- Shri Sushil Kumar Sureka (Independent Director)**
A graduate in Commerce.
- Shri Rajat Banka (Independent Director)**
(Ceased w.e.f. 26/08/2010)
- Dr. Rajeev kumar Saraf** is a B.Tech. from IIT Kharagpur and subsequently did his M.Tech. and Ph.D. from Venderbilt University, Tenesse, USA.
(Ceased w.e.f. 26/08/2010)

Key Personnel

The day to day management of the Company is being looked after by Mr. Manoj Kumar Saraf, the Chairman. The Chairman is assisted by a team of qualified Professionals with experience in their relative fields of activities.

Profile of the key personnel of the Company is give below:

Madhuri Singh - Compliance Officer is a law graduate and has 9 years of working experience.

The Board has laid down and adopted a code of conduct for all Board members and senior management of the Company.

II. AUDIT COMMITTEE

(A.) Qualified and Independent Audit Committee

The Audit Committee consists of Shri Manoj Kumar Saraf, Chairman and Promoter, Shri Sushil Kumar Sureka and (Independent Director) Shri Rajat Banka (Independent Director). The Audit Committee is chaired by Shri Sushil Kumar Sureka, who has wide experience on economic and financial issues.

All members of the Committee are financially literate within the meaning of clause II (A) Explanation 1 of clause 49 of the listing agreement.

The minutes of the meetings of the audit Committee are placed before the Board. The terms of reference of the audit Committee are in accordance with the terms listed in clause 49 (ii) (D) and (E) of the listing agreement as follows:-

- (i) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
- (ii) Recommending the appointment, re-appointment of statutory Auditor and fixation of Audit fee.
- (iii) Reviewing with management, the annual financial Statement before submission to the Board, etc.

(B) Meeting of Audit Committee

The Audit Committee held its meetings four times in a year and not more than 4 months elapse between two meetings

The quorum of such meetings is two independent members present.
Overall attendance: 100 percent

Shri Sushil Kumar Sureka (Independent Director) Chairman, of the Audit Committee was present at the Annual General Meeting.

The meeting considered all the points in terms of its reference at periodic intervals.

In the absence of any Company Secretary in the Company, Ms. Madhuri Singh who is the Compliance Officer, acted as the Secretary to the Committee.

No remuneration to Directors was paid. Further, in view of loss, the Directors opted to waive off their sitting fee of Board Meeting/Audit Committee.

(C) Powers of Audit Committee

The Audit Committee has the following powers:

- i) to investigate any activity within its terms of reference
- ii) to seek any information from any employee
- iii) to obtain outside legal and professional advice
- iv) to secure attendance of outsiders with relevant expertise if it is considers necessary

(D) Role of Audit Committee

The Audit Committee plays the role as mentioned in the terms listed in the clause 49 II (D) and E of the listing Agreement such as Reviewing with management the annual financial statements before submission to the board for approval with particular reference to matters required to be included in the Directors responsibility Statement to be included in the Board Report and vis. Versa.

(III) DISCLOSURES

No Penalty or stricture has been imposed/passed on the Company by the stock exchange or SEBI or any other statutory authority on any matter related to the capital markets, during the last 3 years as on 31.03.2010.

(A) Related Party Transactions

The details of all significant transactions with related parties are periodically placed before the audit Committee. The Company has entered in to related party transactions as setout in the notes to accounts.

(B) Disclosure of Accounting Treatment

The financial statements have been prepared under the historical cost conversion on the accrual basis of accounting, in accordance with generally accepted accounting principals and the provision of companies Act, 1956.

(C) Disclosures on Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization Procedures which is periodically reviewed by the Board.

(D) Issue of Shares

The Company has not issued any equity Shares during the financial year.

(E) Remuneration of Directors

No remuneration was paid to Directors of the Company as Director Remuneration during the financial year.

(F) Management Discussion and Analysis Report

A management Discussion and Analysis Report forms part of the annual report and includes discussions on various matters specified under clause 49 (IV) (F) of the listing agreement.

(G) Shareholders

The shares held by the Directors in the Company as on 31.03.2010 are as under

No.	Name	No. of Shares	Remarks
1.	Shri Manoj Kumar Saraf	2,02,300	
2.	Shri Sanjeev Kumar saraf	64,100	
3.	Shri Sushil Kumar Sureka	44,900	
4.	Dr. Rajeev Kumar Saraf	56,000	(ceased w.e.f. 26.08.2010)
5.	Shri Rajat Banka	Nil	(ceased w.e.f. 26.08.2010)

Shareholders/Investors' Grievance Committee

The Board of Directors of the Company constituted share holders/Investors' grievances Committee comprising of Shri Sushil Kumar Sureka (Independent Director) as Chairman and Shri Rajat Banka and Shri Manoj Kumar Saraf as members, The Company has appointed M/s S K Computers, 34/1A, Sudhir Chatterjee Street, Kolkata 700 006 to act as registrar and transfer Agent of the Company. The Committee deals with matters relating to transfer/transmission of share, issue of duplicate Share Certificates, review of share and all other related matters. The Committee also monitors redressal of investors' grievances.

As on March 31st 2010, There was no complains outstanding all of which have been attended/resolved as on date. None of the complaints during the year remained pending for more then 30 days

Code of Conduct

The Company has adopted the code of conduct and ethics for directors and senior management The code of conduct had been circulated to all the members of the Board and senior management.

The Board members and senior management have affirmed their compliance with the code and a declaration signed by the chief executive officer (within the meaning of clause 49-V of the listing agreement) is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2009-10."

V. CEO/CFO Certification

- (a) A certification from CEO on the financial statements of the Company was placed before the board
 (b) A CEO has certified to the Board regarding the terms of the clause 49 (V) a to d of the listing agreement.

Auditor's Certificate on Corporate Governance

The Auditor's certificate on compliance of clause 49 of the listing agreement related to corporate governance is published as an annexure to the Directors report.

Review of Governance Practices

We have in this report attempted to present the governance practices and principles being followed at the Company and as best suited to the needs of our business and stake holders and ensure that our standards are at par with the globally recognized practices of governance, So as to meet the expectations of all our stake holders.

Shareholders/Investor Information

Annual general Meeting (AGM)

Day and Date: Thursday 30th September 2010
 Time: 10.00 A.M.
 Venue: Head Office: 32, Vaibhav Apartment, Budh Marg, Patna- 800 001

Financial Year of the Company

The financial year of the Company is form April 1 to March 31, each year.

Key Financial Reporting Dates for the year 2010-2011

Unaudited Results for the first quarter ended June 30, 2010	: On or before 31.07.2010
Unaudited Results for the second quarter ended September 30, 2010	: On or before 30.10.2010
Unaudited Results for the 3 rd Quarter ended December 31, 2010	: On or before 31.01.2010
Unaudited Results for the 4 th Quarter 2010-11	: On or before 30.04.2011
Audited Results for the Financial Year 2010-11	: On or before 31.08.2011
Date of Book Closure: 26th September 2010 to 30th September 2010 Thursday (Both days inclusive)	

REGISTRAR AND TRASFER AGENTS (RTA)

M/s S K Computers
 34/1A, Sudhir Chatterjee Street

Kolkata 700 006

e-mail:- skcdilip@gmail.com

Tel. : 033-2219-4815, 2219-6797

Fax No. : 033-2219-4815

Manager : Mr. Dilip Bhattacharya

Shareholders/Investors are requested to forward share transfer documents, and other related correspondence directly to the Share Transfer Agent / Registrar of the Company at the above address for speedy response.

E-mail ID for Investor Grievance

For the convenience of our investors, the Company has specified an exclusive e-mail ID: mssl.patna@gmail.com. All Investors are requested to avail this facility.

COMPLIANCE OFFICER

Ms. Madhuri Singh is the Compliance Officer of the Company.

Stock exchanges on which the shares of the Company are listed

1. Magadh Stock Exchange. Patna. (MSEA)
2. Calcutta Stock Exchange Association Ltd., Kolkata
3. Bombay Sock Exchange Ltd (BSE), Mumbai

Listing fee was paid to Bombay Stock Exchange only. Provision has been made for payment of listing fee to Calcutta Stock Exchange. Magadh Stock Exchange is no more SEBI recognized Stock Exchange and hence, no provision has been made for it.

Corporate Identity Number (CIN)

CIN, allotted by the ministry of corporate Affairs, govt. of India is, L08032BR1992PLC004781 and the Company is registered within the jurisdiction of the Registrar of the companies, Bihar & Jharkhand.

SHARE TRANSFER SYSTEM

Physical share transfers are registered and returned generally within 30 Days from the date of Lodgment/approval by the share transfer Committee, if the documents are correct and valid in all respects.

Shareholders / investors are requested to send share transfer related documents directly to our Registrar and transfer agents at given contact details.

A Committee of executives of the Company is authorized for approve transfer of shares.

As required under clause 47 © of the listing Agreement entered into by the Company with the stock exchange, a certificate is obtained every six months from a practicing Company secretary with regard to inter alia, effecting transfer, transmission, sub-division, consolidation and renewal exchange of equity shares within one month of their lodgment.

The certificate is placed before the shareholders Committee and Board.

Top 10 Shareholders as on 31st March 2010

S. No.	Folio. No.	Name of Shareholders	Address	No. of Shares	% of Total Shareholdings
1	0000004	Saraf Ergonomics Financial Service (P) Ltd.	601 B Ashiana Plaza Budh Marg, Patna 800001	1088000	25.60
2	M000001	Manoj Kumar Saraf	510 Shanti Vihar Apartment, Off Fraser Road, Patna 800 001	202300	4.76
3	C000015	Third Eye Communications Pvt Ltd.	32, Vaibhav Apartment, Budh Marg, Patna 800 001	170100	4.00
4	H000011	Habib Ahmed Siddique	C/o Raunaq Habib 28 KM Sarani, Calcutta-700013	101100	2.38
5	C000020	Credit Capital Investment Trust Co. Ltd.	C/o Sultanally's Business Centre, Barodawala Mansion, Dr Annie Besant Road, Worly, Bombay	100000	2.35
6	0000002	Lepton Software Export & Research Pvt Ltd.	B-XI 8179, Vasant Kunj New Delhi 110030	82000	1.93
7	V000096	Ved Prakash Singh	36, Bhaluahi Kharkhura, New Colony, Gaya 823002 Bihar	73300	1.72
8	S000002	Sanjeev Kumar Saraf	Sikandarpur Chowk, Near Rani Sati Dadi Mandir, Muzaffarpur	64100	1.51
9	M000223	Malti Devi	36, Bhaluahi Kharkhura, New Colony, Gaya 823002 Bihar	64000	1.51
10	R000028	Rajni Deepchand Desai	C/o- Manju Lal Ben Mehta Swetlal Apts, 1 st floor, 51 Prahlad Plot, Rajkot 360001	60500	1.42

Shareholding Pattern

A. Holdings of the Promoter Group

Particulars	No. of Shares As on 31/03/2010	%	No. of Shares As on 31/03/2009	%
a) Individual Director / Relatives	373400	8.79	373400	8.79
b) Bodies Corporate	1386100	32.61	1386100	32.61
Sub Total:	1759500	41.40	1759500	41.40

B. Non-Promoters Holdings

Particulars	No. of Shares As on 31/03/2010	%	No. of Shares As on 31/03/2009	%
a) Mutual Fund and Unit Trust of India	110600	2.60	110600	2.60
b) Banks, Financial Institutions	0	0	0	0
c) Foreign Institutional Investors	0	0	0	0
Sub Total:	110600	2.60	110600	2.60

S.K. NAYAK & Co.
CHARTERED ACCOUNTANTS

403, 4th Floor,
Kashi Place,
Dak Bungalow Road,
PATNA - 800 001
Ph.: 0612-3292111, 2230337

AUDITOR'S REPORT

To,
The Members of
MS SECURITIES LIMITED
PATNA

1. We have audited the attached Balance sheet of MS SECURITIES LTD., PATNA as at 31st March 2010, the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial opinion.
3. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as were produced before us and according to the information and explanation given to us, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 1 above:
 - 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, the Company has kept proper books of account as required by Law so far, as appears from our examination of such books.
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. The Balance Sheet and Profit & Loss Account and Cash Flow Statement comply with in our opinion, the Accounting Standards referred to in sub-section (3 C) of section 211 of the Companies Act 1956.

- e. On the basis of the written representations received from the directors of the Company as at 31.3.2010 and taken on records by the Board of Directors, we report that none of the directors are disqualified from being appointed as a Director of the Company in terms of clause 274(1)(g) of the Companies Act, 1956.
- f. Attention is invited to the following matters:
- i. Note no. 3.1 relating to non provision of diminution in the value of Investment as per AS:13 relating to 'Accounting for Investments'. Had the same been provided the loss would have increased by *Rs.9368942.90*
 - ii. Note no. 3.2 regarding diversification of business of the Company in the area of the software development and other related activities.
 - iii. Note no.3.5 regarding rejection of application by RBI for registration under Reserve Bank of India Act, 1934.
 - iv. Note no. 3.6 regarding payment of Listing Fee of the Stock Exchanges, the Company has neither paid the Listing Fee nor provided for the same for the Bombay Stock Exchange, Mumbai & Magadh Stock Exchange, Patna. Trading of the shares of the Company are suspended from the Bombay Stock Exchange, Mumbai and Magadh Stock Exchange, Patna.

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

1. In the case of the Balance Sheet of the state of affairs of the Company as at 31stMarch, 2010 and
2. In the case of the Profit & Loss Account of the loss for the year ended on 31stMarch 2010.
3. In the case of the Cash Flow Statement for the year ended on 31stMarch 2010.

Date: The 28th August 2010

Place: Patna

**For S. K. Nayak & Co.
Chartered Accountants**

**Suman Kumar Nayak
Partner
M. No. 73290**

ANNEXURE REFERRED TO PARAGRAPH 3 OF THE AUDITORS REPORT OF EVEN DATE ON THE ACCOUNT OF MS SECURITIES LIMITED FOR THE YEAR ENDED ON 31ST MARCH 2010.

- i) The company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
- ii) As explained to us all the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- iii) *The Company has not disposed off any Fixed Asset during the financial year 2009-10.*
- iv) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- v) The procedure of physical verification of inventory as followed by the management is, in our opinion reasonable and adequate in relation to the size of the company and the nature of its business.
- vi) The company has maintained proper records of inventory and as explained to us no any material discrepancies were noticed during the year.
- vii) The company has granted interest free unsecured loan to MS Online Broking Services Ltd. required to be listed in the register maintained u/s 301 of the company Act, 1956. The balance outstanding as on 31st March,2010 is Rs.1532207.94/-.
- viii) We are not able to verify whether the rate of interest and other terms and conditions as the agreement of the said loan to subsidiary MS Online Broking Services Ltd. was not produced before us for our verification.
- ix) As explained to us the said loan is interest free however the regularity of repayment of principal amount could not be verified as the terms and conditions of the agreement were not produced before us for our verification.
- x) As explained to us the management is of the opinion that the loan given to MS Online Broking Services Ltd. is recoverable whenever the company makes a decision to this effect.
- xi) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of assets and for the sale of same.
- xii) The relevant transactions that need to be entered into the register in pursuance of section 301 of the act has been duly entered.
- xiii) So far as appeared from our examination the transactions with the related parties have been made at reasonable prices at the relevant time.
- xiv) Not applicable as the company has not accepted any deposits from the public.
- xv) So far as it appeared from our examination, we observed that the Internal Audit System of the company is commensurate with its size and nature of its business.
- xvi) We are informed that the maintenance of cost record has not been prescribed by the central Govt. under section 209 (i) (d) of the companies Act,1956.

- xvii) The company is regular in depositing the undisputed statutory dues to the appropriate authorities. As per information and explanation given to us, there are no undisputed amount payable in respect of Income tax, Sale tax, Customs duty, and excise duty outstanding as at 31st March, 2010 for the period of more than six months from the date it become payable.
- xviii) As explained to us, no any dispute is pending in which any amount on account of disputed is payable.
- xix) We have observed that, had the company in accordance with AS:13 issued by The Institute Of Chartered Accountants of India, provided for the diminution in the value of Investments amounting to Rs. 9368942.90, the accumulated losses of the company would have become Rs.27694441.12 which would then exceed 50% of its net worth as on 31stMarch,2010.
- xx) Not Applicable, as no such loans have been taken by the company.
- xxi) The company has not granted any loans and advances on the basis of security by way of pledge of Share, Debenture and other securities.
- xxii) Not applicable to the company as it does not carry on the activities of chit fund/ nidhi/ mutual benefit fund/ societies;
- xxiii) Not applicable as above.
- xxiv) Do
- xxv) Do
- xxvi) The company is trading in Share, Securities, Debentures and other investment and proper records have been maintained of the transaction and contracts. All the shares have been held by the Company in its own name except the shares held as stock in trade for subsequent deliver.
- xxvii) The company has not given any guarantee for loan taken by other from banks of financial institutions.
- xxviii) Not applicable because no any term loans were taken.
- xxix) No fund raised on short-term basis, has been used for long-term investment and vice versa.
- xxx) No allotments of Shares have been made by company during the period under reporting.
- xxxi) No debentures have been issued by the company during the financial year 2009-10.
- xxxii) Not applicable as the company has not made any public issue during the year.
- xxxiii) As per the informations and explanations given to us no any fraud has been noticed or reported on by the company during the year under reporting.

Date:28th August,2010

Place: Patna

For S. K. Nayak & Co.
Chartered Accountants

Suman Kumar Nayak
Partner
M. No. 73290

B). Disclosure of transactions between the company and related parties and outstanding balances as at the year end:

	Year ended 31 st March 2010 Rs'000	Year ended 31 st March 2009 Rs'000
(a) MS Online Broking Services Ltd. Previous year	77.00	1219.40
(b) Key Management personal: - Manoj Kumar saraf: Purchase	0.00	0.00
(c.) Enterprises, over which persons referred in (ii) above, or their relatives, are able to exercise significant influence: - i) Bgates Infotach System Integrators (P) Ltd. Outstanding	0.00	0.00
iii) Nature Green Agri (P) Ltd. Outstanding	0.00	0.00

3.10 The management has decided to do not create any deferred tax asset for the current year in view of the uncertainty of profit in near future.

3.11 Quantitative information in respect of shares/ debentures/ securities bonds traded in:

<i>Opening Stock</i>		<i>Purchases</i>	
Nos.	Value	Nos.	Value
989758	10368491	1000	11000
<i>Sales</i>		<i>Closing Stock</i>	
Nos.	Value	Nos.	Value
5109	215347.10	985689	10246172.26

3.12 In the opinion of the management current assets, loan & advances are realisable at the stated value, after deducting the provisions made, if any.

3.13 All expenses for which external vouchers were not available proper internal vouchers were prepared and duly approved by a Director of the Company.

3.14 The Company has not received any intimation of allotment of shares in respect of share application money and as such they have not been adjusted.

3.15 Previous year's figures have been re-grouped and/or re-arranged wherever considered necessary.

Date: The 28th August 2010

Place: Patna

For S. K. Nayak & Co.
Chartered Accountants

For and on behalf of the Board

Suman Kumar Nayak
Partner
M. No. 73290

MANOJ KR. SARAF
DIRECTOR

SANJEEV KR. SARAF
DIRECTOR

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	(Rs.)	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
I. SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS :				
SHARE CAPITAL	1		41719000.00	41719000.00
RESERVE & SURPLUS	2		45000.00	45000.00
TOTAL :			41764000.00	41764000.00
II. APPLICATION OF FUNDS				
FIXED ASSETS :				
GROSS BLOCK	3	4303411.30		4278411.30
LESS : DEPRECIATION		4190678.99		4170780.54
NET BLOCK			112732.31	107630.76
INVESTMENTS (AT COST)	4		10244990.60	10449337.70
DEFERRED TAX ASSET			0.00	0.00
CURRENT ASSETS, LOANS AND ADVANCES				
INVENTORIES	5	1019098.36		1070424.80
SUNDRY DEBTORS	6	617650.00		1009167.83
CASH & BANK BALANCES	7	591296.34		991107.43
APPLICATION MONEY IN COMPANIES		4760500.00		4760500.00
LOANS & ADVANCES	8	6422419.14		5690793.36
		13410963.84		13521993.42
LESS : CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES	9	331474.97		620713.69
		331474.97		620713.69
NET CURRENT ASSETS			13079488.87	12901279.73
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	10		0.00	0.00
PROFIT & LOSS A/C			18326788.22	18305751.81
TOTAL :			41764000.00	41764000.00
NOTES ON ACCOUNTS	14			

SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS
AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED HEREWITH

PLACE : PATNA,
Date: 28TH August, 2010

For S. K. Nayak & Co.
Chartered Accountants

Manoj Kr. Saraf
(DIRECTOR)

Sanjeev Kr. Saraf
(DIRECTOR)

Suman Kumar Nayak
Partner
M. No. 73290

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

SCHEDULE	FOR THE	FOR THE
	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
	(Rs.)	(Rs.)
A. INCOME:		
SALES OF SHARES	1346600.70	51959.97
SHARE DIFFERENCE A/C	0.00	0.00
OTHER INCOME	11 799015.00	508943.90
INCREASE / DECREASE IN STOCK	(51326.44)	(674889.20)
TOTAL :	2094289.26	(113985.33)
B. EXPENDITURE:		
PURCHASES OF SHARES	634520.26	130650.80
PAYMENT & PROV. FOR EMPLOYEES	12 536996.00	246000.00
ADMINISTRATIVE & OTHER EXPENSES	13 907365.96	227185.98
DEPRECIATION	19898.47	21109.42
AUDITORS' REMUNERATION	16545.00	16854.00
TOTAL :	2115325.67	641800.20
PROFIT/(LOSS) FOR THE YEAR	(21036.41)	(755785.53)
PROFIT/(LOSS) AFTER TAX	(21036.41)	(755785.53)
ADD: PROVISION WRITTEN BACK	0.00	0
DEFERRED TAX ASSETS	0.00	0
PROVISION FOR FBT	0.00	3210.97
PROFIT/ (LOSS) AFTER PROVISION	(21036.41)	(758996.50)
ADD : BALANCE PROFIT /(LOSS) C/F	(18305751.81)	(17546755.33)
BALANCE CARRIED TO BALANCE SHEET	(18326788.22)	(18305751.81)
NOTES ON ACCOUNTS	14	

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED HERewith

Place: PATNA
Date: 28TH August,2010For S. K. Nayak & Co.
Chartered AccountantsManoj Kr. Saraf
(DIRECTOR)Sanjeev Kr. Saraf
DIRECTOR)Suman Kumar Nayak
Partner
M. No. 73290

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE '1' - SHARE CAPITAL		
<i>AUTHORISED</i>		
5000000 (PREVIOUS YEAR - 5000000) EQUITY SHARES OF Rs. 10/- EACH	50000000.00	50000000.00
<i>ISSUED, SUBSCRIBED & PAID - UP</i>		
4250200 (PREVIOUS YEAR 4250200) EQUITY SHARES OF Rs. 10/- EACH	42502000.00	42502000.00
<i>LESS : CALLS IN ARREARS</i>		
FROM DIRECTORS	0.00	
FROM OTHERS	783000.00	
TOTAL :	41719000.00	41719000.00
SCHEDULE '2' - RESERVES AND SURPLUS		
<i>GENERAL RESERVE</i>		
BALANCE B/F	45000.00	45000.00
ADD. TRANSFERRED FROM PROFIT	0.00	0
TOTAL :	45000.00	45000.00
SCHEDULE '4' - INVESTMENTS (AT COST)	102449990.60	10449337.70

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE '5' - INVENTORIES		
(AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)		
SHARES (AT COST OR MARKET VALUE WHICHEVER IS LESS)	1019098.36	1070424.80
TOTAL :	1019098.36	1070424.80
SCHEDULE '6' - SUNDRY DEBTORS		
(UNSECURED CONSIDERED GOOD)		
DEBTS OUTSTANDING FROM OTHERS FOR A PERIOD EXCEEDING SIX MONTHS	617650.00	1009167.83
LESS:- PROV. FOR BAD & DOUBTFUL DEBTS	0.00	0
DEBTS OUTSTANDING FROM DIRECTORS EXCEEDING 6 MONTHS	617650.00	1009167.83
TOTAL :	617650.00	1009167.83
SCHEDULE '7' - CASH AND BANK BALANCES		
CASH-IN-HAND	561580.23	709510.27
CANARA BANK	10539.81	20578.21
HDFC BANK	19176.30	261018.95
TOTAL :	591296.34	991107.43

Manoj Kr. Saraf
(DIRECTOR)Sanjeev Kr. Saraf
(DIRECTOR)For S. K. Nayak & Co.
Chartered AccountantsSuman Kumar Nayak
Partner
M. No. 73290

2009-10

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

SCHEDULE '3' - FIXED ASSETS

P A R T I C U L A R S	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K			
	% OF	AS ON	ADDITIONS	SALES/	UP TO	PROVIDED	SALES/	TOTAL	AS ON	AS ON
	DEP.	01.04.2009	DURING	ADJUST	31.03.2010	DURING	ADJUST		31.03.2010	01.04.2009
			THE YEAR	-MENT		THE YEAR	-MENT			
AIR CONDITIONER	13.91	161600.00	25000.00	0.00	186600.00	127195.33	7684.00	0.00	134879.33	51720.67
COMPUTERS & TYPEWRITERS	40.00	3390639.30	0.00	0.00	3390639.30	3384407.57	2492.69	0.00	3386900.26	3739.04
FAX	13.91	55200.00	0.00	0.00	55200.00	50230.53	691.25	0.00	50921.78	4278.22
FURNITURE & FIXTURES	18.10	150610.00	0.00	0.00	150610.00	140995.48	1740.23	0.00	142735.71	7874.29
VOLTAGE STABILISERS	13.91	64500.00	0.00	0.00	64500.00	58198.60	876.52	0.00	59075.12	5424.88
OFFICE EQUIPMENTS	13.91	38386.00	0.00	0.00	38386.00	35537.06	396.29	0.00	35933.35	2452.65
BOOKS & DIRECTORIES	13.91	283230.00	0.00	0.00	283230.00	249999.48	4622.36	0.00	254621.84	28606.16
ELECTRIC EQUIPMENTS	13.91	56857.00	0.00	0.00	56857.00	55808.41	145.86	0.00	55954.27	902.73
MOTOR CAR	25.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PHOTO COPIER	13.91	68694.00	0.00	0.00	68694.00	61037.86	1064.97	0.00	62102.63	6591.17
PAGER	13.91	8695.00	0.00	0.00	8695.00	7370.22	154.28	0.00	7554.50	1140.50
TOTAL :		4278411.30	25000.00	0.00	4303411.30	4170780.54	19898.47	0.00	4190678.99	112732.31
FIGURES FOR THE PREV.YR.:		4823300	0.00	544899.00	4278411	4689157	21109	539486	4170781	107631

Manoj Kr. Saraf
(DIRECTOR)Sanjeev Kr. Saraf
(DIRECTOR)

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

		AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<u>SCHEDULE '8' - LOANS AND ADVANCES</u>			
(LOANS UNSECURED BUT CONSIDERED GOOD)			
LOANS AND ADVANCES (RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED) 10291315.94 9475291			
LESS:- PROV. FOR BAD & DOUBTFUL 4320728			
DEBTS 4320727.83 5970588.11 5154563			
ADVANCE FOR CAR 0.00 96000			
ADVANCE TAX 4392.03 7603			
TDS (RECIVABAL)-2009-10 14812.00			
TDS 24158.00 24158			
SECURITY DEPOSIT 203000.00 203000			
SECURITY DEPOSIT (PHONE) 7000.00 7000			
TDS (F.Y. 05-06) 140250.00 140250			
TDS (F.Y. 08-09) 41939.00 41939			
SHARE APPLICATION MONEY 16280.00 16280			
TOTAL :		6422419.14	5690793
<u>SCHEDULE '9' - CURRENT LIABILITIES & PROVISION</u>			
SUNDRY CREDITORS (FOR PURCHASES) 70304.00 335682			
LIABILITIES FOR EXPENSES 261170.97 285032			
TOTAL :		331474.97	620714
<u>SCHEDULE '10' - MISCELLANEOUS EXPENDITURE</u>			
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
<u>PROFIT & LOSS ACCOUNT</u>			
LOSS B/F 18305751.81 17546755			
LESS/ADD :PROFIT / LOSS FOR THE YE. 21036.41 758996			
TOTAL :		18326788.22	18305752
Manoj Kr. Saraf		Sanjeev Kr. Saraf	
(DIRECTOR)		(DIRECTOR)	

SCHEDULES ATTACHED TO AND FORMING PART OF THE P&L ACCOUNT

	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE '11' - OTHER INCOME		
DIVIDEND RCVD.	30985.00	41650
DISCOUNT ON SHARE BROKERAGE	0.00	0
BROKERAGE	0.00	15
INTEREST RECEIVED	768030.00	452142
P & L A/C	0.00	2184
PROFIT FROM SALE OF MOTAR CAR	0.00	12953
TOTAL :	799015.00	508944
SCHEDULE '12' - PAYMENT TO & PROVISION (FOR EMPLOYEE)		
SALARY & ALLOWANCES	536996.00	246000
TOTAL :	536996.00	246000
SCHEDULE '13' - ADMINISTRATIVE & OTHER EXPENSES		
ACCOUNTING FEE	16000.00	0
ACCOUNTING CHARGES	48000.00	
AGM EXP.	18245.00	
BANK CHARGES	662.00	1044
COMPANY SECRETARY FEE.	4000.00	
COMMUNICATION CHARGES	24642.00	42328
CORPORATION TAX	250.00	0
COST OF SOFTWARE	0.00	0
DEMATRILIZATION CHARGES	2000.00	1000
ELECTRICITY EXPENSES	0.00	0
FOODING & LODGING	0.00	6342
MISC. EXPS	4999.40	2131
LEGAL FEE	17482.00	36793
NEWSPAPERS & PERIODICALS	12496.00	8999
POSTAGE & TELEGRAMS	15000.00	0
PRINTING & STATIONERY	34000.00	62000
RENT	48000.00	0
REPAIRS & MAINTENANCE TO:	0.00	0
CAR	0.00	0
OTHERS	26690.00	0
DEMAT CHARGES	5860.49	1260
LOCAL CONYVANCE	5069.00	7134
BAD DEBTS	96000.00	2715
LISTING FEE	10000.00	15808
PROFESSIONAL FEE	0.00	6250
TRAVELLING & CONVEYANCE EXP.	103506.21	13150
F.B.T INTEREST	0.00	351
STAFF WELFAIR	36059.00	
SPECULATION (P/L)	335789.86	
INSURANCE CHARGES	0.00	0
ROC FILING FEE	19000.00	15000
MAINT. CHARGES	0.00	2839
OFFICE EXP.	23615.00	2042
TOTAL :	907365.96	227186

Manoj Kr. Saraf
(DIRECTOR)

Sanjeev Kr. Saraf
(DIRECTOR)

NOTES ON ACCOUNTS

SCHEDULE: 14

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31STMARCH, 2010.

(A) ACCOUNTING POLICIES

1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with generally accepted accounting principles and the provision of Companies Act, 1956.

1.2. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised.

1.3. DEPRECIATION

Depreciation is provided as per w.d.v. method on the rates prescribed by schedule XIV of the Companies Act, 1956, on a pro-rata basis. The fixed assets include other incidental expenses incurred up to the date of commissioning of such Assets.

1.4. INVESTMENT

Investments are valued at cost of acquisition. These are meant for long-term holding.

1.5. INVENTORIES

Inventories consist of shares of various companies held for the purpose of trading. These have been valued at cost or market price whichever is less.

1.6. CONTINGENT LIABILITY

Contingent liabilities are not provided for in the accounts and are shown separately in the notes on account if any.

1.7. GRATUITY

No provision of gratuity has been made. It will be accounted for in the books as and when it is actually paid.

1.8. Deferred Tax

Income Tax expenses comprise current tax and deferred tax charges or release. The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty or realization or such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty or realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

1.9. REVENUE RECOGNITION

1.9.1. Income is recognized on accrual basis except dividend received on an investment which is accounted for as and when received.

1.9.2. Underwriting commission, if received, is accounted for as and when received.

1.9.3. Other miscellaneous receipts, if any, is recognised as and when the same is received.

1.10. TAXATION

Provision of taxation is based on current applicable rates of taxes after claiming allowable deductions.

MANOJ KR. SARAF
DIRECTOR

SANJEEV KR. SARAF
DIRECTOR

1.10. TAXATION

Provision of taxation is based on current applicable rates of taxes after claiming allowable deductions.

(B) CONTINGENT LIABILITY NOT PROVIDED FOR

Claims against the Company not acknowledged as debt. Rs. Nil. (Previous year : Nil.)

Liability for uncalled amount on 6800 partly paid up equity shares of Punsumi Foils & Components Ltd held as investment amounting to Rs.34,000.

The liability for the dividend received on shares already sold by the Company but not transferred in the name of buyers.

(C) NOTES ON ACCOUNTS

3.1 Market value of quoted investment is Rs. 876047.70 as on 31st March 2010. However, the quoted investment is taken in balance sheet at a cost of Rs 10244990.60. No provision for diminution of Rs. 9368942.90 in the value of the quoted investment has been made in the accounts as the management is of the opinion that the diminution in value is of temporary nature and investment is meant to be held for long term.

3.2 The Company has diversified into the business of software development and other related business and the management is of the opinion that the same is within the objects of the Company relating to information technology business.

3.3 The details of auditors remuneration is as under :

Statutory Audit Fee	Rs. 16545.00
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3.4 Balance of sundry debtors and sundry creditors are subject to confirmation.

3.5 The Company had applied to RBI for grant of a certificate of registration under section 451A of the RBI Act, 1934 on 5th July 1997, which was rejected by the RBI. The Company has not made any fresh application to the RBI.

3.6 The Company has not paid fully the Listing Fee nor provided for the same in the Accounts.

3.7 As per the legal opinion received by the Company, Section 370 and 372 of the Companies Act, 1956 are not applicable to the Company.

3.8 There was no employees receiving remuneration exceeding the limits laid down in section 217 (2A) of the Companies Act, 1956.

3.9 Disclosures as required by the Accounting standard - 18 on "Related Party

Disclosures are given below: -

A. Names of related parties and description of relationships

i). Parties where control exists: -

Ms Online Broking Services Ltd.

ii). Key management personnel & their relatives:

Directors:

- Manoj Kumar Saraf
- Sushil Kumar Sureka
- Rajeev Kumar Saraf
- Sanjeev Kumar Saraf

Relatives:

Sangita Devi Saraf

iii). Enterprises over which persons referred in (ii) above, or their relatives, are able to exercise significant influence.

-Third Eye Communication (P) Ltd.

-Nature Green Agri (P) Ltd.

-Bgates Infotach System Integrators (P) Ltd.

-Saraf Ergonomics (P) Ltd.

-Ms IT Solution

- Lepton Software Exports Pvt Ltd

MANOJ KR. SARAF
DIRECTOR

SANJEEV KR. SARAF
DIRECTOR

MS SECURITIES LIMITED

Cash Flow Statement for the year ended 31.03.2010 pursuant to clause 32 of Listing Agreement

	<i>(Amt. in Rs.)</i>
	2009-10
A. Cash Flow from Operating Activities	
Net Profit before tax as per Profit and Loss Account	(21,036.41)
Adjusted for:	
Preliminary exps.	-
Other Adjustment	-
Depreciation	19,898.45
Taxation	1,290.00
	152.04
Operating Profit before Working Capital Changes	
Adjusted for:	
Inventories	51,326.44
Loans & Advances	(7,32,915.78)
Sundry Debtors	3,91,517.83
Other Advances	-
Sundry Liabilities	(2,89,238.72)
Cash Generated from Operations	(5,79,158.19)
B. Cash Flow from Investing Activities	
Addition to Fixed Assets	(25,000.00)
Maturity of Investments	2,04,347.10
Share Application money	-
Sale of Fixed Assets	-
Net Cash Used in Investing Activities	1,79,347.10
C. Cash Flow from Financing Activities	
Fresh issue of Share Capital	-
Securities Premium on Share Capital	-
Share Application Money	-
Secured Loan	-
Unsecured Loan	-
Net Cash from Financing Activities	-
Net Increase / (Decrease) in Cash and Cash Equivalents	(3,99,811.09)
Opening Balance of Cash and Cash Equivalents	9,91,107.43
Closing Balance of Cash and Cash Equivalents	5,91,296.34
	5,91,296.34

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :			
REGISTRATION NO.	03-04781	STATE CODE:	03
BALANCE SHEET DATE:	31.3.2010		
II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. '000)			
PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL
III. POSITION OF MOBILISATION OF FUND (Amount in Rs. '000)			
TOTAL LIABILITIES	41764.00	TOTAL ASSETS	41764.00
SOURCE OF FUND:			
PAID UP CAPITAL	41719.00	RESERVES & SURPLUS	45.00
SECURED LOAN	NIL	UNSECURED LOAN	NIL
APPLICATION OF FUND:			
NET FIXED ASSETS	112.73	INVESTMENTS	10244.99
NET CURRENT ASSETS	13079.49	MISC. EXPENDITURE	0.00
ACCUMULATED LOSSES	(18325.49)		
IV. PERFORMANCE OF COMPANY (Amount in Rs. '000)			
TOTAL INCOME	2094.28	TOTAL EXPENDITURE	2115.32
PROFIT/(LOSS) BEFORE TAX	(21.04)	PROFIT/LOSS AFTER TAX (19.74)	
EARNING PER SHARE	NIL	DIVIDEND RATE	NIL
V. GENERIC NAME			
ITEM CODE NO.:	A		
PRODUCT DESCRIPTION:	TRADING IN SHARE INVESTMENT & CORPORATE FINANCING PROFESSIONAL & FINANCIAL CONSULTANCY SOFTWARE DEVELOPMENT		

Date : The 28th August 2010
Place : Patna

For S.K. NAYAK & CO.
CHARTERED ACCOUNTANTS

MANOJ KR. SARAF
DIRECTOR

SANJEEV KR. SARAF
DIRECTOR

(SUMAN KUMAR NAYAK)
PARTNER



MS SECURITIES LIMITED

Regd. Off. : 601-B, Ashiana Plaza, Budh Marg, Patna (Bihar) 800 001

Head Off. : 32, Vaibhav Apartment, Budh Marg, Patna (Bihar) 800 001

Tel. : 91-612-3298301 email : mssl.patna@gmail.com

PROXY FORM

MS SECURITIES LIMITED

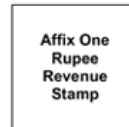
Regd. Office : 601-B, Budh Marg, Patna 800 001
Head Office : 32, Vaibhav Apartment, Budh Marg, Patna 800 001

L. F. No.
NO. OF SHARES HELD

I/We
of being a member/members of MS Securities
Ltd. hereby appoint
of
or failing him or
failing him as my/
our proxy to attend and vote for me/us on my/our behalf at the Eighteenth Annual General Meeting
to be held on Thursday, 30th day of September, 2010 at 10-00 a.m. at 32, Vaibhav Apartment, Budh
Marg, Patna 800 001 and at any adjournment thereof.

Dated this.....day.....2010

Signature.....



NOTE :

1. The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the meeting.
2. The Proxy need not be a member of the Company.

----- Tear here -----

ATTENDANCE SLIP

MS SECURITIES LIMITED

Regd. Office : 601-B, Budh Marg, Patna 800 001
Head Office : 32, Vaibhav Apartment, Budh Marg, Patna 800 001

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
ONLY SHAREHOLDERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.**

NAME AND ADDRESS OF THE SHAREHOLDER
.....
.....
.....

LF NO.
.....

No. of Shares held :

I hereby record my presence at the Eighteenth Annual General Meeting of the Company held on
Thursday, 30th day of September, 2010 at 10-00 a.m. at 32, Vaibhav Apartment, Budh Marg, Patna 800
001

Signature of the Shareholder or Proxy

Note : Shareholder/Proxy holder desiring to attend the meeting are requested to bring their copy
of the Annual Report for reference at the Meeting.