



MS SECURITIES LIMITED

Your Partner in Growth

INVESTING

19TH ANNUAL REPORT 2010-11



MS SECURITIES LIMITED

BOARD OF DIRECTORS

Manoj Kumar Saraf , Chairman
Sanjeev Kumar Saraf, Director
Mahendra Kumar Choudhary, Director
Sushil Kumar Sureka, 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:
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601-B, Ashiana Plaza Budh Marg Patna 800 001	32, Vaibhav Apartment Budh Marg Patna 800 001
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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Nineteenth 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 Friday, the 30th day of September, 2011 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, 2011 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. Sanjeev Kumar Saraf and Mahendra Kumar Choudhary 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.
4. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its circulars nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send documents including Annual Report to their Members electronically as part of its green initiative in corporate governance.

To enable the Company to support this green initiative of the Government in full measure, Members who not registered /updated their e-mail addresses, so far, are requested to register their e-mail address via an e-mail to investor@mssl.co.in.

By Order of the Board

Manoj Kumar Saraf
Chairman

Place: Patna

Dated: 29th August, 2011

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, 2011 to 29th September, 2011 (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.

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

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DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors has pleasure in presenting before you the ANNUAL REPORT together with Audited Statement of Accounts for the year ended 31st March 2011. The financial statements for the year 2010-11, 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.	86,353.43
Provision for Taxation /Tax Expense	Rs.	10,480.00
Deferred Tax Exps / Savings	Rs.	1,537.00
Profit or Loss after Tax	Rs.	77,410.43
Profit or (Loss) B/F from Pervious year	Rs.	(18,325,498.22)
Profit or Loss C/F to Balance Sheet	Rs.	(18,248,087.81)

2. PERFORMANCE

Your Directors are pleased to inform you that the company has earned a good profit during the year. The excellent work will continue in current year also and the Directors are very positive that the growth rate will be maximized.

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 2011-12 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.

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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, 2011 and of the Profit or Loss of the company for the year ended 31st March, 2011.
- 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 defecting fraud and other irregularities; and
- iv) The Directors have prepared the annual accounts ongoing concern basis.

8. COMPOSITION OF BOARD OF DIRECTORS

There is no change in the composition of the Board of Directors. Sri Sanjeev Kumar Saraf and Sri Mahendra Kumar Choudhary 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 Sushil Kumar Sureka and Sri Mahendra Kumar Choudhary.

9. 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
M/s MS Securities Ltd

-Sd-
Manoj Kumar Saraf
Director

Date : 29/08/2011
Place : Patna

MS SECURITIES LIMITED

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 2011, 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 :29th August,2011

Place: Patna

For S. K. Nayak & Co.
Chartered Accountants
FRN. 004316C

Suman Kumar Nayak
Partner
M. No. 73290

MS SECURITIES LIMITED

Corporate Governance Report for the year ended 31.03.2011 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 four directors. Except (1) Shri Manoj Kumar Saraf and (2) Shri Sanjeev Kumar Saraf and other Shri Sushil Kumar Sureka and Shri Mahendra Kumar Choudhary are non-executive and independent Directors.

The composition of and the category of directors on the Board of the Company as on 31st March, 2011 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
Shri Sushil Kumar Sureka	Independent Director
Shri Mahendra Kumar Choudhary (Appointment w.e.f. 26.08.2010)	Independent Director

NOTES

- None of the Directors has any business relationship with the Company.
- None of the Directors received any loan and advances from the Company during the year.
- 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
 - the Company
 - the financial statements.
 - compliance with laws
 - 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. 2010-2011 on 29.04.2010, 15.05.2010, 05.07.2010, 26.08.2010, 28.08.2010, 15.09.2010, 30.09.2010, 29.10.2010, 13.01.2011 and 16.02.2011. The maximum time gap between any two meetings was 75 days and the minimum gap was 2 days.

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Attendance at Board Meetings held during 2010-2011 and at the last A.G.M held on 30.09.2010

<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	9	Present	
Shri Sanjeev Kumar Saraf	9	Present	
Shri Rajat Banka	3	Present	
Dr. Rajeev Kumar Saraf	3	Present	
Shri Sushil Kumar Sureka	10	Present	
Shri Mahendra Kumar Choudhary	6	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 90 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 48 years, is a commerce graduate having 27 years of experience in the Capital Market related activities, is the Chairman of the Company. He was also an ex-director/treasurer of Magadh Stock Exchange Association Patna.
- Shri Sanjeev Kumar Saraf:**
Aged 46 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 24 years. He is a member of the Bhubaneshwar 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)
- Shri Rajeev kumar Saraf** is a B.Tech. from IIT Kharagpur and subsequently did his M.Tech. and Ph.D. from Venderbilt University, Tennesse, USA.
(Ceased w.e.f. 26/08/2010)
- Shri Mahendra Kumar Choudhary (Independent Director)**
A veteran in legal and taxation matters with experience over 25 years.
(Appointed w.e.f. 26/08/2010)

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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 10 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 and Shri Mahendra Kumar Choudhary (non-executive 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

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(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 vice 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 31.03.2011.

(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 31.03.2011 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.	Shri Mahendra Kumar Choudhary	Nil	(Appointed 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 (non-executive independent Director) as Chairman and Shri Mahendra Kumar Choudhary 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.

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As on March 31st 2011, 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 2010-11.”

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: Friday 30th September 2011
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 2011-2012

Unaudited Results for the first quarter ended June 30, 2011	: On or before 31.07.2011
Unaudited Results for the second quarter ended September 30, 2011	: On or before 30.10.2011
Unaudited Results for the 3 rd Quarter ended December 31, 2011	: On or before 31.01.2012
Unaudited Results for the 4 th Quarter 2011-12	: On or before 30.04.2012
Audited Results for the Financial Year 2011-12	: On or before 31.08.2012
Date of Book Closure: 24th September 2011 to 29th September 2011 (Both days inclusive)	

REGISTRAR AND TRASFER AGENTS (RTA)

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MS SECURITIES LIMITED

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: investor@mssl.co.in. 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.

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Top 10 Shareholders as on 31st March 2011

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 31/03/2011	%	No. of Shares As on 31/03/2010	%
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 31/03/2011	%	No. of Shares As on 31/03/2010	%
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

MS SECURITIES LIMITED

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 2011, 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 over all 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 book 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.

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- e. On the basis of the written representations received from the directors of the Company as at 31.3.2011 and taken on records by the Board of Directors, we report that no director is 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.1.10 regarding non-accounting of certain income/ expenses on accrual basis.
 - ii. 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.92,92,725.10.
 - iii. Note no. 3.2 regarding diversification of business of the Company in the area of the software development and other related activities.
 - iv. Note no.3.6 regarding rejection of application by RBI for registration under Reserve Bank of India Act, 1934.

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, 2011 and
2. In the case of the Profit & Loss Account of the loss for the year ended on 31stMarch 2011.
3. In the case of the Cash Flow Statement for the year ended on 31stMarch 2011.

Date: The 29th August, 2011

Place: Patna

For S. K. Nayak & Co.
Chartered Accountants
FRN. 004316C

Suman Kumar Nayak
Partner
M. No. 73290

MS SECURITIES LIMITED

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
2011.

- i) a.) The company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
b.) 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.
c.) The Company has not disposed off any Fixed Asset during the financial year 2005-06.
- ii) a.) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b.) 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.
c.) The company has maintained proper records of inventory and as explained to us no any material discrepancies were noticed during the year.
- iii) In respect of the 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.) The company has been granted any interest free unsecured loan to MS Online Broking Services Ltd., Saraf Ergonomics Fin. Serv. Pvt. Ltd., and Third Eye Communications Pvt. Ltd., required to be listed in the register maintained u/s 301 of the company Act, 1956. The balance outstanding of such Parties as on 31st March, 2011 is Rs. 35,40,000.00, 45,80,000.00 and 13,25,000.00 respectively. In Our Opinion, the rate of interest and other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 of The Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - b.) The Company has not taken any loan, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv) 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.
- v) Based upon the audit procedures and according to the information and explanations given to us, we are of the opinion that the transaction need to be entered into the register maintained under section 301 of the company Act.1956 have been so entered.
- vi) Not applicable as the company has not accepted any deposits from the public.
- vii) 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.
- viii) We are informed that the maintenance of cost record has been prescribed by the central Govt. under section 209 (i) (d) of the companies Act,1956.

MS SECURITIES LIMITED

- ix) a.) 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, 2011 for the period of more than six months from the date it become payable.
- b.) As explained to us, no any dispute is pending in which any amount on account of disputed is payable.
- x) 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. 92,92,725.10, the accumulated losses of the company would have become Rs. 2,75,30,332.91 which would then exceed 50% of its net worth as on 31st March,2011.
- xi) Not Applicable, as no such loans have been taken by the company.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of Share, Debenture and other securities.
- xiii) Not applicable to the company as it does not carry on the activities of chit fund/ nidhi/ mutual benefit fund/ societies;
- xiv) 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.
- xv) The company has not given any guarantee for loan taken by other from banks of financial institutions.
- xvi) Not applicable because no any term loans were taken.
- xvii) No fund raised on short-term basis, has been used for long-term investment and vice versa.
- xviii) No allotments of Shares have been made by company during the period under reporting.
- xix) No debentures have been issued by the company during the financial year 2010-11.
- xx) Not applicable as the company has not made any public issue during the year.
- xxi) 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: 29th August, 2011

Place: Patna

For S. K. Nayak & Co.
Chartered Accountants
FRN. 004316C

Suman Kumar Nayak
Partner
M. No. 73290

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MS SECURITIES LIMITED

BALANCE SHEET AS ON 31ST MARCH 2011

PARTICULARS	SCH	FIG. FOR THE CURRENT YEAR.		FIGURES FOR THE PREV YEAR
		AMOUNT(Rs.)	AMOUNT(Rs.)	
1.SOURCES OF FUNDS				
I) SHARE HOLDER'S FUND				
a) SHARE CAPITAL	1	4,17,19,000.00		4,17,19,000.00
b) RESERVE & SURPLUS	2	45,000.00	4,17,64,000.00	45,000.00
TOTAL:			4,17,64,000.00	4,17,64,000.00
1.APPLICATION OF FUNDS				
1. FIXED ASSETS	3			
GROSS BLOCK		43,03,411.30		43,03,411.30
LESS: DEPRECIATION		42,07,665.48		41,90,678.99
NET BLOCK			95,745.82	1,12,732.31
2. INVESTMENT(AT COST)	4		1,13,06,093.60	1,02,44,990.60
3. DEFFERED TAX ASSETS			2,827.00	1,290.00
4. CURRENT ASSETS,LOAN & ADVANCES				
INVENTORIES	5		9,20,099.38	10,19,098.36
SUNDRY DEBTORS			-	6,17,650.00
DETAILS OF CASH & BANK BALANCE	6		20,52,100.47	5,91,296.34
APPLICATION MONEY IN COMPANIES			25,65,500.00	47,60,500.00
LOANS & ADVANCES	7		71,78,557.20	64,22,419.14
			1,27,16,257.05	1,34,10,963.84
LESS: CURRENT LIABILITIES & PROVISIONS	8		6,05,011.26	3,31,474.97
NET CURRENT ASSETS			1,21,11,245.79	1,30,79,488.87
MISCLLANEOUS EXPENDITURE (TO THE EXTENT OF NOT WRITTEN OFF OR ADJUSTED)	9		1,82,48,087.79	1,83,25,498.22
TOTAL:			4,17,64,000.00	4,17,64,000.00

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS

13

The Schedule referred to above and Notes attached form an integral part of Balance Sheet.

AS PER OUR REPORT OF EVEN DATE

DATE : 29.08.2011

For S. K. Nayak & Co.
Chartered Accountants
FRN. 004316C

PLACE : PATNA

MANOJ KR. SARAF
DIRECTOR

SANJEEV KR. SARAF
DIRECTOR

Suman Kumar Nayak
Partner
M. No. 73290

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MS SECURITIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICLARS	SCH	FIG. FOR THE CURRENT YEAR		FIGURES FOR THE PREV YEAR
		AMOUNT(Rs.)	AMOUNT(Rs.)	
INCOME :				
SALES OF SHARES			19,75,354.58	13,46,600.70
OTHER INCOME	10		6,64,460.71	7,99,015.00
INCREASE/DECREASE IN STOCK			(98,998.98)	(51,326.44)
TOTAL:			25,40,816.31	20,94,289.26
EXPENDITURE :				
PURCHASE OF SHARES			12,02,350.10	6,34,520.26
PAYMENT TO & PROVISION(FOR EMPLOYEE)	11		6,17,224.00	5,36,996.00
ADMINISTRATIVE & OTHER EXPENSES	12		6,01,357.29	9,07,365.96
DEPRECIATION	3		16,986.49	19,898.47
AUDITORS REMUNERATION			16,545.00	16,545.00
			24,54,462.88	21,15,325.69
NET PROFIT BEFORE TAX			86,353.43	(21,036.43)
PROVISION FOR INCOME TAX			(10,480.00)	-
DEFFERED TAX ASSETS			1,537.00	1,290.00
NET PROFIT AFTER TAX			77,410.43	(19,746.43)
<i>ADD: BROUGHT FORWARD FROM PREVIOUS YEAR</i>			(1,83,25,498.24)	(1,83,05,751.81)
BALANCE CARRIED TO BALANCE SHEET			(1,82,48,087.81)	(1,83,25,498.24)
NOTES ON ACCOUNT	13			

The Schedules referred to above and Notes attached form an integral part of the Balance Sheet and Profit and Loss Account.

AS PER OUR REPORT OF EVEN DATE
FOR S.K. NAYAK & CO.
CHARTERED ACCOUNTANTS
FR.No. 004316C

DATE : 29.08.2011

PLACE :PATNA

MANOJ KR. SARAF
DIRECTOR

SANJEEV KR. SARAF
DIRECTOR

(SUMAN KUMAR NAYAK)
PARTNER
M.No. 73290

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MS SECURITIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	FIG. FOR THE CURRENT YEAR		FIGURES FOR THE PREV YEAR
	AMOUNT(Rs.)	AMOUNT(Rs.)	
SCHEDULE-1			
SHARE CAPITAL			
AUTHORISED CAPITAL			
5000000 EQUITY SHARES OF RS. 10 EACH		5,00,00,000.00	5,00,00,000.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL			
(4250200 Equity Shares of Rs.10/- each Fully Paid in Cash)		4,25,02,000.00	4,25,02,000.00
LESS: CALLS IN ARREARS			
FROM OTHERS		7,83,000.00	7,83,000.00
		4,17,19,000.00	4,17,19,000.00
SCHEDULE -2			
DETAILS OF RESERVE & SURPLUS			
GENERAL RESERVE		45,000.00	45,000.00
		45,000.00	45,000.00
SCHEDULE-4			
INVESTMENT(AT COST)			
HSBC Miscap Eqty Fund		2,00,000.00	-
Investment in Shares		1,11,06,093.60	1,02,44,990.60
		1,13,06,093.60	1,02,44,990.60
SCHEDULE-5			
INVENTORIES			
(AS TAKEN VALUED AND CERTIFIED BY THE MANAGEMENT)			
SHARES(AT COST OR MARKET VALUE WHICHEVER IS LESS)		9,20,099.38	10,19,098.36
		9,20,099.38	10,19,098.36
SCHEDULE -6			
DETAILS OF CASH & BANK BALANCE			
CASH IN HAND		5,90,240.83	5,61,580.23
BANK ACCOUNT			
CANARA BANK		88,906.06	10,539.81
HDFC BANK		13,72,953.58	19,176.30
		20,52,100.47	5,91,296.34
SCHEDULE-7			
LOANS & ADVANCES			
(LOANS UNSECURED BUT CONSIDERED GOOD)			
LOANS & ADVANCES			
(RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)		1,10,37,370.00	1,02,91,315.94
LESS:-PROVISION FOR BAD & DEBTFUL DEBTS		43,20,727.83	43,20,727.83
		67,16,642.17	59,70,588.11
ADVANCE TAX		4,392.03	4,392.03
TDS RECEIVABLE(2010-2011)		26,364.00	-
TDS(RECEIVABLE) 2009-2010		14,812.00	14,812.00
TDS		24,158.00	24,158.00
TDS(F.Y-05.06)		1,40,250.00	1,40,250.00
TDS(F.Y-08.09)		41,939.00	41,939.00
SHARE APPLICATION MONEY		-	16,280.00
SECURITY DEPOSITS		2,03,000.00	2,03,000.00
SECURITY DEPOSITS(PHONE)		7,000.00	7,000.00
		71,78,557.20	64,22,419.14

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MS SECURITIES LIMITED

SCHEDULE-8		
CURRENT LIABILITIES & PROVISION		
SUNDRY CREDITORS	47,545.00	70,304.00
LIABILITIES FOR EXPENSES	5,46,986.26	2,61,170.97
PROVISION FOR TAXATION	10,480.00	-
	6,05,011.26	3,31,474.97
SCHEDULE-9		
MISCELLANEOUS EXPENDITURE (TO THE EXTENT OF NOT WRITTEN OFF OR ADJUSTED)		
PROFIT & LOSS A/C		
LOSS B/F	1,83,25,498.22	1,83,05,751.79
LESS/ADD:PROFIT & LOSS FOR THE YEAR	77,410.43	(19,746.43)
	1,82,48,087.79	1,83,25,498.22
SCHEDULE-10		
OTHER INCOME		
DIVIDEND RECEIVED	71,089.71	30,985.00
INTEREST RECEIVED	5,93,371.00	7,68,030.00
	6,64,460.71	7,99,015.00
SCHEDULE-11		
PAYMENT TO & PROVISION(FOR EMPLOYEE)		
SALARY & ALLOWANCES	6,17,224.00	5,36,996.00
	6,17,224.00	5,36,996.00
SCHEDULE-12		
ADMINISTRATIVE & OTHER EXPENSES		
ACCOUNTING FEE	-	48,000.00
AGM EXPENSES	-	18,245.00
ACCOUNTING CHARGES	-	16,000.00
BANK CHARGES	430.00	662.00
COMPANY SECRETARY FEE	5,600.00	4,000.00
COMMUNICATION CHARGES	16,786.00	24,642.00
ELECTRICITY CHARGES	29,110.00	-
CORPORATION TAX	250.00	250.00
SHARE TRANSACTION TAX	3,880.89	-
DEMATRIZATION CHARGES	-	2,000.00
MISC. EXPENSES	1,880.00	4,999.40
LEGAL FEE	48,390.00	17,482.00
REGISTRAR FEE(S K COMPUTER)	10,000.00	-
NEWSPAPERS & PERIODICALS	10,191.00	12,496.00
POSTAGE & TELEGRAMS	-	15,000.00
REPAIR & MAINTANACE(OTHERS)	-	26,690.00
RENT	-	48,000.00
DEMAT CHARGES	2,390.00	5,860.49
PRINTING & STATIONARY EXPENSES	75,676.40	34,000.00
TDS INTEREST PAID	186.00	-
LOCAL CONVEYANCE	1,49,516.00	5,069.00
BAD DEBTS	-	96,000.00
LISTING FEE	42,143.00	10,000.00
TRAVELLING & CONVEYANCE	2,00,428.00	1,03,506.21
STAFF WELFARE	-	36,059.00
SPECULATION(P/L)	-	3,35,789.86
ROC FILING FEES	4,500.00	19,000.00
OFFICE EXPENSES	-	23,615.00
	6,01,357.29	9,07,365.96

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MS SECURITIES LIMITED

2010-2011

SCHEDULE -3

DETAILS OF FIXED ASSETS AND DEPRECIATION THEREON AS PER THE COMPANIES ACT, 1956.

PARTICULARS	RATE OF DEP.	GROSS BLOCK		TOTAL AS ON 31.03.11	DEPRECIATION		NET BLOCK		
		OPENING BALANCE	ADDITION DURING THE Yr. DURING THE YEAR		SALE/ ADJ. DURING THE YEAR	DEPRECIATION UP TO 31-03-10	DEP. DURING THE YEAR	TOTAL DEPRECIATION UP TO 31-03-11	AS ON 31.03.2011
AIR CONDITIONER	13.91%	1,86,600.00	-	1,86,600.00	1,34,879.33	7,194.35	1,42,073.68	44,526.32	51,720.67
COMPUTER & TYPEWRITER	40.00%	33,90,639.30	-	33,90,639.30	33,86,900.26	1,495.60	33,88,395.86	2,243.44	3,739.04
FAX	13.91%	55,200.00	-	55,200.00	50,921.78	595.10	51,516.88	3,683.12	4,278.22
FURNITURE & FIXTURES	18.10%	1,50,610.00	-	1,50,610.00	1,42,735.71	1,425.25	1,44,160.96	6,449.04	7,874.29
VOLTAGE STABILIZERS	13.91%	64,500.00	-	64,500.00	59,075.12	754.60	59,829.72	4,670.28	5,424.88
OFFICE EQUIPMENTS	13.91%	38,386.00	-	38,386.00	35,933.35	341.16	36,274.51	2,111.49	2,452.65
BOOKS FOR PROFESSIONAL	13.91%	2,83,230.00	-	2,83,230.00	2,54,621.84	3,979.40	2,58,601.24	24,628.76	28,608.16
ELECTRIC EQUIPMENTS	13.91%	56,857.00	-	56,857.00	55,954.27	125.57	56,079.84	777.16	902.73
PHOTO COPIER	13.91%	68,694.00	-	68,694.00	62,102.83	916.83	63,019.66	5,674.34	6,591.17
PAGER	13.91%	8,695.00	-	8,695.00	7,554.50	158.64	7,713.14	981.86	1,140.50
TOTAL:-		43,03,411.30	-	43,03,411.30	41,90,678.99	16,986.49	42,07,665.48	95,745.82	1,12,732.31

PREVIOUS YEAR FIGURE: -

42,78,411.30

25,000.00

-

43,03,411.30

41,70,780.54

19,898.47

41,90,678.99

1,12,732.31

1,07,630.76

MANOJ KR. SARAF
(DIRECTOR)

SANJEEV KR. SARAF
(DIRECTOR)

MS SECURITIES LIMITED

NOTES ON ACCOUNTS

SCHEDULE: 13

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011.

(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 includes 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. PRELIMINARY EXPENSES

The management has decided to write-off the preliminary expenses on straight-line basis over a period of ten years.

1.10. REVENUE RECOGNITION

1.10.1. Income is recognized on accrual basis except dividend received on investments which is accounted for as and when received.

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

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

Director

Director

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MS SECURITIES LIMITED

1.11. 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. 18,13,368.50 as on 31stMarch 2011. However, the quoted investment is taken in balance sheet at a cost of Rs 1,11,06,093.60. No provision for diminution of Rs. 92,92,725.10 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. 16,545.00
---------------------	---------------
- 3.4 One tenth of Preliminary expenses, public issue expenses and deferred revenue expenses have been written off during the year.
- 3.5 Balance of sundry debtors and sundry creditors are subject to confirmation.
- 3.6 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.
- 3.7 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 No provision for interest receivable has been made on "Advance for Car" as the Company will adjust the same at the time of delivery of car.
- 3.10 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). Key management personnel & their relatives:

Directors:

 - Manoj Kumar Saraf
 - Sushil Kumar Sureka
 - Sanjeev Kumar Saraf
 - Mahendra Kumar Choudhary
 - ii). 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 Financial Services (P) Ltd.
 - Ms Online Broking Services Ltd

Director

Director

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MS SECURITIES LIMITED

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

	Year ended 31 st March 2011 Rs'000	Year ended 31 st March 2010 Rs'000
(a) Subsidiary company: Previous year	1325.00	1532.20
(b) Key Management personal: - Manoj Kumar saraf: Purchase	2.75	0.00
(c) Enterprises, over which persons referred in (ii) above, or their relatives, are able to exercise significant influence: -		
i) Saraf Ergonomics Fin. Serv. Pvt. Ltd.	3540.00	3540.00
ii) Third Eye Communications Pvt. Ltd	1583.31	4580.00

3.11 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.

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

Opening Stock		Purchases	
Nos.	Value	Nos.	Value
985694	1,02,44990.60	8390	8,61,103.00
Sales		Closing Stock	
Nos.	Value	Nos.	Value
100	256	993984	1, 11,06,093.60

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

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

3.15 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.

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

Date: The 29th August, 2011
Place: Patna

For and on behalf of the Board

For S.K. NAYAK & CO.
CHARTERED ACCOUNTANTS

MANOJ KUMAR SARAF SANJEEV KUMAR SARAF
Director Director

(Suman Kumar Nayak)
Partner
M.No. 73290

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MS SECURITIES LIMITED

MS SECURITIES LIMITED

Cash Flow Statement for the year ended 31.03.2011 pursuant to clause 32 of Listing Agreement

		(Amt. in Rs.)	
		2009-10	2010-11
A.	Cash Flow from Operating Activities		
	Net Profit before tax as per Profit and Loss Account	(21,036.41)	86,353.43
	Adjusted for:		
	Preliminary exps.	-	-
	Other Adjustment	-	-
	Depreciation	19,898.45	16,986.49
	Taxation	1,290.00	(10,480.00)
		152.04	92,859.92
	Operating Profit before Working Capital Changes		
	Adjusted for:		
	Inventories	51,326.44	98,998.98
	Loans & Advances	(7,32,915.78)	(7,56,138.06)
	Sundry Debtors	3,91,517.83	6,17,650.00
	Other Advances	-	21,95,000.00
	Sundry Liabilities	(2,89,238.72)	2,73,536.29
	Cash Generated from Operations	(5,79,158.19)	25,21,907.13
B.	Cash Flow from Investing Activities		
	Addition to Fixed Assets	(25,000.00)	-
	Maturity of Investments	2,04,347.10	(10,61,103.00)
	Share Application money	-	-
	Sale of Fixed Assets	-	-
	Net Cash Used in Investing Activities	1,79,347.10	(10,61,103.00)
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)	14,60,804.13
	Opening Balance of Cash and Cash Equivalents	9,91,107.43	5,91,296.34
	Closing Balance of Cash and Cash Equivalents	5,91,296.34	20,52,100.47
		5,91,296.34	20,52,100.47

MS SECURITIES LIMITED

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:	31.3.2011		
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	96	INVESTMENTS	11306
NET CURRENT ASSETS	12111	MISC. EXPENDITURE	0
ACCUMULATED LOSSES	18248	DEFERRED TAX ASSETS	3
IV. PERFORMANCE OF COMPANY (Amount in Rs. '000)			
TOTAL INCOME	2540.82	TOTAL EXPENDITURE	2454.46
PROFIT/(LOSS) BEFORE TAX	86.35	PROFIT/LOSS AFTER TAX	77.41
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 29th August, 2011
Place : Patna

For S. K. Nayak & Co.
Chartered Accountants
FRN. 004316C

Suman Kumar Nayak
Partner
M. No. 73290

MANOJ KUMAR SARAF
Director

SANJEEV KUMAR SARAF
Director

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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 Nineteenth Annual General Meeting
to be held on Friday, 30th day of September, 2011 at 10-00 a.m. at 32, Vaibhav Apartment, Budh Marg,
Patna 800 001 and at any adjournment thereof.

Dated this.....day.....2011

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 Nineteenth Annual General Meeting of the Company held on Friday, 30th day of September, 2011 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.