

MD	✓		BKC	NA
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	NA	-	SHI	✓
YE	✓	-		

MS SECURITIES LIMITED

Your Partner in Growth



6TH ANNUAL REPORT
1997-98

MS SECURITIES LIMITED

BOARD OF DIRECTORS

Manoj Kumar Saraf (*Chairman*)

Sanjeev Kumar Saraf

Dr. Rajeev Kumar Saraf

Sangita Devi Saraf

Sushil Kumar Sureka (*Additional Director*)

AUDITORS

S.K. Nayak & Co.

Chartered Accountants

BANKERS

Canara Bank

Central Bank of India

Hongkong Bank

State Bank of India

The Federal Bank Ltd.

REGISTERED OFFICE

601- B, Ashiana Plaza,

Buddha Marg,

Patna 800 001.

HEAD OFFICE & SHARE DEPARTMENT

32, Vaibhav Apartment,

Buddha Marg,

Patna 800 001.

MS SECURITIES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have the pleasure in presenting the 6th Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 1998

REVIEW OF OPERATIONS & FINANCIAL RESULTS

The total income for the year was Rs.32,74,385. The company suffered a net loss of Rs.11,04,825 after charging depreciation Rs.11,06,276. Despite regression in the financial services business, your company is diversifying and competing for better results in the forthcoming years.

SUBSIDIARY

The Company is a holding company of "MS Online Broking Services Ltd.". Particulars as required to be disclosed under Section 212 of the Companies Act, 1956 has been annexed with the Accounts of the Company.

DIRECTORS

Smt Sangita Devi Saraf retires by rotation and in pursuance of the Articles of Association of the Company and being eligible, offers herself for re-election.

During the year, Sri Pradip Kumar Lath and Mr Rajeev Kumar Pugalia have resigned from the Board because of their preoccupation. Your directors would like to place on record the valuable contributions made by these directors during their tenure.

Mr Sushil Kumar Sureka and Mr Jyoti Kumar have been inducted as Additional Directors during the year and whose term expire at the conclusion of this Annual General Meeting. Notice have been received from members proposing their candidatures as Directors.

AUDITORS

M/S S.K. Nayak & Co., Chartered Accountants, Auditors of the Company hold office till conclusion of the 5th Annual General Meeting and being eligible, are recommended for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, will be within the limits prescribed under Section 224(1) of the Companies Act, 1956.

PERSONNEL

Your Company continues to enjoy a harmonious and healthy relationship with personnel at all levels. As per requirement of Section 217 (2A) of the Companies Act, 1956, we mention that there were no employees receiving remuneration more than the specified limits.

FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year.

STATUTORY INFORMATION

A. Particulars required under Section 217(1)(E) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given below :

1. Part A and Part B pertaining to conservation of energy and technology absorption are not applicable to the Company.

2. Foreign Exchange earnings and outgoings :

NIL

B. Particulars required to be furnished by the Non-Banking Financial Companies (Reserve Bank) Directions, 1977 :

1. Total number of depositors of the Company whose deposits have not been claimed by the depositors or paid by the Company after the date on which the deposits became due for repayments or renewal, as the case may be, according to the contract with the depositor or provisions of these directions, whichever may be applicable, as on 31st March, 1998 :

NIL

2. Total amount due to the depositors and remaining unclaimed or unpaid beyond the date referred to in Part 1 above as on 31st March, 1998 :

NIL

ACKNOWLEDGEMENTS

Your Directors acknowledge the trust reposed in your Company by its Share Holders, Investors, Bankers, Stock Exchanges, Press, Business Associates, Financial Institutions & Clients. The results that your Company has achieved in the year under review, would not have been possible without the cooperation and full support of all the employees and all other concerned. Your Directors place on record their sincere appreciation of the valuable contribution made by the staff of the Company.

For and on behalf of the Board of Directors

sd/-

Place : Patna

Date : 8th August, 1998

Manoj Kumar Saraf
Chairman

AUDITOR'S REPORT

To,
The Members of
MS SECURITIES LIMITED

We have audited the attached Balance Sheet of MS SECURITIES LIMITED as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date annexed thereto and we report that :-

1. As required by the Manufacturing and other companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the annexure, statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :
 - a. We have obtained all information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d. Attention is invited to the following matter :
 - (i) Note no. 5 relating to non-provision of diminution in value of investments in accordance with the requirements of the Standard on Accounting for Investments (AS 13) issued by the Institute of Chartered Accountants of India which has become mandatory from 1st April, 1995.

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 :

- I. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1998;
- and II. In the case of the Profit & Loss Account of the loss for the year ended on that date.

PLACE : PATNA

DATE : 7.8.1998

For S.K. NAYAK & CO.
Chartered Accountants
sd/-
(SUMAN KUMAR NAYAK)
Partner

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS OF MS SECURITIES LIMITED FOR THE YEAR ENDED 31ST MARCH, 1998.

- I. The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- II. None of the fixed assets have been re-valued during the financial year.
- III. Physical verification has been conducted by the management at reasonable intervals in respect of inventories.
- IV. In our opinion, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- V. No discrepancies were noticed on physical verification of stock as compared to book records.
- VI. In our opinion, the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles.
- VII. The Company has not taken any loan from company listed in the register maintained under section 301 of the Companies Act, 1956. Other terms and conditions are not prima facie prejudicial to the interest of the Company.
- VIII. The Company has given interest free unsecured loan to its Subsidiary Company listed in register maintained under section 301 of the Companies Act, 1956 and to other Companies as defined under Sub-Sec (1B) of Section 370 during the year which are prima facie prejudicial to the interest of the Company.

IX. The parties to whom loans and advances have been given by the company are generally repaying the principal and interest amount as stipulated. However as per explanations given to us in case of certain advances made for the purpose of purchase of shares and other fixed assets, the terms of the same have not been stipulated. Hence we are unable to give our opinion whether the same are prejudicial to the interest of the Company or not.

X. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of goods, shares and other assets and for the sale of the same.

XI. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods, materials and services and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the Register maintained Under Section 301 of The Companies Act, 1956 and aggregating during the year to Rs 50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices of such goods, materials or services.

XII. As per information and explanations given to us, there were no unserviceable or damaged stores, raw materials and finished goods. Hence the question for the provision for loss does not arise.

XIII. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.

XIV. In our opinion and according to the information and explanations given to us, the company does not have any realisable scrap or by-product.

XV. The Company has an internal audit system commensurate with its size and nature of its business.

XVI. We are informed that the maintenance of cost records has not been prescribed by the Central Govt. under section 209(1) (d) of the Companies Act, 1956.

XVII. According to the information and explanations given to us, the provisions of Employee's Provident Fund and Employee's State Insurance are not applicable to the Company at present.

XVIII. As per information and explanation given to us, there were no undisputed amounts payable in respect of income tax, sales tax, customs duty and excise duty outstanding as at 31st March, 1998 for a period of more than six months from the date they became payable.

XIX. In our opinion and according to the records of the company and the information and explanations given to us, no personal expenses have been charged to revenue account.

XX. The Company is not a sick Industrial Company within the meaning of clause (O) of the Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

XXI. The Company has not granted loans on the basis of security by way of pledge of shares, debentures and other securities during the year.

XXII. We are informed that the provisions of any special statutes applicable to Chit Funds, Nidhi or Mutual Benefit Society do not apply to the Company.

XXIII. The Company has maintained proper records of transactions and contracts in respect of trading in shares/debentures and timely entries have been made therein. All the shares have been held by the Company in its own name except the shares held as stock in trade for subsequent delivery.

PLACE : PATNA

DATE : 7.8.1998

For S.K. NAYAK & CO.
Chartered Accountants

sd/-
(SUMAN KUMAR NAYAK)
Partner

MS SECURITIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 1998

		AS AT	
		31.03.1998	31.3.1997
SCHEDUL	(Rs.)	(Rs.)	(Rs.)
<u>I. SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS :			
SHARE CAPITAL	1	41719000	41719000
RESERVE & SURPLUS	2	45000	45000
UNSECURED LOAN	3	0	200000
TOTAL :		41764000	41964000
<u>II. APPLICATION OF FUNDS</u>			
FIXED ASSETS :			
GROSS BLOCK	4	4593121	
LESS : DEPRECIATION		2459089	
NET BLOCK		<u>2134032</u>	3232107
GROWTH CLUB IN PROGRESS		742579	692581
INVESTMENTS (AT COST)	5	13887948	13950425
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>			
INVENTORIES	6	2053052	2582966
SUNDRY DEBTORS	7	7844235	7656664
CASH & BANK BALANCES	8	272748	302092
APPLICATION MONEY IN COMPANIES		4757000	4757000
LOANS & ADVANCES	9	8713749	8126914
		<u>23640783</u>	<u>23425636</u>
<u>LESS : CURRENT LIABILITIES & PROVISIONS</u>			
CURRENT LIABILITIES	10	502005	274624
PROVISIONS	11	0	20640
		<u>502005</u>	<u>295264</u>
NET CURRENT ASSETS		23138779	23130372
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	12	1860663	958515
TOTAL :		41764000	41964000
NOTES ON ACCOUNTS			
17			
SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS			
AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED HERewith			

FOR S. K. NAYAK & CO.,

CHARTERED ACCOUNTANTS

sd/-

(SUMAN KUMAR NAYAK)

PARTNER.

PATNA,

THE 7TH DAY OF AUGUST, 1998

MS SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1998

		FOR THE YEAR ENDED 31-03-1998	FOR THE YEAR ENDED 31-03-1997
	SCHEDULE	(Rs.)	(Rs.)
A. INCOME:			
SALES OF SHARES		2409478	5084880
SHARE DIFFERENCE A/C		50153	0
SUB-UNDERWRITING		0	5000
BROKERAGE (RCVD)		3320	0
SUB-BROKERAGE		12495	202614
PROFESSIONAL CHARGES		32000	3500
SHARE TRADING		0	541476
CONSULTANCY FEE		0	3000
INTEREST		939297	861108
OTHER INCOME	13	357555	83681
INCREASE IN STOCK	14	-529914	655483
TOTAL :		3274385	7440742
B. EXPENDITURE:			
PURCHASES OF SHARES		2626039	5471572
SUB BROKERAGE		1875	12020
LOSS ON SALE OF INVESTMENT		31828	34695
LOSS ON SALE OF CAR		58395	0
PAYMENT TO & PROVISION FOR EMPLOY	15	108082	339638
ADMINISTRATIVE & OTHER EXPENSE	16	232038	688040
DEPRECIATION		1106276	599729
AUDITORS' REMUNERATION		12000	12000
PRELIMINARY EXPENSES W/O		15179	15179
DEFERRED REVENUE EXPENSES W/O		12163	12163
PUBLIC ISSUE EXPENSES W/O		175335	175335
TOTAL :		4379209	7360371
PROFIT/LOSS FOR THE YEAR		-1104825	80372
PROVISION FOR TAXATION		0	20640
PROFIT/LOSS AFTER TAX		-1104825	59732
ADD : BALANCE PROFIT FROM LAST YEAR		606310	815451
		-498515	875182
LESS : EARLIER YEAR INCOME TAX PAID		0	48506
		-498515	826676
LESS: ADJUSTMENT FOR CHANGE IN METHOD OF CHARGING DEPRECIATION		0	220367
PROFIT AVAILABLE FOR APPROPRIATION		-498515	606309
APPROPRIATIONS			
BALANCE CARRIED TO BALANCE SHEET		-498515	606309
		-498515	606309

17

NOTES ON ACCOUNTS

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED HERewith
FOR S. K. NAYAK & CO.,

CHARTERED ACCOUNTANTS.

THE 7TH DAY OF AUGUST, 1998
PATNAsd/-
(SUMAN KUMAR NAYAK)
PARTNER.