

# **MS SECURITIES LIMITED**

*Your Partner in Growth*



**7TH ANNUAL REPORT**

**1998-99**

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**BOARD OF DIRECTORS**

Manoj Kumar Saraf (*Chairman*)  
Sanjeev Kumar Saraf  
Dr. Rajeev Kumar Saraf  
Sushil Kumar Sureka

**AUDITORS**

S.K. Nayak & Co.  
Chartered Accountants

**BANKERS**

Canara Bank

MS SECURITIES LIMITED

**REGISTERED OFFICE**

601- B, Ashiana Plaza,  
Buddha Marg,  
Patna 800 001.

**HEAD OFFICE & SHARE DEPARTMENT**

32, Vaibhav Apartment,  
Buddha Marg,  
Patna 800 001.

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## **MS SECURITIES LIMITED**

### **DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have the pleasure in presenting the 7th Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 1999.

#### **REVIEW OF OPERATIONS & FINANCIAL RESULTS**

The company suffered a net loss of Rs.5,05,769 after charging depreciation Rs.6,97,717. Despite regression in the financial services business, your company is diversifying and competing for better results in the forthcoming years.

However, the company has started exploring various avenues in the area of Information Technology and plans to penetrate further in this area to reap the benefits from its experience and available infrastructure.

#### **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**

Shri Sanjeev Kumar 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, Smt. Sangita Devi Saraf had resigned from the Board because of her preoccupation. Your directors would like to place on record the valuable contributions made by her during her tenure.

#### **AUDITORS**

M/S S. K. Nayak & Co., Chartered Accountants, Auditors of the Company hold office till conclusion of the 7th 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.

#### **Y2K COMPLIANCE**

This company has been cognizant of the Y2K issue for quite some time and has planned and taken appropriate and effective steps to address this issue. Barring unforeseen circumstances, the Company is confident of becoming Y2K compliant before November, 1999. In the unlikely event of the Company not being in a position to comply fully with the requirement of Y2K issue before commencement of year 2000, the Company has contingency plans to ensure continuity of its operations without disruption.

#### **INFORMATION AS PER THE REQUIREMENTS OF CLAUSE 31 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

The Company's shares are listed on Magadh Stock Exchange Association, Patna, The Stock Exchange, Mumbai and Calcutta Stock Exchange Assoc. Ltd., Calcutta. Listing annual renewal fee have been paid to all the Stock Exchanges.

**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, 1999 :

NIL

2. Total amount due to the depositors and remaining undaimed or unpaid beyond the date referred to in Part 1 above as on 31st March, 1999 :

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

**Manoj Kumar Saraf**  
Chairman

Date : 9th August, 1999

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## AUDITOR'S REPORT

TO,  
THE MEMBERS OF  
MS SECURITIES LTD.  
PATNA.

We have audited the attached Balance sheet of MS SECURITIES LTD., PATNA as at 31st March, 1999 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 (Auditor's 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 the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of such books.
  - c. The Balance sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - d. The Balance Sheet and Profit & Loss Account comply with in our opinion, the Accounting Standards referred to in sub-section (3 C) of section 211 of the companies Act 1956.
  - e. Attention is invited to the following matters :
    - (i) Note no. 6 relating to non provision of diminution in value of investments.
    - (ii) Note no. 1.2 regarding non accounting of certain income/expenses on accrual basis.
    - (iii) Note no. 7 regarding rejection of application by RBI for registration under Reserve Bank of India Act, 1934.
    - (iv) The company has not complied with the prudential norms relating to income recognition on non performing assets as specified in the direction issued by the R.B.I. in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. If the company had complied with the said directions interest income would be reduced by Rs. 10,65,918.00.
- 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 31st March, 1999 and
  - (2) In the case of the Profit & Loss Account of the loss for the year ended on 31st March 1999.

DATE : 6<sup>th</sup> August, 1999  
PLACE : Patna

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 ON 31ST MARCH,1999.**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the financial year.
3. Physical verification has been conducted by the management at reasonable intervals in respect of inventories.
4. 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 nature of its business.
5. No discrepancies were noticed on physical verification of stock as compared to book records.
6. In our opinion the valuation of stock is fair and proper and in accordance with the normally accepted accounting principals.
7. The company has not taken any loan from company listed in the Register maintained u/s 301 of the Companies Act,1956.
8. The company has not given any interest free unsecured loan to its subsidiary Company listed in Register maintained u/s 301 of the Companies Act,1956 and to other Companies as defined under sub section (1B) of section 370 during the year.
9. 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 the 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.
10. 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.
11. In our opinion and according to the information and explanations given to us, the transaction of purchase of goods, material and services and sale of goods material and services made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the companies Act,1956 and aggregating during the year 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.
12. As per information and explanations given to us there were no unserviceable or damaged stores, raw materials and finished goods. Hence the question for provision for loss does not arise.
13. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of section 58A of the Companies Act,1956 and Companies (acceptance of deposits) rules 1975.

14. In our opinion and according to information and explanations given to us, the company does not have any realisable scrap or by-product.
15. The Company has an internal audit system commensurate with its size and nature of its business.
16. 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.
17. According to the information and explanations given to us, the provision of employee's provident fund and employee's state insurance are not applicable to the company at present.
18. As per information and explanations given to us, there are no undisputed amounts payable in respect of income tax, sales tax, customs duty and excise duty outstanding as at 31 March, 1999 for the period of more than 6 months from the date become payable.
19. 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.
20. Company is not a sick company within the meaning of clause (O) of sub section (1) of section 3 of the sick industrial Companies (Special Provisions) Act, 1985.
21. The Company has not granted loans on the basis of the security by way of pledge of shares, debentures and other securities during the year.
22. We are informed that the provisions of any special statute applicable to chit funds, nidhi or mutual benefit society do not apply to the Company.
23. 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.

FOR S.K. NAYAK & CO  
CHARTERED ACCOUNTANTS

DATE : 6<sup>th</sup> August, 1999  
PLACE : Patna

sd/-  
(SUMAN KUMAR NAYAK)  
PARTNER

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MS SECURITIES LIMITED  
BALANCE SHEET AS ON 31.3.99

PARTICULARS	SCHEDULE	FIG. FOR THE CURRENT YR.		FIGURES FOR PREV YEAR
		AMOUNT(Rs.)	AMOUNT(Rs.)	
<b>1.SOURCES OF FUNDS</b>				
<b>SHARE HOLDERS FUND</b>				
SHARE CAPITAL	1		41719000.00	41719000
RESERVE & SURPLUS	2		45000.00	45000
<b>TOTAL</b>			41764000.00	41764000
<b>2.APPLICATION OF FUND</b>				
<b>FIXED ASSETS</b>	3			
Gross Block		4593121.00		4593121
Less: Depreciation		3156805.00		2459089
Net Block			1436316.00	2134032
Capital Work in Progress			742579.00	742579
<b>INVESTMENTS (AT COST)</b>	4		13887948.00	13887948
<b>CURRENT ASSETS, LOAN &amp; ADVANCES</b>				
<b>A. CURRENT ASSETS</b>				
INVENTORY	5	2524839.00		2053052
SUNDRY DEBTORS	6	7176254.00		7844235
CASH & BANK BALANCES	7	561224.00		272747
APPLICATION MONEY IN COMPANIES		4757000.00		4757000
<b>TOTAL (A)</b>		15019317.00		14927034
<b>B. LOANS &amp; ADVANCES</b>	8	8912657.00		8713749
<b>TOTAL (A+B)</b>		23931974.00		23640783
<b>LESS CURRENT LIABILITIES &amp; PROVISION</b>	9	398,571.00		502005
<b>NET CURRENT ASSETS</b>			23533403.00	23138778
<b>MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT ADJUSTED OR NOT WRITTEN OFF.)</b>	10		1159470.00	1362147
<b>PROFIT &amp; LOSS ACCOUNT</b>			1004284.00	498516
<b>NOTES ON ACCOUNTS</b>	14			
			41764000.00	41764000

DATE :

AS PER OUR REPORT OF EVEN DATE  
FOR S.K. NAYAK & CO.

PLACE :

sd/-  
(SUMAN KUMAR NAYAK)  
PARTNER

sd/-  
DIRECTOR

sd/-  
DIRECTOR

