



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 Chatterjee 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 30<sup>th</sup> 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 24<sup>th</sup> 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 18<sup>th</sup> ANNUAL REPORT together with Audited Statement of Accounts for the year ended 31<sup>st</sup> 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 31<sup>st</sup> March, 2010 and of the Profit or Loss of the company for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 :28<sup>th</sup> 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 31<sup>st</sup> March, 2010 was as under:-

#### **Name of the Directors**

Shri Manoj Kumar Saraf,  
 Shri Sanjeev Kumar Saraf  
 Dr. Rajeev Kumar Saraf  
*(ceased w.e.f. 26.08.2010)*  
 Shri Sushil Kumar Sureka  
 Shri Rajat Banka  
*(ceased w.e.f. 26.08.2010)*

#### **Category**

Chairman, Executive Director  
 Executive Director  
 Non Executive Director  
  
 Independent Director  
 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 companies in</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 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)
- 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**