



MS SECURITIES LIMITED

Your Partner in Growth



**20TH ANNUAL REPORT
2011-12**

BOARD OF DIRECTORS

Manoj Kumar Saraf , Chairman
Sanjeev Kumar Saraf, Director
Mahendra Kumar Choudhary, Director
Om Prakash Tiwary, Director

SHARE TRANSFER AGENT & REGISTRAR

S K InfoSolutions Pvt. Ltd.
34/1A, S K Chaterjee Street
Kolkata 700 006

AUDITORS

S K Nayak & Co.
Chartered Accountant
Patna 800001

BANKERS

HDFC Bank Ltd.
Canara Bank

| Registered Office: | Head Office: |
|--------------------|--------------|
|--------------------|--------------|

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

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twentieth 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 Saturday, the 29th day of September, 2012 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, 2012 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 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):

1. 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 Om Prakash Tiwary (who was appointed as an Independent Director of the Company in the meeting held on 28.01.2012 in place of Sri Sushil Kumar Sureka) 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."

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: 11th August, 2012

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, 2012 to 29th September, 2012 (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. 1 is annexed herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

SPECIAL BUSINESS: Item No. 1

The Company has received a notice under section 257 of the Companies Act, 1956 from the member for reappointment of Sri Om Prakash Tiwary as an Independent Director of the Company who was appointed as an Independent Director with effect from 28.01.2012 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 ANNUAL REPORT together with Audited Statement of Accounts for the year ended 31st March 2012. The financial statements for the year 2011-12, 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. (10,58,493.91) |
| Deferred Tax Exps / Savings | Rs. (1,364.92) |
| Provision for Bad Debts written back | Rs. 43,20,727.83 |
| Profit or (Loss) B/F from Previous year | Rs. (1,82,48,087.81) |
| Profit or Loss C/F to Balance Sheet | Rs. (1,49,42,218.81) |

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 due to loss incurred during the year.

4. EMPLOYEES REMUNERATION

The Company has no employees receiving remuneration is excess of Rs. 6000000/- (Rupees Sixty Lacs Only) during the year Or Rs. 500000/- (Rs. Five Lacs Only) per month and hence particulars u/s 217 (2A) of The Companies (Particulars of Employees) Rules 1975 as amended have not been given.

5. AUDITORS

M/s S.K. Nayak & Co., Chartered Accountants, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting and is eligible for re-appointment. The members are requested to consider their re-appointment for the current financial year 2012-13 and authorize the Board of Directors to fix their remuneration. The retiring auditor have, under section 224 (1B) of the Companies Act, 1956, furnished certificate of their eligibility for the appointment.

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

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

7. DIRECTORS RESPONSIBILITY STATEMENT

The Directors state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2012 and of the Profit or Loss of the company for the year ended 31st March, 2012.
- 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 change in the composition of the Board of Directors during the year. Shri Om Prakash Tiwary has been appointed as an Independent Director in the Company and Shri Sushil Kumar Sureka ceased to be the Director of the Company w.e.f. 28.01.2012.

9. SECRETARIAL COMPLIANCE CERTIFICATE

The compliance certificate obtained from Company Secretary in whole-time practice in accordance with section 383(A) of the Companies Act, 1956 and the rules made there under is annexed to this report.

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
M/s MS Securities Ltd

Manoj Kumar Saraf
Director

Place : Patna
Date : 11.08.2012

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of M S Securities Ltd.,

We have examined the compliance of conditions of Corporate Governance by M S Securities Ltd., for the year ended 31st March 2012, 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: 11th August, 2012
Place: Patna

For S K NAYAK & CO.
Chartered Accountants
FRN No. 004316C

(Suman Kumar Nayak)
Partner
M.No. 073290

Corporate Governance Report for the year ended 31.03.2012
Compliance with Clause 49 of the listing Agreement

The Equity Shares of the Company are listed on the 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 Om Prakash Tiwary 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, 2012 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 Mahendra Kumar Choudhary (Appointment w.e.f. 26.08.2010) | Independent Director |
| Shri Om Prakash Tiwary (Appointment w.e.f. 28.01.2012) | 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 five meetings during F.Y. 2011-2012 on 30.04.2011, 30.07.2011, 29.08.2011, 31.10.2011 and 28.01.2012. The time gap between two consecutive Board Meetings was not more than 4 months.

Attendance at Board Meetings held during 2011-2012 and at the last A.G.M held on 30.09.2011

| <i>Name of Directors</i> | <i>Number of Board meeting attended out of four meetings held</i> | <i>Attendance at the last A.G.M held on 30.09.2011</i> | <i>Directorship in other companies</i> |
|---|--|---|---|
| Shri Manoj Kumar Saraf | 5 | Present | |
| Shri Sanjeev Kumar Saraf | 5 | Present | |
| Shri Mahendra Kumar Choudhary | 5 | Present | |
| Shri Sushil Kumar Sureka (Ceased on 28.01.12) | 5 | 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 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:-

i. Shri Manoj Kumar Saraf:

Aged 49 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.

ii. Shri Sanjeev Kumar Saraf:

Aged 47 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 Bhubaneswar Stock Exchange from 1989.

iii. 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)

iv. Shri Om Prakash Tiwary (Independent Director)

(Appointed w.e.f. 28/01/2012)

v. Shri Sushil Kumar Sureka, (Independent Director)

(ceased w.e.f. 28.01.2012)

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 Sanjeev Kumar Saraf (Director). The Audit Committee is chaired by Shri Mahendra Kumar Choudhary, 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:-

- 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.
- Recommending the appointment, re-appointment of statutory Auditor and fixation of Audit fee.
- 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

Overall attendance: 100 percent

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

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

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

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

(C) Powers of Audit Committee

The Audit Committee has the following powers:

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

(D) Role of Audit Committee

The Audit Committee plays the role as mentioned in the terms listed in the clause 49 II (D) and E of the listing Agreement such as Reviewing with management the annual financial statements before submission to the board for approval with particular reference to matters required to be included in the Directors responsibility Statement to be included in the Board Report and 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 31.03.2012.

(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 31.03.2012 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 Mahendra Kumar Choudhary | Nil | (Appointed w.e.f. 26.08.2010) |
| 4. | Shri Om Prakash Tiwary | Nil | (Appointed w.e.f. 28.01.2012) |

Shareholders/Investors' Grievance Committee

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

As on March 31st 2012, 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 2011-12."

V. CEO/CFO Certification

- (a) A certification from CEO on the financial statements of the Company was placed before the board
- (b) Chairman 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: Saturday 29th September 2012
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 from 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)

M/s S K InfoSolutions Pvt. Ltd.

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. Calcutta Stock Exchange Association Ltd., Kolkata
2. Bombay Stock Exchange Ltd (BSE), Mumbai