

[CIN:- L01100BR1992PLC004781]

# MS SECURITIES LIMITED

Annual Report 2019 - 2020

# **MS SECURITIES**

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# **L . I . M . I . T . E . D**

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Regd. Office : 601-B, Ashiana Plaza, Budh Marg, Patna (Bihar) 800001  
Admin. Office : 32, Vaibhav Apartment, Budh Marg, Patna (Bihar) 800001  
Tel. No. 9608398301, email : investor@mssl.co.in, website : www.mssl.co.in  
CIN NO L08032BR1992PLC004781

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04<sup>th</sup> December, 2020

To,  
The Department of Corporate Services  
BSE Limited  
Ground Floor, P. J. Tower  
Dalal Street,  
Mumbai - 400 001

**Ref: Scrip Code: 531039**

Dear Sir/Madam,

**Sub: Submission of Annual Report for FY 2019-20.**

With reference to above, please find copy of Annual Report for Financial Year 2019-2020 in compliance in with Regulation 34 of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015.

Kindly take the same on your records and acknowledge the receipt thereof.

Thanking You,

**For MS Securities Limited**



**Manoj Kumar Saraf**  
**Managing Director**  
**DIN: 00175213**

*Encl.: As above*

**CORPORATE INFORMATION:**

**Board of Directors:**

Mr. Manoj Kumar Saraf - (Managing Director)  
Mr. Sanjeev Kumar Saraf - (Director)  
Mrs. Sangita Devi Saraf - (Director)  
Mrs. Neelam Asthana - (Independent Director)  
Mrs. Kalindi Arun Sampat - (Independent Director)

**Chief Financial Officer**

Ms. Sangeeta Saraf

**Statutory Auditors:**

M/s Subodh Goel & Co. Chartered Accountants 202, Rani Plaza Exhibition Road  
Patna (Bihar) 800001

**Internal Auditors:**

M/s Kumar Akash & Associates Chartered Accountants  
A-235, P.C Colony, Kankarbagh, Patna (Bihar) 800020

**Registrar & Share Transfer Agent:**

S. K. Infosolutions Pvt. Ltd., 34/1A Sudhir Chatterjee Street, Kolkata (West Bengal) 700006  
TEL. NO.: 033-22194815, 22196797 FAX NO. : 033-22194815  
Email: skcdilip@gmail.com; Website: [www.skcinfo.com](http://www.skcinfo.com)

**Regd. Office:**

601-B, Ashiana Plaza,  
Budh Marg, Patna 800001;

**Admin. Office:**

32, Vaibhav Apartment,  
Budh Marg, Patna 800001  
Tel.: 9608398301  
Email: [mssl.patna@gmail.com](mailto:mssl.patna@gmail.com)  
Website: [www.mssl.co.in](http://www.mssl.co.in)

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given to the members of MS Securities Limited that the Annual General Meeting ("AGM") of the Company will be held on the Wednesday, 30<sup>th</sup> day of December, 2020 at 02.00 PM at its Administrative Office situated at 32, Vaibhav Apartment, Budh Marg, Patna 800001 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, 2020 and the Balance Sheet as on 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 (DIN - 01762532) who retires by rotation and being eligible, offers himself for re-appointment.

**Date: 04/12/2020**

**Place: Patna**

**By Order of the Board of Directors of  
MS Securities Limited**

**Sd/-**

**Manoj Kumar Saraf  
Managing Director  
(DIN: 00175213)**

**NOTES:**

1. Member, entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. A proxy form in order to be valid and effective must be received by the company at its registered office not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of company/body corporate etc. Must be supported by an appropriate resolution/authority as applicable. A blank proxy form is enclosed.
2. Body Corporate members are requested to provide a Board resolution in terms of Section 113 of the Companies Act, 2013 to authorize their respective representatives to attend and vote at the meeting.
3. The Share Transfer Book and the Register of Members of the Company will remain closed from **24<sup>th</sup> December, 2020 to, 30<sup>th</sup> December, 2020** (both days inclusive).
4. Members are requested in their own interest:
  - (a) To notify the Company about any change in address with correct Pin Code, mandate/bank details.
  - b) To quote correct Folio No in all correspondence with the Company to facilitate better service to the Members.
  - c) To make change/nomination in respect of their shareholdings.

5. Members/Proxies for Members should bring the attendance slip duly filled in for attending the meeting.

6. Electronic copy of the Annual Report for the Financial Year 2019-20 and copy of the Notice of the Annual General Meeting inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any members has requested for a hard copy of the same.

For members who have not registered their email address, physical copies of the Annual Report for the Financial Year 2019-20 and copy of the Notice of the Annual General Meeting inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

To support the 'Green Initiatives', the members who have not registered their email address are requested to register the same with the Company's RTA for receiving all communication including Audited Financial Statements, Notices, etc., from the Company electronically.

7. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the members of the Company to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by remoter e-voting and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (Remote e-Voting") will be provided by National Securities Depository Limited ("NSDL").

8. The members holding shares as on the **cut-off date viz. 23<sup>rd</sup> December, 2020** shall only be eligible to vote on the resolutions mentioned in the notice of Annual General Meeting.

9. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

10. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

11. The remote e-voting facility will be available during the following period:

- Commencement of remote e-voting **27<sup>th</sup> December, 2020 at 09:00 AM**
- End of remote e-voting **29<sup>th</sup> December, 2020 at 05:00 PM**

During this period members of the Company holding shares as on the **cut-off date viz. 23<sup>rd</sup> December, 2020** may cast their vote by remote e-voting. The remote e-voting schedule will be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

12. Procedure and instructions for remote e-voting are as under:

(a) In case of shareholders receiving e-mail from NSDL (for members whose email IDs are registered with the Company/Depository Participants(s)):

a) Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., mssl e-voting.pdf file. Open the mssl e-voting.pdf file. The password to open the mssl e-voting.pdf file is your folio number. The mssl e-voting.pdf file contains your 'User ID' and 'initial password' for e-voting.

b) Launch internet browser by typing the URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

c) Click on "Shareholders Login".

d) Your User ID details will be as per details given below:

EVEN Number followed by Folio Number registered with the Company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).

e) Put user ID and password as initial password noted in step (i) above. Click on "Login".

f) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

g) Home page of e-voting opens. Click on e-voting: Active Voting Cycles. Select EVEN (E-VOTING Event Number) of MS Securities Limited.

Once you enter the number, the cast Vote page will open. Now you are ready for e-voting.

Cast your vote by selecting appropriate options i.e., assent or dissent and click on "Submit" and also "Confirm" when prompted. Once you cast your vote on the resolution, you will not be allowed to modify your vote. Voting has to be done for each item of the Notice separately.

h) Upon confirmation, the message "Vote cast successfully" will be displayed.

i) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(b) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

i) Initial password is provided at the bottom of the Attendance Slip as below:

EVEN (e-voting event number)	User ID	Password
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ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) as mentioned in (a) above, to cast vote.

#### **General Guidelines for shareholders:**

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to

the Scrutinizer by e-mail to [rupalimodi2000@gmail.com](mailto:rupalimodi2000@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

Any person who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the **cut-off date i.e., 23<sup>rd</sup> December, 2020** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

The Board of directors has appointed Mrs. CS Rupali Modi, Practising Company Secretary as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The scrutinizer shall, after the conclusion of voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall not later than three days of the conclusion of the AGM, a scrutinizer's report of the total votes cast in favour or against, if any, to the chairman or a person authorized by him in writing who shall countersign the same and declare the results of voting herewith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e., [www.mssl.co.in](http://www.mssl.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange (BSE).

**Date: 04/12/2020**

**Place: Patna**

**By Order of the Board of Directors of  
MS Securities Limited  
Sd/-**

**Manoj Kumar Saraf  
Managing Director  
(DIN: 00175213)**

**DIRECTORS' REPORT**

To,  
**The Members,**  
**MS Securities Limited**  
**601B, Ashiana Plaza Budh Marg,**  
**Patna (Bihar) 800001**

Dear Members,

Your directors have pleasure in presenting their Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended on 31st March, 2020.

**1. FINANCIAL RESULTS OR PERFORMANCE OF THE COMPANY:**

**Amount (in Lakhs)**

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Total Revenue	1.42	3.00
Total Expenses	39.20	51.59
Profit before Exceptional and Extraordinary items and Tax	(37.78)	(48.60)
Less: Exceptional Items	0.00	0.00
Extraordinary Items	0.00	0.00
Profit or Loss before Tax	(37.78)	(48.60)
Less: Current Tax	0.00	0.00
Deferred Tax	0.00	0.00
Profit After Tax	(37.78)	(48.60)

**2. STATE OF AFFAIRS:**

MS Securities Limited was incorporated on 12.02.1992. The Company is a service sector Company and it is primarily engaged in the business of making investments in capital market instruments and mutual fund. There has been no change in the business of the Company during the financial year ended 31st March, 2020.

**3. DIVIDEND:**

In view of the losses incurred during the year under review, your directors have not recommended any dividend for the financial year ended 31st March, 2020, on the shares of the Company.

**4. TRANSFER TO RESERVES:**

Your Company has not transferred any amount to the Reserves in view of the losses incurred during the year under review.

**5. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:**

Your directors are optimistic about Company's business and hopeful of better performance in next year.

**6. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:**

The disclosures to be made under sub section (3)(m) of Section 134 of the Companies Act, 2013 read with rule (8)(3) of the Companies (Accounts) rules, 2014 by your Company are explained as under:

(A) Conservation of energy and Technology Absorption:

Your Company being engaged into investment activities, your Company did not carry out any manufacturing activities during the year under review and hence the Directors have nothing to Report on 'Conservation of Energy' and 'Technology Absorption' as required to be given.

(B) Foreign exchange earnings and outgo:

Further, there were no foreign exchange earnings and/or outgo during the year under review.

**8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as required under Section 135 of the Companies Act, 2013 as the said provisions are not applicable to the Company.

**9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The Company have not given any guarantee or provided any security in connection with a loan to any other body corporate or any other person. The directors do hereby confirm that the Company has complied with the necessary requirements as mandated under the provisions of Section 186 of Companies Act, 2013 and the relevant rules made there under.

**10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

The Company did not enter into any contract or arrangement with any of the related parties during the financial year under review in terms of section 188 of the Companies Act, 2013.

**11. EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return of the Company as on March 31, 2020 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in Form No. MGT-7 is available on the Company's website and can be accessed at [www.msssl.co.in](http://www.msssl.co.in).

**12. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

During the Financial year ended 31st March, 2020, 5 (Five) Board meetings were held. The dates on which Board meetings were held are as follows: 30<sup>th</sup> May, 2019, 09<sup>th</sup> August, 2019, 30<sup>th</sup> August, 2019, 10<sup>th</sup> November, 2019, and 11<sup>th</sup> February, 2020.

The maximum time gap between two Board Meetings was not more than one hundred and twenty days (120) days.

**13. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**14. SHARE CAPITAL:**

The Authorised share capital of the Company as on 31st March 2020 was Rs. 5,00,00,000/- (Rupees Five Crores only) Comprising of 50,00,000 Equity shares of Rs. 10/- each. Further as on 31st March, 2020 the paid-up share capital of the Company stands at 4,09,45,000/- (Rupees Four Crore Nine Lacs Forty-Five Thousand only) comprising of 40,94,500 fully paid-up Equity shares of Rs. 10/- each. (After Forfeiture of 1,55,700 shares)

Furthermore, during the year under review your Company has not issued:

- a) Shares with differential rights
- b) Sweat equity shares
- c) Equity shares under Employees Stock Option Scheme

**15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

Pursuant to Section 2(87) of Companies Act, 2013, MS Online Broking Services Ltd. is the Associate Company of MS Securities Limited ("the Company") in which the Company holds 47.03% of its paid-up share capital.

Disclosures related to the particulars of the Associate Company, as required under sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014, has been made in form **AOC-1** and the same is annexed to this report as **Annexure A**.

Further, The Company does not have any subsidiary or joint venture Company.

**16. DEPOSITS:**

During the year under review, the Company has not accepted any fixed deposits within the meaning of the Section 73 of the Companies Act, 2013 ("The Act") read with the Companies (Acceptance of Deposits) Rules, 2014.

**17. COMPOSITION OF THE BOARD OF DIRECTORS:**

The Board of Directors of the Company was duly constituted during the year under review which consists of the following members:

- a) Mr. Manoj Kumar Saraf - (Managing Director)
- b) Mr. Sanjeev Kumar Saraf (Non-Executive Promoter Director)
- c) Mrs. Sangita Devi Saraf (Non-Executive Promoter Director)
- d) Mrs. Neelam Asthana (Independent Director)
- e) Mrs. Kalindi Arun Sampat (Independent Director)

No changes were made in the composition of Board of directors of the Company during the financial year ended 31st March, 2020.

In accordance with the provisions of section 152 of the Companies Act, 2013 and in terms of the Articles of Association of your Company, Mr. Sanjeev Kumar Saraf, Director, being longest in the office shall retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Therefore, the Board of Directors of your Company recommends the above re-appointment.

**18. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:**

The Internal financial controls, with reference to the financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observations has been received from the internal Auditors of the Company for insufficiency or inadequacy of such controls.

The details pertaining to internal financial controls and their adequacy have been disclosed in the Management Discussion and Analysis Report forming part of this report.

**19. AUDITOR'S REPORT:**

The notes to the financial statements read with the Auditors reports are self-explanatory and therefore, do not call for any further comments or explanations. There are no audit qualifications in the statutory Auditors Report given by M/s. Subodh Goel & Co, Statutory Auditors of the Company for the financial year 2019-20.

**20. AUDITORS:****Statutory Auditors:**

M/s. Subodh Goel & Co, Chartered Accountants, having firm Registration Number 006103C are the Statutory Auditors of the Company who has been reappointed as on 16th November, 2020 in accordance with the provisions of Section of 139 of Companies Act, 2013 for a period of five years starting from the Conclusion of the Annual General Meeting held on 2020 till the conclusion of the Annual General Meeting to be held on 2025.

(a)The Company has availed consent of the shareholders for loans and advances given to the associate concerns and (b) the company has shown investments in shares at fair value through other comprehensive income after consultation with experts and in terms of accounting standards only.

**Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The Board has appointed Ms. Rupali Modi Practicing Company Secretaries to undertake the Secretarial Audit of Your Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended 31st March, 2022 issued by Ms. Rupali Modi, Practicing Company Secretaries in Form MR-3 is annexed to this report as Annexure- B.

Please note that the reply to the qualification or observation in Secretarial Audit Report, requiring explanation or comments from the Board under Section 134(3)(f)(ii) of the Companies Act, 2013 are as under:

- a) The Company has already informed all promoters about provisions relating to 100% promoter holding is not in demat form as required under Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Promoters have confirmed to comply with the same as and when ISIN will be informed to them. Accordingly, the Company has initiated process of obtaining ISIN.

**21. STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Company has received declaration from all the Independent Directors namely Mrs. Neelam Asthana and Mrs. Kalindi Arun Sampat confirming that they meet the criteria of Independence as stipulated under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**22. COMMITTEE OF BOARD OF DIRECTORS:**

The Company has the following committees which have been established as a part of the best corporate governance practices and is in compliance with the requirements of the relevant provisions of applicable laws and statutes:

**a. Audit Committee:**

The Audit Committee of the Company currently consists of Mr. Manoj Kumar Saraf, Managing Director, Mrs. Neelam Asthana and Mrs. Kalindi Arun Sampat, Independent Directors of the Company.

Further, during the year under review 04 (Four) meetings of the committee were held during the financial year 2019-20 viz. on 30th May, 2019, 09th August, 2019, 10th November, 2019 and 11th February, 2020.

**b. Nomination and Remuneration Committee:**

The Committee currently consists of Mrs. Sangita Devi Saraf, Non-Executive Director Mrs. Neelam Asthana and Mrs. Kalindi Arun Sampat, Independent Directors of the Company.

The Committee met on 25th August, 2019 during the financial year 2019-20.

**c. Stakeholders Relationship Committee:**

The Committee of the Company currently consists of 3 Director Mrs. Sangita Devi Saraf, Non-Executive Director-Chairperson and Mr. Manoj Kumar Saraf, Managing Director, Mrs. Kalindi Arun Sampat, Independent Director of the Company.

The Committee Met 4 times on 10<sup>th</sup> April, 2019, 07<sup>th</sup> July, 2019, 12<sup>th</sup> October, 2019, 10<sup>th</sup> January, 2020 and 31<sup>st</sup> March, 2020 during the financial year 2019-20.

**d. Committee of Independent Directors:**

The Committee of Independent directors consists of Mrs. Neelam Asthana and Mrs. Kalindi Arun Sampat. The Committee met on 12th March, 2020 to:

1. Review the performance of non-independence Directors and the Board as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors and
3. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The review concluded by affirming that the Board as a whole as well as its chairman, all of its members, individually and the committee of the Board continued to display commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in overall growth of the organization.

**23. POLICY ON QUALIFICATION AND REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:**

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Policy which includes (a) criteria for determining the qualifications, positive attributes and

independence of a director and (b) matters relating to the remuneration for directors, key managerial personnel and other employees and the same is available on our website i.e., [www.msssl.co.in](http://www.msssl.co.in).

**24. RISK MANAGEMENT POLICY:**

The Board has laid down procedures for assessing the risk and procedure to be followed for risk minimization, including identification therein of elements of risk which may threaten the existence of your Company. These are periodically reviewed to ensure that Management identifies and controls risk through a properly defined framework.

Further, the Company's management systems, organizational structures, processes, standards, code of conduct and behavior together form Risk Management policy that governs how the Company conducts the business and manages associated risks and the same is available on our website i.e., [www.msssl.co.in](http://www.msssl.co.in).

**25. ANNUAL EVALUATION OF BOARD'S PERFORMANCE:**

Pursuant to the provisions of Section 134(3)(p) the Companies Act, 2013, read with Rule 8(4) of the Companies Accounts Rules, 2014 and Regulation 17(10) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board has carried out an Annual performance evaluation of its own performance and of all the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration and other Compliance Committees constituted by it.

**26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the management discussion and analysis Report on the operations and financial position of the Company has been provided in a separate section which forms part of the Annual Report marked as **Annexure C**.

**27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There were no significant and material orders passed by the Regulators and Courts or Tribunals during the year under review which would impact the going concern status of your Company and its future operations.

**28. WHISTLE BLOWER POLICY AND VIGIL MECHANISM:**

The Board has pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formulated Whistle Blower Policy and Vigil Mechanism for Directors and employees under which protected disclosures can be made by a whistle blower and provide for adequate safeguards against victimization of Director(s) or Employees(s) or any other person who avail the mechanism as your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting higher standards of professionalism, integrity and ethical behavior and the same is available on our website i.e., [www.msssl.co.in](http://www.msssl.co.in).

**29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

Disclosure of particulars as required to be given under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are as follows:

a) Your Company does not pay any remuneration or sitting fees for attending meetings of the Board of Directors, the Audit Committee and/or Nomination and Remuneration Committee to its Directors as a member thereof.

b) Your Company did not have any employee whose particulars are required to be given by it under Rule 5(2) & 5(3) of the aforesaid Rules.

**30. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

Pursuant to the legislation "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 introduced by the Government of India, which came into effect from 9th December, 2013, your Company has framed a Policy on Prevention of Sexual Harassment at Workplace. There was no case reported during the year under review under the said policy and the same is available on our website i.e., [www.mssl.co.in](http://www.mssl.co.in).

**31. ACKNOWLEDGEMENTS:**

Your directors place on records their sincere thanks to Banks, Employees, Customers, Suppliers, the shareholders and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

**Date:** 04/12/2020

**Place:** Patna

**By the Order of the Board of Directors of  
MS Securities Limited**

Sd/-  
**Manoj Kumar Saraf**  
Managing Director  
(DIN: 00175213)

Sd/-  
**Sangita Devi Saraf**  
Director/CFO  
(DIN: 00922074)

**CEO/CFO Certification**

We the undersigned, in our respective capacities as managing Director and Chief Financial Officer of MS Securities Limited (“the Company”) to the best of our knowledge and belief certify that:

We Certify that --

- a) We have reviewed the financial statements and the cash flow statement for the year 2019-20 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2019-20 which are fraudulent, illegal or violative of the Company’s code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - Significant changes in internal control over the financial reporting during the year 2019-20.
  - Significant changes in accounting policies during the year 2019-20 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the therein, if any, of the management or an employee having a significant role in the Company’s internal control system over the financial reporting.

**Date: 04/12/2020**

**Place: Patna**

**By the Order of the Board of Directors of  
MS Securities Limited**

**Sd/-  
Manoj Kumar Saraf  
Managing Director  
(DIN: 00175213)**

**Sd/-  
Sangita Devi Saraf  
Director/CFO  
(DIN: 00922074)**

**CERTIFICATE ON FINANCIAL STATEMENTS**

To,  
The Members,  
**MS Securities Limited**

We have hereby certified that:

1. We have reviewed the financial statements and the cash flow statements of MS Securities Limited for the financial year 2019-20 and to the best of our knowledge and belief, we state that:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes in internal control over financing reporting during the year;
  - b. significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - c. that there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**Date: 04/12/2020**

**Place: Patna**

**By the Order of the Board of Directors of  
MS Securities Limited**

**Sd/-  
Manoj Kumar Saraf  
Managing Director  
(DIN: 00175213)**

**Sd/-  
Sangita Devi Saraf  
Director/CFO  
(DIN: 00922074)**

**Annexure A (Form AOC-1)**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	-
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-
4.	Share capital	-
5.	Reserves & surplus	-
6.	Total assets	-
7.	Total Liabilities	-
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	-
11.	Provision for taxation	-
12.	Profit after taxation	-
13.	Proposed Dividend	-
14.	% of shareholding	-

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	MS Online Broking Services Ltd
1. Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2020
2. Shares of Associate/Joint Ventures held by the company on the year end	72,900 Shares
Amount of Investment in Associates/Joint Venture	7,29,000/-
Extend of Holding%	47.03%

3. Description of how there is significant influence	Holding of more than 20% shares in the total share capital of MS Online Broking Services Ltd
4. Reason why the associate/joint venture is not consolidated	NIL
5. Net worth attributable to shareholding as per latest audited Balance Sheet	7,21,388.94
6. Profit/Loss for the year	(2,97,703.50)
i. Considered in Consolidation	NIL
ii. Not Considered in Consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations: NIL  
 2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

**Date: 04/12/2020**

**Place: Patna**

**By the Order of the Board of Directors of  
MS Securities Limited**

**Sd/-  
Manoj Kumar Saraf  
Managing Director  
(DIN: 00175213)**

**Sd/-  
Sangita Devi Saraf  
Director/CFO  
(DIN: 00922074)**

**Annexure-B**

**Form No. MR-3**

**[Pursuant to Section 204 of the Companies Act, 2013 and Rule No. 09 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**SECRETARIAL AUDIT REPORT**

**For the financial year ended 31st March, 2020**

To  
The Members,  
MS SECURITIES LIMITED  
601B, Ashiana Plaza Budh Marg, Patna 800 001, Bihar

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MS SECURITIES LIMITED** (hereinafter called the ("Company")). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the Statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of;

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 2013, to the extent it is applicable.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.  
(Not applicable to the company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the company during the audit period);
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (effective from 01st December, 2015);
- (f) We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific applicable Acts, Laws and Regulations to the Company. At present the company is not doing any business activity hence no specific Acts are applicable to the company.

We have also examined compliance with applicable Clause of the following with regards-

- (i). Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 01st July, 2015); under the provisions of Companies Act, 2013;

We have relied upon the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company, as identified and confirmed by the management of the company and listed below:

On the basis of our examination and representation made by the Company, we report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and there are no material non-compliances that have come to our knowledge except non-compliance in respect of:

- b) 100% promoter holding is not in demat form as required under Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We Further Report that, there were no actions/ events in pursuance of:

- a) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations;

c) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations.

Requiring compliance thereof by the Company during the period under review.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors if any that took place during the period under review were carried out in compliance with the provisions of the Act.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs.

**Place: Mumbai**

**Rupali Modi**  
**C. P. No.: 11350**  
**M. No.: 25467**  
**UDIN: A025467D000850368**

**"ANNEXURE A"**

**To,  
The Member,  
MS SECURITIES LIMITED  
601B, ASHIANA PLAZA BUDH MARG, PATNA, BIHAR**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Mumbai**

**Rupali Modi  
C. P. No.: 11350  
M. No.: 25467  
UDIN: A025467D000850368**

**Annexure- C**  
**Management Discussion and Analysis Report**  
**(Forming part of Director's Report for the year ended 31st March, 2020)**

MS Securities Limited ("the Company") is a public listed Company incorporated in the Year 1992. The equity shares of the Company are listed on BSE Ltd and CSE Ltd. since the Year 1995 under Security Code No.: 531039 at BSE and 023059 at CSE.

The Company is a Service Sector Company and it is presently not carrying on any manufacturing or trading activities. The principal business activities of the Company consist of investments in capital market instruments and mutual fund. The major sources of income of the Company are Income received from investment sales and dividend profit from equity shares and mutual fund instruments.

**Opportunities and Threats**

Indian economy is strengthening on ongoing basis in the backdrop of continuous reforms and offer tremendous opportunity of investment in Indian capital market, however, volatility of the stock market is always a threat to affect the overall performance of the Company's investment portfolio.

**Segment wise or product wise performance**

The principal business activities of the Company consist of investments in capital market instruments and mutual fund. Thus, the Company has only one segment.

**Outlook**

Considering continuous economic reforms in the country, the overall outlook of investment opportunities seem to be bright.

**Risks and Concerns**

The current and future financial performance of the Company is linked to and is directly related to the performance of companies of which equity shares and mutual fund schemes in which it holds its investments as well as dividend payouts by these listed and unlisted companies. The Company does not have any borrowings from any banks or financial institutions and neither has it accepted nor does it hold any public deposits.

The Company is totally dependent on performance of companies and mutual fund schemes in which it holds its investments, poor performance of such investment, might adversely affect the operations of the Company. However, considering the present status of capital market and future outlook, the Company does not anticipate any adverse impact on its operations in the near future.

**Internal Control Systems and their Adequacy**

The Company has an adequate internal control system which is commensurate with the nature and size of its operations. The system involves adopted policies and procedures regarding financial and operating functions for ensuring the orderly and efficient conduct of its business including adherence to Company's assets, prevention & and detection of frauds and errors and timely preparation of reliable financial information.

The Audit Committee of the Board of Directors of the Company periodically evaluates the adequacy of the internal controls and processes, and ensures strict adherence to its laid down processes and procedures as well as to the prescribed regulatory and legal framework to manage and minimize the risk. The Committee further reviews the internal audit reports and effectiveness of the internal financial controls.

**Discussion on financial performance with respect to operational performance**

The Company has adopted Indian Accounting Standards (Ind AS) from 01st April, 2017, accordingly, the financial statements for the Financial Year 2019-20 have been prepared in accordance with Ind AS.

**Material Developments in Human Resources/ Industrial Relations front, including number of people employed**

Human resources are considered as one of the most critical resources in business which need to be continuously nurtured to maximize the effectiveness of the organization. The Company recognizes its employees as a critical asset of the organization and lays due emphasis on all round development of its employees. Various initiatives have been taken up for developing employees at all levels and to make them future ready for higher roles and responsibility.

**Cautionary Statement**

Statements made herein describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. As forward looking Statements are based on certain assumptions and expectations of future events over which the Company exercise no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realized by the Company. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in Government regulations, tax laws, economic developments and other incidental factors.

**Date: 04/12/2020****Place: Patna****By the Order of the Board of Directors of  
MS Securities Limited**

Sd/-  
**Manoj Kumar Saraf**  
Managing Director  
(DIN: 00175213)

Sd/-  
**Sangita Devi Saraf**  
Director/CFO  
(DIN: 00922074)

**INDEPENDENT AUDITOR'S REPORT****To The Members of M/s MS Securities Limited**

CIN NO L08032BR1992PLC004781

**REPORT ON THE FINANCIAL STATEMENTS:****Opinion**

We have audited the accompanying financial statements of **MS Securities Limited** (*'the Company'*) which comprise the Balance Sheet as at **31<sup>st</sup> March, 2020**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statement and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this information; we are required to report the fact. We have nothing to report in this regard except appointment of Company Secretary in the company was not done till the date of signing our audit report as required under section 203 of the Company Act, 2013 and also we are relying on the data provided regarding shareholder's holding shares more than five percent.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial Statements:

- (a) Note 8, which describes the Loans & Advances given to associate concern.
- (b) Note 6, Investments in shares are measured at fair value through other comprehensive income (FVTOCI) except unquoted shares.

Our opinion is not modified in respect of these matters.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements: -**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in '**Annexure B**'; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position except the one given below:
- Note no. 2.4 (g) of Notes on Accounts regarding payment of Listing Fee of the Stock Exchanges, the Company has not paid the Listing Fee but provision has been made for the same in respect of Calcutta Stock Exchange.
- Trading of the shares of the company is suspended at Calcutta Stock Exchange, Kolkata.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Subodh Goel & Co.**  
Chartered Accountants

**UDIN : 20074835AAAAOS8527**

Place: Patna

Date: 20.10.2020

**(SUBODH KUMAR GOEL)**  
M.NO.-074835  
Partner  
Firm Reg. No- 006103C

**MS SECURITIES LIMITED**

CIN NO L08032BR1992PLC004781

Referred to paragraph as stated above of our report of even date.

**ANNEXURE-A**

Further to our comments in the annexure referred to above, we report that: -

(i)	(a)	Since, the records pertaining to fixed assets of the company were not produced for our verification, we are unable to comment on whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
	(b)	Since, the records pertaining to fixed assets of the company were not produced for our verification, we are unable to comment on the physical verification procedure adopted for verification of fixed assets followed by the management;
	(c)	The company does not have any immovable property, hence reporting under this clause is not applicable to the company.
(ii)		The company does not have inventory. Hence the provisions of the clause 4(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company;
(iii)		According to the information and explanations given to us, the Company has granted loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 having yearend balance of Rs. 45.50 lacs.
	(a)	The company has granted Interest free loan to its group company MS Online Broking Services Ltd. and Saraf Ergonomics Fin. Serv. Pvt. Ltd. The balance outstanding of such Parties as on 31st March, 2020 is Rs. 10,50,000.00, 35,00,000.00 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 189 of the Companies Act, 2013 are not, prima facie, prejudicial to the interest of the Company.
	(b)	The company is regular in receipt of repayment amount;
	(c)	The company is not in need to take any steps for the recovery of amount as there is no overdue amount outstanding.
(iv)		The Company has granted loan to associate company in respect of which provisions of Companies Act,2013 has been complied with

(v)	<p>The company has not accepted any deposit from public within the meaning of the word “deposit” as defined under Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014. In our opinion, and according to the information and explanations given to us, there is no noncompliance to the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 wherever applicable. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal upon the Company.</p>				
(vi)	<p>Maintenance of Cost Records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act. Hence the provisions of the clause 4(vi) of the Companies (Auditor’s Report) Order,2016 is not applicable to the company</p>				
(vii)	<table border="1"> <tr> <td data-bbox="292 757 363 1238">(a)</td> <td data-bbox="363 757 1401 1238"> <p>According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues during the year as applicable with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.</p> </td> </tr> <tr> <td data-bbox="292 1238 363 1518">(b)</td> <td data-bbox="363 1238 1401 1518"> <p>In our opinion, according to the information and explanations given to us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.</p> </td> </tr> </table>	(a)	<p>According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues during the year as applicable with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.</p>	(b)	<p>In our opinion, according to the information and explanations given to us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.</p>
(a)	<p>According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues during the year as applicable with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.</p>				
(b)	<p>In our opinion, according to the information and explanations given to us, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.</p>				
(viii)	<p>In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.</p>				
(ix)	<p>In our opinion and according to the information and explanations given to us, the company has applied money for the purpose for which those are raised by the company.</p>				

(x)	During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or any fraud on the company by its officers/employees, noticed or reported during the year, nor have been informed of such case by the management.
(xi)	No Managerial Remuneration has been paid during the year. Hence the provisions of the clause 4(xi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
(xii)	The company is not a Nidhi Company. Hence the provisions of the clause 4(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
(xiii)	All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc as required by the applicable accounting standards.
(xiv)	The company has not made any preferential allotment/ private placement of shares or fully or partly convertible debentures during the year under review which needs to be complied with section 42 of the Companies Act, 2013.
(xv)	The company has not entered into any non cash transactions with directors or persons connected with him which needs to be complied with the provisions of section 192 of Companies Act, 2013.
(xvi)	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **Subodh Goel & Co.**  
Chartered Accountants

**UDIN : 20074835AAAAOS8527**

Place: Patna

Date: 20.10.2020

**(SUBODH KUMAR GOEL)**

M.NO.-074835

Partner

Firm Reg. No- 006103C

**MS SECURITIES LIMITED**

CIN : L08032BR1992PLC004781

601B, Ashiana Plaza, Budh Marg, Patna-800001

**BALANCE SHEET AS ON 31ST MARCH, 2020**

	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	26,752.00	46,053.00
(b) Capital work-in-progress		-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible assets		-	-
(f) Intangible assets under development		-	-
(g) Biological Assets Other than bearer plants		-	-
(h) Financial Assets		-	-
(i) Investments in subsidiaries and associates	2	-	-
(ii) Other Investments	3	1,42,414.00	7,30,306.00
(iii) Trade receivables		-	-
(iv) Loans	4	-	-
(v) Others		-	-
(i) Deferred tax assets (Net)		-	-
(j) Other non-current assets	5	-	4,842.00
(k) Non-Current Tax Assets (Net)		-	-
<b>Total Non Current Assets</b>		<b>1,69,166.00</b>	<b>7,81,201.00</b>
<b>Current assets</b>			
(a) Inventories		-	-
(b) Financial Assets		-	-
(i) Investments	6	16,68,438.00	65,07,756.00
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	7 A	1,44,322.00	14,27,685.00
(iv) Bank balances other than (iii) above	7 B	-	-
(v) Loans	8	45,50,000.00	48,12,500.00
(vi) Others	9	-	-
(c) Current Tax Assets (Net)	10	-	-
(d) Other current assets	11	1,76,553.00	2,27,294.00
		<b>65,39,313.00</b>	<b>1,29,75,235.00</b>
(e) Non Current Assets held for sale		-	-
<b>Total Current Assets</b>		<b>65,39,313.00</b>	<b>1,29,75,235.00</b>
<b>TOTAL ASSETS</b>		<b>67,08,479.00</b>	<b>1,37,56,436.00</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share capital	12	4,17,22,500.00	4,17,22,500.00
(b) Other Equity	13	(3,53,52,750.00)	(2,84,79,219.00)
(i) Reserves and surplus		-	-
(ii) Other reserves		-	-
<b>Equity attributable to equity holders of parent</b>		<b>63,69,750.00</b>	<b>1,32,43,281.00</b>
Non Controlling Interest		-	-
<b>Total Equity</b>		<b>63,69,750.00</b>	<b>1,32,43,281.00</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)	14	653.00	653.00
(d) Other non-current liabilities		-	-
<b>Total Non Current Liabilities</b>		<b>653.00</b>	<b>653.00</b>
<b>Current liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Other current liabilities	15	3,38,076.00	4,89,702.00
(c) Provisions	16	-	22,800.00
(d) Liabilities for Current Tax(Net)		-	-
<b>Total Current Liabilities</b>		<b>3,38,076.00</b>	<b>5,12,502.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>67,08,479.00</b>	<b>1,37,56,436.00</b>

Significant Accounting Policies

The accompanying notes are an integral part of the Standalone Financial Statements.

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**Signatures to the Financial Statements**

For and on behalf of the Board

**For Subodh Goel & Co.**  
Chartered Accountants  
Firm Regn No. 006103C

**(Subodh Kumar Goel)**  
M. NO. 074835, Partner

**Date : 20.10.2020**  
**Place : Patna**

√  
MANOJ KUMAR SARAF  
(Managing Director)  
(DIN: 00175213)

√  
SANJEEV KUMAR SARAF  
(Director)  
(DIN: 01762532)

√  
SANGITA DEVI SARAF  
(Chief Financial Officer)

**MS SECURITIES LIMITED**  
CIN : L08032BR1992PLC004781  
601B, Ashiana Plaza, Budh Marg, Patna-800001  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020**

	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue</b>			
<b>I</b> Revenue from Operations		-	-
<b>II</b> Other Income	17	1,42,219.00	2,99,765.00
<b>III</b> <b>Total Income (I + II)</b>		<b>1,42,219.00</b>	<b>2,99,765.00</b>
<b>IV</b> <b>Expenses</b>			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		-	-
Employee Benefits Expense	18	12,36,358.00	10,96,626.00
Finance Costs		-	-
Depreciation and Amortization Expense	19	13,546.00	23,513.00
Other Expenses	20	26,69,873.00	40,39,129.00
<b>Total Expenses</b>		<b>39,19,777.00</b>	<b>51,59,268.00</b>
<b>V</b> <b>Profit Before Exceptional Items and Tax (III-IV)</b>		<b>(37,77,558.00)</b>	<b>(48,59,503.00)</b>
<b>VI</b> <b>Exceptional Items</b>		-	-
<b>VII</b> <b>Profit Before Tax (V+VI)</b>		<b>(37,77,558.00)</b>	<b>(48,59,503.00)</b>
<b>VIII</b> <b>Tax Expense</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Tax expense of earlier years		-	-
<b>Total Tax Expense</b>		-	-
<b>IX</b> <b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(37,77,558.00)</b>	<b>(48,59,503.00)</b>
<b>X</b> <b>Profit/(loss) from discontinued operations</b>		-	-
<b>XI</b> <b>Profit for the Year (VII-VIII)</b>		<b>(37,77,558.00)</b>	<b>(48,59,503.00)</b>
<b>XII</b> <b>Other Comprehensive Income</b>			
<b>A</b> <b>(i) Items that will not be reclassified to profit or loss</b>			
Net (loss)/ gain on FVTOCI securities		(30,95,973.00)	(18,35,575.00)
<b>(ii) Income tax relating to item that will not be reclassified to profit or loss</b>		-	-
<b>B</b> <b>(i) Items that will be reclassified to profit or loss</b>		-	-
<b>(ii) Income tax relating to item that will be reclassified to profit or loss</b>		-	-
<b>Total Comprehensive Income for the year (IX+X)</b>		<b>(68,73,531.00)</b>	<b>(66,95,078.00)</b>
<b>XIII</b> <b>Earnings per Equity Share (Face Value ` 1)</b>	21		
(1) Basic ( ` )		(0.92)	(1.19)
(2) Diluted ( ` )		(0.92)	(1.19)

Significant Accounting Policies

The accompanying notes are an integral part of the Standalone Financial Statements.

**Signatures to the Financial Statements**

For and on behalf of the Board

**For Subodh Goel & Co.**

Chartered Accountants  
Firm Regn No. 006103C

**(Subodh Kumar Goel)**

M. NO. 074835, Partner

**Date : 20.10.2020**

**Place : Patna**

√  
**MANOJ KUMAR SARAF**  
(Managing Director)  
(DIN: 00175213)

√  
**SANJEEV KUMAR SARAF**  
(Director)  
(DIN: 01762532)

√  
**SANGITA DEVI SARAF**  
(Chief Financial Officer)

**MS SECURITIES LIMITED**  
CIN : L08032BR1992PLC004781  
601B, Ashiana Plaza, Budh Marg, Patna-800001  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

(a) Equity share capital

Rs.

As at April 1, 2018	4,17,19,000.00
Changes in equity share capital during the year	(7,74,000.00)
<b>As at March 31, 2019</b>	<b>4,09,45,000.00</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2020</b>	<b>4,09,45,000.00</b>

(b) Other equity (Refer Note)

Particulars	Reserves & Surplus					Other comprehensive income	Total
	Capital Reserve	Securities premium reserve	General reserve	Others	Retained Earnings	Change in Fair Value of Equity Investments	
<b>Balance at April 1, 2018</b>	-	-	45,000.00	-	(1,83,31,241.00)	(34,97,900.00)	(2,17,84,141.05)
Changes in accounting policy / prior period errors							-
<b>Restated balance at the beginning of the reporting period</b>	-	-	45,000.00	-	(1,83,31,241.00)	(34,97,900.00)	(2,17,84,141.05)
Profit for the year					(48,59,503.00)	-	(48,59,503.00)
Change in Fair Value of Equity Investments						(18,35,575.00)	(18,35,575.00)
<b>Total comprehensive income for the year</b>	-	-	-	-	(48,59,503.00)	(18,35,575.00)	(66,95,078.00)
Depreciation transfer for Fixed assets (Name of the assets to be specified)							-
Discontinued operations							-
Issue of Share capital							-
Exercise of Share options							-
Deferred employee compensation expense							-
Transaction costs							-
Cash dividends							-
Non-cash distributions to Owners							-
Dividend Distribution Tax (DDT)							-
Acquisition of a Subsidiary							-
Acquisition of a Non-controlling Interest (NCI)							-
Any other charge (to be specified)							-
Transfer from / (to) Debenture Redemption Reserve							-
Premium Received on Allotment of Shares							-
<b>Balance at March 31, 2019</b>	-	-	45,000.00	-	(2,31,90,744.00)	(53,33,475.00)	(2,84,79,219.05)
Changes in accounting policy / prior period errors							-
<b>Restated balance at the beginning of the reporting period</b>	-	-	45,000.00	-	(2,31,90,744.00)	(53,33,475.00)	(2,84,79,219.05)
Profit for the year					(37,77,558.00)	-	(37,77,558.00)
Remeasurements of defined benefit plans						-	-
Other comprehensive income for the year						(30,95,973.00)	(30,95,973.00)
<b>Total comprehensive income for the year</b>	-	-	-	-	(37,77,558.00)	(30,95,973.00)	(68,73,531.00)
Depreciation transfer for Fixed assets (Name of the assets to be specified) [Note XX]							-
Discontinued operations [Note XX]							-
Issue of Share capital [Note XX]							-
Exercise of Share options [Note XX]							-
Share-based payments [Note XX]							-
Transaction costs [Note XX]							-
Cash dividends							-
Non-cash distributions to Owners							-
Dividend Distribution Tax (DDT)							-
Acquisition of a Subsidiary							-
Exercise of Share options							-
Deferred employee compensation expense							-
Premium Received on Allotment of Shares							-
Any other charge (Transfer To General Reserve)			8,87,727.00			(8,87,727.00)	-
Dividends							-
<b>Balance at March 31, 2020</b>	-	-	9,32,727.00	-	(2,69,68,302.00)	(93,17,175.00)	(3,53,52,750.05)

Significant Accounting Policies

The accompanying notes are an integral part of the Standalone Financial Statements.

**Signatures to the Financial Statements**

For and on behalf of the Board

**For Subodh Goel & Co.**  
Chartered Accountants

(Subodh Kumar Goel)  
M. NO. 074835, Partner

Date : 20.10.2020  
Place : Patna

√ MANOJ KUMAR SARAF (Managing Director) (DIN: 00175213)	√ SANJEEV KUMAR SARAF (Director) (DIN: 01762532)
√ SANGITA DEVI SARAF (Chief Financial Officer)	

## MS SECURITIES LIMITED

CIN : L08032BR1992PLC004781

601B, Ashiana Plaza, Budh Marg, Patna-800001

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Pursuant to the Companies Act 2013)

	As on 31-03-2020		As on 31-03-2019	
	Rs.		Rs.	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT BEFORE TAX</b>		(37,77,558.00)		(48,59,503.00)
Adjustments to reconcile profit before tax to cash provided by operating activity				
Depreciation	13,546.00		23,513.00	
Interest and Dividend Income	(1,14,996.00)		(1,27,603.00)	
Profit on Sale of Fixed Assets	(245.00)			
Capital Gain	(26,978.00)		(14,462.00)	
Effect of exchange difference on translation of foreign currency of cash and cash equivalent	-	(1,28,673.00)	-	(1,18,552.00)
<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES</b>		<b>(39,06,231.00)</b>		<b>(49,78,055.00)</b>
Adjustments for :				
Trade Receivables	-		-	
Loans and advances and other asset	3,18,083.00		64,89,483.00	
Liabilities and provisions	(1,74,426.00)	1,43,657.00	(8,47,300.00)	56,42,183.00
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(37,62,574.00)</b>		<b>6,64,128.00</b>
Direct Taxes Paid		-		-
<b>NET CASH GENERATED BY OPERATING ACTIVITY</b>		<b>(37,62,574.00)</b>		<b>6,64,128.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payment towards capital expenditure	-		-	
Proceed from Disposal of Investment in Shares / Mutual Funds	18,48,882.00		8,27,479.00	
Investment	-		(9,80,978.00)	
Disposal of Fixed Asset	6,000.00		-	
Disposal of other investment	5,09,333.00		-	
Interest & dividend Received	1,14,996.00		1,27,603.00	
<b>CASH FLOW FROM INVESTING ACTIVITY BEFORE EXCEPTIONAL ITEM</b>		<b>24,79,211.00</b>		<b>(25,896.00)</b>
Dividend Income, net of tax		-		-
<b>NET CASH PROVIDED BY /(USED IN) INVESTING ACTIVITIES</b>		<b>24,79,211.00</b>		<b>(25,896.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of Share Capital	-		3,500.00	
Increase (Decrease) in Term Loan/Working Capital	-		-	
Repayment of loan given to Subsidiary	-		-	
Dividend paid including residual dividend	-		-	
Dividend tax paid	-		-	
Interest Paid	-		-	
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>-</b>		<b>3,500.00</b>
Effect of exchange difference on translation of foreign currency of cash and cash equivalent		-		-
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		<b>(12,83,363.00)</b>		<b>6,41,732.00</b>
CASH & CASH EQUIVALENTS AS AT (Opening Balance)		14,27,685.00		7,85,953.00
CASH & CASH EQUIVALENTS AS AT (Closing Balance)		1,44,322.00		14,27,685.00

For SUBODH GOEL & CO.  
Chartered Accountants

For and on behalf of the Board

(Subodh Kumar Goel)  
M.No. 74835  
(Partner)√  
MANOJ KUMAR SARAF  
(Managing Director)  
(DIN: 00175213)√  
SANJEEV KUMAR SARAF  
(Director)  
(DIN: 01762532)Place : Patna  
Date : 20.10.2020√  
SANGITA DEVI SARAF  
(Chief Financial Officer)

**IT Depreciation**

Description/ Block of Assets	Rate of Depreciation	W.D.V. as on 01/04/2019	Additions/ (Deduction)			Deduction	Short Term Capital Loss	Depreciation	W.D.V. as on 31/03/20
			Date of Additions	Amount	Date of Additions				
Furniture & Fixtures	10.00%	48,843.00	-	-	-	-	48,843.00	4,884.00	43,959.00
Air Conditioner	15.00%	11,199.00	-	-	-	4,500.00	6,699.00	-	-
Computer	40.00%	5,975.00	-	-	-	1,500.00	4,475.00	-	-
<b>Total Rs.</b>		<b>66,017.00</b>		<b>-</b>		<b>-</b>	<b>60,017.00</b>	<b>4,884.00</b>	<b>43,959.00</b>



**MS SECURITIES LIMITED**  
CIN : L08032BR1992PLC004781  
601B, Ashiana Plaza, Budh Marg, Patna-800001

**NOTE 2: INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES**

	Face Value	Numbers		Amounts	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b><u>Unquoted, fully paid up:</u></b>					
<b>(a) Investments in Equity Instruments</b>					
(i) Subsidiary Companies	-	-	-	-	-
(ii) Deemed Investments	-	-	-	-	-
(ii) Others	-	-	-	-	-
<b>2. Investments in Preference Shares</b>					
<b>Of Subsidiary Company</b>					
<i>Unquoted, fully paid up:</i>	-	-	-	-	-
<b>3. Investments in Government Securities</b>					
Government of India Bonds	-	-	-	-	-
<b>4. Investments in Mutual Funds</b>					
Government of India Bonds	-	-	-	-	-
<b>5. Investments in Debentures and Bonds</b>	-	-	-	-	-
Less : Provision for Diminution in the Value of Investments				-	-
<b>TOTAL</b>				-	-
Aggregate Amount of Unquoted Investments				-	-
Aggregate Amount of Quoted Investments				-	-
Aggregate Market Value of Quoted Investments				-	-
Aggregate Provision for Impairment in the Value of Investments				-	-

**NOTE 3: OTHER INVESTMENTS (NON-CURRENT)**

	As at March 31, 2020	As at March 31, 2019
<b><u>Quoted, fully paid up:</u></b>		
<b><i>At amortised cost</i></b>		
Investments in Non-convertible Debentures with Non-Banking Financial Companies	-	-
<b>Of Fellow Subsidiary</b>		
<i>Unquoted, fully paid up:</i>		
<b><u>Unquoted, fully paid up:</u></b>		
<b><i>At amortised cost</i></b>		
Investments in Deposits with Non-Banking Financial Companies	-	-
<b><i>At Fair Value through OCI</i></b>		
Investment in Mutual Funds	1,42,414.00	7,30,306.00
Investment in Equity	-	-
<b>TOTAL</b>	<b>1,42,414.00</b>	<b>7,30,306.00</b>
Aggregate Amount of Unquoted Investments		
	-	-
Aggregate Amount of Quoted Investments		
	1,42,414.00	7,30,306.00
Aggregate Market Value of Quoted Investments		
	-	-
Aggregate Provision for Impairment in the Value of Investments		
	-	-

## MS SECURITIES LIMITED

CIN : L08032BR1992PLC004781  
601B, Ashiana Plaza, Budh Marg, Patna-800001

### NOTE 4: LOANS (NON-CURRENT)

	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, Considered Good, Unless Otherwise Stated</i>		
Security Deposits		
Considered Good	-	-
Considered Doubtful	-	-
Less: Allowance for Doubtful Advances	-	-
Loans and Advances to Related Parties	-	-
Loans to Employees	-	-
Loans to Employees Benefit Trust	-	-
Other Loans and Advances (Specify nature)	-	-
Receivable from related parties	-	-
<b>TOTAL</b>	-	-

### NOTE 5: OTHER NON-CURRENT ASSETS

	As at March 31, 2020	As at March 31, 2019
Capital Advances ( <i>Refer Note below</i> )		
Loans and Advances to Related Parties [Refer note XX]		
Security Deposits		
Considered Good	-	4,842.00
Considered Doubtful	-	-
Less: Allowance for Doubtful Advances	-	-
	-	4,842.00
Balances with Government Authorities		
Considered Good	-	-
Considered Doubtful	-	-
Less: Provision for Doubtful Advances	-	-
Other Non-Current Assets		
Considered Good	-	-
Considered Doubtful	-	-
Less: Provision for Doubtful Advances	-	-
<b>TOTAL</b>	-	<b>4,842.00</b>

## MS SECURITIES LIMITED

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### NOTE 6: INVESTMENTS (CURRENT)

	As at March 31, 2020	As at March 31, 2019
<b><u>Unquoted, fully paid up:</u></b>		
<b><u>At Fair Value through OCI</u></b>		
Investments in Equity Shares (Annexure A)	3,52,874.00	5,98,060.00
<b><u>At amortised cost</u></b>		
Investments in Deposits with Non-Banking Financial Companies	-	-
<b><u>Quoted, fully paid up:</u></b>		
<b><u>At Fair Value through OCI</u></b>		
Investments in Equity Shares (Annexure A)	13,15,564.00	59,09,696.00
<b>TOTAL</b>	<b>16,68,438.00</b>	<b>65,07,756.00</b>

Aggregate Amount of Quoted Investments	13,15,564.00	59,09,696.00
Aggregate Amount of Unquoted Investments	3,52,874.00	5,98,060.00
Aggregate Market Value of Quoted Investments	-	-
Aggregate Provision for Impairment in the Value of Investments	-	-

### NOTE 7 A: CASH AND CASH EQUIVALENTS

	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
- In Current Accounts	1,13,738.00	13,84,000.00
- Deposits with less than 3 months original maturity	12,950.00	-
	1,26,688.00	13,84,000.00
Cheques, Drafts on Hand	-	-
Cash on Hand	17,634.00	43,685.00
Investments in Liquid Mutual Funds	-	-
<b>TOTAL</b>	<b>1,44,322.00</b>	<b>14,27,685.00</b>

### NOTE 7 B: BANK BALANCES OTHER THAN (III) ABOVE

	As at March 31, 2020	As at March 31, 2019
In Unpaid Dividend Accounts held as Margin money held as Security against borrowings	-	-
Deposits with maturities more than 3 months but less than 12 months (Refer Note (a))	-	-
Deposits under lien against Bank Guarantees held against Other Commitments	-	-
Deposits For Margin Money With Banks	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 8: LOANS CURRENT**

	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, Considered Good, Unless Otherwise Stated</i>		
Security Deposits	-	-
Loans to Employees	-	-
Loans and Advances to Related Parties	45,500,000.00	48,12,500.00
Loans to Employees Benefit Trust	-	-
Other Loans and Advances	-	-
	45,500,000.00	48,12,500.00
Unsecured, considered doubtful	-	-
Other Loans	-	-
Less: Provision for doubtful advances	-	-
<b>TOTAL</b>	<b>45,500,000.00</b>	<b>48,12,500.00</b>

**NOTE 9: OTHERS CURRENT FINANCIAL ASSETS**

	As at March 31, 2020	As at March 31, 2019
Exports Benefits Receivable	-	-
Derivative asset	-	-
Advances to Employees	-	-
Advances to Creditors	-	-
Financial guarantee fee receivable	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 10: CURRENT TAX ASSETS (NET)**

	As at March 31, 2020	As at March 31, 2019
Advance Tax	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 11: OTHER CURRENT ASSETS**

	As at March 31, 2020	As at March 31, 2019
Loans and Advances to Related Parties		-
Balances with Government authorities		
Duties and Taxes	1,76,553.00	2,27,294.00
Prepaid expenses	-	-
Other Advances		
Considered Good	-	-
Considered Doubtful	-	-
Less: Provision for Doubtful Advances		
<b>TOTAL</b>	<b>1,76,553.00</b>	<b>2,27,294.00</b>

## Annexure A

**CURRENT INVESTMENTS**

Particulars	As at 31st March 2020	As at 31st March 2019
	Amount	Amount
<b>Investments (Refer A below)</b>		
(a) Investment in Equity instruments	16,68,438.00	65,07,756.00
(b) Investments in Mutual Funds	-	-
(c) Other non-current investments	-	-
Less : Provision for diminution in the value of Investments	Nil	Nil
<b>Total</b>	<b>16,68,438.00</b>	<b>65,07,756.00</b>

## Annexure A

A. Details of Other Investments						
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount
			2019			2019
1	2	3	4	5	6	7
(a)	<b>Investment in Equity Instruments</b>		<b>5,72,434.00</b>			<b>65,07,756.00</b>
	ADANI POWER LTD	Others	100.00	Quoted	Fully Paid	4,820.00
	ADC INDIA COMM. LTD	Others	45.00	Quoted	Fully Paid	10,215.00
	ALKA INDIA LTD	Others	1,100.00	Quoted	Fully Paid	209.00
	ALOK INDUSTRIES LTD	Others	800.00	Quoted	Fully Paid	3,800.00
	ALPS INDUSTRIES LTD.	Others	30.00	Quoted	Fully Paid	97.50
	AMBIKA COTTON MILLS LTD	Others	100.00	Quoted	Fully Paid	1,12,150.00
	APOLO HOSPITAL ENTERPRISES LTD.	Others	10.00	Quoted	Fully Paid	12,276.00
	APPLE FINANCE LTD	Others	500.00	Quoted	Fully Paid	800.00
	ASSAM CO.LTD	Others	400.00	Quoted	Fully Paid	840.00
	AVANTEL LTD	Others	100.00	Quoted	Fully Paid	22,535.00
	BAMPSL SECURITIES	Others	84.00	Quoted	Fully Paid	109.20
	BAMPSL SECURITIES (BONUS)	Others	12.00	Quoted	Fully Paid	15.60
	BANK OF INDIA	Others	100.00	Quoted	Fully Paid	10,425.00
	BHAGYANAGAR PROP	Others	100.00	Quoted	Fully Paid	3,010.00
	BHAGYANAR INDIA	Others	100.00	Quoted	Fully Paid	3,070.00
	BHARAT IMMUNOLOGICAL	Others	100.00	Quoted	Fully Paid	769.00
	BHEL LTD	Others	600.00	Quoted	Fully Paid	44,970.00
	BIHAR SPONGE IRON	Others	1,000.00	Quoted	Fully Paid	870.00
	BRIJLAXMI LEASING & FINANCE	Others	2,600.00	Quoted	Fully Paid	8,190.00
	CALCOM VISION	Others	200.00	Quoted	Fully Paid	6,080.00
	CAT TECHNOLOGY	Others	600.00	Quoted	Fully Paid	432.00
	CG POWER & INDST	Others	100.00	Quoted	Fully Paid	4,270.00
	CHAMBAL FERTILISER	Others	300.00	Quoted	Fully Paid	50,115.00
	CROMPTON GREAVES CONSUMER	Others	100.00	Quoted	Fully Paid	22,720.00
	DCW LTD	Others	100.00	Quoted	Fully Paid	2,180.00
	DEEPAK FERTILISER	Others	100.00	Quoted	Fully Paid	13,150.00
	DLF LIMITED	Others	100.00	Quoted	Fully Paid	20,245.00
	EID PARRY	Others	12.00	Quoted	Fully Paid	2,455.80
	EROS MEDIA	Others	200.00	Quoted	Fully Paid	15,640.00
	FACOR ALLOY	Others	1,500.00	Quoted	Fully Paid	2,850.00
	FERRO ALLOYS	Others	5,300.00	Quoted	Fully Paid	22,684.00
	FIRSTSOURCE SOLUTIONS LTD	Others	1,000.00	Quoted	Fully Paid	46,950.00
	FORTIS HEALTH	Others	1,000.00	Quoted	Fully Paid	1,35,750.00
	FORTIS MALAR HOSPITAL	Others	500.00	Quoted	Fully Paid	27,500.00
	GAYATRI SUGAR	Others	794.00	Quoted	Fully Paid	2,104.10
	MEYER APPARELS LTD	Others	700.00	Quoted	Fully Paid	2,723.00
	GTL LTD	Others	50.00	Quoted	Fully Paid	235.00
	GODREJ INDUSTRIES	Others	200.00	Quoted	Fully Paid	1,07,280.00
	GOLDMAN NIFTYBEES	Others	150.00	Quoted	Fully Paid	1,83,091.50
	GRAUER WELL	Others	4,100.00	Quoted	Fully Paid	2,01,720.00
	GSB FINANCE	Others	2,200.00	Quoted	Fully Paid	17,006.00
	GTL INFRA	Others	500.00	Quoted	Fully Paid	475.00
	HIMACHAL FUTURISTIC (HFCL)	Others	1,400.00	Quoted	Fully Paid	31,570.00
	HINDUSTAN HARDY	Others	100.00	Quoted	Fully Paid	11,000.00



## Annexure A

<b>A. Details of Other Investments</b>						
<b>Sr. No.</b>	<b>Name of the Body Corporate</b>	<b>Subsidiary / Associate / JV/ Controlled Entity / Others</b>	<b>No. of Shares / Units</b>	<b>Quoted / Unquoted</b>	<b>Partly Paid / Fully paid</b>	<b>Amount</b>
			<b>2020</b>			<b>2020</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>(a)</b>	<b>Investement in Equity Instruments</b>		<b>11,76,749.00</b>			<b>16,68,438.00</b>
	Adani Power Ltd	Others	100.00	Quoted	Fully Paid	2,775.00
	Adc India Communications Ltd	Others	45.00	Quoted	Fully Paid	5,261.00
	Alka India Ltd	Others	1,100.00	Quoted	Fully Paid	209.00
	Alok Industries Ltd	Others	800.00	Quoted	Fully Paid	3,160.00
	Alps Industries Ltd.	Others	30.00	Quoted	Fully Paid	23.00
	Ambika Cotton Mills Ltd	Others	100.00	Quoted	Fully Paid	52,795.00
	Ambuja Zinc	Others	100.00	Quoted	Fully Paid	-
	Apollo Hospital Enterprises Ltd.	Others	10.00	Quoted	Fully Paid	11,391.00
	Utique Enterprises Limited.	Others	500.00	Quoted	Fully Paid	625.00
	Assam Company India Ltd	Others	400.00	Quoted	Fully Paid	-
	Bampsl Securities Ltd	Others	96.00	Quoted	Fully Paid	60.00
	Bank Of India	Others	100.00	Quoted	Fully Paid	3,225.00
	Bhagyanagar Properties Ltd	Others	100.00	Quoted	Fully Paid	2,000.00
	Bhagyanar India Ltd	Others	100.00	Quoted	Fully Paid	1,430.00
	Bharat Immunologicals & biologicals corporation Ltd	Others	100.00	Quoted	Fully Paid	582.00
	Bhel Ltd	Others	600.00	Quoted	Fully Paid	12,480.00
	Bihar Sponge Iron Ltd	Others	1,000.00	Quoted	Fully Paid	360.00
	Birla Capital & Financial Services Ltd	Others	500.00	Quoted	Fully Paid	-
	Brijlaxmi Leasing & Finance Ltd	Others	260.00	Quoted	Fully Paid	192.00
	Bull Power	Others	800.00	Quoted	Fully Paid	-
	Calcom Vision Ltd	Others	200.00	Quoted	Fully Paid	1,798.00
	IDFC First Bank Ltd	Others	111.00	Quoted	Fully Paid	2,342.00
	Cat Technology Ltd	Others	600.00	Quoted	Fully Paid	-
	CCS Infotech Ltd	Others	5,500.00	Quoted	Fully Paid	-
	CG Power & Industrial solutions Ltd	Others	100.00	Quoted	Fully Paid	505.00
	Chambal Fertiliser & Chemicals Ltd	Others	300.00	Quoted	Fully Paid	32,535.00
	Cilson Organics Ltd	Others	4,50,000.00	Quoted	Fully Paid	-
	Crompton Greaves Consumer Electricals Ltd	Others	100.00	Quoted	Fully Paid	20,880.00
	DCW Ltd	Others	100.00	Quoted	Fully Paid	725.00
	Deepak Fertiliser & Petrochemicals Corporation Ltd	Others	100.00	Quoted	Fully Paid	7,515.00
	Deora Polytex	Others	1,300.00	Quoted	Fully Paid	-
	Detroit Industries	Others	36,567.00	Quoted	Fully Paid	-
	Dewan Tyre	Others	80.00	Quoted	Fully Paid	-
	DLF Limited	Others	100.00	Quoted	Fully Paid	13,745.00
	Ecoboard Industries Ltd	Others	500.00	Quoted	Fully Paid	2,275.00
	E.I.D Parry Ltd	Others	12.00	Quoted	Fully Paid	1,669.00
	Elb Schliff	Others	50.00	Quoted	Fully Paid	-
	Eros Internationsl Media Ltd	Others	200.00	Quoted	Fully Paid	1,700.00
	Facor Alloys Ltd	Others	1,500.00	Quoted	Fully Paid	1,605.00
	Ferro Alloys Corporation Ltd	Others	5,300.00	Quoted	Fully Paid	-
	Firstsource Solutions Ltd	Others	1,000.00	Quoted	Fully Paid	27,450.00
	Fortis Malar Hospital Ltd	Others	500.00	Quoted	Fully Paid	21,500.00
	Gayatri Sugar Ltd	Others	794.00	Quoted	Fully Paid	397.00
	Grauer & Well (India) Ltd	Others	3,500.00	Quoted	Fully Paid	1,18,475.00
	GSB Finance Ltd	Others	2,200.00	Quoted	Fully Paid	17,204.00
	GTL Infra Ltd	Others	500.00	Quoted	Fully Paid	125.00
	GTLLtd	Others	50.00	Quoted	Fully Paid	58.00
	Gujarat NRE Coke Ltd - DVR	Others	50.00	Quoted	Fully Paid	-
	Gujarat Telephone cables Ltd	Others	1,500.00	Quoted	Fully Paid	-
	Gujarat NRE Coke Ltd - EQ	Others	500.00	Quoted	Fully Paid	-
	Hamco Mining	Others	500.00	Quoted	Fully Paid	-
	Haryana Petro	Others	72.00	Quoted	Fully Paid	-
	Heatshrink Technologies Ltd	Others	1,400.00	Quoted	Fully Paid	-
	Himachal Futuristic Communications Ltd (Hfcl)	Others	1,400.00	Quoted	Fully Paid	12,670.00
	Hindustan Hardy Ltd	Others	100.00	Quoted	Fully Paid	7,450.00

Hotline Glass Ltd	Others	1,000.00	Quoted	Fully Paid	-
Hotline Teletube & components Ltd	Others	100.00	Quoted	Fully Paid	-
Housing Development & Infrastructure Ltd	Others	400.00	Quoted	Fully Paid	560.00
IFSL Ltd	Others	11,700.00	Quoted	Fully Paid	-
Igarshi Motors India Ltd	Others	112.00	Quoted	Fully Paid	20,647.00
India Glycols Ltd	Others	150.00	Quoted	Fully Paid	31,928.00
Indraprastha Medical Corporation Ltd	Others	3,500.00	Quoted	Fully Paid	1,18,650.00
Innocorp Ltd	Others	600.00	Quoted	Fully Paid	-
J G Foundary	Others	200.00	Quoted	Fully Paid	-
Jalpac India Ltd	Others	2,200.00	Quoted	Fully Paid	-
Jayabharat Credit Ltd	Others	450.00	Quoted	Fully Paid	-
Jaypee Infratech Limited Ltd	Others	5,000.00	Quoted	Fully Paid	3,250.00
JCT Electronics Ltd	Others	7,300.00	Quoted	Fully Paid	-
JCT Ltd	Others	6,400.00	Quoted	Fully Paid	5,056.00
JSW Steel Ltd	Others	40.00	Quoted	Fully Paid	-
Jyothy Lab Ltd	Others	200.00	Quoted	Fully Paid	18,440.00
Jyoti Resins & Adhesive Ltd	Others	850.00	Quoted	Fully Paid	97,750.00
Kingfisher Airlines Ltd	Others	2,000.00	Quoted	Fully Paid	-
Kiran Overseas	Others	100.00	Quoted	Fully Paid	-
Kopran Ltd.	Others	100.00	Quoted	Fully Paid	2,540.00
Lahoti Overseas Ltd	Others	1,000.00	Quoted	Fully Paid	8,430.00
Lloyd Finance Ltd	Others	2,200.00	Quoted	Fully Paid	-
Machino Plastics Ltd	Others	100.00	Quoted	Fully Paid	4,545.00
Magma Fincorp Ltd	Others	1,000.00	Quoted	Fully Paid	17,000.00
Mahanag Telephone Nigam Ltd (Mtnl)	Others	200.00	Quoted	Fully Paid	1,210.00
Mahendra Suiting	Others	100.00	Quoted	Fully Paid	-
Mahindra Lifespace Developers Ltd	Others	254.00	Quoted	Fully Paid	48,870.00
Manali Petrochemicals Ltd	Others	150.00	Quoted	Fully Paid	1,515.00
Mangalore Chemicals & Fertilisers Ltd	Others	3,000.00	Quoted	Fully Paid	72,900.00
Mardia Copper	Others	400.00	Quoted	Fully Paid	-
Mawana Sugar Ltd	Others	633.00	Quoted	Fully Paid	14,369.00
Metkore Alloys & Industries Ltd	Others	95.00	Quoted	Fully Paid	24.00
Meyer Apparels Ltd	Others	700.00	Quoted	Fully Paid	546.00
Morepen Laboratories Ltd	Others	4,600.00	Quoted	Fully Paid	43,930.00
Moschip Technologies Ltd	Others	600.00	Quoted	Fully Paid	4,200.00
Mrinal Dyeing	Others	1,200.00	Quoted	Fully Paid	-
Ms Online Broking Services Ltd	Others	73,000.00	Unquoted	Fully Paid	3,39,450.00
MSL Industries Ltd	Others	1,700.00	Quoted	Fully Paid	-
Mukand Ltd	Others	1,186.00	Quoted	Fully Paid	-
Nacro Chem	Others	17,700.00	Quoted	Fully Paid	-
NMDC Ltd	Others	500.00	Quoted	Fully Paid	40,000.00
NCC Ltd	Others	1,000.00	Quoted	Fully Paid	18,750.00
Nelco Limited	Others	300.00	Quoted	Fully Paid	40,470.00
NEPC India	Others	500.00	Quoted	Fully Paid	-
Nextgen Animation Media Ltd	Others	200.00	Quoted	Fully Paid	-
NRC Ltd.	Others	200.00	Quoted	Fully Paid	-
Orchid Pharma Ltd	Others	1,000.00	Quoted	Fully Paid	-
Orient Green Power Company Ltd	Others	3,000.00	Quoted	Fully Paid	4,350.00
Oswal Agro Mills Ltd	Others	100.00	Quoted	Fully Paid	400.00
Padmini Technologies Ltd	Others	1,000.00	Quoted	Fully Paid	-
Piccadily Sugar & Allied Industries Ltd	Others	250.00	Quoted	Fully Paid	900.00
Prime Capital Market Ltd	Others	4,00,000.00	Quoted	Fully Paid	-
Punjab Alkalies Chemicals Ltd	Others	100.00	Quoted	Fully Paid	2,835.00
Punsumi Foils (5 Paid Up)	Others	6,800.00	Quoted	Fully Paid	-
R.S.Software (India) Ltd	Others	200.00	Quoted	Fully Paid	2,360.00
Rajdarshan Industries Ltd	Others	500.00	Quoted	Fully Paid	6,325.00
Reliance Power Ltd	Others	227.00	Quoted	Fully Paid	284.00
Sarvodaya Labs Ltd	Others	2,300.00	Quoted	Fully Paid	-
Shaan Interwell	Others	1,400.00	Quoted	Fully Paid	-
Shakti Pumps (India) Ltd	Others	200.00	Quoted	Fully Paid	23,580.00
Shanthi Gear Ltd	Others	150.00	Quoted	Fully Paid	9,840.00
Sheetal Bio-Agro Tech Ltd	Others	6,280.00	Quoted	Fully Paid	-
Shree Rama Newsprint Ltd	Others	250.00	Quoted	Fully Paid	2,875.00
Shristi Video	Others	500.00	Quoted	Fully Paid	-
Silverline Technologies Ltd	Others	1,000.00	Quoted	Fully Paid	-



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**NOTE 12: EQUITY SHARE CAPITAL**

	As at March 31, 2020	As at March 31, 2019
<b>Authorised</b> Equity Shares of Rs. 10 each	5,00,00,000.00	5,00,00,000.00
<b>Issued</b> Equity Shares of Rs. 10 each	4,25,02,000.00	4,25,02,000.00
<b>Subscribed and Fully Paid up</b> Equity Shares of Rs. 10 each fully paid	4,09,45,000.00	4,09,45,000.00
<b>Subscribed but not Fully Paid up</b> 156600 Partly Paid Equity shares of Rs.5.00 each	-	-
	<b>4,09,45,000.00</b>	<b>4,09,45,000.00</b>
Add: Forfeited Shares (155700 Partly Paid Equity shares )	7,77,500.00	7,77,500.00
<b>TOTAL</b>	<b>4,17,22,500.00</b>	<b>4,17,22,500.00</b>

NOTES:

a) The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	40,94,500.00	4,09,45,000.00	42,50,200.00	4,17,19,000.00
Add : Shares Issued during the year	-	-	-	-
Add : Receipts of Calls in Arrear	-	-	-	3,500.00
Less : Shares bought back during the year	-	-	-	-
Less: Shares forfeited during the year	-	-	1,55,700.00	7,77,500.00
<b>Shares outstanding at the end of the year</b>	<b>40,94,500.00</b>	<b>4,09,45,000.00</b>	<b>40,94,500.00</b>	<b>4,09,45,000.00</b>

b) **Terms / rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of Rs 10 each. Each equity shareholder is entitled to one vote per share.

c) Shares held by Holding Company and Subsidiary of Holding Company and details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
Saraf Ergonomics Financial Services Private Ltd.	10,88,000	26.57	10,88,000	26.57

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**NOTE 13: OTHER EQUITY**

	As at March 31, 2020	As at March 31, 2019
Securities Premium Reserve		-
General Reserve	9,32,727.00	45,000.00
Other Reserves		
Capital Reserve		-
Debenture Redemption Reserve		-
Capital Investment Subsidy Reserve		-
Investment All. Rs. utilization A/C		-
Deferred Employee Compensation Expense		-
	-	-
Retained Earnings	(2,69,68,302.00)	(2,31,90,744.00)
Other Comprehensive Income (Remeasurements of defined benefit plans)	(93,17,175.00)	(53,33,475.00)
	<b>(3,53,52,750.00)</b>	<b>(2,84,79,219.00)</b>

**OTHER RESERVES MOVEMENT**

	As at March 31, 2020	As at March 31, 2019
<b>Capital Reserve</b>		
Balance as per last financial statements	-	-
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance	-	-
<b>Debenture Redemption Reserve</b>		
Balance as per last financial statements	-	-
(+) Transfer from General Reserve		-
(-) Transfer to retained earnings		-
(-) Transfer to General Reserve		-
(-) Transfer to Surplus		-
Closing Balance		-
<b>Capital Investment Subsidy Reserve</b>		
Balance as per last financial statements	-	-
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance		-
<b>Investment All. Rs. utilization A/C</b>		
Gross Employee Compensation for Options granted	-	-
(-) Exercise of Share options		-
(+) Deferred Employee Compensation Expense		-
Closing Balance		-
<b>Other Comprehensive Income</b>		
Effective portion of Cash Flow Hedges		-
Remeasurements of the net defined benefit Plans	-	-
	-	-
<b>TOTAL</b>	-	-

**MS SECURITIES LIMITED**

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**NOTE 14: DEFERRED TAX LIABILITIES (NET)**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Deferred Tax Liability</b>		
a) Property, Plant & Equipment and Intangibles	653.00	653.00
<b>Deferred Tax Assets</b>		
a) Tax Disallowances	-	-
b) Provision for Doubtful Debts and Advances	-	-
c) Others	-	-
d) Mat Credit Entitlements	-	-
	-	-
<b>TOTAL</b>	<b>653.00</b>	<b>653.00</b>

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**NOTE 15: OTHER CURRENT LIABILITIES**

	As at March 31, 2020	As at March 31, 2019
Statutory Dues (VAT, Excise, Service Tax, Octroi, etc)	-	-
Advance received from Customers	-	-
Provision for expenses	3,10,712.00	2,44,912.00
Others	27,364.00	2,44,790.00
<b>TOTAL</b>	<b>3,38,076.00</b>	<b>4,89,702.00</b>

**NOTE 16: CURRENT PROVISIONS**

	As at March 31, 2020	As at March 31, 2019
<b>Provision for Employee Benefits</b>		
Salary & Bonus Payable	-	22,800.00
Others	-	-
<b>Other provisions</b>	-	-
<b>TOTAL</b>	<b>-</b>	<b>22,800.00</b>

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**NOTE 17: OTHER INCOME**

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Interest Income on:</b>		
On Investments	-	-
Deposits with banks	17,442.00	-
Advances and Deposits	-	1,97,054.00
On Loan to ESOP Trust	-	-
On Income-tax Refund	2,899.00	-
On financial assets at amortised cost	-	-
On Others	-	-
<b>Dividend Income</b>		
From Subsidiaries	-	-
From Others	94,655.00	69,451.00
Net Gain on Sale of Investments	26,978.00	14,462.00
Fair Value Gain on financial assets measured at fair value through profit or loss	-	-
Reversal of provision for diminution in investments	-	-
Others	-	16,500.00
<b>Other Non-Operating Income</b>		
Net Gain on Foreign Currency Transactions and Translations	-	-
Profit on Sale of Fixed Assets (net)	245.00	-
Lease rentals	-	-
Commission income	-	-
Miscellaneous Non-operating Income	-	2,298.00
<b>TOTAL</b>	<b>1,42,219.00</b>	<b>2,99,765.00</b>

**NOTE 18: EMPLOYEE BENEFITS EXPENSE**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, Wages, Bonus etc.	12,36,358.00	10,75,096.00
Contribution to Provident fund	-	-
Contribution to E.S.I.	-	-
Workmen and Staff Welfare Expenses	-	21,530.00
<b>TOTAL</b>	<b>12,36,358.00</b>	<b>10,96,626.00</b>

**NOTE 19: DEPRECIATION AND AMORTIZATION EXPENSE**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment	13,546.00	23,513.00
Amortisation of intangible assets	-	-
<b>TOTAL</b>	<b>13,546.00</b>	<b>23,513.00</b>

**NOTE 20: OTHER EXPENSES**

	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Audit Fees	82,600.00	47,000.00
Advertisement Expenses	4,72,500.00	-
Bad Debts	-	25,00,000.00
Bank Charges	136.00	271.00
Brokerage & Other Charges	-	472.00
Communication Charges	1,499.00	20,319.00
Conveyance	-	26,824.00
CS Fees	2,10,000.00	21,600.00
Demat Charges	1,819.00	1,000.00
Donation	-	20,000.00
Electricity Expense	30,002.00	12,311.00
Filing Fees	31,000.00	99,100.00
Internal Audit Fees	10,000.00	20,000.00
Legal & Professional Fees	67,000.00	13,000.00
Listing Fees & Others	3,54,000.00	3,33,920.00
Miscellaneous expenses	11,900.00	12,989.00
Office Expenses	78,675.00	9,448.00
Postage & Courier	17,985.00	65,777.00
Printing and Stationery	18,116.00	35,154.00
Registrar Fee	10,000.00	10,000.00
Rent	11,20,000.00	6,61,460.00
Repair & Maintenance	36,339.00	17,250.00
TDS Expenses	1,400.00	-
Travelling & Conveyance	1,13,314.00	1,02,577.00
Website Development & Maintenance Charges	1,588.00	8,657.00
<b>TOTAL</b>	<b>26,69,873.00</b>	<b>40,39,129.00</b>

**NOTE 21: EARNINGS PER SHARE**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Net Profit After Tax</b>	<b>(37,77,558.00)</b>	<b>(48,59,503.00)</b>
Number of Shares outstanding at the beginning of the year	40,94,500.00	40,94,500.00
Add : Shares Issued during the year	-	-
Less : Shares bought back during the year	-	-
Less : Shares forfeited during the year	-	1,55,700
Number of Shares outstanding at the end of the year	40,94,500.00	40,94,500.00
<b>Weighted Average Number of Equity Shares</b>		
For calculating Basic EPS	40,94,500.00	40,94,500.00
<b>Effect of dilution:</b>		
Shared based payments	-	-
For calculating Diluted EPS	-	-
<b>Earnings Per Share Before and After Extraordinary Items (Face Value `)</b>		
Basic (₹)	(0.92)	(1.19)
Diluted (₹)	(0.92)	(1.19)

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### NOTE 22 : CONTINGENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
a) CLAIMS FOR EXCISE DUTIES, TAXES AND OTHER MATTERS	-	-
b) GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES	-	-
c) OTHER GUARANTEES		
i) Guarantees issued by banks [secured by bank deposits under lien with the bank.	-	-
d) CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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### NOTE 23 : RELATED PARTY DISCLOSURES

#### A) Related Parties and their Relationship

i) Mr. Manoj Kumar Saraf	Key Managerial Personnel (MD)
ii) Mrs. Sangita Devi Saraf	Key Managerial Personnel (CFO)
iii) Sangita (Resign on 16-03-2019)	Key Managerial Personnel (CFO)
v) Miss Madhuri Singh (Resign on 30-08-2018)	Key Managerial Personnel (CFO)
vi) Akansha Rawat	Key Managerial Personnel (CS)
vii) Mr. Sanjeev Kumar Saraf	Director
viii) Manoj Kumar Saraf (HUF)	HUF of Key Managerial Personnel
ix) Third Eye Communication (P) Ltd	Associate Concern
x) Saraf Ergonomics Financial Services (P) Ltd	Associate Concern
xi) MS Online Broking Services Ltd.	Associate Concern

#### B) Related Parties Transactions during the year

##### NAME OF THE RELATED PARTY

##### NATURE OF TRANSACTION

Third Eye Communication (P) Ltd  
Saraf Ergonomics Financial Services (P) Ltd  
MS Online Broking Services Ltd.  
Miss Madhuri Singh

Sangeeta  
Akansha Rawat  
Manoj Kumar Saraf

Manoj Kumar Saraf (HUF)  
Sangita Devi Saraf

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

#### NOTE 24 : LEASES

Not Applicable

The future minimum lease payments outstanding under non-cancellable operating leases are as follows:

	<i>Rs.</i>	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>TOTAL</b>	-	-

#### NOTE 25 : HEDGING CONTRACTS

The Company uses forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions and firm commitment in accordance with its forex policy as determined by its Forex Committee. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

Forward/ Spot Contracts outstanding are as follows:

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>

# MS SECURITIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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## NOTE 26 : EMPLOYEE BENEFITS

### a) DEFINED CONTRIBUTION PLAN

#### Provident Fund:

The contributions to the Provident Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Superannuation Fund constitutes an insured benefit, which is classified as a defined contribution plan as the Company contributes to an Insurance Company and has no further obligation beyond making payment to the insurance company.

### b) DEFINED BENEFIT PLAN

#### Gratuity:

The liability in respect of future payment of gratuity to retiring employees on retirement is provided on the basis of actual number of year's entitlement pending to be paid as at the end of each year. The Company estimates and provides the liability towards gratuity on the basis of actuarial valuation made at the end of the year.

These benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and investment risk.

#### Provident Fund:

The Company manages the Provident Fund plan through a Provident Fund Trust for its employees which is permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is actuarially valued. The plan envisages contribution by the employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

### c) Amounts Recognised as Expense:

#### i) Defined Contribution Plan

Not Applicable

#### ii) Defined Benefit Plan

Not Applicable

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 26 : EMPLOYEE BENEFITS (Contd.)**

d) The amounts recognised in the Company's financial statements as at year end are as under:

*Rs.*

	As at March 31, 2020	As at March 31, 2019
<b>i) Change in Present Value of Obligation</b>		
Present value of the obligation at the beginning of the year	-	-
Current Service Cost	-	-
Interest Cost	-	-
Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions	-	-
Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	-	-
Actuarial (Gain) / Loss on Obligation- Due to Experience	-	-
Benefits Paid	-	-
Present value of the obligation at the end of the year	-	-
<b>ii) Change in Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	-	-
Interest Income	-	-
Return on plan assets excluding interest income	-	-
Benefits Paid	-	-
Fair value of Plan Assets at the end of the year	-	-
<b>iii) Amounts Recognised in the Balance Sheet:</b>		
Present value of Obligation at the end of the year	-	-
Fair value of Plan Assets at the end of the year	-	-
Funded status - Deficit	-	-
Net Liability recognised in the Balance Sheet	-	-
<b>iv) Amounts Recognised in the Statement of Profit and Loss:</b>		
Current Service Cost	-	-
Interest Cost on Obligation	-	-
Net Cost Included in Personnel Expenses	-	-
<b>v) Recognised in other comprehensive income for the year</b>		
Actuarial (Gain) / Loss on Obligation	-	-
Return on plan assets excluding interest income	-	-
Recognised in other comprehensive income	-	-
<b>vi) Weighted average duration of Present Benefit Obligation</b>		
<b>vii) Estimated contribution to be made in next financial year</b>		
<b>viii) Major categories of Plan Assets as a % of total Plan Assets</b>		
Insurer Managed Funds (as at 1-April-15 100%)		
<b>ix) Actuarial Assumptions</b>		
i) Discount Rate	-	-
ii) Salary Escalation Rate	-	-
iii) Mortality	-	-
	Indian Assured Lives Mortality (2006-08) Ultimate	
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

**NOTE 26 : EMPLOYEE BENEFITS (Contd.)**

**x) Maturity Analysis of Projected Benefit Obligation: From the Fund**

	As at March 31, 2020	As at March 31, 2019
<b><u>Projected Benefits Payable in Future Years From the Date of Reporting</u></b>		
Within the next 12 months	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-

**xi) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)				
Future salary growth (1% movement)				

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Other details**

Methodology Adopted for ALM	Projected Unit Credit Method
Usefulness and Methodology adopted for Sensitivity analysis	Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Stress Testing of Assets	Not Done
Investment Strategy	Not Discussed
Comment on Quality of Assets	Not Applicable
Management Perspective of Future Contributions	As per Actuarial calculation

**MS SECURITIES LIMITED**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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**NOTE 27 : CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE**

*Rs.*

	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Expenditure incurred on capital assets under CSR projects	-	-
Revenue Expenditure on CSR activities		
<b>TOTAL</b>	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**NOTE 28 : FINANCIAL INSTRUMENTS**

**A. Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2020	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non Current</b>								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	-	-	-	-	-	-
Shares								
Mutual Fund		1,42,414.00		1,42,414.00	1,42,414.00	-	-	1,42,414.00
Deposits with Non-Banking Financial Companies	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other Non-Current Financial Assets	-	-	-	-	-	-	-	-
<b>Current</b>								
Investments								
Non-convertible Debentures with Non-Banking Financial Companies	-	-	-	-	-	-	-	-
Shares		16,68,438.00		16,68,438.00	16,68,438.00	-	-	16,68,438.00
Mutual Funds	-	-	-	-	-	-	-	-
Deposits with Non-Banking Financial Companies	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	1,44,322.00	1,44,322.00	1,44,322.00	-	-	1,44,322.00
Other Bank balances	-	-	-	-	-	-	-	-
Loans	-	-	45,50,000.00	45,50,000.00	-	45,50,000.00	-	45,50,000.00
Other Current Financial Assets	-	-	-	-	-	-	-	-
	-	18,10,852.00	46,94,322.00	65,05,174.00	19,55,174.00	45,50,000.00	-	65,05,174.00
<b>Financial liabilities</b>								
Long term borrowings	-	-	-	-	-	-	-	-
<b>Current</b>								
Borrowings (Commercial Paper)	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	-
Other Non-Current financial liabilities	-	-	3,38,076.00	3,38,076.00	-	-	-	-
Other Current Financial Liabilities (including Derivative Financial Instruments)	-	-	-	-	-	-	-	-
	-	-	3,38,076.00	3,38,076.00	-	-	-	-

**NOTE 28 : FINANCIAL INSTRUMENTS (Contd.)**

**A. Accounting classification and fair values (Contd.)**

As at March 31, 2019	Carrying amount				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Non Current</b>								
Investments								
Debenture								
Shares								
Mutual Fund		7,30,306.00		7,30,306.00	7,30,306.00	-	-	7,30,306.00
Loans	-	-	-	-	-	-	-	-
Other Non-Current Financial Assets	-	-	-	-	-	-	-	-
<b>Current</b>								
Investments								
Debenture								
Shares		65,07,756.00		65,07,756.00	65,07,756.00	-	-	65,07,756.00
Mutual Funds	-	-	-	-	-	-	-	-
Deposits with Non-Banking Financial Companies	-	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	14,27,685.00	14,27,685.00	14,27,685.00	-	-	14,27,685.00
Other Bank balances	-	-	-	-	-	-	-	-
Loans	-	-	48,12,500.00	48,12,500.00	-	48,12,500.00	-	48,12,500.00
Other Current Financial Assets	-	-	-	-	-	-	-	-
	-	72,38,062.00	62,40,185.00	1,34,78,247.00	86,65,747.00	48,12,500.00	-	1,34,78,247.00
<b>Financial liabilities</b>								
Long term borrowings	-	-	-	-	-	-	-	-
<b>Current</b>								
Borrowings (Export Packing Credit)	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	-
Other Current Financial Liabilities (including Derivative Financial Instruments)	-	-	5,12,502.00	5,12,502.00	-	-	-	-
Other Non Current financial liabilities	-	-	-	-	-	-	-	-
	-	-	5,12,502.00	5,12,502.00	-	-	-	-

Level - 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level - 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level - 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**NOTE 28 : FINANCIAL INSTRUMENTS (Contd.)****B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Mutual Fund Investments	NAV quoted by the Mutual Fund	NA	NA
Investments in Non Convertible Debenture with Non-Banking Financial Companies	Broker Quote	NA	NA
Deposits with Non-Banking Financial Companies	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Commercial Paper issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Zero Coupon, Unsecured, Redeemable, Non Convertible Debenture issued by the Company	Present Value of expected cashflows using an appropriate discounting rate	NA	NA
Derivative Financial Instruments	MTM from Banks	NA	NA

**Transfers between Levels 1 and 2 - Nil****Transfer out of Level 3 - Nil****Valuation processes**

The main level 3 inputs for put option, contingent considerations are derived and evaluated as follows :

**Contingent consideration** - estimated based on expected cash outflows arising from the forecast sales and the entity's knowledge of the business and how the current economic environment is likely to impact it

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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#### NOTE 29 : FINANCIAL RISK MANAGEMENT

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Company has constituted a Risk Management Committee and risk management policies which are approved by the Board to identify and analyze the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

#### A. MANAGEMENT OF MARKET RISK:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, investments and derivative financial instruments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

##### (i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings and investments are all in fixed rate instruments.

##### (ii) Management of price risk:

The Company invests its surplus funds in various debt instruments including liquid and short term schemes of debt mutual funds, deposits with banks and financial institutions and non-convertible debentures (NCD's). Investments in mutual funds and NCD's are susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments. This risk is mitigated by the Company by investing the funds in various tenors depending on the liquidity needs of the Company.

##### (iii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures and hedging exposures using derivative financial instruments like foreign exchange forward contracts. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Company does not use derivative financial instruments for trading or speculative purposes.

**Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR) : Nil**

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

A reasonably possible 5% strengthening (weakening) of the Indian Rupee against GBP/USD/EURO/AED at March 31 would have affected the measurement of financial instruments denominated in GBP/USD/EURO/AED and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

## MS SECURITIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

#### NOTE 29 : FINANCIAL RISK MANAGEMENT (Contd.)

##### B. MANAGEMENT OF CREDIT RISK:

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and NCD's, foreign exchange transactions and financial instruments.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements prescribed by the Board. The Company monitors the credit ratings and financial strength of its counter parties and adjusts its exposure accordingly.

At March 31, 2019, the ageing for the financial assets as mentioned in the note below & that were not impaired (not provided for) was as follows.

##### Trade receivables

	As at March 31, 2020	As at March 31, 2019
Neither past due nor impaired	-	-
Past due 1-90 days		
Past due 91-120 days		
Past due 120 days	-	-
	-	-

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

	Trade receivables Impairments
Balance as at April 1, 2018	
Impairment loss recognised	
Amounts written off	
<b>Balance as at March 31, 2019</b>	-
Impairment loss recognised	-
Amounts written off	
<b>Balance as at March 31, 2020</b>	-



**MS SECURITIES LIMITED**

CIN : L08032BR1992PLC004781

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

**NOTE 30 : HEDGE ACCOUNTING**

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of financial derivative instruments, including foreign exchange forward contracts, for hedging the risk embedded in some of its highly probable forecast investment.

For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency risk on highly probable forecast investment. The tenor of hedging instrument may be less than or equal to the tenor of underlying highly probable forecast investment.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge. The Company applies cash flow hedge accounting to hedge the variability in the future cash flows on the overseas remittance to its subsidiaries, subject to foreign exchange risk.

The Company has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

Hedge effectiveness is assessed through the application of critical terms match method & dollar off-set method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The table below enumerates the Company's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship:

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Currency risk hedge	Highly Probable Foreign currency (FCY) denominated investment in Overseas Subsidiary	FCY denominated highly probable forecast investment is converted into functional currency using a plain vanilla foreign currency forward contract	Foreign exchange forward contracts	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over-the-counter market.	Cash flow hedge

The table below provide details of the derivatives that have been designated as cash flow hedges for the year presented:

**For the year ended March 31, 2020**

Hedging Instrument	Notional principal amount	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Gain/(Loss) due to change in fair value	Change in fair value for the year recognized in Other Comprehensive Income (OCI)	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	-	-	-	-	-	-	NA	NA	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income (OCI) items resulting from hedge accounting:

	Movement in Cash flow hedge reserve	
	As at March 31, 2020	As at March 31, 2019
<b>Opening balance</b>	-	-
<b>Gain / (Loss) on the Effective portion of changes in fair value:</b>		
a) Interest rate risk	-	-
b) Currency risk	-	-
<b>Net amount reclassified to profit or</b>		
a) Interest rate risk	-	-
b) Currency risk	-	-
Tax on movements on reserves during the year		-
<b>Closing balance</b>	-	-

**Disclosure of effects of hedge accounting on financial performance for the year ended March 31, 2020**

Type of hedge	Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash Flow Hedge</b>				
Currency risk	-	-	-	NA
Interest rate risk	-	-	-	NA

**MS SECURITIES LIMITED**

CIN : L08032BR1992PLC004781

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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**NOTE 31 : DISCLOSURE U/S 186 (4) OF THE COMPANIES ACT, 2013"**

Details of Investments made are disclosed under Note 8.

**NOTE 32 : SUBSEQUENT EVENTS**

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

**NOTE 33 :** The financial statements were authorised for issue by the Board of Directors on 14th of October 2020

## MS SECURITIES LIMITED

## NOTE: '34' SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS

**1. Corporate Information**

MS Securities Limited (the Company) is a listed entity incorporated on 12<sup>th</sup> of February 1992. The Company's registered office is at 601B, Ashiana Plaza, Budh Marg, Patna-800001.

**2. Basis of preparation, Measurement and Significant****2.1 Basis of Preparation and Measurement***a) Basis of Preparation*

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

**Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

*b) Basis of Measurement*

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets and share-based payments measured at fair value.
- Assets held for sale – measured at lower of carrying value or fair value less cost to sell.

**2.2 Key estimates and assumptions**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving critical estimates or judgments are:

- i. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized; (Note 2.4 (a))
- ii. Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources; (Note 2.4 (g))
- iii. Rebates and sales incentives accruals
- iv. Fair value of financial instruments (Note 2.3)

**2.3 Measurement of fair values**

The Company's accounting policies and disclosures require financial instruments to be measured at fair values.

The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient

data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

*Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

*Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 2.4 Significant Accounting Policies

### a) Property, Plant and Equipment

#### *Recognition and measurement*

Items of property, plant and equipment, other than Freehold Land, are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at cost and is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

#### *Subsequent expenditure*

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance are charged to profit and loss during the reporting period in which they are incurred.

#### *Depreciation*

Depreciation on Tangible Fixed Assets is provided on Written down Method (WDV) using the rates arrived at based on the useful lives of the respective assets prescribed in Schedule II to the Companies Act, 2013. Depreciation on amounts of additions to fixed assets during the year or on its disposal/

demolition/ destruction of fixed assets during the year is provided on pro-rata basis as per Schedule II. As per Note 7 to the Schedule II to the Companies Act, 2013, the carrying amount of the fixed assets as on 1st April, 2015 has been depreciated over the remaining useful life of the asset after retaining the residual value. Wherever the remaining useful life of the asset is NIL as per Schedule II, the carrying amount as on 1st April, 2015 is recognized in the opening balance of retained earnings. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**b) Borrowing Costs**

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

**c) Impairment of non-financial assets**

An impairment loss is recognized whenever the carrying value of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which the impairment takes place. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

**d) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

**Financial assets**

*Initial recognition and measurement*

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

*Subsequent measurement*

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost,
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI) except unquoted shares.

on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Equity investments**

All equity investments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). There

is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the financial asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

The Company assess on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets that are debt instruments and are carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security deposit collected etc. and expectations about future cash flows.

### **Financial liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **Loans and borrowing**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

#### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognized as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### **e) Inventories**

Inventories are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, packing materials and stores: Costs includes cost of purchase and other costs incurred in bringing each product to its present location and condition.

Finished goods and work in progress: In the case of manufactured inventories and work in progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition

If payment for inventory is deferred beyond normal credit terms, then the cost is determined by discounting the future cash flows at an interest rate determined with reference to market rates. The difference between the total cost and the deemed cost is recognized as interest expense over the period of financing under the effective interest method.

#### **f) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet includes cash at bank and on hand, deposits held at call with financial institutions, other short term highly liquid investments, with original maturities less

than three months which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents cash and short term deposits as defined above is net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

g) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent Assets are not recognized till the realization of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is probable.

*Trading of the shares of the company is suspended at Calcutta Stock Exchange, Kolkata.*

h) **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

*Sale of goods*

Revenue from sale of goods is recognized when significant risks and rewards of ownership in the goods are transferred to the buyer.

The Company recognizes revenues on the sale of products, net of returns, discounts, sales incentives/rebate, amounts collected on behalf of third parties (such as sales tax) and payments or other consideration given to the customer that has impacted the pricing of the transaction.

Accumulated experience is used to estimate and provide for the discounts and returns. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

**Royalty & Technical Fees** - Royalty is recognized on accrual basis in accordance with the substance of the relevant agreement.

**Interest income** -Interest on Deposits is recognized on time basis

**Dividend income** -Dividends are recognized in profit or loss on the date on which the Company's right to receive payment is established

i) **Employee Benefits**

i) **Short-term Employee benefits**

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) **Long Term Employee Benefits**

- **Defined Contribution Scheme:** The benefit includes contribution to EPF (Employee Provident Fund), ESI etc. The contribution is recognized during the period in which the employee renders service.
- **Defined Benefits Plan:** Provision for gratuity liability is made on the basis of premium actuarially assessed at the end of the period and intimated by the Life Insurance Corporation of India in terms of a policy taken with them.

j) **Income Tax**

Income tax expense/income comprises current tax expense income and deferred tax expense income. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI. In which case, the tax is also recognized directly in equity or other comprehensive income, respectively.

*Current Tax*

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years. It is measured using tax rates enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretations and establishes provisions where appropriate.

- Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

*Deferred Tax*

Deferred Income tax is recognized in respect of temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
- iii) Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognized. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognized.

**k) Foreign Currency Transactions**

**i) Functional and Presentation currency**

The Company's financial statements are prepared in Indian Rupees (INR “₹”) which is also the Company's functional currency.

**ii) Transactions and balances**

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in profit or loss in the year in which they arise except for the qualifying cash flow hedge, which are recognized in OCI to the extent that the hedges are effective.

**l) Government grants**

Government grants, including non-monetary grants at fair value are recognized when there is reasonable assurance that the grants will be received and the company will comply with all the attached conditions.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the profit and loss on a straight line basis over the expected lives of the related assets

**m) Dividend**

The Company recognizes a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorized and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

**n) Earnings Per Share**

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o) **Payment to Auditors for services rendered: -**

	<u>Current Year</u>	<u>Prev. Year</u>
a) As Statutory Auditor	47,200.00	40,000.00
b) Other Services	17,700.00	Nil

- p) Balance of Sundry receivables and payables are subject to formal confirmation. All sundry debtors are unsecured but considered good by the management to the extent of their book value.
- q) Estimated amount of capital contracts remaining to be executed not provided for net of advances: - Rs. NIL (*Last year NIL*)
- r) Claims against the company not acknowledged as debts - Nil.
- s) According to the information and explanations given to us and the records of the Company examined by us, Status of legal cases has been given below:

**Details of Legal Cases**

By	Case	Pending
1038©1996	against Mangal Finance Ltd.	Pending in the Court of Judicial Magistrate, Civil Court, Patna  Rs. 40 lacs payment default
1293©1996	against Cilson Organics Ltd.	Pending in the Court of Judicial Magistrate, Civil Court, Patna  Rs. 50 lacs payment default
<b>Against</b>		
334©06	By Registrar Of Company u/s 63, 68,628 of Companies Act,1956	Pending in the Special Court of Economic Offence, Patna

t) **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accrual of past or future operating cash receipts and payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the concern are segregated.

In terms of our report annexed.

Signature to Note '1' TO '34'.

For Subodh Goel & Co.

Chartered Accountants

(Subodh Kumar Goel)  
M. No. 074835  
(Partner)  
Firm Reg. No. 006103C  
Place : Patna.  
Date : 01.11.2021

**For and on behalf of the board**

Manoj Kumr Saraf  
Managing Director  
(DIN: 00175213)

Sangita Devi Saraf  
CFO  
PAN: AJKPS5626D

**ATTENDANCE SLIP**

**ANNUAL GENERAL MEETING- December 30<sup>th</sup>, 2020 at 02:00 P.M.**

<b>DP Id.</b>		<b>Client Id. / Ben. A/c.</b>	
<b>Folio No.</b>		<b>No. of Shares</b>	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on **December 30<sup>th</sup>, 2020 at 02:00 P.M.** at **32, Vaibhav Apartment, Budh Marg, Patna 800001.**

\_\_\_\_\_  
Full Name of the Shareholder / Proxy (In Block Letter)

\_\_\_\_\_  
Signature

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**Form No. MGT-11****Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L01100BR1992PLC004781

**Name of the company:** MS Securities Limited

**Registered office:** 601B, Ashiana Plaza Budh Margpatna, Bihar Patna-800001

Name of the member (s)	
Registered address	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1. Name: .....  
 Address: .....  
 E-mail Id: .....  
 Signature:....., or failing him,

2. Name: .....  
 Address: .....  
 E-mail Id: .....  
 Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the **December 30<sup>th</sup>, 2020 at 02:00 P.M. at 32, Vaibhav Apartment, Budh Marg, Patna 800001** and at any adjournment thereof in respect of such resolutions as are indicated below:

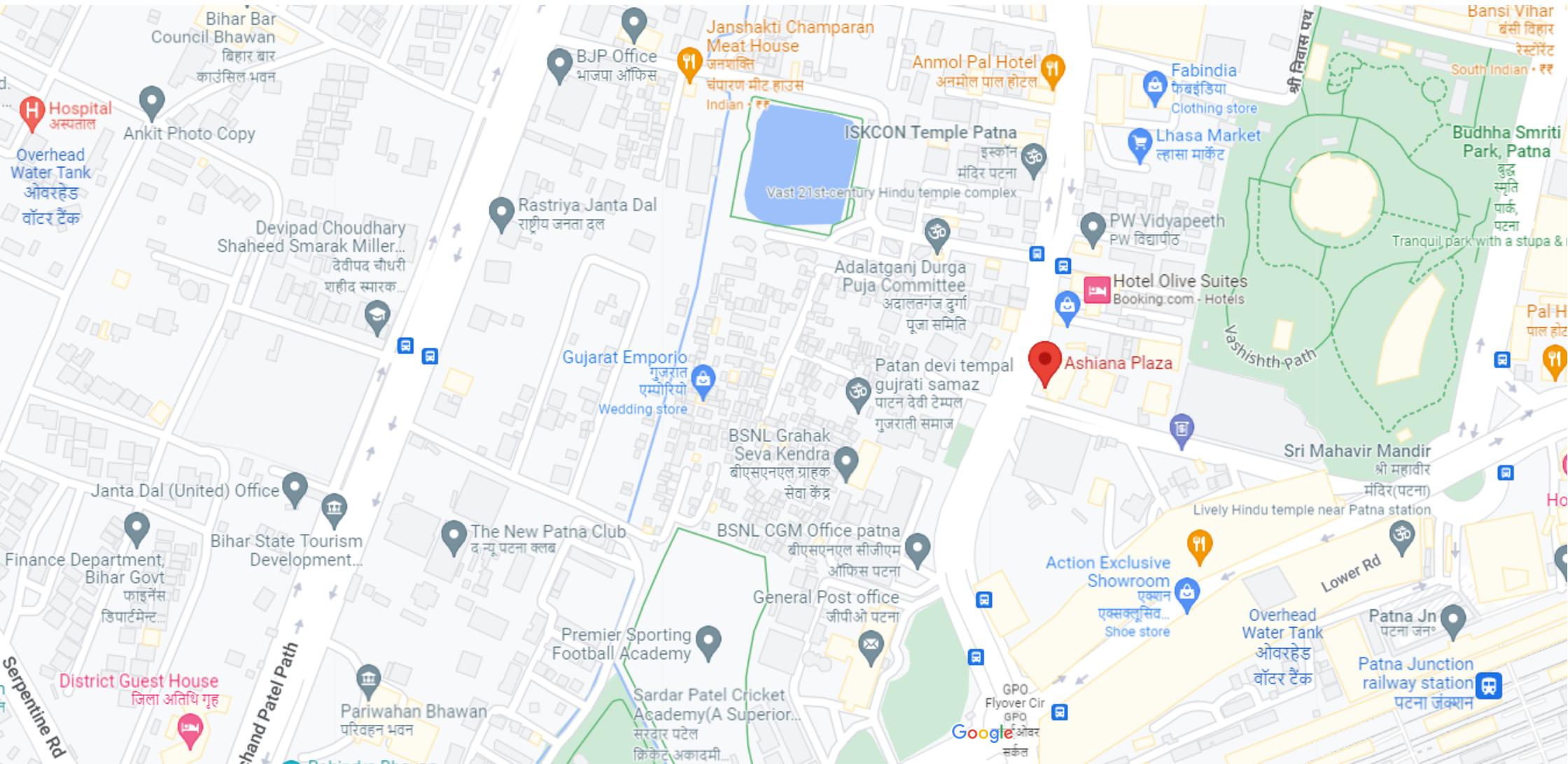
Res. No.	Description	For	Against
1	To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2020 and the Balance Sheet as on that date together with the Reports of the Directors and the Auditors thereon.		
2	To appoint a director in place of Mr. Sanjeev Kumar Saraf (DIN - 01762532) who retires by rotation and being eligible, offers himself for re-appointment.		

Signed this..... day of..... 20.....  
 Signature of Shareholder

**Affix  
 Rs. 1 /-  
 Revenue  
 Stamp**

Signature of Proxy holder(s)

*Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*



**If Undelivered please return to:**

**MS SECURITIES LIMITED**

601B, ASHIANA PLAZA

BUDH MARGPATNA,

BIHAR PATNA-800001

Email Id: [mssecuritieslimited@gmail.com](mailto:mssecuritieslimited@gmail.com)

[www.mssl.co.in](http://www.mssl.co.in)