

MOONSTAR INVESTMENTS LIMITED

25TH ANNUAL REPORT 1997-98

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the share holders of MOONSTAR INVESTMENTS LIMITED, will be held at the Registered Office of the Company at 127, Jolly Maker Chamber No.II, Nariman Point, Mumbai 400 021. on 30th September, 98 at 2.30 P.M. to transact the following business.

1. To receive consider and adopt the Directors' Report, Auditor's Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1998.
2. To appoint a Director in place of Shri M.K. Todi who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To appoint the auditors of the company and fix their remuneration.

By order of the Board

Mumbai, Dated : 01st Sept. '98


 M.K. TODI
 (Director)
NOTES :

- a. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and such proxy need not be a member of the Company
- b. The instrument appointing proxy should however be deposited at the registered office of the Company, not less than fortyeight hours before the commencement of the meeting.
- c. The Register of members and share transfer books of the company will remain closed from 25th September to 30th September 1998 (Both days inclusive).

Certified True Copy
 FOR MOONSTAR INVESTMENTS LTD.


 DIRECTOR

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

MOONSTAR INVESTMENTS LIMITED

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DIRECTORS REPORT

The Board of Directors have pleasure in presenting the 25th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 1998.

FINANCIAL RESULTS

	31.03.1998 Rs.	31.03.1997 Rs.
Profit as per Profit & Loss A/c.	42,18,779	(-)13,32,614
Add: Loss brought forward from earlier Years	45,79,143	32,46,529
Balance Loss Carried to Balance sheet	3,60,364	45,79,143

OPERATIONS

The Company has been deploying the funds in the Capital Market in the long term perspective Accordingly, the year under review, the company has been successful to take advantage of rising trend of its selective investments in to profitable dis-investments, whereby resulting into Profit of Rs.42.18 Lacs Judicious fund management has also eased out liquidity crunch and has resulted in to saving of interest out go by Rs.5.30 lacs.

FUTURE PROSPECTS

Inspite of fiscal and tax incentives, an Industrial growth is not picking up leading to recessionary trend and pressure on profit margin which is inturn adversely affecting capital market, Barring selective Industries the general senario is gloomy.

DIVIDEND

In view of un-adjusted carried forward losses of earlier years, your directors expereess their inability to recommend any dividend for the year.

SUBSIDIARY COMPANY

Vikas Agencies Ltd, the wholly owned subsidiary company has reported net loss of Rs.73,281/- for the year ended 31st March 1998 which has not been dealt in the books of accounts of the company. A statement required under section 212 of the Companies Act, 1956 has been attached with the audited accounts of the Company.

MOONSTAR INVESTMENTS LIMITED**25TH ANNUAL REPORT 1997-98****DIRECTORS**

Mr. M.K. Todi will retire during the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDITORS

The Auditors of the Company, M/s. KUCHERIA & ASSOCIATES, Chatered Accountants, are due to retire at this meeting and being eligible, offer themselves for re-appointment.


PERSONNEL

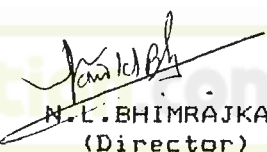
None of the employees draw salary exceeding the limits prescribed under section 217 (2A) of the Companies Act, 1956 during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/ OUTGO.

Your Company being mainly engaged in trading in shares and securites the information required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are not applicable.

On behalf of the Board


M.K. TODI
(Director)


N.L. BHIMRAJKA
(Director)

Mumbai, Dated :01st Sept.,98

KUCHERIA & ASSOCIATES

Chartered Accountants

59, Jolly Maker Chambers II, Nariman Point, Mumbai-400 021.

AUDITORS' REPORT TO THE SHARE HOLDERS

We have audited the attached Balance Sheet of Moonstar Investments Ltd. as at 31st March, 1998, and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto.

We report as follows:

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above,
 - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) the Balance Sheet & the Profit and Loss Account dealt with this report are in agreement with the books of account;
 - (d) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes appearing thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view -
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998, and
 - ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

for KUCHERIA & ASSOCIATES
Chartered Accountants

(S. SARUPIA)
(PARTNER)

MUMBAI
Dated : 01st Sept., 98

KUCHERIA & ASSOCIATES

Chartered Accountants

ANNEXURE TO AUDITORS' REPORT OF MOONSTAR INVESTMENTS LTD.

(Referred to in Paragraph 1 of our Report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified, we have been informed that no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year under report.
3. Stock of Shares and debentures have been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
4. The Procedures of physical verification of stock followed by the management are in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No discrepancies were noticed on such verification of stock as compared with book record.
6. In our opinion the valuation of stock is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
7. The terms and condition of the Loan taken from Companies, firms or other parties as listed in the register maintained under section 301 of the Companies act 1956 are not prima facie prejudicial to the interest of the company. We are informed that there are no Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
8. The Company has not granted any loans secured or unsecured from the companies, firms or other parties as listed in the Register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by the company, the principal amount is received on demand and interest is received regularly.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of shares/Debtentures/other securities and other assets and for sale of shares/debtentures /other securities.
11. The Company has not accepted deposits from the public.



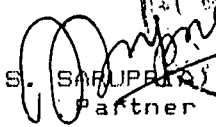
KUCHERIA & ASSOCIATES

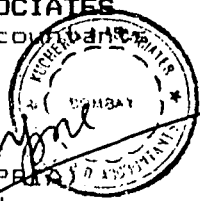
Chartered Accountants

12. According to the information and explanations given to us and the record of the company examined by us no personal expenses have been changed to the revenue account.
13. Company is dealing/trading in shares, debentures and other investments and proper record of transaction and contracts have been maintained by the company. The investment held for deriving dividend/ interest are in its own name.

Other clauses of the manufacturing and other companies (Auditor's Report) Order 1988 are either Nil or Not Applicable to the company for the year under audit.

For KUCHERIA & ASSOCIATES
Chartered Accountants


(S. SARUPIA)
Partner



Mumbai, Dated :01st Sept '98

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MOONSTAR INVESTMENTS LIMITED

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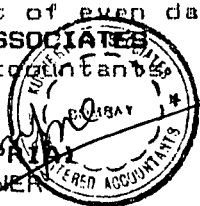
BALANCE SHEET AS ON 31.03.1998.

	Schedules	31.03.1998 Rs.	31.03.1997 Rs.
SOURCES OF FUNDS			
SHARE CAPITAL	A	49,94,000	49,94,000
LOANS FUNDS			
UNSECURED LOANS	B	29,44,332	46,60,095
TOTAL		79,38,332	96,54,095
APPLICATION OF FUNDS			
FIXED ASSETS	C		
GROSS BLOCK		2,61,105	2,61,105
LESS: DEPRECIATION		1,36,262	92,649
		1,24,843	1,68,456
INVESTMENTS	D	70,76,695	22,90,120
CURRENT ASSETS, LOANS & ADVANCES			
STOCK IN TRADE	E	16,08,654	18,42,727
CASH & BANK BALANCES	F	30,588	4,376
LOANS (UNSECURED, CONSIDERED GOOD)		21,914	2,44,123
ADVANCES RECEIVABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED		11,29,662	8,00,163
TOTAL		27,90,818	28,91,389
LESS: CURRENT LIABILITIES & PROVISION	G	24,14,388	2,75,013
NET CURRENT ASSET		3,76,430	26,16,376
PROFIT & LOSS A/C BALANCE		3,60,364	45,79,143
TOTAL:		79,38,332	96,54,095

NOTES ON ACCOUNTS

As per our Report of even date
for KUCHERIA & ASSOCIATES
Chartered Accountants

(S. SARUPAL
PARTNER



ON BEHALF OF THE BOARD

[Signature]
M.K. TODI
(DIRECTOR)

[Signature]
N.L. BHIMRAJKA
(DIRECTOR)

PLACE : MUMBAI
DATE : 1st Sept. '1998

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PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.1998

	Schedules	31.03.1998 Rs.	31.03.1997 Rs.
A. INCOME			
SALE OF SHARES & DEBENTURES	E	99,61,193	31,55,404
INTEREST (TDS Current Year Rs.8251 Previous Year Rs.28387.00)		66,894	91,930
DIVIDEND (TDS Current Year Rs. 600 Previous Year Rs.27921)		1,27,893	1,27,426
Other Income		21,886	55
Consultancy Fees Received (TDS Current year 31250 Previous year NIL)		6,25,000	--
Profit on Sale of Investment		31,722	--
CLOSING STOCK OF SHARES & DEBENTURES	E	16,08,654	18,42,727
TOTAL (A)		1,24,43,242	52,17,542
		=====	=====

EXPENDITURE

OPENING STOCK OF SHARES & DEBENTURES	E 1842727		42,94,141
LESS: TRA.TO INVESTMENTS AT BOOK VALUE	705860	11,36,867	--
PURCHASE OF SHARES & DEBENTURES	E	36,51,814	6,29,443
LOSS ON SALE OF INVESTMENTS		--	3,440
INTEREST PAID		6,26,227	11,55,600
SALARY & ALLOWANCES		4,30,743	2,49,930
DEPRECIATION		43,613	58,849
E D P EXPENSES		6,000	6,000
PORTFOLIO MANAGEMENT FEES		15,72,000	--
OTHER EXPENSES	H	2,84,549	1,52,753
TOTAL		77,51,813	65,50,156
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PROFIT FOR THE YEAR (A-B)	46,91,429	(13,32,614)
LESS:PROVISION FOR TAXATION	4,70,000	-
	42,21,429	(13,32,614)
LESS:SHORT PROVISION FOR TAX OF EARLIER YEAR	2,650	-
	42,18,779	(13,32,614)
LESS:BALANCE B/F FROM PREVIOUS YEAR	45,79,143	32,46,529
BALANCE CARRIED TO BALANCE SHEET	3,60,364	45,79,143
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NOTES OF ACCOUNTS

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As per our Report of even date
For KUCHERIA & ASSOCIATES
Chartered Accountants

S. SARUPRIA
(PARTNER)



ON BEHALF OF THE BOARD

M. K. TODI
(DIRECTOR)

N.L. BHIMRAJKA
(DIRECTOR)

PLACE : MUMABI
DATE : 1st Sept. '98

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SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>31.03.1998</u>	<u>31.03.1997</u>
	RS.	RS.
SCHEDULES 'A'		
AUTHORISED		
7,50,000 Equity Shares of Rs.10/- each	75,00,000	75,00,000
	-----	-----
ISSUED, SUBSCRIBED & PAID UP		
4,99,400 Equity Shares of Rs.10/-		
each fully paid up	49,94,000	49,94,000
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TOTAL	49,94,000	49,94,000
	=====	=====
SCHEDULES 'B'		
UNSECURED LOANS FORM:		
Companies	29,38,287	45,74,970
Director	6,045	85,125
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TOTAL	29,44,332	46,60,095
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