

MS SECURITIES LIMITED

Your Partner in Growth



7TH ANNUAL REPORT

1998-99

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

AUDITORS
S.K. Nayak & Co.
Chartered Accountants

MS SECURITIES LIMITED

BANKERS
Canara Bank

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

HEAD OFFICE & SHARE DEPARTMENT
32, Vaibhav Apartment,
Buddha Marg,
Patna 800 001.

MS SECURITIES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

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

REVIEW OF OPERATIONS & FINANCIAL RESULTS

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

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

SUBSIDIARY

The Company is a holding company of "MS Online Broking Services Ltd." Particulars as required to be disclosed under Section 212 of the Companies Act, 1956 has been annexed with the Accounts of the Company.

DIRECTORS

Shri Sanjeev Kumar Saraf retires by rotation and in pursuance of the Articles of Association of the Company and being eligible, offers herself for re-election.

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

AUDITORS

M/S S. K. Nayak & Co., Chartered Accountants, Auditors of the Company hold office till conclusion of the 7th Annual General Meeting and being eligible, are recommended for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, will be within the limits prescribed under Section 224(1) of the Companies Act, 1956.

PERSONNEL

Your Company continues to enjoy a harmonious and healthy relationship with personnel at all levels. As per requirement of Section 217 (2A) of the Companies Act, 1956, we mention that there were no employees receiving remuneration more than the specified limits.

Y2K COMPLIANCE

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

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

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

FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year.

STATUTORY INFORMATION

A. Particulars required under Section 217(1)(E) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given below :

1. Part A and Part B pertaining to conservation of energy and technology absorption are not applicable to the Company.

2. Foreign Exchange earnings and outgoings : NIL

B. Particulars required to be furnished by the Non-Banking Financial Companies (Reserve Bank) Directions, 1977 :

1. Total number of depositors of the Company whose deposits have not been claimed by the depositors or paid by the Company after the date on which the deposits became due for repayments or renewal, as the case may be, according to the contract with the depositor or provisions of these directions, whichever may be applicable, as on 31st March, 1999 : NIL

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

ACKNOWLEDGEMENTS

Your Directors acknowledge the trust reposed in your Company by its Share Holders, Investors, Bankers, Stock Exchanges, Press, Business Associates, Financial Institutions & Clients. The results that your Company has achieved in the year under review, would not have been possible without the cooperation and full support of all the employees and all other concerned. Your Directors place on record their sincere appreciation of the valuable contribution made by the staff of the Company.

For and on behalf of the Board of Directors

sd/-

Place : Patna

Date : 9th August, 1999

Manoj Kumar Saraf
Chairman

AUDITOR'S REPORT

TO,
THE MEMBERS OF
MS SECURITIES LTD.
PATNA.

We have audited the attached Balance sheet of MS SECURITIES LTD., PATNA as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date annexed thereto and we report that:

1. As required by the Manufacturing and other companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure statement on the matters specified in Paragraphs 4 & 5 of the said order.

2. Further to our comments in the annexure referred to in paragraph 1 above :
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d. The Balance Sheet and Profit & Loss Account comply with in our opinion, the Accounting Standards referred to in sub-section (3 C) of section 211 of the companies Act 1956.
 - e. Attention is invited to the following matters :
 - (i) Note no. 6 relating to non provision of diminution in value of investments.
 - (ii) Note no. 1.2 regarding non accounting of certain income/expenses on accrual basis.
 - (iii) Note no. 7 regarding rejection of application by RBI for registration under Reserve Bank of India Act, 1934.
 - (iv) The company has not complied with the prudential norms relating to income recognition on non performing assets as specified in the direction issued by the R.B.I. in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. If the company had complied with the said directions interest income would be reduced by Rs. 10,65,918.00.
- Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
- (1) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 1999 and
 - (2) In the case of the Profit & Loss Account of the loss for the year ended on 31st March 1999.

DATE : 6th August, 1999
PLACE : Patna

FOR S.K. NAYAK & CO
CHARTERED ACCOUNTANTS

sdf-
(SUMAN KUMAR NAYAK)
PARTNER

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S
REPORT OF EVEN DATE ON THE ACCOUNTS OF MS SECURITIES
LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 1999.**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the financial year.
3. Physical verification has been conducted by the management at reasonable intervals in respect of inventories.
4. In our opinion the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. No discrepancies were noticed on physical verification of stock as compared to book records.
6. In our opinion the valuation of stock is fair and proper and in accordance with the normally accepted accounting principals.
7. The company has not taken any loan from company listed in the Register maintained u/s 301 of the Companies Act, 1956.
8. The company has not given any interest free unsecured loan to its subsidiary Company listed in Register maintained u/s 301 of the Companies Act, 1956 and to other Companies as defined under sub section (1B) of section 370 during the year.
9. The parties to whom loans and advances have been given by the Company are generally repaying the principal and interest amount as stipulated. However as per explanations given to us in the case of certain advances made for the purpose of purchase of shares and other fixed assets, the terms of the same have not been stipulated. Hence we are unable to give our opinion whether the same are prejudicial to the interest of the company or not.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of goods, shares and other assets and for the sale of the same.
11. In our opinion and according to the information and explanations given to us, the transaction of purchase of goods, material and services and sale of goods material and services made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the companies Act, 1956 and aggregating during the year Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices of such goods, materials or services.
12. As per information and explanations given to us there were no unserviceable or damaged stores, raw materials and finished goods. Hence the question for provision for loss does not arise.
13. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of section 58A of the Companies Act, 1956 and Companies (acceptance of deposits) rules 1975.

14. In our opinion and according to information and explanations given to us, the company does not have any realisable scrap or by-product.

15. The Company has an internal audit system commensurate with its size and nature of its business.

16. We are informed that the maintenance of cost records has not been prescribed by the Central Govt. under section 209 (1) (d) of the Companies Act, 1956.

17. According to the information and explanations given to us, the provision of employee's provident fund and employee's state insurance are not applicable to the company at present.

18. As per information and explanations given to us, there are no undisputed amounts payable in respect of income tax, sales tax, customs duty and excise duty outstanding as at 31 March, 1999 for the period of more than 6 months from the date become payable.

19. In our opinion and according to the records of the Company and the information and explanations given to us, no personal expenses have been charged to revenue account.

20. Company is not a sick company within the meaning of clause (O) of sub section (1) of section 3 of the sick industrial Companies (Special Provisions) Act, 1985.

21. The Company has not granted loans on the basis of the security by way of pledge of shares, debentures and other securities during the year.

22. We are informed that the provisions of any special statute applicable to chit funds, nidhi or mutual benefit society do not apply to the Company.

23. The Company has maintained proper records of transactions and contracts in respect of trading in shares/debentures and timely entries have been made therein. All the shares have been held by the Company in its own name except the shares held as stock in trade for subsequent delivery.

DATE : 6th August, 1999
PLACE : Patna

FOR S.K. NAYAK & CO
CHARTERED ACCOUNTANTS

sd/-
(SUMAN KUMAR NAYAK)
PARTNER

MS SECURITIES LIMITED
BALANCE SHEET AS ON 31.3.99

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

DATE :

PLACE :

sd/-
DIRECTOR

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

sd/-
(SUMAN KUMAR NAYAK)
PARTNER

sd/-
DIRECTOR

AS SECURITIES LIMITED
 PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 1999

PARTICULARS	SCHEDULE	FIG. FOR THE CURRENT Yr.		FIGURES FOR PREV YEAR
		AMOUNT(Rs.)	AMOUNT(Rs.)	
INCOME				
SALES OF SHARES			107186.00	2409478
BROKERAGE (RECD.)			9674.00	3320
INTEREST (RECD.)			1085918.00	939297
RENT A/C			15600.00	—
SUB-BROKERAGE			20000.00	12495
OTHER INCOME	11		83772.00	357555
INCREASE / DECREASE IN STOCK			471787.00	-529914
SHARE DIFF. A/C			—	50153
PROFESSIONAL CHARGES			—	32000
			1773937.00	3274384
EXPENDITURE:				
SHARE PURCHASE			977046.00	2626039
SUB-BROKERAGE PAID			18000.00	1875
AUDITOR'S FEE			12000.00	12000
DEFERRED REVENUE EXP. W/O	10		12163.00	12163
PRELIMINARY EXPS. W/O	10		15179.00	15179
PUBLIC ISSUE EXPS. W/O	10		175335.00	175335
PAYMENT TO & PROVISION FOR EMPLOYEES	12		102127.00	108082
ADMINISTRATIVE EXPS.	13		270139.00	232038
DEPRECIATION	3		697717.00	1106276
LOSS ON SALE ON INVESTMENT			—	31828
LOSS ON SALE ON CAR			—	58395
			2279706.00	4379210
PROFIT/LOSS FOR THE YEAR			(505769.00)	(1104826.00)
PROFIT/LOSS B/F			(498515.00)	606310.00
BALANCE CARRIED TO BALANCE SHEET			(1004284.00)	(498516.00)

DATE :

PLACE :

sd/-
 DIRECTOR

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

sd/-
 (SUMAN KUMAR NAYAK)
 PARTNER

sd/-
 DIRECTOR

MS SECURITIES LIMITED.

PARTICULARS	FIG FOR THE CURRENT YEAR		FIG. FOR THE PREV. YEAR
	AMOUNT		
SCHEDULE-1			
SHARE CAPITAL			
AUTHORISED CAPITAL			
5000000 EQUITY SHARES OF RS. 10/- EACH		50000000.00	50000000
ISSUED, SUBSCRIBED & PAID UP CAPITAL			
4250200 EQUITY SHARES OF RS. 10/- EACH		42502000.00	42502000
LESS: CALLS IN ARREARS			
FROM DIRECTORS	NIL		
FROM OTHERS	783000	783000.00	783000
		41719000.00	41719000
SCHEDULE-2 RESERVE & SURPLUS			
GENERAL RESERVE			
		45000.00	45000
		45000.00	45000
SCHEDULE-4			
INVESTMENTS (AT COST)			
(QUOTED)	FACE VAL. PER SHARE		
4500 SHARE OF AAEKTA LTD.	10	173375.00	173375
6800 SHARES OF PUNSUMI FOILS & COMPONENTS LTD.(PARTLY PAID-UP)	10	34000.00	34000
11200 SHARES OF DETROIT INDUS.	10	380760.00	380760
4200 SHARES OF JCT. ELECTRONICS	10	386460.00	386460
8600 SHARES OF JINDAL VIJAYNAGAR ST.	10	39060.00	39060
8900 SHARES OF KALPANA INDUSTRIES	10	192555.00	192555
1000 SHARES OF KANISHK STEEL IND.	10	40600.00	40600
7000 SHARES OF SARVODAYA LABS	10	115700.00	115700
350 SHARES OF SEARLE (INDIA)	10	41945.00	41945
4300 SHARES OF SRI SIMHADRI CEMENT	10	59170.00	59170
4000 SHARES OF STANDARD CHROME	10	76000.00	76000
150 SHARES OF VARINDER AGRO	10	2853.00	2853
1100 SHARES OF WEST COAST PAPER	10	116470.00	116470
400000 SHARES OF PRIME CAPITAL LTD.	10	4000000.00	4000000
750000 SHARES OF CILSON ORGANIC LTD (UNQUOTED IN SUBSIDIARY COMPANY)	10	7500000.00	7500000
72900 SHARES OF MS ON-LINE BROKING SERVICES LTD.	10	729000.00	729000
TOTAL		13887948.00	13887948
SCHEDULE-5			
INVENTORIES			
(AS TAKEN VALUED AND CERTIFIED BY THE MANAGEMENT)			
SHARE (AT COST OR MARKET VALUE WHICHEVER IS LESS)			
		2524839.00	2053052
TOTAL		2524839.00	2053052

MS SECURITIES LIMITED.

PARTICULARS	FIG. FOR THE CURRENT YEAR		FIG. FOR THE PREV. YEAR
	AMOUNT	AMOUNT	
SCHEDULE-13			
ADMINISTRATIVE & OTHER EXPENSES			
PRINTING & STATIONERY.		3286.00	35790
POSTAGE & TELEGRAMS		11589.25	14652
TELEPHONE CHARGES		8126.99	29356
ADVERTISMENT		---	5683
INSURANCE CHARGES		---	21173
CONFERENCE EXPENSES		---	500
PROFESSIONAL CHARGES		---	2850
BANK CHARGES		2451.04	4125
ELECTRICAL EXPENSES		3598.21	874
ROC FILING FEES		5280.00	---
LISTING FEES		23900.00	23900
GENERAL EXPENSES		712.00	2196
OFFICE ENTERTAINMENT		---	900
OFFICE MAINTENANCE EXP.		1556.00	4942
RENT		---	9650
SUBSCRIPTION & MEMBERSHIP FEE		1750.00	1200
SHARE TRANSFER EXP.		1150.00	3500
REPAIR & MAINTENANCE TO :			
CAR	18357.79		
COMPUTER	103848.00		
OTHERS	1966.60	124172.39	30050
TRAVELLING EXP. (DIRECTOR)		978.00	9390
TRAVELLING EXP. (OTHERS)		428.00	2821
NEWS PAPER & PERIODICALS		5739.00	5152
COMPUTER STATIONERY		8527.00	2015
LEGAL FEE		11210.00	15400
PUJA EXP.		1258.00	1786
CONVEYANCE		1927.33	3322
DONATION & CHARITY		---	801
COMPANY SECRETARY FEE		2500.00	---
SOFT WARE CHARGES		50000.00	---
		270139.21	232038
SCHEDULE-6			
DETAILS OF SUNDRY DEBTORS			
(UNSECURED BUT CONSIDERED GOODS)			
DEBTS OUTSTANDING FROM OTHERS FOR A PERIOD EXCEEDING SIX MONTH	5593068.00		4636131
OTHER DEBTS			1143502
DEBTS OTSTANDING FROM DIRECTORS EXCEEDING SIX MONTHS	1583186.00	7176254.00	2064602
		7176254.00	7844235
SCHEDULE-7			
CASH & BANK BALANCES			
CASH IN HAND	307639.26		226339
POSTAGE STAMP	---		7511
BALANCE WITH SCHEDULE BANK IN C/A			
CANARA BANK DIVIDEND	---		1040
THE FEDERAL BANK LTD.	---		22
CANARA BANK A/C	253584.94		---
HONGKONG & SHANGHAI BANK	---		3356
STATE BANK OF INDIA	---		5815
CENTRAL BANK OF INDIA	---		3282
CANARA BANK DIVIDEND(1995-96)	---	561224.20	25382
		561224.20	272747.00

MS SECURITIES LIMITED.

PARTICULARS	FIG FOR THE CURRENT YEAR		FIG. FOR THE PREV. YEAR
	AMOUNT	AMOUNT	
SCHEDULE-8			
LOAN & ADVANCES			
(LOAN UNSECURED BUT CONSIDERED GOOD)			
(RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)	8504460.00		8398382
STAFF ADVANCE	73231.00		87179
ADVANCE TAX	7603.00		7603
TAX DEDUCTED AT SOURCE (95-96)	14385.00		14385
TDS A/C (97-98)	2688.00		2688
INCOME TAX REFUNDABLE	512.00		512
SECURITY DEPOSIT	206000		203000
TDS (1996-99)	7778.00		---
ADVANCE FOR CAR A/C	96000.00	8912657.00	---
		8912657.00	8713749
SCHEDULE-9			
CURRENT LIABILITIES			
SUNDRY CREDITORS (FOR PURCHASE)	361671.00		355907
LIABILITIES FOR EXPENSES	18000.00		12000
OTHER LIABILITIES	18900.00		89900
O/D IN C/A WITH CANARA BANK	---		47198
		398571.00	
		398571.00	502005
SCHEDULE-10			
MISCELLANEOUS EXPENDITURE			
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
A. PRELIMINARY EXPENSES B/F			
ADD: DURING THE YEAR	86156.00		
	NIL		
	86156.00		
LESS: W/O DURING THE YEAR	15179.00	70977.00	
		70977.00	86156
B. PUBLIC ISSUE EXPENSES B/F			
ADD: DURING THE YEAR	1227341.00		
	NIL		
	1227341.00		
LESS: W/O DURING THE YEAR	175335.00	1052006.00	
		1052006.00	1227341
C. DEFERRED REVENUE EXPENDITURE B/F			
ADD: DURING THE YEAR	48650.00		
	NIL		
	48650.00		
LESS W/O DURING THE YEAR	12163.00	36487.00	
		36487.00	48650
TOTAL (A+B+C)		1159470.00	1362147
SCHEDULE-11			
OTHER INCOME			
MISC. RECEIPTS	23779.00		156884
DIVIDEND RECEIVED	47993.00		84591
MACHINERY HIRE CHARGES	12000.00	33772.00	116300
		63772.00	357555
SCHEDULE-12			
PAYMENT TO PROVISION (FOR EMPLOYEES)			
SALARY & WAGES ALLOWANCE	94287.00		100021
STAFF WELFARE	7840.00	102127.00	8561
		102127.00	108082

MS SECURITIES LIMITED.

SCHEDULE -3

DETAILS OF FIXED ASSETS & DEPRECIATION THEREON : (AS PER COMPANIES ACT, 1956)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	W.D.V. AS ON 01-04-98	ADDITION DURING THE Yr.	SALE/ ADJ. DURING THE YEAR	TOTAL	DEP. UP TO 3/31/98	DEP. DURING THE YEAR	TOTAL	NET BLOCK AS ON 31.03.98	NET BLOCK AS ON 31.03.98
AIR CONDITQNER	121200.00	NIL	NIL	121200.00	41730.00	11054.00	52784.00	68418.00	79470.00
COMPUTER & TYPE WRITER	3170880.00	NIL	NIL	3170880.00	1768178.00	561073.00	2329251.00	841609.00	1402682.00
FAX	55200.00	NIL	NIL	55200.00	29388.00	3590.00	32978.00	22222.00	25812.00
FURNITURE & FIXTURE	150610.00	NIL	NIL	150610.00	84152.00	15649.00	79801.00	70809.00	86458.00
VOLTAGE STABLISERS	64500.00	NIL	NIL	64500.00	31769.00	4553.00	36322.00	28178.00	32731.00
OFFICE EQUIPMENTS	38386.00	NIL	NIL	38386.00	17402.00	2919.00	20321.00	18065.00	20984.00
BOOKS & DIRECTORIES	283230.00	NIL	NIL	283230.00	110623.00	24010.00	134633.00	148597.00	172607.00
ELECTRIC EQUIPMENT	56857.00	NIL	NIL	56857.00	51410.00	758.00	52168.00	4689.00	5447.00
MOTOR CAR	574889.00	NIL	NIL	574889.00	313695.00	67623.00	381318.00	193571.00	261194.00
PHOTO COPIER	68694.00	NIL	NIL	68694.00	28927.00	5531.00	34458.00	34236.00	39767.00
PAGER	8695.00	NIL	NIL	8695.00	1814.00	957.00	2771.00	5924.00	6681.00
	4593121.00	NIL	NIL	4593121.00	2459088.00	697717.00	3156805.00	1436318	2134033
FIG FOR THE PREV. YEAR	4584921	346595	338395	4593121	1352813	1108276	2459089	2134033	3232108

MS SECURITIES LTD.

NOTES ON ACCOUNTS

SCHEDULE: 14

NOTES ON ACCOUNTS ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 1999.

1. ACCOUNTING POLICIES:

1.1 **BASIS OF ACCOUNTING:** The Company prepares its accounts on accrual basis, accordance with generally accepted accounting policies.

1.2 REVENUE RECOGNITION:

- a. Revenue from the sale of Share/Debtenture and other Securities is recognised upon passage of title to the clients and other which generally coincides with their delivery.
- b. Income from interest is accounted for on as and when received.
- c. Underwriting commission, if any, is accounted for as and when received.

1.3. FIXED ASSETS:

Fixed Assets are stated at cost less depreciation. Other cost of fixed assets includes other incidental expenses incurred upto the date of commissioning of such Assets.

1.4. DEPRECIATION:

Depreciation has been charged on fixed assets on W.D.V. method at the rates prescribed in Schedule-XIV of the Companies Act, 1956 as amended.

1.5. INVESTMENT:

Investments are valued at cost of acquisition. These are meant for long term holding.

1.6. INVENTORIES:

Inventories are valued at cost or market value whichever is less.

1.7. CONTINGENT LIABILITY:

Contingent liabilities are not provided for in the accounts and are shown separately in the notes on account if any.

1.8. GRATUITY:

No provision for gratuity has been made and the same will be accounted for as and when paid.

2. Claim against the Company not acknowledged as debts Rs.Nil (Previous Year:Rs.Nil).

3. Contingent liability of the Company as on 31.3.99. Liability on 6800 partly paid shares of Punsumi Foils & Components Ltd. held as investment Rs.34000.

4. One tenth of preliminary expenses, public issue expenses and deferred revenue expenses have been written off.

5. Balance of sundry debtors, Sundry Creditors and other accounts are subject to confirmations.

6. Market value of quoted investment is Rs.50,79,595/- as on 31st March,1999. However, the quoted investment is taken in balance sheet at cost of Rs.13158948. No provision for diminution in the value of the quoted investment has been made assuming the difference to be temporary

feature of the Stock Market and the investments to be of long term natures as per the guidelines of Accounting standard is issued by the institute of Chartered Accountants of India.

7. The company had applied to R.B.I for grant of a certificate of registration under section 451A of the RBI Act, 1934 on 5th July, 1997, which was rejected by the RBI.

8. As per the legal opinion received by the Company, Section 370 and 372 of the Companies Act, 1956 are not applicable to the Company.

9. There was no employee receiving remuneration exceeding the limits laid down in section 217(2A) of the Companies Act, 1956.

10. In the opinion of the management, current assets, loan and Advances are realisable at the stated value.

11. The details of Auditor's remuneration is as under :

Audit Fees	Rs.10000/-
Other Services	Rs.2000/-
Total	Rs.12000/-

12. All expenses for which external vouchers were not available proper internal voucher were prepared and duly approved by the Directors of the Company.

13. Quantitative informations in respect of shares/debentures/securities bonds traded in :

Opening Stock		Purchases	
Nos.	Value	Nos.	Value
164241	2053052	70000	877046
Sales		Closing stock	
Nos.	Value	Nos.	Value
6800	107186	227441	2524839

14. The Company has not received any intimations of allotment of shares in respect of shares application money and as such they have not been adjusted.

15. No provision for interest receivable has been made on "Advance for Car" as the Company will adjust the same at the time of delivery of car.

16. Previous year's figures have been re-grouped and/or re-arranged where ever considered necessary.

Figures have been rounded off to the nearest rupee.

DATE : 6th August, 1999

PLACE : Patna

For MS Securities Ltd.

FOR S.K. NAYAK & CO
CHARTERED ACCOUNTANTS

sd/-
(SUMAN KUMAR NAYAK)
PARTNER

Sd/-

Director

MS SECURITIES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1999.
[PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT (S) AS AMENDED]**

	<u>AMOUNT</u>	<u>AMOUNT</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT/LOSS BEFORE TAX & EXTRA ORDINARY ACTIVITIES:		(505769.00)
LESS: DEPRECIATION		697717.00
MISC. EXP. W/O		202677.00
LESS: MISC. RECEIPT INCLUDING DIVIDEND		83772.00
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGE		<u>310853.00</u>
LESS:		
INCREASE IN INVENTORY	471787.00	
INCREASE IN LOAN & ADVANCES	192730.00	
DECREASE IN CURRENT LIABILITY	<u>103434.00</u>	<u>767951.00</u>
		(457098.00)
ADD:		
DECREASE IN SUNDRY DEBTORS		<u>661803.00</u>
CASH FROM OPERATION		<u>204705.00</u>
B. CASH FLOW FROM NONOPERATING ACTIVITIES		
MISC. RECEIPT INCLUDING DIVIDEND		83772.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B)		288477.00
CASH * CASH EQUIVALENTS AS AT 1ST APRIL 1998 (O.B.)		272747.00
CASH * CASH EQUIVALENTS AS AT 31ST MARCH 1999 (C.B.)		561224.00

AUDITORS' CERTIFICATE

We have audited the enclosed Cash Flow Statement which has been prepared from the audited Annual Financial Statement of MS Securities Ltd. For the year ended 31st March, 1999, as per requirement under clause 32 of the Listing Agreement and have found the same in accordance therewith.

Place : Patna
Date : 6th day of August , 1999

For S K Nayak & Co.,
Chartered Accountants

sdh
(Suman Kumar Nayak)
Partner

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I REGISTRATION DETAILS :			
REGISTRATION NO.	03-04781	STATE CODE :	03
BALANCE SHEET DATE :	31.3.99		
II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousand)			
PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL
III POSITION OF MOBILISATION OF FUND (Amount in Rs.Thousand)			
TOTAL LIABILITIES	41764	TOTAL ASSET	41764
SOURCE OF FUND:			
PAID UP CAPITAL	41719		
RESERVE SURPLUS	45		
SECURED LOAN	NIL		
UNSECURED LOAN	NIL		
APPLICATION OF FUND :			
NET FIXED ASSETS	2179	INVESTMENTS	13888
NET CURRENT ASSETS	23533	MISC. EXPENDITURE	1180
ACCUMULATED LOSSES :	1004		
IV. PERFORMANCES OF COMPANY (Amount in Rs. Thousand)			
TOTAL INCOME	1773	TOTAL EXPENDITURE	2278
PROFIT/LOSS BEFORE TAX	505	PROFIT/LOSS AFTER TAX	505
EARNING PER SHARE	NIL	DIVIDEND RATE	NIL
V GENERIC NAME			
ITEM CODE NO.	N.A.		
PRODUCT DEPRECIATION	TRADING IN SHARE, INVESTMENT & CORPORATE FINANCING, PROFESSIONAL & FINANCIAL CONSULTANCY.		

FOR S.K. NAYAK & CO
CHARTERED ACCOUNTANTS

DATE : 6th August, 1999
PLACE : Patna

sd/-
(SUMAN KUMAR NAYAK)
PARTNER

Statement regarding subsidiary companies pursuant to Section 212 of the Companies Act, 1956.

1. Name of the subsidiary : MS ONLINE BROKING SERVICE LTD.
2. The Financial Year of the subsidiary ended as at : 31st March, 1999.
3. Equity Shares of the subsidiary held the Company so on the above date : 72,900 Equity shares of Rs. 10/- each by (fully paid)
4. Extent of holding as on the above date : 64.69%
5. Net aggregate amount of profits/ (losses) of the subsidiary so far as it concerns the company
- a. dealt with in the accounts of the company for the year ended 31st March, 1999.
- i. For the subsidiary's financial year ended 31st March, 1999 NIL
- ii. For the subsidiary's previous financial years NIL
- b. not dealt with in the accounts of the Company for the year ended 31st March, 1999
- i. For the subsidiary's financial year ended 31st March, 1999 Rs. 121
- ii. For the subsidiary's previous financial years Rs. 1972

PLACE : PATNA
DATE : 9th August, 1999

sd/-
(MANOJ KUMAR SARAF)
Director

sd/-
(SUSHIL KUMAR SUREKA)
Director

MS ONLINE BROKING SERVICES LTD.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have the pleasure in presenting the 4th Annual Report together with the Audited Statement of Accounts of your Company for the period ended 31st March, 1999.

PERFORMANCE AND FINANCIAL RESULTS

During the year under review, the Company has earned a profit of Rs.188. Your directors are hopeful of better results in forthcoming years.

DIVIDEND

No dividend has been declared during the year in view of losses incurred by the company.

DIRECTORS

Mr. Sushil Kumar Sureka retires by rotation in pursuance of the Articles of Association of the Company and being eligible, offers themselves for re-election.

AUDITORS

M/S S.K. Nayak & Co., Chartered Accountants, Auditors of the Company hold office till conclusion of the 4th Annual General Meeting and being eligible, are recommended for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, will be within the limits prescribed under Section 224(1) of the Companies Act, 1956.

PERSONNEL

Your Company enjoys a harmonious and healthy relationship with personnel at all levels. As per requirement of Section 217 (2A) of the Companies Act, 1956, we mention that there were no employees receiving remuneration more than the specified limits.

FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year.

STATUTORY INFORMATION

A. Particulars required under Section 217(1)(E) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given below :-

1. Part A and Part B pertaining to conservation of energy and technology absorption are not applicable to the Company.

2. Foreign Exchange earning and outgoing : NIL

B. Particulars required to be furnished by the Non-Banking Financial Companies (Reserve Bank) Directions, 1977 :

1. Total number of depositors of the Company whose deposits have not been claimed by the depositors or paid by the Company after the date on which the deposits became due for repayments or renewal, as the case may be, according to the contract with the depositor or provisions of these directions, whichever may be applicable, as on 31st March, 1999: NIL

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

Y2K COMPLIANCE

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

ACKNOWLEDGEMENTS

Your Directors acknowledge the trust reposed in your Company by its Share Holders, Investors, Bankers, Stock Exchanges, Press, Business Associates, Financial Institutions & Clients. The results that your Company has achieved during the period under review, would not have been possible without the co-operation and full support of all the employees and all other concerned. Your Directors place on record their sincere appreciation of the valuable contribution made by the staff of the Company.

By order of the Board of Directors

sd/-

Manoj Kumar Saraf
Director

Place : Patna

Date : 9th August, 1999

AUDITOR'S REPORT

TO,
THE MEMBERS OF
MS ONLINE BROKING SERVICE LIMITED.
PATNA.

We have audited the attached Balance sheet of MS ONLINE BROKING SERVICE LIMITED PATNA as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date annexed thereto and we report that:

1. As required by the Manufacturing and other companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956 we enclose in the annexure statement on the matters specified in Paragraphs 4 & 5 of the said order.

2. Further to our comments in the annexure referred to in paragraph 1 above :

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of such books.

c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.

d. The Balance Sheet and Profit & Loss Account comply with in our opinion, the Accounting Standards referred to in sub-section (3 C) of section 211 of the companies Act 1956.

e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

(i) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 1999 and

(ii) In the case of the Profit & Loss Account of the profit for the year ended on 31st March 1999.

DATE : 6th August, 1999
PLACE : Patna

FOR S.K. NAYAK & CO
CHARTERED ACCOUNTANTS

sd/-
(SUMAN KUMAR NAYAK)
PARTNER

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S
REPORT OF EVEN DATE ON THE ACCOUNTS OF MS ONLINE BROKING
SERVICES LIMITED FOR THE YEAR ENDED ON 31ST MARCH,1999.**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the financial year.
3. In our opinion the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
4. The company has taken interest free loan from its holding company listed in register maintained under section 301 of the Companies Act, 1956. The term and condition of such loan in our opinion are not prejudicial to the interest of the company.
5. The company has not granted any loan to companies listed in the register maintained under section 301 of the Companies Act, 1956 and/or to the companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956.
6. The company has not given any loans and advances in the nature of loans to any parties during the year.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of goods, shares and other assets and for the sale of the same.
8. The transaction entered into by the company with firm listed in the register maintained under section 301 of the companies Act, 1956 and aggregating during the year Rs. 50,000/- or more in respect of each party is reasonable having regard to prevailing market price for such services.
9. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public within the meaning of section 58A of the Companies Act, 1956 and Companies (acceptance of deposits) rules 1975.
10. We are informed that the maintenance of cost records has not been prescribed by the Central Govt. under section 209 (1) (d) of the Companies Act, 1956.
11. As per information given to us, no sales tax custom duty & excise duty was outstanding as on 31-03-1999 for more than six month from the date it became payable.
12. In our opinion and according to the records of the Company and the information and explanations given to us, no personal expenses have been charged to revenue account.
13. Company is not a sick company within the meaning of clause (O) of sub section (1) of section 3 of the sick industrial Companies (Special Provisions) Act, 1985.
14. The company has not granted loan on the basis of security by way of pledge of shares, debentures and other securities during the year.
15. We are informed that the provision of any special statutes applicable to Chit Funds, Nidhi or Mutual Benefit Society do not apply to the Company
16. The Company has maintained proper records of transactions and contracts in respect of trading in shares/debentures and timely entries have been made therein.

DATE : 6th August, 1999
PLACE : Patna

FOR S.K. NAYAK & CO
CHARTERED ACCOUNTANTS

sdf-
(SUMAN KUMAR NAYAK)
PARTNER

M/S ON LINE BROKING SERVICE LIMITED
BALANCE SHEET AS ON 31.3.99

PARTICULARS	SCHEDULE	FIG. FOR THE CURRENT YR.		FIGURES FOR PREV YEAR
		AMOUNT(Rs.)	AMOUNT(Rs.)	
1. SOURCES OF FUNDS				
SHARE HOLDERS FUND				
SHARE CAPITAL	1		1127000.00	1127000
RESERVE & SURPLUS	2		3246.00	3058
UNSECURED LOAN	3		1678000.00	1678000
TOTAL			2806246.00	2806058
2. APPLICATION OF FUND				
FIXED ASSETS	4			
GROSS BLOCK		77075.00		77075
LESS: DEPRECIATION		58012.00		50091
NET BLOCK			19063.00	26984
CURRENT ASSETS, LOAN & ADVANCES				
SUNDRY DEBTORS	5	803982.00		786807
LOAN & ADVANCES	6	63229.00		61775
CASH & BANK BALANCES	7	26763.00		26278
APPLICATION MONEY		2320000.00		2320000
TOTAL		3213974.00		3194860
LESS CURRENT LIABILITIES & PROVISION	8	438,500.00		429446
NET CURRENT ASSETS			2775474.00	2765414
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT ADJUSTED OR NOT WRITTEN OFF.)	9		11709.00	13660
NOTES ON ACCOUNTS	11			
			2806246.00	2806058

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

DATE :

PLACE :

(SUMAN KUMAR NAYAK)
PARTNER

Sd-/.

Sd-/.

DIRECTOR

DIRECTOR

MS ON LINE BROKING SERVICES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 1999

PARTICULARS	SCHEDULE	FIG. FOR THE CURRENT Yr.		FIGURES FOR PREV YEAR
		AMOUNT(Rs.)	AMOUNT(Rs.)	
INCOME				
SALES OF SHARES			0.00	32175
SHARE DIFFERENCE A/C			17175.00	0
TOTAL			17175.00	32175
EXPENDITURE:				
PAYMENT TO & PROVISION FOR EMPLOYEES			—	13168
ADMINISTRATIVE EXPENSES	10		5115.00	3918
DEPRECIATION	4		7921.00	12428
AUDITOR'S REMUNERATION			2000.00	2000
PRELIMINARY EXPS. W/D	9		1951.00	1951
TOTAL			16987.00	33463
PROFIT/LOSS FOR THE YEAR			188.00	(1288)
PROVISION FOR TAXATION			—	—
PROFIT / LOSS AFTER TAX			188.00	(1288)
PROFIT/LOSS B/F			3058.00	4348
PROFIT AVAILABLE FOR APPROPRIATION			3246.00	3058
BALANCE CARRIED TO BALANCE SHEET			3246.00	3058
TOTAL			3246.00	3058
NOTES ON ACCOUNTS	11			

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

DATE :

PLACE :

Sd-*[Signature]*

DIRECTOR

(SUMAN KUMAR NAYAK)
PARTNER

Sd-*[Signature]*

DIRECTOR

MS ON LINE BROKING SERVICES LIMITED

PARTICULARS	FIG FOR THE CURRENT YEAR		FIG. FOR THE PREV. YEAR
	AMOUNT	AMOUNT	
SCHEDULE-1			
SHARE CAPITAL			
AUTHORISED CAPITAL			
250000 EQUITY SHARES OF RS. 10/- EACH		2500000.00	2500000
ISSUED, SUBSCRIBED & PAID UP CAPITAL			
112700 EQUITY SHARES OF RS. 10/- EACH (FULLY PAID IN CASH)		1127000.00	1127000
TOTAL		1127000.00	1127000
SCHEDULE-2 RESERVE & SURPLUS			
PROFIT & LOSS ACCOUNT			
		3246.00	3058
TOTAL		3246.00	3058
SCHEDULE-3			
UNSECURED LOAN			
INTEREST FREE LOAN FROM HOLDING CO. MS SECURITIES LIMITED		1676000.00	1676000
TOTAL		1676000.00	1676000
SCHEDULE-5			
SUNDRY DEBTORS			
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING 6 MONTHS (OTHERS)		140580.00	123405
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING 6 MONTHS (DIRECTORS)		663402.00	663402
TOTAL		803982.00	786807
SCHEDULE-6			
LOANS & ADVANCES			
INCOME TAX		1454.00	—
ADVANCE TO BODY CORPORATE		5000.00	5000
ADVANCE TO STAFF		1775.00	1755
SECURITY DEPOSIT		55000.00	55000
		63229.00	61755
SCHEDULE-7			
CASH & BANK BALANCES			
CASH IN HAND		21341.00	23741
BALANCE WITH SCHEDULED BANKS IN C/A			
CANARA BANK		5422.00	1097
STATE BANK OF INDIA		—	1440
		26763.00	26278

MS ON LINE BROKING SERVICES LIMITED

PARTICULARS	FIG FOR THE CURRENT YEAR		FIG. FOR THE PREV. YEAR
	AMOUNT	AMOUNT	
SCHEDULE-8			
CURRENT LIABILITIES & PROVISION			946
SUNDRY CREDITORS	340500.00		340500
SECURITY DEPOSITS	70000.00		70000
LIABILITIES FOR EXPENSES	4000.00		2000
LOAN FROM BODY CORPORATE	24000.00	438500.00	16000
		438500.00	429446
SCHEDULE-9			
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT W/O OR ADJUSTED)			
PRELIMINARY EXPENSES			
BALANCE AS PER LAST YEAR	13660.00		15611
ADD: INCURRED DURING THE YEAR	0.00		0
LESS: W/O DURING THE YEAR	1951.00	11709.00	1951
		11709.00	13660
SCHEDULE-10			
ADMINISTRATIVE & OTHER EXPENSES			
PRINTING & STATIONERY	—		708
POSTAGE & TELEGRAMS	—		544
CONVEYANCE	—		486
BANK CHARGES	115.00		80
GENERAL EXPENSES	—		411
REPAIR & MAINT.	—		1235
STAFF WELFARE	—		454
SEBI TURNOVER FEES	5000.00	5115.00	—
		5115.00	3918

MS ON LINE BROKING SERVICES LIMITED

SCHEDULE -4
DETAILS OF FIXED ASSETS & DEPRECIATION THEREON :

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	W.D.V. AS ON 3/31/98	ADDITION DURING THE Yr.	SALE/ ADJ. DURING THE YEAR	TOTAL	DEP. UP TO 3/31/98	DEP. DURING THE YEAR	TOTAL	NET BLOCK AS ON 31.03.99	NET BLOCK AS ON 31.03.98
COMPUTER & TYPEWRITERS	60500.00	NIL	NIL	60500.00	44528.00	6389.00	50917.00	9583.00	15972.00
BOOKS & DIRECTORIES	16575.00	NIL	NIL	16575.00	5563.00	1532.00	7095.00	9480.00	11012.00
	77075.00	NIL	NIL	77075.00	50091.00	7921.00	58012.00	19063.00	26984.00
FIG. FOR THE PREV. YEAR	77075	-----	-----	77075	37663	12428	50091	26984	39412

MS ONLINE BROKING SERVICES LIMITED

NOTES ON ACCOUNTS SCHEDULE: 11

NOTES ON ACCOUNTS ATTACHED TO AND FORMING PARTS OF THE ACCOUNTS FOR THE YEAR PERIOD ENDED 31 MARCH, 1999.

A. ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING:

The Company prepares its account on accrual basis, in accordance with generally accepted accounting policies.

2. REVENUE RECOGNITION:

Revenue from the sale of Share/Debtenture and other Securities is recognised upon passage of title to the clients and other which generally coincides with their delivery. The Income are generally accounted for on accrual basis.

3. FIXED ASSETS:

Fixed Assets are stated at cost less depreciation. Other cost of fixed assets includes other incidental expenses incurred up to the date of commissioning of such Assets.

4. DEPRECIATION:

Depreciation has been charged on fixed assets on W.D.V. method at the rates prescribed in Schedule-XIV of the companies Act, 1956 as amended.

5. CONTINGENT LIABILITY:

Contingent liabilities are not provided for in the accounts and are shown separately in the notes on account if any.

6. GRATUITY:

No provision for gratuity has been made and the same will be accounted for as and when paid. Since no employee has put in the qualifying period of five years for payment of gratuity as per the payment of Gratuity Act, 1972, no provision for the same has been made.

B. NOTES OF ACCOUNTS:

1. Claim against the Company not acknowledged as debts Rs. Nil.
2. One tenth of preliminary expenses have been written off.
3. Balances of sundry debtors, sundry creditors and other accounts are subject to confirmation.
4. In the opinion of the management, current assets, loans and advances are realisable at the stated value.
5. There was no employee receiving remuneration exceeding the limits laid down in section 217(2A) of the Company Act, 1956.
6. Figures for the previous year have been regrouped and rearranged whenever considered necessary.
7. The Company has not dealt with any goods/share during the year and as such no quantitative details are required to be given.
8. Figures have been rounded off to the nearest rupee.

Signature to Schedule '1' to '11'
Certified in terms of our separate report even date.

For MS Onlin Broking Services Ltd,

DATE : 6th August, 1999
PLACE : Patna

[Signature]
Director

FOR S.K. NAYAK & CO
CHARTERED ACCOUNTANTS

[Signature]
(SUMAN KUMAR NAYAK)
PARTNER