

Dated 4th September, 2019

MTL/SEC/2019-2020/27

To,

The Secretary
BSE Limited
Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Master Trust Limited-Scrip Code-511768

Dear Sir,

Sub: Annual Report for the Financial Year 2018-2019 of the Company "Master Trust Limited".

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, please find enclosed Annual Report of the Company for the Financial Year 2018-19.

Thanking You,

Yours truly,

For Master Trust Limited


Vikas Gupta
Company Secretary

Encl: A./a.

35 YEARS
OF

COMMITMENT & ASSURANCE

Annual Report
2018-2019


mastertrust[®]
BROKING & INVESTMENTS

BOARD OF DIRECTORS

MR. HARJEET SINGH ARORA (MANAGING DIRECTOR)

Mr. R.K. Singhanian
Mrs. H.K. Arora
Mr. Pavan Chhabra
Mr. G.S. Chawla

Mr. Anil Kumar Bhatia
Mr. Sudhir Kumar
Mr. Ashwani Kumar
Mr. Anil Kumar Malhotra

COMPANY SECRETARY

Mr. Vikas Gupta

STATUTORY AUDITORS

M/s C.S. Arora & Associates
Chartered Accountants
10, Jandu Complex, Millerganj,
G. T. Road, Ludhiana - 141003

REGISTRAR AND SHARE TRANSFER AGENT

Skyline Financial Services (P) Ltd.
D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi
Ph: 011-26812682/83/84, Fax: 011-26812681
Email : admin@skylinerta.com

CHIEF FINANCIAL OFFICER

Mr. Sunil Kumar

SECRETARIAL AUDITORS

M/s Rajeev Bhambri & Associates
Company Secretaries
SCO No 9, Jandu Tower,
Miller Ganj, Ludhiana

BANKERS

HDFC Bank Limited
Oriental Bank of Commerce Limited
ICICI Bank Limited
Canara Bank Limited
Axis Bank Limited
Yes Bank Limited

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SERVICES



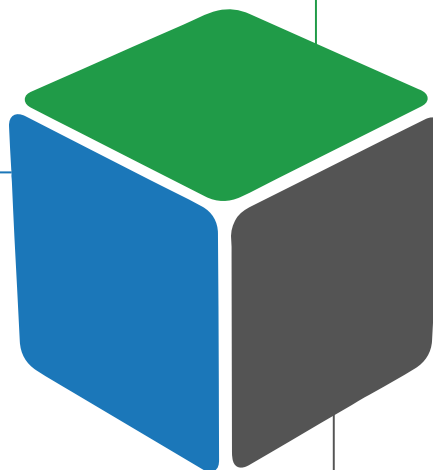
OUR APPROACH

● Vision

To be a well diversified financial shop for wealth creation and be an ideal service provider in our domain of business.

● Mission

To always earn the right to be our clients' first choice through personal & social wealth maximization.



● Corporate Philosophy

Becoming an expert at anything takes a strong will, unyielding determination and pure ability.



MANAGING DIRECTOR'S SPEECH

HARJEET SINGH ARORA



Our portfolio management services have crossed INR 3264.87 mn as on March 31, 2019 showing a significant YOY growth of 10.65%

Dear Shareholders,

I am very happy to present to you, your company's annual report and to share its performance for the FY 2018-19.

India continues to remain the fastest growing major economy in the world in 2018-19, despite a slight moderation in its GDP growth from 7.2% in 2017-18 to 6.8% in 2018-19 due to declining growth of private consumption, tepid increase in fixed investment and muted exports. The slowdown in the world economy and emerging market and developing economies (EMDEs) in 2018 followed by the escalation of US China trade tensions, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies. India's economy continues to retain its tag of being the world's fastest growing large economy, although growth has been choppy and not up to the expectations. Government spending and local consumption continue to be the key growth drivers for the economy. The Government's thrust on easing of doing business in India with sweeping reforms provided a conducive environment. Other key initiatives like "Make in India", "Skill India", "Startup India", "Digital India", "Smart City Mission" and spending on infrastructure have provided thrust to the economy and is likely to continue in the near term.

Indian equities outperformed other asset classes in Fiscal Year 2018-19. The BSE Sensex rose nearly 17 per cent during the financial year 2019, while the Nifty50 on the National Stock Exchange increased by 15 per cent during the same period. For both the indices, this was the highest growth in any fiscal since FY 2009-10.

Despite several challenges including high crude oil prices, rupee faltering to new record lows, liquidity crisis in the non-banking financial companies (NBFCs), global trade tensions and delay in Brexit, the Indian equities market emerged as one of the best performers globally in 2018-19. However, it was a dismal year for smaller stocks as BSE Midcap and Smallcap indices saw a fall of 3.03% and 11.57%, respectively, after a stellar run in the previous two fiscals. Steep valuations and slow earnings growth of mid-cap and small-cap stocks led to sharp corrections in these stocks. The Average daily turnover (ADTO) increased to INR-9.93 trillion from INR-7.04 trillion during the same period, registering a growth of 41%.

Now coming to your Company's performance for FY2018-19, your Company's top line (consolidated) decreased by 14.41 % to INR1344.14 million as compared to INR1570.51 million in the previous year. The net worth (consolidated) of the Company has increased by 5.16% to INR1949.77 million as compared to INR1854.18 million in the previous year. Net Profit after Tax (consolidated) decreased by 4.82% to INR95.59 million as compared to INR100.43 million in the previous year.

Our asset-based businesses, comprising of Portfolio Management Services, have crossed INR3264.87 million as of March 31, 2019 showing a significant YoY growth of 10.65%. A large part of this growth can be credited to our continuous efforts of scaling the business operations by consistently adding in new clients. Our flagship Portfolio Management Services (PMS) has delivered a CAGR of 28.42% (since inception) beating the benchmark (BSE Midcap) which gave a return of 13.36% and has consistently outperformed the benchmark across market cycles over the last seven years. Your company has been focusing on wealth management business over the past couple of years and our PMS has helped in keeping us focused on this track and has helped with the momentum by consistent asset under management growth, better performance year after year and has been able to attract newer customers.

During FY2018-2019, your company has launched new product MasterTrust iRage Absolute Return Fund (AIF). AIF is nothing but another platform for high net worth investors to take exposure to an asset class. The primary objective of the Fund will be to generate absolute returns over the short term while maintaining low monthly volatility in returns by doing an arbitrage between Index futures and its constituent stock futures.

Your Company continues to identify attractive and significant growth opportunities and continues to invest to meet the demand of its clients and business partners. Our learning and development activities are specially targeted to build the future leaders in the organization. Our retail businesses are starting to gain traction and our franchise businesses have also built significant size and scale. Both our wealth management and asset management businesses are expected to continue their strong performance next year.

The clear mandate removes the overhang of uncertainty from the markets. This is a significant positive for market sentiment and for attracting global investors. All eyes will now be on Modi2.0 and the steps it must take to mend a troubled economy. Since there is a clear mandate for the next five years, the government is expected to implement some of the pending schemes. A lot of continued action is expected on infrastructure and agriculture related schemes (income generation for farmers and not loan waivers).

On the behalf of our Board, I would like to thank all the directors, customers, bankers, authorized persons and our shareholders for their continued support and confidence that they have reposed in the Company. I also record my special appreciation to each and every staff member for their efforts and hard work in the service of your Company.



Mr. Harjeet Singh Arora
(Managing Director)

MANAGEMENT TEAM



Mr. Harjeet Singh Arora (F.C.A, F.C.S)

He founded the Master Trust group in 1985 under the name of Arora Financial Consultants Private Ltd and has over 40 years of experience in corporate finance, capital markets and financial advisory services. A Chartered Accountant and a Company Secretary by qualification, his vision of bringing all financial services under one roof is what has made the group achieve so much in the last 35 years. As avid cricket fan, he also enjoys yoga in his free time.



Mr. R.K. Singhania (F.C.A)

He is the co-founder of the group having over 40 years of rich experience in finance, M&A and taxation. A Chartered Accountant by qualification, he is a calculated risk-taker with deep industry knowledge and heads the Corporate Strategy, Finance and Risk verticals of the Group. He is an avid reader and loves to watch movies to unwind.



Mr. Harinder Singh (B.com, I.C.W.A (Inter))

He heads the secondary market operations for the group. He has spent over 30 years with organization embracing the core values of integrity, growth, and innovation and has ensured streamlined processes and increased performance for the business. He believes mindfulness in the workplace is key to success- a tenet he lives out through his interest in yoga, meditation, nature traits and reading.



Mr. G.S. Chawla (B.E., M.B.A., D.B.F)

An engineer and an MBA, he has over 30 years of experience in capital markets & corporate finance and runs the Portfolio Management and Merchant Banking verticals for the Group. His expertise includes general business management and IT systems and solutions. An angel investor, he is a philanthropist and is attached to a lot of NGOs.

MANAGEMENT TEAM



Mr. Pavan Chhabra (F.C.A)

He is a veteran in the investment Banking and Institutional Broking business. A qualified Chartered Accountant, he has over 32 years of rich experience in financial markets. His eye for detail comes from his interests in delving deep into data and forensic audit. His other interests lie in traveling and in his coffee tasting sessions.



Mr. Puneet Singhania (M.B.A., C.F.A)

He is a seasoned MBA and CFA charter holder looking after the strategic initiative of the Group. He has prior experience in equity research and in proprietary trading desk. He brings abundant energy and dedication to work. He is a foodie, loves Italian food and history buff.



Mr. Jashan Arora (F.C.A)

He is involved in key decision making for the organization. He takes care of the Sales vertical and was instrumental in developing prop desk for the Group. Nothing satisfies him more than meeting new people, developing relationships and solving problems. In addition to being a positioning Chartered Accountant, he is also a bundle of energy, an avid football fan, his team loves him as he does the proxy workout for them too.

MILESTONES



MILESTONES

2012

- Launched Integrated Amibroker and Metatrader charting platform for clients
- Declared as India's best Derivatives Broker by BSE
- Crossed 10,000 clients in currency segment on NSE
- Acquired membership of MCX-SX India's new stock exchange in equity & derivatives segment
- Activated SLBM segment on NSE as a new asset class

2013

- Launched dedicated support desk for automated trading clients
- Launched discount brokerage model "My Value Trade"
- Received award for Best Account Growth Rate from NSDL

2014

- Launched mobile trading app "Master Mobile"
- Started distribution of loans to retail clients
- Mutual Funds assets cross ₹100 Crores
- My Value Trade - the discount broking vertical daily turnover peaks to ₹100 Crores
- Client numbers on ATS platform post a rise of 50%

2015

- Portfolio Management Services assets cross ₹57 Crores as on March 2016, a rise of 90% YoY
- User base for discount broking vertical platform increases over 250% YoY
- Turnover on mobile trading platform increases 600% YoY

2016

- Master Commodity Services Limited awarded Regional Broker of the year 2016-2017.
- Our flagship Portfolio Management Services assets under management rise by 81% YoY as on 31st March 2017.
- Mutual Fund assets under management grew by 26% YoY as on 31st March 2017.
- Master Capital Services Limited received Order-Of-Merit award in Skoch BSE Awards 2017 for innovation in automated portfolio analysis using artificial intelligence.
- Unique clients traded on mobile application increased by over 57% YoY

2017

- Started Private Wealth Management vertical
- PMS AUM crossed ₹300 crores
- Mutual Funds AUM crossed ₹375 crores
- NSDL accredited us with the 2nd highest number of accounts opened award

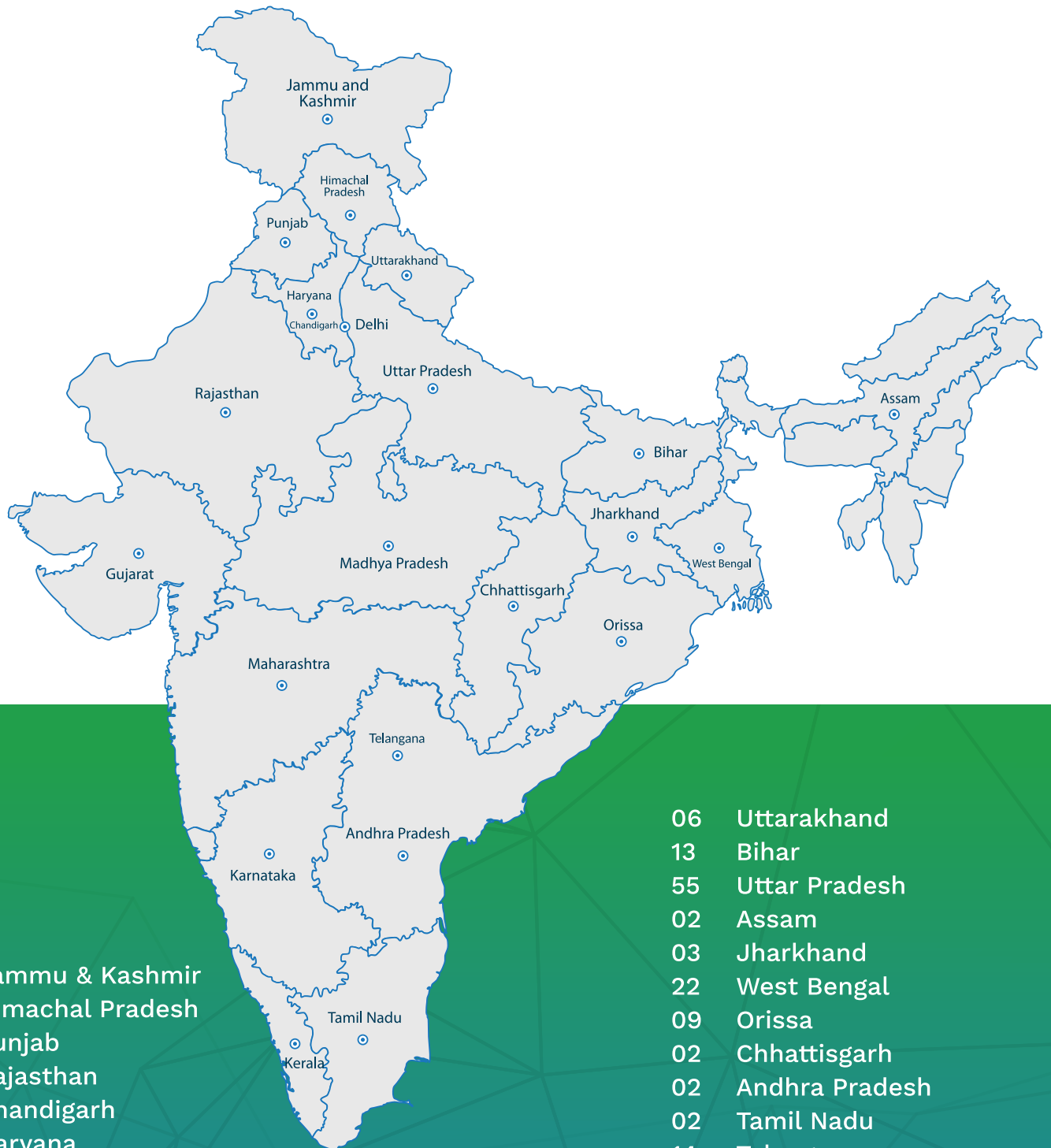
2018

- Launched in-house AIF- Master Trust I-Rage Absolute Return Fund in August 2018
- MF AUM increased by 50%
- PMS AUM increased by 10%

NET WORTH



POINTS OF PRESENCE



06	Uttarakhand
13	Bihar
55	Uttar Pradesh
02	Assam
03	Jharkhand
22	West Bengal
09	Orissa
02	Chhattisgarh
02	Andhra Pradesh
02	Tamil Nadu
14	Telangana

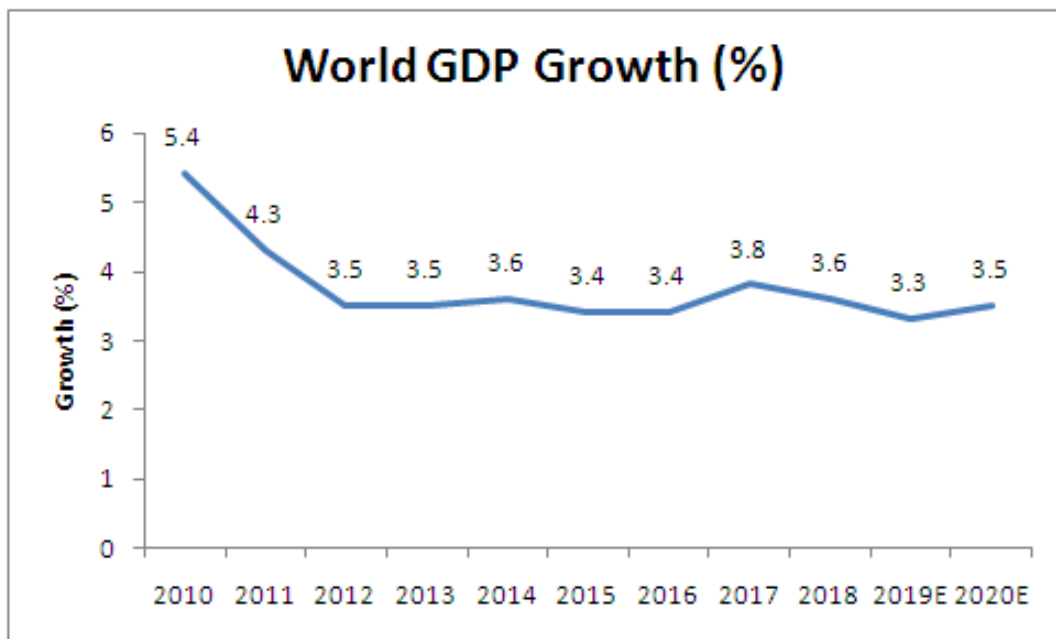
11	Jammu & Kashmir
14	Himachal Pradesh
82	Punjab
24	Rajasthan
43	Chandigarh
70	Haryana
87	Delhi
47	Gujarat
122	Maharashtra
02	Karnataka
10	Madhya Pradesh

Total Points of Presence: 642

MANAGEMENT DISCUSSION & ANALYSIS

Global economy

One year ago economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9 percent in 2018 and 2019. One year later, much has changed: the escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. With this weakness expected to persist into the first half of 2019, the World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 percent of the global economy. Global growth, which peaked at close to 4 percent in 2017, softened to 3.6 percent in 2018, and is projected to decline further to 3.3 percent in 2019. Although a 3.3 percent global expansion is still reasonable, the outlook for many countries is very challenging, with considerable uncertainties in the short term, especially as advanced economy growth rates converge toward their modest long-term potential.

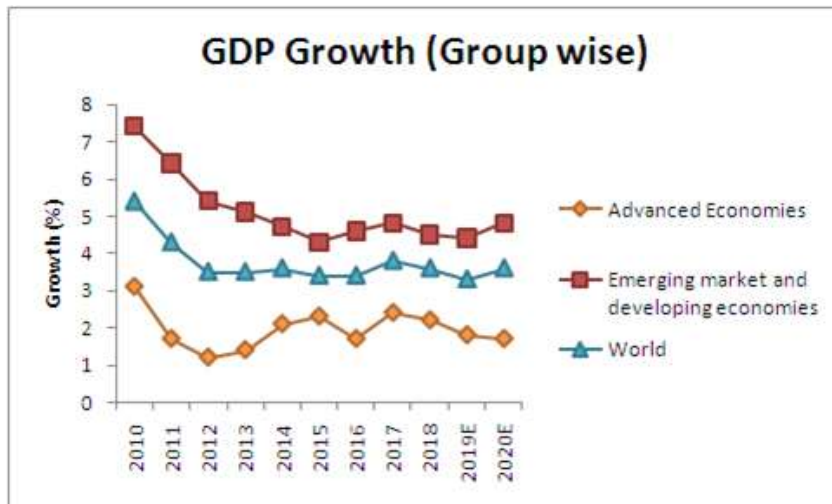


Source: IMF, E=Estimated

Emerging Economies

In China, necessary domestic regulatory tightening to rein in debt, constrain shadow financial intermediation, and place growth on a sustainable footing contributed to slower domestic investment, particularly in infrastructure. Spending on durable consumption goods also softened, with automobile sales declining in 2018 following the expiration of incentive programs for car purchases. These developments contributed to slower momentum over the year, with further pressure from diminishing export orders as US tariff actions began to take hold in the second half of the year. As a result, China's growth declined from 6.8 percent in the first half of 2018 to 6.0 percent in the second half of the year. The resulting weakening in import demand appeared to have impacts on trading partner exports in Asia and Europe.

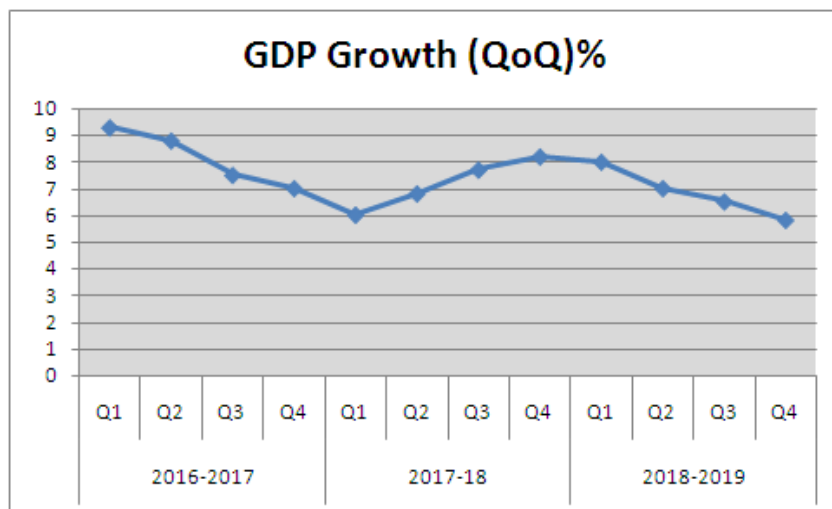
Elsewhere across emerging market economies, activity moderated as worsening global financial market sentiment in the second half of 2018 compounded country-specific factors. Needed policy tightening to reduce financial and macroeconomic imbalances took effect in Argentina and Turkey; sentiment weakened and sovereign spreads rose in Mexico, following the incoming administration's cancellation of a planned airport for the capital and backtracking on energy and education reforms; and geopolitical tensions contributed to weaker activity in the Middle East.



Source: IMF, E=Estimated

The Indian Growth Story

India's economy is set to grow at 7.0 percent in 2019, picking up to 7.2 percent in 2020. The downward revision of 0.3 percentage point for both years reflects a weaker-than-expected outlook for domestic demand. In the first quarter of 2019, the real GDP in India grew by 5.8 percent, compared to the same quarter of the previous year. As per the data released by Ministry of Statistics and Programme Implementation, the growth in GDP during 2018-19 is estimated at 7.0 percent as compared to the growth rate of 7.2 percent in 2017-18. GDP at Constant (2011-12) Prices in Q3 of 2018-19 is estimated at Rs35.00 lakh crore, as against Rs32.85 lakh crore in Q3 of 2017-18, showing a growth rate of 6.6 percent. GDP growth rates for Q1 and Q2 of 2018-19 at Constant Prices are 8.0 percent and 7.0 percent respectively.



Source: Ministry of Statistics and Programme Implementation (MOSPI)

Outlook

The global economic upswing that began around mid-2016 has become broader and stronger. For most countries, current favorable growth rates will not last. Policymakers should seize this opportunity to bolster growth, make it more durable, and equip their governments better to counter the next downturn. The modest medium-term outlook for the advanced economies (potential output growth rates are estimated in the range of 0.5–1.5 percent for most advanced economies) calls for measures to raise labor force participation rates and productivity growth. These include public investment (coupled with incentives to raise private spending as needed) in infrastructure, lifelong learning and workforce skills, and research and development. Protecting dynamism—by ensuring that competition policy frameworks facilitate new firm entry and curb incumbents' abuse of market power—remains vital when a few big firms are cornering increasingly larger market shares across technology, retail, financial services, and other sectors in many advanced economies. The medium-term growth forecast suggests continued strong investment growth in emerging market and developing economies, accounting for more than one-third of their GDP growth. In turn, this robust investment path is predicated on a smooth trajectory for the drivers of capital spending; a gradual tightening in financial conditions (which is particularly relevant to the investment outlook in the emerging market and developing economy group, given the rapid buildup of leverage during years of low interest rates); quick resolution of trade disagreements and subsequent easing of trade tensions; and broader policy actions that help reduce uncertainty. Growth in India is expected to stabilize at just under 7¾ percent over the medium term, based on continued implementation of structural reforms and easing of infrastructure bottlenecks.

The emerging and Low-income developing countries have also borne the brunt of climate change and potent natural disasters. Lowering the fallout from these events will require adaptation strategies that invest in climate-smart infrastructure, incorporate appropriate technologies and zoning regulations, and deploy well-targeted social safety nets. Global trade growth slowed considerably in 2018. The slowdown reflects some payback in the first quarter from very high growth in late 2017 and, subsequently, the impact of increased trade tensions on spending on capital goods (which are heavily traded) and a more general slowdown in global activity.

2018-19

Indian Financial Sector Highlights

- On balance of payments basis (i.e., excluding valuation effects), the foreign exchange reserves decreased by US\$ 3.3 billion during 2018-19 as compared to an increase of US\$ 43.6 billion during 2017-18. Current Account Deficit (CAD) increased to 2.1 per cent of GDP in 2018-19 from 1.8 per cent in 2017-18 on the back of a widening of the trade deficit. Net FDI inflows at US\$ 30.7 billion in 2018-19 were marginally higher than US\$ 30.3 billion in 2017-18.
- Association of Mutual Funds in India (AMFI) reported that average assets managed by the mutual fund industry have grown to Rs.24.48 trillion in March 2019. Fiscal year growth of 6% was the slowest in seven years. During the fiscal year 2018-19 equity funds had inflows of Rs.99087 crore, taking total inflows as on 31st March 2018 to Rs.136238 crore. The MF industry had added, on an average, 9.54 lacs SIP accounts each month during the FY 2019-20, with an average SIP size of about Rs 3,000 per SIP account. SIP contribution to the industry surged to Rs 92,693 crore in 2018-19, from Rs 67,190 crore in the preceding fiscal. Debt funds were the biggest drag to industry growth this fiscal, as the category witnessed outflows of Rs 1.25 trillion during the period.

- The overall insurance industry is expected to reach US\$ 280 billion by 2020. Life insurance industry in the country is expected grow by 12-15 per cent annually for the next three to five years. Gross premium collected by life insurance companies in India decreased from US\$ 94.5 billion in FY18 to US\$ 82.8 billion in FY19. In FY19, premium from new life insurance business increased 10.73 per cent year-on-year to Rs2.15 trillion (US\$ 30.7 billion). Non-life insurers gross direct premium General insurance companies reported gross direct premium collection of Rs 1.70 lakh crore in the financial year 2018-19, an increase of 13% year-on-year. Under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) as on 31st March, 2019, cumulative gross enrolment reported by Banks subject to verification of eligibility, etc. is over 15.47 crore under PMSBY. A total of 40,749 Claims were registered under PMSBY of which 32,176 have been disbursed. In Union Budget 2020, the government announced possibility of hiking the FDI limit in the insurance companies.
- The Assets Under Management ('AUM') of all the Pension Funds combined, i.e. corporate and retail sector, grew from Rs 11,965.80 Crs as on March 31, 2018 to Rs 19,369.80 Crs as on March 31, 2019, registering a growth of approximately 62%. The overall subscriber base of corporate sector grew by nearly 35%, with approximately 1200 new corporates joining the National Pension System ('NPS') architecture. The retail sector grew by 34%, with total subscriber base crossing 9 lakh as on March 31, 2019, in comparison to 7 lakh subscribers as on March 31, 2018. The PFRDA granted permission for partial withdrawal by the subscribers upto certain permissible limits and subject to meeting of certain criterias for meeting the expenses made by them for skill development/ re- skilling or for any other self-development activities and for establishment of own venture or any other start-ups.
- Micro Units Development & Refinance Agency (MUDRA), which has been set up by Government of India to provide funding to the non-corporate and non-farm sector. These loans are classified as MUDRA loans under PMMY. Under the aegis of PMMY, MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth. In Financial Year 2018-2019, number of PMMY loans sanctioned was 59870318 and amount disbursed was Rs 311811.38 Crore as against sanctioned-321722.79 crore.

Indian Financial Services Industry

- Indian equity market was among best performers in FY19 despite that this year was marked by several issues starting from high crude oil prices, rupee faltering to new record lows, liquidity crisis in the non-banking financial companies (NBFC), US-China trade tensions, delay in Brexit breakthrough among others.
- During 2018-19, the primary securities market recorded a total number of issues of 158, from which Rs. 54917 crore were raised as compared to Rs.110360 crore raised through 229 issues during 2017-18. The BSE Sensex rose nearly 17 per cent during in the financial year 2019, while the Nifty50 on the National Stock Exchange increased by 15 per cent during same period. For both the indices, this was the highest growth in any fiscal since FY 2009-10. It was a dismal year for midcap and small cap stocks, BSE Midcap and Small cap indices saw a fall of 3.03% and 11.57%, respectively in FY19 after a stellar run in the previous two fiscals. During 2018-19, the Small and Medium Enterprises (SME) market recorded a total number of issues of 110, from which Rs. 1844 crore were raised as compared to Rs. 2361 crore raised through 156 issues during 2017-18. Foreign portfolio investors (FPIs) net investment, fell from Rs. 144681 crore in FY 18 to Rs.48751 crore in FY19. Global and domestic causes alike have prompted the flows of funds in 2018-19 from the markets and both the equity and debt segments have witnessed outflow.

Indian Broking Industry

- At the industry level, equity turnover at the exchanges increased to Rs. 2,463 trillion in FY2019 from Rs. 1,733 trillion in FY2018, registering a growth of 42.1%. The Average daily turnover (ADTO) increased to Rs. 9.93 trillion from Rs. 7.04 trillion during the same period, registering a staggering growth of 41%. The market witnessed a sharp fall in Q2 FY2019 post the default of IL&FS and consequent liquidity issues in the system. This was later coupled with cross-border tensions and political uncertainty before elections. The total cash turnover reported growth in FY2019, with a total traded volume of Rs. 87 trillion (Rs.83 trillion in FY2017) registering a YoY marginal growth of 4.9%. The cash segment ADTO increased to Rs. 0.35 trillion from Rs. 0.34 trillion in the same period. Flow from Foreign Portfolio Investors ('FPI') remained weak for majority of FY2019. However, due to strong inflows in the month of February and March of USD 8.3 billion, FPI flows for FY2019 turned positive. Domestic Institutional Investors ('DIIs') continued to remain largely positive through FY2019. Domestic institutional investors (DIIs), including mutual funds and insurance firms, were net buyers of shares worth Rs 72,109 crore, which was lower than the Rs114,452 crore in the previous fiscal.
- The derivatives or futures and options (F&O) segment, which witnessed a 43% growth in ADTO in FY2019 as compared to growth of 76% in FY2018. The total turnover for the derivatives segment increased to Rs. 2376.02 trillion in FY2019 (ADTO of 9.58 trillion) from Rs1649.88 trillion (ADTO of 6.71 trillion) in FY2018, registering a growth of 44.01%. The options (ADTO) growth rate remained healthy in FY2019, registering a year-on-year (YoY) growth of 48%, as against 5.53% and 4.04% for the futures and cash segments respectively. The options segment remains the most active in the derivatives market accounting for 91% of the derivatives turnover in FY2019 (88% in FY 2018), with index options accounting for 86% of the derivatives turnover (82% in FY2018).
- Currency Derivative trading volumes increased to Rs. 159.18 trillion (ADTO of Rs. 0.66 trillion) in FY2019 from Rs. 96 trillion in FY2018 (ADTO of Rs. 0.40 trillion), registering a growth of 66.15%.
- Exchange Traded Funds in India have witnessed a net inflow of Rs. 42,940 crore during FY19. Investors remained bearish on gold exchange-traded funds (ETFs) as they pulled out Rs 411 crore from the instrument in 2018-19, making it the sixth consecutive financial year of outflow whereas there was a net inflow of Rs 43351 crore in other ETFs in FY18.
- India's commodity derivatives market expanded by about 20% in 2018-19 over 2017-18. The total volume of commodity futures traded by all national commodity exchanges exceeded 246.45 million lots. During FY2019, total value of commodity futures traded by all national commodity exchanges in India was Rs 71.97 lakh crore against Rs 60.09 lakh crore in FY 2018. The Multi Commodity Exchange has witnessed record quarterly average daily turnover in the third quarter of FY2019 ever since the imposition of the Commodities Transaction Tax (CTT) in July 2013. Increased hedging due to volatility in currency and sharp price movements in energy products, especially crude oil, were the key reasons for the higher average daily turnover. To help broaden the commodity derivatives market, regulator Sebi's board approved allowing mutual funds and portfolio managers to trade in this segment.

Outlook

While financial year 2018-19 was marked by the return of volatility, FY 2019-20 begins with conversion of most macro tailwinds into headwinds. It is not likely that the world will go into a recession despite a weaker global growth outlook. However, markets will struggle for a stable footing until better economic data emerges from the major economies like US, China, Japan and the EU. If there is any rebound in global growth, India's exports are likely to benefit. The clear mandate removes the overhang of uncertainty from the markets. This is a significant positive for market sentiment and for attracting global investors. All eyes will now be on the new government and the steps it must take to mend a troubled economy. Despite scope of volatility remaining high, investors can benefit from buying equities for the long term from a few niche segments that are expected to do well in FY 2019-20 and beyond.

DIRECTORS' REPORT

Directors' Report

Dear Members,

The Board of Directors of your Company "Master Trust Limited" (MTL) are pleased to present the thirty fourth Annual Report of the company along with the annual audited consolidated and standalone financial statement for the financial year ended 31st March, 2019.

1. Financial Highlights

The summary of the consolidated and standalone financial results of the Company for the financial year ended 31st March, 2019 and the previous financial year ended 31st March, 2018 is given below:

(₹ In Millions)

Particulars	For the Year Ended			
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Consolidated		Standalone	
Gross Income	1344.14	1570.51	82.95	185.97
Profit Before Depreciation, Interest & Tax	339.85	347.90	70.09	46.63
Less : Depreciation	14.76	28.08	0.35	0.68
Interest	200.21	189.72	48.51	28.04
Profit Before Tax	124.89	130.10	21.23	17.91
Provision for Tax	28.14	29.33	2.67	(0.34)
Profit after tax but before minority interest and share in associate companies	96.75	100.77	18.56	18.25
Less: Share of Minority Interest	1.16	0.34	-	-
Net Profit	95.59	100.43	18.56	18.25
Add: Profit brought forward from earlier years	1179.94	1096.36	113.32	109.94
Profit available for appropriation	1275.53	1196.79	131.88	128.19
Less: Appropriations				
- Proposed Dividend	-	10.88	-	10.88
- Tax on Dividend	-	2.21	-	0.23
- Transfer to Statutory Reserve	3.88	3.76	3.88	3.76
- Transfer to General Reserve	-	-	-	-
Closing Balance	1271.65	1179.94	128.00	113.32

2. Performance Highlights

On standalone basis, the Company's net profit increased by 1.70% to Rs. 18.56 million as compared to Rs. 18.25 million in the previous year. The Company's gross income decreased by 55.39% to Rs. 82.95 million as compared to Rs. 185.97 million in the previous year.

On a consolidated basis, the Consolidated Net worth of the Company has increased by 5.16% to Rs. 1949.78 million as compared to Rs. 1854.18 million in the previous year. The Net Profit after tax decreased to Rs. 95.60 million as compared to 100.43 million in the previous year. Consequently, the basic and diluted earnings per share for the current year decreased to Rs. 8.79 per share as compared to Rs. 9.23 per share in the previous year.

3. Dividend

The Board of Directors has not recommended a dividend for the financial year ended 31.03.2019.

4. Outlook

While financial year 2018-19 was marked by the return of volatility, FY 2019-20 begins with conversion of most macro tailwinds into headwinds. It is not likely that the world will go into a recession despite a weaker global growth outlook. However, markets will struggle for a stable footing until better economic data emerges from the major economies like US, China, Japan and the EU. If there is any rebound in global growth, India's exports are likely to benefit. The clear mandate removes the overhang of uncertainty from the markets. This is a significant positive for market sentiment and for attracting global investors. All eyes will now be on the new government and the steps it must take to mend a troubled economy. Despite scope of volatility remaining high, investors can benefit from buying equities for the long term from a few niche segments that are expected to do well in FY 2019-20 and beyond.

5. Reserves

During the period under review there was a net transfer of Rs. 3.78 million to Statutory Reserves.

6. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review as required under Regulation 34 of SEBI (LODR) Regulations, 2015 is given as a separate statement forming part of the Annual Report.

7. Human Resource Development

The Company has a team of able and experienced professionals and is always following the policy of creating a healthy environment and work culture resulting into harmonious inter-personnel relations. The relations at all levels of the Company have remained very cordial throughout the year.

8. Board Committee

Details of all the following Committees constituted by the Board along with their composition, terms of reference and meeting held during the year are provided in the Report on Corporate Governance which forms part of this Report:

(i) Audit Committee

The Audit Committee of the Board of Directors of the Company consists of 3 Non- Executive Independent Directors viz. Mr. Ashwani Kumar, Mr. Sudhir Kumar and Mr. Anil Kumar Malhotra. All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. No recommendation of the Audit Committee has been rejected by the Board of Directors of the Company during the period under review.

(ii) Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors of the Company consists of 3 Non-Executive Directors viz. Mr. R. K. Singhania, Mr. Pavan Chhabra & Mr. Sudhir Kumar, out of which 2 Directors are Independent Director, who are free from any business or other relationships. Mr. R. K. Singhania is the Chairman of the Committee.

(iii) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board of Directors of the Company consists of 3 Non-Executive Directors viz. Mr. R. K. Singhania, Mrs. Harneesh Kaur Arora and Mr. G.S. Chawla. Mr. R.K. Singhania is the Chairman of the Committee.

9. Board of Directors/Key Management Personnel (KMPs)

(A) Board of Directors

(i) Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mrs. Harneesh Kaur Arora and Mr. Gurmeet Singh Chawla, Directors of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment. Notice convening the Annual General Meeting includes the proposal for their re-appointment as the Director.

(ii) Board of Directors

As on the date of this report, the Company's Board consists of the following Directors:-

Managing Director	Non-Executive Directors	Independent Directors
Mr. Harjeet Singh Arora	Mrs. Harneesh Kaur Arora Mr. R.K. Singhania Mr. Pavan Kumar Chhabra Mr. Gurmeet Singh Chawla	Mr. Anil Kumar Malhotra Mr. Anil Bhatia Mr. Ashwani Kumar Mr. Sudhir Kumar

During the period under review, there was no change in the Board of Directors of the Company

(B) KMP's

Mr. Mohan Singh, who was the Company Secretary cum Compliance Officer of the Company, resigned from the services of the Company w.e.f 07.12.2019.

Mr. Vikas Gupta, Associate Member of ICSI (ACS-42199) was appointed as Company Secretary cum Compliance Officer of the Company w.e.f. 27.03.2019 and confirmed by Board of Directors of the Company in their Meeting held on 08.04.2019.

Except stated here In above, there is no other change in the KMPs during the year under review and In terms of the provisions of Section 203 of Companies Act, 2013, Mr. Harjeet Singh Arora, Managing Director, Mr. Vikas Gupta, Company Secretary and Mr. Sunil Kumar, CFO are the KMPs of the Company.

10. Statement on Declaration by Independent Directors under Section 149(6)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Familiarization Programme for Independent Director

The Board Members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <https://www.mastertrust.co.in/invester.aspx>.

11. Number of meetings of the Board of Directors

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. During the year Four (4) meetings of Board of Directors were held viz. on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

The separate meeting of the Independent Directors of the Company was also held on 14.08.2018 other than the Board Meetings mentioned.

12. Board Evaluation

The Board of Directors of your Company recognizes and accepts that Board is accountable to the public to ensure that they are operating in an effective manner. Care is taken to avoid that the Board does not fall into the "same old way of doing things". Therefore, one of the few ways to identify and address the problem is for the Board to conduct a self-evaluation.

The Nomination and Remuneration Committee of the Company has approved the Annual Evaluation Plan for the Board, Committees and Individual Directors. The Board including its committees and members shall evaluate itself once a year, whether there are apparent major problems or not. Each member of the Board shall complete a form

which comprises of objective questions on certain parameters such as their own roles and responsibilities in the Company, Strategic Leadership, Accountability, Board Processes and Board Performance. The responses shall be discussed among members of Board, Committees and at Individual level. The exercise shall be led by the Chairman along with a Senior Independent Director of the Company.

The results of the Evaluation shall be shared with the Board, Chairman of respective Committees and individual Director based on the outcome of the Evaluation, the Board and Committees shall agree on the action plan to improve on the identified parameter. The evaluation in terms of the plan has been completed during the period under review.

13. Deposits

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Rules made there under and as such, no amount on account of principal or interest on Public Deposits was outstanding on the date of the Balance Sheet.

14. Material Changes and Commitments affecting The Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31st, 2019 to which the financial statements relate and the date of this Report.

15. Significant and Material Orders passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future during the period under review.

16. Report on Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally.

The Report on Corporate Governance for the financial year ended March 31, 2019 as stipulated under Part C of Schedule V of the SEBI (LODR) Regulations, 2015 forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming the compliance with the regulations of Corporate Governance as stipulated under PART E of the SEBI (LODR) Regulations, 2015 forms part of this Report.

17. Directors' Responsibility Statement

Pursuant to the provisions of Section 134 of the Companies Act 2013 with respect to Directors' Responsibility Statement, the Directors hereby confirm 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 profit and 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) Internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and are operating effectively;
- e) The Directors had prepared the annual accounts on a going concern basis; and
- f) 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.

18. Listing / De-listing of Shares

The Shares of your Company are presently listed on The Bombay Stock Exchange Limited, Mumbai (BSE) and the Annual Listing Fees for the year 2019-2020 has already been paid to it.

19. Auditors

Statutory Auditors

In terms of Section 139 of the Act, M/s C. S. Arora & Associates, Chartered Accountants, were appointed as statutory auditors of the Company for a period of five years in the AGM held on 29.09.2017 from the conclusion of the Thirty Second Annual General Meeting until the conclusion of the Thirty Seventh Annual General Meeting, for the period of five years.

Secretarial Auditors

Pursuant to the requirements of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Company had appointed M/s. Rajeev Bhambri & Associates, Company Secretaries in Practice, Ludhiana, for conducting Secretarial Audit for the year 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2019 is part of this Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Audit Report.

20. Auditors' Reports

There are No qualifications, reservation or adverse remark or disclaimers made by the Statutory Auditors in their Audit Report for the financial year 2018-19. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2018-19. The Auditors' Report on the Accounts of the Company for the period under review are self - explanatory and no comments are required.

21. Corporate Social Responsibility (CSR)

The provisions of Section 135 of Companies Act, 2013 are not applicable on the Company.

22. Financial Control Systems and its Adequacy

The Board has adopted accounting policies which are in line with Section 133 of the Act rules made there under. The Company has a proper and adequate system of internal control, to ensure that all assets are safeguarded, properly utilized and protected against loss from un-authorized use or disposition and those transactions are authorized and recorded by the concerned departments properly and reported to the Audit Committee/Board correctly.

The Company has also in place adequate internal financial controls with reference to financial statements. Such controls are tested from time to time and no reportable material weakness in the design or operation has been observed so far.

23. Details of Subsidiary/Joint Ventures/Associate Companies

The Company has the following six (6) subsidiary/Step-down Subsidiary companies as on 31.03.2019:

- Master Infrastructure and Real Estate Developers Limited (Subsidiary)
- Master Capital Services Limited (Subsidiary)
- Master Insurance Brokers Limited (Step down Subsidiary)
- Master Commodity Services Limited (Step down Subsidiary)
- Master Portfolio Services Limited (Step down Subsidiary)
- H. A. Shares & Stock Brokers Ltd. (Subsidiary)

The Company however does not have any Joint Venture or Associate Company.

24. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

The summary of performance of the subsidiaries of the Company is provided below:

a) MASTER CAPITAL SERVICES LIMITED (MCSL)

In the current year of operations FY 2018-19, MCSL's revenue during the year under review decreased to Rs. 1018.54 million from Rs. 1171.25 million in the previous year FY 2017-18. MCSL's net profit, during the current year, also decreased to Rs. 43.31 million from Rs. 70.38 million in previous year.

b) MASTER COMMODITY SERVICES LIMITED (MCOMSL)

In the current year of operations FY 2018-19, MCOMSL posted increase in revenues. MCOMSL's revenue during the year under review increased to Rs. 95.17 million from Rs. 87.63 million in the previous year FY 2017-18 registering an increase of 8.60%. MCOMSL accounted for a net profit of Rs. 6.82 million during the current year as compared to Rs. 3.66 million in previous year, registering an increase by 86.34%.

c) MASTER INFRASTRUCTURE AND REAL ESTATE DEVELOPERS LIMITED (MIREDL)

In the current year of operations FY 2018-19, MIREDL posted increase in revenues. MIREDL's revenue during the year under review increased to Rs. 141.55 million from Rs. 1.66 million in the previous year FY 2017-18, registering an increase by 8427.11%. MIREDL's net profit, during the current year, increased to Rs. 31.36 million from Rs. 0.48 million in previous year, registering an increase by 6433.33%.

d) H.A. SHARES & STOCK BROKERS LTD (HASSBL)

In the current year of operations FY 2018-19, HASSBL's revenue during the year under review decreased to Rs. 14.10 from Rs. 76.56 million in the previous year FY 2017-18. HASSBL company's net profit, during the current year increased to Rs. 2.36 million from Rs. 0.71 million in previous year.

e) MASTER INSURANCE BROKERS LTD (MIBL)

In the current year of operations FY 2018-19, MIBL's revenue during the year under review decreased to Rs. 15.95 million from Rs. 17.09 million in the previous year FY 2017-18.

MIBL's net profit during the current year increased to Rs. 2.59 million from Rs. 1.63 million, registering an increase by 58.90%.

f) MASTER PORTFOLIO SERVICES LIMITED (MPSL)

In the current year of operations FY 2018-19, MPSL's revenue during the year under review decreased to Rs. 55.37 million from Rs. 72.68 million in the previous year FY 2017-18. MPSL's net profit, during the current year, decreased to Rs. 1.48 million from Rs. 5.66 million in previous year.

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 and rules made there under, a statement containing salient features of financial statements of subsidiaries in Form AOC 1 is attached to the Accounts. The separate audited financial statements in respect of each of the subsidiary companies and step down subsidiary shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of each of the subsidiary companies are also available on the website of your Company at <https://www.mastertrust.co.in/investor.aspx>.

25. Particulars of Employees and Related Information

During the period under review, no employee of the Company received salary in excess of the limits as prescribed under the Act.

Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, form part of this Boards' Report.

As per the provisions of Section 136(1) of the Act, the reports and accounts are being sent to the Members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The same is available for inspection by Members at the Registered Office of the Company on all working days except up to the date of the Thirty Fourth Annual General Meeting. Any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request and such particulars shall be made available by the company within three days from the date of receipt of such request from shareholders.

26. Particulars of Loans, Guarantees or Investments

Pursuant to Section 186(11) of the Companies Act, 2013 the investment and lending activities of a Non Banking Financial Company in the ordinary course of its business are exempted. Particulars, if any, of investments made, loans and guarantees given and securities provided are given in the Notes to the standalone financial statements.

27. Particulars of Contracts or Arrangements with Related Parties

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and Listing Regulations. The same is displayed on the website of the Company at <https://www.mastertrust.co.in/invester.aspx>.

During the year under review, all the related party transactions were entered in the ordinary course of business and on arm's length basis, majority of which were with wholly owned subsidiaries of the Company. All related party transactions as required under AS-18 are reported in Notes to the Standalone Financial Statements and Notes to the Consolidated Financial Statements of the Company.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act, as prescribed in Form AOC-2.

28. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company being engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.

During the financial year ended 31.03.2019, there is no any Foreign Exchange Earnings and Outgo.

29. Annual Return

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is uploaded on the website of the Company can be accessed at <https://www.mastertrust.co.in/invester.aspx>.

30. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 and Schedule V of SEBI(LODR) Regulations, 2015, The Company has established a vigil mechanism to provide appropriate avenues to the directors and employees to bring to the attention of the Management, their genuine concerns about behavior of employees. Details of Vigil Mechanism/Whistle Blower are included in the report on Corporate Governance.

During the financial year 2018-19, no cases under this mechanism were reported to the Company and/or to any of its subsidiaries/associate.

A copy of the Vigil Mechanism/Whistle Blower as approved by the board may be accessed at <https://www.mastertrust.co.in/invester.aspx>.

31. Maintenance of Cost Records

The maintenance of cost records, for the services rendered by the Company, is not required pursuant to Section 148 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

32. Policy on Material Subsidiaries

The Policy for determining material subsidiaries as approved by the Board of Directors can be accessed on the Company's website at <https://www.mastertrust.co.in/invester.aspx>.

33. Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") and the Code of Conduct to regulate, monitor and report trading by insiders for designated persons and their immediate relatives ("Code of Conduct") as approved by the Board are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated employees and Specified Persons. The Company also adopts the concept of Trading Window Closure, to prevent its for designated persons and their immediate relatives from trading in the securities of the Company (Insider Trading) at the time when there is unpublished price sensitive information.

34. Nomination and Remuneration Policy

The Company's Nomination and Remuneration Policy formulated by the Nomination and Remuneration Committee deals with the appointment and remuneration of Directors and KMPs of the Company. The policy also covers the criteria for determining qualifications, positive attributes, independence of a Director and KMP. In terms of Section 134(3) (e) of Companies Act, 2013 the Nomination and Remuneration Policy of the Company is annexed herewith and forms part of this Annual Report.

35. Risk Management

The Board of Directors of your Company has formulated the risk management policy which seeks to identify risks inherent in business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

The objective of Risk Management is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

The Board's role under the policy is to ensure framing, implementing and monitoring risk management plan, having in place systems for risk management as part of internal controls. It is the duty of Independent Directors to bring unbiased angle to the Board's deliberations on making risk management systems more robust. On the other hand, Audit Committee's role is Evaluate the risk management systems.

As a financial intermediary, the Company is exposed to risks that are particular to its lending business and the environment within which it operates. Company's goal in risk management is to ensure that it understands measures and monitors the various risks that arise and that the organization adheres strictly to the policies and procedures which are established to address these risks. The Company is primarily exposed to credit risk, market risk, liquidity risk, operational risk and legal risk.

The Company has a structured and standardized credit approval process, which includes a well- established procedure of comprehensive credit appraisal. In addition, the Company attempts to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking regular contingency planning. As regards legal risk, the Company seeks to minimize legal risk by using stringent legal documentation, employing procedures designed to ensure that transactions are properly authorized and consulting internal and external legal advisor. The Company also conducts a comprehensive analysis of our loan portfolio on a periodic basis. The analysis considers both qualitative and quantitative criteria including, among others, the account conduct, future prospects, repayment history and financial performance. This comprehensive analysis includes an account by account analysis of the entire loan portfolio, and an allowance is made for any probable loss on each account. In estimating the allowance, we consider the net realizable value on a present value basis by discounting the future cash flows over the expected period of recovery. Further, we also consider past history of loan losses and value of underlying collateral.

36. Prevention of Sexual Harassment at Workplace

The Company has Zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working in the Company.

During the year under review, no complaints were received from any of the employees and no complaints were pending at the beginning of the year.

37. Managing Director (MD) and Chief Financial Officer (CFO) Certificate

In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from the Chief Financial Officer and Managing Director of the Company, for the financial year 2018-19 with regard to the financial statements and other matters. The said certificate forms part of this Annual Report.

38. Acknowledgment

The Directors place on record their sincere appreciation and express their gratitude for the continued support extended by the bankers, Clients, Advisors, Business Associates, and stakeholders for their continued and valuable co- operation and support to the Company from time to time and the trust reposed by them in the Master Trust Group.

Recognizing the challenging work environment, the Directors also place on record, their appreciation for the dedication and commitment displayed by the employees of the Company and its subsidiaries across all levels.

For and on behalf of the Board of Directors

Sd/-
(R.K. Singhanian)

Director

DIN- 00077540

Sd/-
(Harjeet Singh Arora)

Managing Director

DIN- 00063176

Place : Ludhiana

Date : 14.08.2019

Policy for Director's Appointment and Criteria for determining Independence of a Director

Background

Master Trust Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the stakeholders.

Brief Overview under Companies Act, 2013

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

- Constitution of the Nomination and Remuneration Committee consisting of three or more non- executive directors out of which not less than one-half shall be independent directors.
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.

Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors in its meeting held on 30th day of May 2014.

Definitions

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act,1961;

"Key Managerial Personnel" means":

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole- time Director;
- ii) Company Secretary;
- iii) Chief Financial Officer; and
- iv) Such other officer as may be prescribed.

"Senior Managerial Personnel" means the personnel of the company who are members of its core management team excluding Board of Directors Normally, this would comprise all members of management of rank equivalent to General Manager and above, including all functional heads.

Objective

The objective of the policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Role of the Committee

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors, KMP and Senior Management.
- To devise a policy on Board diversity, composition and size.
- Succession planning for replacing Key Executives and overseeing their orientation and successful alignment with the philosophy of the Company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Interview and Selection procedure.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as the M.D or Whole-time Director or a manager who has attained the age of seventy years Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Term and Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Rotation: The Managing Director/Whole Time Director and other Non-Executive Directors of the Company shall be liable to retire by rotation subject to the employment agreement, if any signed between the company and such Directors of the Company at the time of appointment.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Rotation: An Independent Director shall not be liable to retire by rotation pursuant to the provisions of sub-sections (6) and (7) of section 152 of the Companies Act, 2013.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing Director /Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director /Whole-time Directors.

2. Remuneration to Non-Executive/Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's HR Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a) The ratio of the remuneration of the Managing Director to the median remuneration of the employees of the company for the financial year was 13.43:1. No other Director of the Company is being paid any remuneration.
- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Sl. No.	Name of Director /KMP and Designation	% increase in Remuneration in the Financial Year 2017-18
1	Mr. Harjeet Singh Arora	-
2	Mr. Mohan Singh (Till 07.12.018)	10.00%
3	Mr. Sunil Kumar	-
4	Mr. Vikas Gupta (w.e.f. 27.03.2019)	-

- c) There was an increase of 9.35% in the median remuneration of employees in the financial year 2018-19 vis-a-vis financial year 2017-18.
- d) The Company had 14 permanent employees on the rolls of the Company.
- e) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2018-19 was Nil, and the increase in the managerial remuneration for the same financial year was also Nil.
- f) Affirmed that the remuneration is as per the remuneration policy of the company.

CEO/CFO Certificate

Pursuant to regulation 17 (8) of SEBI (LODR) regulations, 2015, we hereby certify that:

- a)** We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. 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 which are fraudulent, illegal or violative of the Company's Code of Conduct.

- c)** 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.

- d)** We have indicated to the auditors and the Audit committee:
 - I. Significant changes, if any, in internal control over financial reporting during the year;
 - II. Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - III. That no instances of significant fraud have come to our notice.

For and on behalf of the Board of Master Trust Limited

**Sd/-
(Sunil Kumar)
Chief Financial Officer**

**Sd/-
(Harjeet Singh Arora)
Managing Director
DIN- 00063176**

Place : Ludhiana

Date : 14.08.2019

Certificate of Compliance of the Code of Conduct of the Company

This is to state that the Company had duly adopted a Code of Conduct. After adoption of the Code of Conduct, the same was circulated to all the Board Members and Senior Management Personnel for compliance. It is affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct and have a confirmation in this regard.

For and on behalf of the Board of Directors

**Sd/-
(Harjeet Singh Arora)
Managing Director
DIN- 00063176**

Place: Ludhiana

Date: 14.08.2019

Practicing Company Secretary's Certificate

Practicing Company Secretary's Certificate on compliance with the conditions of Corporate Governance under Schedule V of the SEBI (LODR) regulations, 2015.

To
The Members of
Master Trust Limited

We have examined the compliance of conditions of Corporate Governance by MASTER TRUST LIMITED ('the Company'), for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the **SEBI (LODR) regulations, 2015.**

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Rajeev Bhambri & Associates**

Company Secretaries

Sd/-

(Rajeev Bhambri)

Proprietor

CP No. 9491

Secretarial Audit Report For The Financial Year Ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**The Members,
Master Trust Limited,
SCO 19, Master Chambers,
Feroze Gandhi Market,
Ludhiana - 141001
(CIN: L65991PB1985PLC006414)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Master Trust 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 my 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 31st March, 2019 ('Audit Period') 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 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 31st March, 2019, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) 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 laws relating to, inter alia:
 - All labour laws;
 - Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Rules, 1992.
 - Reserve Bank of India Act, 1934.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- (ii) The Listing Agreement entered into by the Company with the BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. No changes in the composition of the Board of Directors took place during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recoded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

Rajeev Bhambri & Associates

Company Secretary in whole time practice

C.P. No. 9491

Place: Ludhiana

Dated: 30.05.2019

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,

**The Members,
Master Trust Limited,
SCO 19, Master Chambers,
Feroze Gandhi Market,
Ludhiana - 141001.**

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

- (i) 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 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.
- (ii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
- (iii) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (iv) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- (v) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Rajeev Bhambri & Associates

Company Secretary in whole time practice

C.P. No. 9491

Place: Ludhiana

Dated: 30.05.2019

Report on Corporate Governance

In compliance with Part C of Schedule V of the SEBI (LODR) Regulations, 2015 the Company hereby lays out several corporate governance related requirements, which listed companies are required to adopt and follow.

While most of the practices laid out in Part C of Schedule V of the SEBI (LODR) Regulations, 2015 require mandatory compliance, others are recommendatory in nature, this Report sets out to define the governance practice followed by the Company.

1. CORPORATE GOVERNANCE

Corporate Governance is about promoting the fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting the business. It represents the value framework, principles, rules, practices by which a company conducts its business activities. Corporate Governance essentially involves balancing the interests of many stakeholders in a company which include its shareholders, management, customers, suppliers, financiers, government and the community.

2. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

In order to ensure sustainable returns to all stakeholders of the business, it is imperative, especially for large organizations, to adopt and follow certain policies, procedures and processes, which together constitute a "Code of Corporate Governance." It is important that such a Code is institutionalized, to ensure transparency, consistency and uniformity of decision making processes and actions. Master Trust Limited has always believed in such a "Sound" Code of Corporate Governance, as a tool for highest standards of management and business integrity.

3. BOARD OF DIRECTORS

A. Composition:

The present strength of the Board consists of 9 Directors who are professionals and are drawn from diverse fields. The majority of the Directors of the Board are Non- Executive Directors. The day to day Management of the Company is conducted by the Managing Director of the company subject to the supervision and control of the Board of Directors.

- Five Non-Executive Independent Directors, drawn from amongst persons with experience in business, finance, technology and management.
- Three Non-Executive Directors with considerable experience in their field representing the Company.

B. The names of Directors and their Directorship/Committee Chairmanship/Committee membership in other companies as on 31.03.2019 is given below:

Name of the Director & DIN Category	Category of Directorship	No. of Directorships and Committee Membership / Chairmanship in other Companies		
		Directorship	Chairmanship	Committee
Mr. Harjeet Singh Arora (DIN: 00063176)	Managing Director	15	3	5
Mr. R. K. Singhanian (DIN: 00077540)	Non Executive Director	10	5	5
Mrs. Harneesh Kaur Arora (DIN: 00089451)	Non Executive Director	6	6	3
Mr. G.S. Chawla (DIN: 00087449)	Non Executive Director	6	4	1
Mr. Pavan Kumar Chhabra (DIN:000104957)	Independent Non Executive Director	7	1	0
Mr. Ashwani Kumar (DIN: 00030307)	Independent Non Executive Director	4	1	1
Mr. Anil Kumar Malhotra (DIN: 00455951)	Independent Non Executive Director	5	0	2
Mr. Anil Kumar Bhatia (DIN: 00254117)	Independent Non Executive Director	0	0	0
Mr. Sudhir Kumar (DIN: 00305360)	Independent Non Executive Director	2	0	1

Note:

- 1) Mrs. Harneesh Kaur Arora, Non-Executive Director is the spouse of Mr. Harjeet Singh Arora, Managing Director. None of the other Directors are related to each other.
- 2) For the purpose of SEBI (LODR) Regulations, 2015, the Committees considered are only the Audit Committee and the Shareholders/ Investors Grievance Committee of Public Limited Companies.
- 3) Details of Directorship held by the Directors in other Companies:

Sr. No.	Name	Directorships/controlling Shareholding in other Companies
1	Mr. Harjeet Singh Arora	PRIME INDUSTRIES LIMITED MASTER CAPITAL SERVICES LIMITED GOLD TOUCH AGRI PRIVATE LIMITED MASTER INSURANCE BROKERS LIMITED MASTER PROJECTS LTD EMINENT BUILDWELL PRIVATE LIMITED MASTERTRUST WEALTH PRIVATE LIMITED MASTER INFRASTRUCTURE AND REAL ESTATEDEVELOPERS LIMITED H.K.ARORA REAL ESTATE SERVICES LIMITED ARORA FINANCIAL SERVICES LTD MASTER COMMODITY SERVICES LIMITED MASTER PORTFOLIO SERVICES LIMITED MASTER SHARE AND STOCK BROKERS LIMITED BIGBUILD REAL ESTATE PRIVATE LIMITED MATRIA ESTATE DEVELOPERS PRIVATE LIMITED
2	Mr. Rajinder Kumar Singhania	PRIME INDUSTRIES LIMITED MASTER CAPITAL SERVICES LIMITED GOLD TOUCH AGRI PRIVATE LIMITED MASTER INSURANCE BROKERS LIMITED MASTER PROJECTS LTD MASTER INFRASTRUCTURE AND REAL ESTATEDEVELOPERS LIMITED MASTER COMMODITY SERVICES LIMITED MASTER PORTFOLIO SERVICES LIMITED BIGBUILD REAL ESTATE PRIVATE LIMITED MATRIA ESTATE DEVELOPERS PRIVATE LIMITED
3	Mr. Pavan Chhabra	MASTER CAPITAL SERVICES LIMITED MASTER INSURANCE BROKERS LIMITED MASTER INFRASTRUCTURE AND REAL ESTATEDEVELOPERS LIMITED SUBAL SECURITIES P LTD HINDOLA INVESTMENTS PRIVATE LIMITED MASTER COMMODITY SERVICES LIMITED PAAWAN CAPITAL SERVICES LIMITED
4	Mr. Gurmeet Singh Chawla	MASTER CAPITAL SERVICES LIMITED MASTER INSURANCE BROKERS LIMITED MASTER COMMODITY SERVICES LIMITED MASTER PORTFOLIO SERVICES LIMITED KAG INVESTMENT AND ADVISORS PRIVATELIMITED CHANDI ANGEL INVESTORS FORUM

5	Mr. Sudhir Kumar	MASTER CAPITAL SERVICES LIMITED MASTER COMMODITY SERVICES LIMITED
6	Mrs. Harneesh Kaur Arora	EMINENT BUILDWELL PRIVATE LIMITED H.K. ARORA REAL ESTATE SERVICES LIMITED ARORA FINANCIAL SERVICES LIMITED MASTER SHARE & STOCK BROKERS LIMITED SAINTCO INDIA PRIVATE LIMITED H.A. SHARES & STOCK BROKERS LIMITED
7	Mr. Anil Kumar Malhotra	STAN CAPITAL LIMITED STAN FINCAP PRIVATE LIMITED FAIR AUTOS PRIVATE LIMITED STAN AUTOS PRIVATE LIMITED STAN CARS PRIVATE LIMITED STAN MOTORS PRIVATE LIMITED
8	Mr. Ashwani Kumar	PRIME INDUSTRIES LIMITED SEL MANUFACTURING COMPANY LIMITED SEL TEXTILES LIMITED DANDM COMPONENTS LIMITED
9	Mr. Anil Kumar Bhatia	Nil

C. Board Meeting

During the year 2018-2019, Four (4) Board Meeting were held viz. on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019. The necessary quorum was present for all the meetings.

Attendance of Directors in Board Meeting:

Name of the Director & DIN Category	Category of Directorship	No. of Meeting Held	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Harjeet Singh Arora (DIN: 00063176)	Managing Director	4	3	Present
Mr. R. K. Singhania (DIN: 00077540)	Non Executive Director	4	4	Absent
Mrs. Harneesh Kaur Arora (DIN: 00089451)	Non Executive Director	4	3	Absent
Mr. G.S. Chawla (DIN: 00087449)	Non Executive Director	4	4	Absent
Mr. Pavan Kumar Chhabra (DIN:000104957)	Independent Non Executive Director	4	2	Absent

Mr. Ashwani Kumar (DIN: 00030307)	Independent Non Executive Director	4	2	Absent
Mr. Anil Kumar Malhotra (DIN: 00455951)	Independent Non Executive Director	4	4	Absent
Mr. Anil Kumar Bhatia (DIN: 00254117)	Independent Non Executive Director	4	4	Absent
Mr. Sudhir Kumar (DIN: 00305360)	Independent Non Executive Director	4	4	Absent

D. Declaration of Independence of Board:

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive Independent Directors are Independent in terms of the Provisions of section 149(6) of Companies Act, 2013 and Regulation of SEBI (LODR) Regulation, 2015.

E. Separate Meeting of Independent Directors

Separate meeting of the Independent Directors of the Company was held on 14th August, 2018 without the presence of the Non-Executive Directors, the Managing Director and the management team of the Company. The meeting was attended by all the Independent Directors. The matters considered and discussed thereat, inter alia, included those prescribed under Schedule IV to the Act and Regulation 25 of SEBI (LODR) Regulation, 2015.

F. Familiarisation Program for Independent Directors

The Company has in place the familiarisation program for the Independent Directors appointed from time to time. The program aims to familiarise the Independent Directors with various aspects of the Company including the nature of the financial services industry, operations and performance of the Company's subsidiaries; developments within group companies; roles, rights, responsibilities of Independent Directors; and other relevant information required by Independent Directors to discharge their functions.

The Managing Directors and business heads of the Company and its subsidiaries make business presentations at the Board meetings to update the Independent Directors with the strategy, functions, operations and performance of the Company and its subsidiaries.

The Company's Policy of conducting the familiarization program and details of such familiarisation programme imparted to independent is placed on the website viz., www.mastertrust.co.in.

G. Code of Conduct

The Company has adopted the Code of Conduct ("Code") which applies to all the Board members and the Senior Management Personnel. It is the responsibility of all the Board members and Senior Management Personnel to familiarise themselves with the Code and comply with its provisions. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have confirmed compliance with the Code. The Code of Conduct has framed and formulated by the Company for members of the Board and Senior Management Personnel and placed on the website viz., www.mastertrust.co.in.

The declaration signed by the Managing Director to this effect forms part of this Report.

4. COMMITTEES OF THE BOARD

The Board has constituted the following Committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their terms of reference. Specific terms of reference have been laid out for each of these Committees and reviewed annually:

- Audit Committee.
- Nomination and Remuneration Committee.
- Stakeholders' Relationship Committee.

5. AUDIT COMMITTEE

Composition

The terms of reference of the Audit Committee are, as contained in section 177(4) of the Companies Act, 2013, and also as contained in SEBI (LODR) Regulations, 2015.

To ensure the composition & independence of the Committee as per the Companies Act, 2013, the Audit Committee consists of 3 Non-Executive Independent Directors viz. Mr. Ashwani Kumar, Mr. Sudhir Kumar and Mr. Anil Kumar Malhotra. All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. Mr. Ashwani Kumar is the Chairman of the Audit Committee.

The Audit Committee meetings are held at the Registered Office of the Company and Statutory Auditor, Company Secretary and Head of Accounts Department are permanent invitees to the meetings. The terms of reference of the Audit Committee are specified on the pattern as contained in Section 177 of the Companies Act, 2013 and also in the SEBI (LODR) Regulations, 2015. The Company Secretary of the Company acts as the secretary of the Committee.

Meetings and Attendance

The Audit Committee met four (4) times during the financial year 2018-19 on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019. The required quorum was present for all the Audit Committee meetings. The gap between two meetings did not exceed 120 days.

The attendance at the Meetings was as under:

Name of the Member	Position	No. of Meetings held	No. of Meetings attended
Mr. Ashwani Kumar	Chairman	4	2
Mr. Sudhir Kumar	Member	4	4
Mr. Anil Kumar Malhotra	Member	4	4

6. NOMINATION & REMUNERATION COMMITTEE

Composition

Composition The Nomination and Remuneration Committee ("the NRC") is constituted in accordance with Section 178 of the Act and applicable rules thereto and in accordance with Regulation 19 of the Listing Regulations.

The members of the NRC consists of three (3) Non-executive Directors viz. viz. Mr. R. K. Singhania, Mr. Pavan Chhabra & Mr. Sudhir Kumar, who are free from any business or other relationships and of which two (2) are independent directors. The Committee is chaired by Mr. Pavan Chhabra, an Independent Director. The terms of reference includes Scope and Functions of the Nomination & Remuneration Committee are, as contained in section 178 of the Companies Act, 2013 and also as contained in SEBI (LODR) Regulations, 2015.

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

The Stakeholders' Relationship Committee (SRC) constituted in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto and Regulation 20 of the Listing Regulations comprises three Non-executive Director. The Committee is chaired by Mr. R.K.Singhania. The Chairman of the Committee was present at the last Annual General Meeting. The Company Secretary of the Company acts as the Secretary to the Committee.

Meetings and Attendance

The Committee meets as and when required, to deal with the investor related matters etc. The terms of reference of the Stakeholders Relationship Committee are in accordance with the SEBI (LODR) Regulations, 2015 as amended from time to time. During the year, no stakeholder's complaints were received. There were no outstanding investor complaints as on 31st March 2019.

8. Director's Remuneration

Managing Director

The Company paid remuneration to the Managing Director as recommended by the Nomination and Remuneration Committee and as approved by the members of the Company. Detail of remuneration paid to the Managing Director during the Financial Year 2018-219 is given below:-

Name of Director	Designation	Salary	Perquisites	Total
Mr. Harjeet Singh Arora	Managing Director	4.80	0.04	4.84
Total		4.80	0.04	4.84

Non-Executive Directors

Non Executive Directors do not have any pecuniary relationship or transactions with the Company. Non Executive Directors have not been paid any remuneration during the financial year.

Shares held by the Non- Executive Directors

Details of Equity Shares of the Company held by the Non-Executive Directors as on 31st March 2019.

Name of the Director	Category	No. of Equity Shares held
Mr. R.K. Singhania	Non Executive Director	25,80,357
Mrs. Harneesh Kaur Arora	Non Executive Director	12,15,010
Mr. G.S. Chawla	Non Executive Director	Nil

Mr. Pavan Chhabra	Independent Non Executive Director	Nil
Mr. Ashwani Kumar	Independent Non Executive Director	Nil
Mr. Anil Kumar Malhotra	Independent Non Executive Director	Nil
Mr. Anil Kumar Bhatia	Independent Non Executive Director	Nil
Mr. Sudhir Kumar	Independent Non Executive Director	Nil

9. Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. The Declaration signed by the Managing Director of the Company to this effect is enclosed and form part of this report. The Code has been posted on the Company's website www.mastertrust.co.in.

10. Risk Management

The Company has established an effective risk assessment and minimization procedures, which are reviewed by the Board periodically. There is a structure in place to identify and mitigate various risks faced by the Company from time to time. New risks are identified and after their assessment their controls are designed, put in place with specific responsibility of the concerned person for its timely achievement.

11. General Meetings

The details of last three Annual General Meetings and the Special Resolutions passed there at are given below:

Financial Year	Meeting	Date & Venue	Time	Whether Special Resolution Passed	Summary of Special Resolution Passed
2017-2018	Annual General Meeting	29.09.2018 Hotel Silver Stone, D-Block, SCO 14-15, Dugri Road Model Town Extension, Model Town, Punjab -141002	11.00 A.M.	No	NIL
2016-2017	Annual General Meeting	29.09.2017 Hotel Silver Stone, D-Block, SCO 14-15, Dugri Road Model Town Extension, Model Town, Punjab -141002	11.00 A.M.	No	NIL
2015-2016	Annual General Meeting	30.09.2016 Master Chambers, SCO - 19, Ground Floor, Feroze Gandhi Market, Ludhiana, Punjab-141001.	11.00 A.M.	YES	1. Approval of Related Part transaction. 2. Re-appointment of Mr. Harjeet Singh Arora as the managing Director of the Company

All the resolutions were passed with required majority for passing them as a special resolution.

During the period under review, no resolutions were passed by way of postal ballot. The Company has not proposed any special resolution to be conducted through postal ballot.

12. Disclosures

- During the year, there was no significant transaction with the Directors, management, their relatives etc. that have any potential conflict with the interest of the Company at large.
- Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note No. 28 of the Notes to the Accounts attached with the Financial Statements for the year ended 31st March, 2019. All related party transactions are negotiated on an arms' length basis, and are intended to further the Company's interests.
- No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements. The Guidelines on Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the company.
- The Company has complied with the mandatory requirements of SEBI(LODR) Regulations, 2015 and has not followed the non mandatory requirements
- The Policy on dealing with related party transactions and the Policy for determining material subsidiaries as approved by the Board of Directors may be accessed on the Company's website at <http://mastertrust.co.in/invester.aspx>.
- The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of listing regulations. The Company has submitted quarterly compliance report on Corporate Governance with Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the SEBI(LODR) Regulations,2015
- Corporate Governance Report for the whole of financial year is given in table below :

I. Disclosure on website in terms of Listing Regulations:	
Item	Compliance status (Yes / No / NA)
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the listed entity	NA

II. Annual Affirmations:		
Item	Regulation Number	Compliance status (Yes / No / NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes

13. Whistle Blower policy

The Company has a Vigil mechanism/Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct of the Company. All disclosures should be addressed to the Chairman of the Audit Committee of the Company. The Chairman of the Audit Committee discuss the disclosure with Members of the Audit Committee and if deemed fit, forward the disclosure to an Investigator for investigation. During the year under review, no employee was denied access to the Audit Committee. A copy of the Vigil mechanism/Whistle blower policy as approved by the board may be accessed at <https://www.mastertrust.co.in/invester.aspx>

14. Means of Communication

The Company communicates with the shareholders at large through its Annual Report, publication of financial results and by filing of various reports and returns with the statutory bodies like Stock Exchange and Registrar of Companies. The quarterly results are published in Desh Sewak and Financial Express and are displayed on the website of the Company at <https://www.mastertrust.co.in/invester.aspx>

15. Audit Qualifications

The Audit qualifications pertaining to the financial results are self – explanatory and require no comments.

16. General Information for Shareholders

a. Corporate Identification No.(CIN) : L65991PB1985PLC006414

b. Annual General Meeting :

The 34th Annual General Meeting of Master Trust Limited will be held on Monday, the 30th day of September 2019, at 1st Floor, Building of Ludhiana Stock & Capital Ltd. (formerly Ludhiana Stock Exchange Ltd.) Feroze Gandhi Market, Ludhiana – 141001, Punjab at 11:00 A. M.

c. Date of Book Closure : 25th September, 2019 - 30th September, 2019 (both days inclusive)

d. Financial Year (Tentative) : 1st April, 2019 to 31st March, 2020

Tentative calendar of events for the Financial Year 2019-20 are

First Quarterly Results	: On 14th August, 2019
Second Quarterly Results	: On or Before 14th November, 2019
Third Quarterly Results	: On or Before 14th February, 2020
Audited Results for the year 2018-19	: On or Before 30th May, 2020

e. Information regarding dividend payment date:

The Board of Directors of the Company has not recommended a dividend for the Current Year.

f. Listing: The securities of the Company are listed on the following Stock Exchange:

The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The listing fee has been paid to the said Stock Exchange for the year 2019-20.

g. Stock Code/ ISIN No.:

The Bombay Stock Exchange Ltd. : 511768 Demat International Security
Identification Number (ISIN) : INE677D01011

h. Stock Market Data:

The monthly high, low and closing price of Equity Shares etc. of Master Trust Limited at The Bombay Stock Exchange Limited and BSE SENSEX during the financial year 2018-19 is given below:

Month	Master Trust Limited			BSE SENSEX		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-18	89.95	72.00	89.80	35213.30	32972.56	35160.36
May-18	93.00	69.00	72.20	35993.53	34302.89	35322.38
Jun-18	69.30	52.75	56.65	35877.41	34784.68	35423.48
Jul-18	57.00	45.00	55.50	37644.59	35106.57	37606.58
Aug-18	55.00	49.00	50.15	38989.65	37128.99	38645.07
Sep-18	51.95	43.65	51.00	38934.35	35985.63	36227.14
Oct-18	49.00	29.45	30.10	36616.64	33291.58	34442.05
Nov-18	34.95	31.60	34.50	36389.22	34303.38	36194.30
Dec-18	45.00	34.50	43.05	36554.99	34426.29	36068.33
Jan-19	45.20	43.20	43.20	36701.03	35375.51	36256.69
Feb-19	42.30	39.15	39.15	37172.18	35287.16	35867.44
Mar-19	39.10	33.00	33.05	38748.54	35926.94	38672.91

i. Registrar and Share Transfer Agent

Pursuant to the circular issued by the Securities & Exchange Board of India, the Company has assigned the physical share transfer work to M/s Skyline Financial Services Ltd. The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt at single point with :

Skyline Financial Services (P) Ltd.,

D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi

Ph: 011-26812682/83/84, Fax: 011-26812681, Email: admin@skylinerta.com

j. Share Transfer System

The Shares of the Company are traded in the compulsory demat mode for all investors. Shares sent for transfer in physical form are registered within a fortnight (If in order and complete in all respect) and then returned the same to the respective shareholders duly transferred in their names.

Your Company has appointed a SEBI registered Registrar & Transfer Agent viz Skyline Financial Services (P) Ltd. for looking after both physical and electronic share transfer work of the company. As per SEBI (LODR) 2015, w.e.f 01.04.2019 except in case of transmission or transposition of securities requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with depository. The Company has constituted a Share Transfer Committee of its Directors. The Share Transfer Committee meets once in month to consider transfer/transmission/demat/remat cases and other allied matters.

k. Distribution of Shareholding Pattern of the Company as on 31.03.2019:

Sr. No.	Category	No. of Shares	% of Shares
1	Promoters	8139670	74.84
2	Bodies Corporate	1766569	16.24
3	Other Indian Public	893266	8.21
4	NRI	25682	0.24
5	IEPF	51413	0.47
	Total	10876600	100.00

l. Break-up of Equity /Dematerialization of Shares

Category	No. of Shares					
	Physical	% age	Demat	% age	Total	% age
Promoters	0	0	8139670	74.84	81,39,670	74.84
Non-Promoters	182725	1.68	2554205	23.48	27,36,930	25.16
Total	182725	1.68	10689475	98.32	1,08,76,600	100.00

m. During the financial year ended on 31st March, 2019, the Company has not issued any GDRs / ADRs.

n. Address for Correspondence:

Regd. Office : Master Chambers, 3rd Floor, SCO 19, Feroze Gandhi Market, Ludhiana–141001
Tele. No. : 0161-2410557-58,3911525
Fax No. : 0161-2402963
Designated E-mail : secretarial@mastertrust.co.in

o. The Company is also having office(s) in the following cities:

1. Chandigarh
2. Delhi
3. Mumbai - Fort
4. Mumbai -Vashi

p. Compliance Officer :Mr. Vikas Gupta, Company Secretary (w.e.f 27.03.2019)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant(s).

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To

The Members of
Master Trust Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Master Trust Limited** ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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, 2019, and profit 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 thereunder, 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.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, 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 informing our opinion thereon, and we do not provide a separate opinion on these terms.

We have determined that there is no key audit matter to communicate in our report.

Information Other than the Standalone Financial Statements 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, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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 other information, we are required to report that fact. Since the other information has not been made available to us, we shall not be able to comment on this aspect.

Responsibilities of Management and those charged with governance 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 standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial statement 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.

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

Auditor's Responsibilities for the Audit of standalone financial statement

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 standalone 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 explanations 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 [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts as at 31 March, 2019 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 C.S.Arora & Associates
Chartered Accountants
FRN: 015130N

Place : Ludhiana
Date : 30 May, 2019

Chanchal Singh
Proprietor
Membership No.: 090835

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory, which are held in dematerialized/ physical form, has been verified at reasonable intervals by the management and no material discrepancies were identified on such verification.
3. The Company has granted unsecured loans to the parties covered in the register maintained under section 189 of the Act.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties covered in the register maintained under section 189 of the Act were not prima facie, prejudicial to the interest of the Company.

(b) In the case of the loan granted to the parties covered in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of the principal amount.

(c) There are no overdue amounts in respect of the loans granted to the parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 read with section 186 and section 186 of the Act, with respect to loans and investments made.
5. The company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the record of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it were in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to the debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
10. According to the information and explanations given to us, no material fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanations given to us and based on our examination of the records of the company, the company is required and duly registered under section 45-IA of the Reserve Bank of India Act, 1934.

For C.S.Arora & Associates
Chartered Accountants
FRN: 015130N

Chanchal Singh
Proprietor
Membership No.: 090835

Place : Ludhiana
Date : 30 May, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Master Trust Ltd ('the Company') as of 31 March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C.S.Arora & Associates
Chartered Accountants
FRN: 015130N

Chanchal Singh
Proprietor
Membership No.: 090835

Place : Ludhiana
Date : 30 May, 2019

BALANCE SHEET

Master Trust Limited

Balance Sheet as at 31 March, 2019

(₹ In Millions)

Particulars	Note	As at 31 March, 2019	As at 31 March, 2018
EQUITY AND LIABILITIES			
Shareholder's fund			
Share capital	3	109.22	109.22
Reserves and surplus	4	671.75	653.19
		780.97	762.41
Current Liabilities			
Short-term borrowings	5	368.54	356.31
Other current liabilities	6	175.81	55.74
Short-term provisions	7	3.98	15.00
		548.33	427.05
TOTAL		1,329.30	1,189.46
ASSETS			
Non-current assets			
Fixed assets - Tangible	8	1.90	2.25
Non-current investments	9	333.72	320.60
Deferred tax assets (net)	10	0.84	1.11
Long-term loans and advances	11	8.73	6.32
		345.19	330.28
Current assets			
Inventories	12	87.95	39.75
Cash and cash equivalents	13	24.19	24.33
Short-term loans and advances	14	871.45	794.47
Other current assets	15	0.52	0.63
		984.11	859.18
TOTAL		1,329.30	1,189.46
Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date

For C.S.Arora & Associates
Chartered Accountants
FRN 015130N

For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Harjeet Singh Arora
Managing Director
DIN-00063176

Chanchal Singh
Proprietor
Membership Number 090835

Sunil Kumar
Chief Financial Officer

Vikas Gupta
Company Secretary

Ludhiana, 30 May, 2019

Master Trust Limited

Statement of Profit and Loss for the year ended 31 March, 2019

(₹ In Millions)

Particulars	Note	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from operations and other income	16	82.95	185.97
Total Revenue		82.95	185.97
EXPENSES			
Employee benefits expense	17	10.42	11.43
Finance costs	18	48.54	28.07
Depreciation	8	0.35	0.68
Other expenses	19	2.41	127.88
Total expenses		61.72	168.06
Profit before tax		21.23	17.91
Tax expenses:			
Current tax expense for current year		2.40	-
Deferred tax		0.27	(0.25)
Current tax expense relating to prior years		-	(0.09)
Profit after tax		18.56	18.25
Earnings per equity share of face value ₹10 each Basic and Diluted (in ₹)	23	1.71	1.68
Significant Accounting Policies The accompanying notes are an integral part of the financial statements	2		

As per our Report of even date

For C.S.Arora & Associates

Chartered Accountants
FRN 015130N

Chanchal Singh

Proprietor
Membership Number 090835

Ludhiana, 30 May, 2019

For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Harjeet Singh Arora
Managing Director
DIN-00063176

Sunil Kumar
Chief Financial Officer

Vikas Gupta
Company Secretary

Cash Flow Statement for the year ended 31 March, 2019

(₹ In Millions)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
A. Cash flow from operating activities				
Net Profit before tax and extraordinary items		21.23		17.91
<i>Adjustments for:</i>				
Depreciation and amortisation	0.35		0.68	
Provision for Gratuity	0.09		1.31	
Profit on sale of Investment	(1.33)		(108.29)	
Provision for Non Performing Assets	0.42		(18.52)	
		(0.47)		(124.82)
Operating profit before working capital changes		20.76		(106.91)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(48.20)		5.42	
Short-term loans and advances	(77.40)		80.84	
Long-term loans and advances	(2.41)		0.12	
Other current assets	0.11		(0.03)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Other current liabilities	120.07		(51.35)	
Short-term borrowings	12.23		98.76	
		4.40		133.76
Operating profit before extraordinary items		25.16		26.85
Cash flow from extraordinary items		-		-
Cash generated from operations		25.16		26.85
Net income tax (paid)/ Refund		(2.40)		0.09
Net cash flow from/ (used in) operating activities (A)		22.76		26.94
B. Cash flow from investing activities				
Purchase of fixed assets		-		(0.10)
Purchase of Investment		(29.13)		(147.80)
Sale of Investment		17.34		118.24
Net cash flow from/(used in) investing activities (B)		(11.79)		(29.66)
C. Cash flow from financing activities				
Dividends paid		(11.11)		-
Net cash flow (used in) financing activities (C)		(11.11)		-
Net (decrease)/increase in Cash and cash equivalents (A+B+C)		(0.14)		(2.72)
Cash and cash equivalents at the beginning of the year		24.33		27.05
Cash and cash equivalents at the end of the year		24.19		24.33

As per our Report of even date

For C.S.Arora & Associates

Chartered Accountants

FRN 015130N

Chanchal Singh

Proprietor

Membership Number 090835

Ludhiana, 30 May, 2019

For and on behalf of the Board
R. K. Singhania

Director

DIN-00077540

Harjeet Singh Arora

Managing Director

DIN-00063176

Sunil Kumar

Chief Financial Officer

Vikas Gupta

Company Secretary

1. Corporate Information -

Master Trust Limited ('the Company') is a public limited company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as a non-deposit accepting Non Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI'). Its shares are listed on Bombay Stock Exchange (BSE) in India.

The company is mainly in the business of lending, sales/purchases of Securities and lands.

2. Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI as applicable to a NBFC. The financial statements have been prepared on an accrual basis and under the historical cost convention except interest on loans which have been classified as non-performing assets and are accounted for on realization basis.

b. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions considered in the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

d. Depreciation and Amortisation

Depreciation on fixed assets is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

e. Impairment of Assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss Account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

f. Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between the carrying amount and net disposal proceeds are charged or credited to statement of profit and loss.

g. Inventories

Inventories are valued at the lower of cost and the net realisable value.

h. Revenue Recognition

The Company follows the mercantile system of accounting and recognized Profit/Loss on that basis. Interest income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms.

i. Employee Benefits

- (I) Under the Provident Fund plan, the Company contributes to a government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.
- (II) Leave encashment is payable to eligible employee, who have earned leaves, during the employment and/or on separation as per the company policy.
- (III) The company has provided the provision for the gratuity and charges to revenue.

j. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

l. Prudential Norms:

For identifying Non Performing Assets (NPA) relating to financing activities, the Company follows Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

m. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as fraction of an equity share to the extent that they were entitled to participate in dividends related to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n. Provisions and contingencies

Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements, A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

Note 3 Share capital

(₹ In Millions)

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹10 each	1,10,00,000	110.00	1,10,00,000	110.00
Issued				
Equity shares of ₹10 each	1,09,75,400	109.75	1,09,75,400	109.75
Subscribed and fully paid up				
Equity shares of ₹10 each	1,08,76,600	108.76	1,08,76,600	108.76
Forfeited Shares	-	0.46	-	0.46
Total	1,08,76,600	109.22	1,08,76,600	109.22

3.1 The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share.

3.2 The details of shareholders holding more than 5% shares:

Name of the shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Harjeet Singh Arora	15,86,848	14.59	15,86,848	14.59
Harneesh Kaur Arora	12,15,010	11.17	12,15,010	11.17
Rajinder Kumar Singhania	25,80,357	23.72	25,80,357	23.72
Jashanjyot Singh Arora	7,20,000	6.62	7,20,000	6.62
Parveen Singhania	9,90,500	9.11	9,90,500	9.11
Gala Finance & Investment Limited	6,45,999	5.94	6,45,999	5.94
Prime Industries Limited	5,93,958	5.46	5,93,958	5.46
Convexity Solutions and Advisors (P) Ltd	8,74,900	8.04	8,75,000	8.04

3.3 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31 March, 2019 Number of shares	As at 31 March, 2018 Number of shares
Equity Shares at the beginning of the year	1,08,76,600	1,08,76,600
Equity Shares at the end of the year	1,08,76,600	1,08,76,600

3.4 Proposed dividend

Particulars	As at 31 March, 2019	As at 31 March, 2018
Face value	-	₹10 each
Dividend per share	-	₹1 each
Amount of dividend (including tax on dividend)	-	₹11.11 Mn

Note 4 Reserves and surplus

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital Reserve		
As per last Balance Sheet	48.24	48.24
Securities Premium Account		
As per last Balance Sheet	448.38	448.38
General Reserve		
Statutory Reserve (Under Section 45IC of RBI Act, 1934)		
As per last Balance Sheet	31.76	28.11
Add: Transferred from Profit and Loss Account	3.71	3.65
Closing balance	35.47	31.76
Reserve for Standard Assets		
As per Last balance Sheet	1.49	1.38
Add: Transferred from Profit and Loss Account	0.17	0.11
Closing Balance	1.66	1.49
Profit and Loss Account		
As per last Balance Sheet	113.32	109.94
Add: Transferred from Statement of Profit and Loss	18.56	18.25
	131.88	128.19
Less: Appropriations		
Proposed Dividends on Equity Shares (₹1 per equity share)	-	10.88
Tax on dividend	-	0.23
Reserve for Standard Assets	0.17	0.11
Statutory Reserve	3.71	3.65
Closing balance	128.00	113.32
Total	671.75	653.19

Note 5 Short-term borrowings

(₹ In Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans repayable on demand		
From banks		
Secured	15.04	0.08
Loans and advances from related parties		
Unsecured	221.64	193.17
Other loans and advances		
Unsecured	131.86	163.06
Total	368.54	356.31

5.1 Loans from banks are secured against pledging of FDRs

Note 6 Other current liabilities

(₹ In Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unclaimed dividends	1.12	1.07
Statutory dues	5.60	3.12
Others	169.09	51.55
Total	175.81	55.74

6.1 Unclaimed dividends do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Note 7 Short-term provisions

(₹ In Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for gratuity	3.98	3.89
Provision for proposed equity dividend	-	10.88
Provision for tax on proposed dividends	-	0.23
Total	3.98	15.00

Note 8 Fixed assets
Tangible assets

(₹ In Millions)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 1 April, 2018	Additons	Disposals/ Transfer	As at 31 March, 2019	As at 1 April, 2018	Depreciation expense for the year	Eliminated on disposal of assets	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018	
Buildings	1.80	-	-	1.80	0.47	0.02	-	0.49	1.31	1.33	
Furniture and Fixtures	1.88	-	-	1.88	1.76	0.04	-	1.80	0.08	0.12	
Office equipment	3.81	-	-	3.81	3.52	0.05	-	3.57	0.24	0.29	
Computer	1.70	-	-	1.70	1.62	0.05	-	1.67	0.03	0.08	
Vehicles	4.30	-	-	4.30	3.87	0.19	-	4.06	0.24	0.43	
Total	13.49	-	-	13.49	11.24	0.35	-	11.59	1.90	2.25	
Previous year	13.39	0.10	-	13.49	10.56	0.68	-	11.24	2.25	2.83	

Note 9 Non Current investment I Long term investment

(₹ In Millions)

Particulars	As at 31 March 2019			As at 31 March 2018		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Investment in equity instruments of subsidiaries						
59,00,000 (As at 31 March, 2018: 59,00,000) shares of ₹10 each fully paid up in Master Capital Services Ltd.	-	61.00	61.00	-	61.00	61.00
2,00,000 (As at 31 March, 2018: 2,00,000) shares of ₹10 each fully paid up in Master Infrastructure & Real Estate Developers Limited	-	89.50	89.50	-	89.50	89.50
12,500 (As at 31 March, 2018: 12,500) shares of ₹100 each fully paid up in H A Share & Stock Brokers Limited	-	10.00	10.00	-	10.00	10.00
	-	160.50	160.50	-	160.50	160.50
of associates						
54,800 (As at 31 March, 2018: 54,800) shares of ₹10 each fully paid up in Prime Industries Limited	0.54	-	0.54	0.54	-	0.54
4 (As at 31 March, 2018: 4 shares of ₹5000 each partly paid) shares of ₹5000 each fully paid in Master Projects Private Ltd.	-	1.42	1.42	-	1.40	1.40
of other entities						
Nil (As at 31 March, 2018: 5,000) shares of ₹10 each fully paid up in RRB Securities Limited	-	-	-	-	0.50	0.50
23,600 (As at 31 March 2018: 23,600) Shares Of ₹10 each fully paid up in R R Financial Consultants Ltd.	0.01	-	0.01	0.01	-	0.01
30,747 (As at 31 March 2018: 41,694) Shares Of ₹10 each fully paid up in Sainik Finance Ltd.	0.09	-	0.09	0.12	-	0.12
17,500 (As at 31 March 2018: 17,500) Shares Of ₹10 each fully paid up in PTC India Financial Services Ltd.	0.97	-	0.97	0.97	-	0.97
20,000 (As at 31 March 2018: Nil) Shares Of ₹2 each fully paid up in BSE Ltd.	12.40	-	12.40	-	-	-
	13.47	-	13.47	1.10	0.50	1.60
Investment in Compulsory Convertible Cumulative Preference Shares						
60 (As at 31 March 2018: Nil) Shares Of ₹10 each fully paid up in Quantinsti Quantitative Learning Private Ltd.	-	2.57	2.57	-	-	-
Investment in property						
	-	3.91	3.91	-	3.91	3.91
Investment in debentures or bonds of subsidiaries						
928 (As at 31 March, 2018: 938) Deep Discount Bonds of ₹10,000 each fully paid up in Master Capital Services Limited	-	151.31	151.31	-	153.14	153.14
Total	14.01	319.71	333.72	1.64	319.45	321.09
Less: Provision for diminution in value of investments	-	-	-	-	0.49	0.49
Total			333.72			320.60
Aggregate amount of quoted investments	14.01	-	-	1.64	-	-
Aggregate market value of listed and quoted investments	13.32	-	-	2.25	-	-
Aggregate amount of unquoted investments	-	319.71	-	-	318.96	-

Note 10 Deferred Tax Assets (Net)

(₹ In Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deferred Tax Asset		
On account of Gratuity	0.76	1.00
Deferred Tax Assets		
On account of Depreciation	0.08	0.11
Net Deferred Tax Asset	0.84	1.11

Note 11 Long - Term Loans and Advances**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposits		
Unsecured, considered good	0.23	0.23
Advance income tax	8.50	6.09
Total	8.73	6.32

Note 12 inventories**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Stock-in-trade		
Acquired for trading	87.95	39.75
Total	87.95	39.75

Note 13 Cash and Cash equivalents**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash In hand	0.02	0.02
Balances with banks		
In current accounts	0.74	0.93
In deposit accounts *	22.31	22.31
In earmarked accounts		
- Unpaid dividend accounts	1.12	1.07
Total	24.19	24.33

*Deposit are pledged against overdraft facility

Note 14 Short - Term loans and advances**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans and advances to related parties		
Unsecured, considered good	125.59	118.84
Prepaid expenses - Unsecured, considered good	0.01	0.02
Loans and advances to others	755.30	684.64
Less: Provision for Non Performing Assets	(9.45)	(9.03)
	745.85	675.61
Total	871.45	794.47

Note 15 Other Current Assets**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Others	0.52	0.63
Total	0.52	0.63

Note 16 Revenue from operations and other income**(₹ In Millions)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest		
Interest on Loans and Advances	58.83	57.79
Interest on Fixed Deposits	1.53	1.62
	60.36	59.41
Other Financial Services		
Profit from dealing in securities	12.38	123.31
Dividend Income	9.91	0.21
Profit on Sale of Land	-	2.78
Others	0.30	0.26
	22.59	126.56
Total	82.95	185.97

Note 17 Employee benefits expense**(₹ In Millions)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries and wages *	10.19	11.02
Contributions to provident funds	0.07	0.06
Staff welfare expenses	0.16	0.35
Total	10.42	11.43

*Includes Gratuity amounting to ₹0.09Million (As at March 31st, 2018 : ₹1.31 Million)

Note 18 Finance cost**(₹ In Millions)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest expenses	48.51	28.04
Bank Charges	0.03	0.03
Total	48.54	28.07

Note 19 Other expenses**(₹ In Millions)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Printing & Stationery	0.10	0.10
Postage, Telegram & Telephone	0.14	0.13
Rent	0.01	0.16
Fees & Taxes	0.44	0.44
Directors Travelling	0.02	0.28
Legal & Professional Charges	0.23	0.15
Travelling & Conveyance	0.16	0.12
Payments to auditors		
As auditors - statutory audit	0.04	0.04
For Tax Audit	0.01	0.01
Office Maintenance	0.49	0.41
General Expenses	0.30	0.44
Advertisement Expenses	0.05	0.08
Provision for Non Performing Assets	0.42	(18.52)
Bad Debts	-	144.04
Total	2.41	127.88

Note 20 Contingent liabilities

- a. The Company has given Corporate Guarantee to Banks for securing the sanctioned Bank Guarantees limits of ₹500.00 Million out of which availed ₹492.50 Million (As at 31 March, 2018: ₹500.00 Million out of which availed ₹2.50 Million) on behalf of Master Capital Services Limited a wholly owned subsidiary company and ₹200.00 Million out of which availed ₹97.00 Million (As at 31 March, 2018: ₹200.00 Million out of which availed ₹7.00 Million) on behalf of Master Commodity Services Limited a subsidiary company.
- b. The Company has other small litigations which have arisen in ordinary course of business with the clients. The Company has reviewed the impact of all such litigations on Financial Position. In view of the management and the legal advice sought, no provision is required to be made in case of litigation against/by the company. Therefore, provision for the same has not been provided in books of accounts.

Note 21

Disclosures, relating to amounts unpaid as at the year end together with interest required under the Micro, Small and Medium Enterprises Development Act, 2006 have been given to the extent company has received intimation from "Suppliers" regarding their status under the said Act.

Note 22

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

Note 23 Computation of Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources(if any). For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A) Basic		
(i) Net Profit attributable to shareholders (₹ In Millions)	18.56	18.25
(ii) Adjusted weighted average equity shares	1,08,76,600	1,08,76,600
Basic EPS (₹)	1.71	1.68
B) Diluted		
(i) Net Profit attributable to shareholders (₹ In Millions)	18.56	18.25
(ii) Adjusted weighted average equity shares	1,08,76,600	1,08,76,600
Diluted EPS (₹)	1.71	1.68

Note 24 Related Party Disclosures

As required by AS-18, Related Party Disclosures, are given below:

Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives
Master Capital Services Limited Master Infrastructure & Real Estate Developers Limited Master Insurance Brokers Limited Master Commodity Services Limited Master Portfolio Services Limited H.A. Share & Stock Brokers Limited	Prime Industries Limited Master Share & Stock Brokers Limited H.K Arora Real Estate Service Ltd Big Build Real Estate Pvt Limited Amni Real Estate Pvt Limited Matria Estate Developers Pvt Ltd. Prime Agro Farms Pvt.Ltd. Gold Touch Agri Pvt.Ltd. Master Trust Wealth Pvt Ltd. Sanawar Investments Saintco India (P) Ltd Singhania Properties. Eminent Buildwell Pvt. Ltd. Master Projects Pvt. Ltd. Sanawar Agri Pvt. Ltd. Arora Financial Services Ltd BlueCircle Investments Crescent Investments R.K.Singhania HUF Harjeet Singh Arora HUF Puneet Singhania HUF Partnership Firms	KMP Mr. Harjeet Singh Arora Mr. R K Singhania Relatives of KMP Mrs. Harneesh Kaur Arora Mrs. Parveen Singhania Mr. Puneet Singhania Mr. Chirag Singhania Mrs. Palka A Chopra Mr. Jashanjyot Singh Arora Mrs. Priyanka Thukral Mrs. Rohila Singhania Mrs. Isha Singhania

Transactions with related parties
(₹ In Millions)

Transactions with related parties	Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives	Total
Purchases	12.40 (34.07)	3.26 (113.73)	- -	15.66 (147.80)
Sale	- (117.60)	17.17 -	5.00 (1.75)	22.17 (199.35)
Brokerage Paid	5.15 (4.03)	- -	- -	5.15 (4.03)
Interest Paid	19.94 (3.42)	4.17 (7.86)	0.96 (1.86)	25.37 (13.15)
Interest Received	14.68 (2.24)	0.54 (1.25)	1.73 (1.05)	16.95 (4.54)
Rent Paid / Other Charges	- -	0.01 (0.01)	0.01 (0.01)	0.02 (0.02)
Loan & Advances Given	102.70 (99.09)	3.84 (12.02)	19.05 (7.73)	125.59 (118.84)
Loan & Advances Taken	166.95 (146.01)	20.70 (11.93)	33.98 (35.22)	221.63 (193.16)
Remuneration	- -	- -	4.84 (4.26)	4.84 (4.26)
Corporate Guarantees given	700.00 (700.00)	- -	- -	700.00 (700.00)
Balance outstanding at the end of the year				
Receivable	102.70 (99.09)	3.84 (12.02)	19.05 (7.73)	125.59 (118.84)
Payable	166.95 (146.01)	20.70 (11.93)	33.98 (35.22)	221.63 (193.16)

Note: Amount in bracket denotes previous year figures.

Note 25

As required in terms of paragraph 18 of Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

(₹ In Millions)

Particulars	Amount Outstanding	Amount Overdue
Liabilities side :		
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	NIL	NIL
: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	353.50	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits *	NIL	NIL
(g) Other Loans		
Bank overdraft (secured against Fixed Deposits)	15.04	NIL
* Please see Note 1 below		
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of Unsecured debentures		
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
(c) Other public deposits		
* Please see Note 1 below		

Assets side :	Amount Outstanding	
(3) Break-up of Loans and Advances including bills receivables		
(a) Secured		
(b) Unsecured		
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	NIL	
(b) Operating lease	NIL	
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	NIL	
(b) Loans other than (a) above	NIL	
(5) Break-up of Investments :		
Current Investments :		
1. Quoted		
(i) Shares		
(a) Equity	NIL	
(b) Preference	NIL	
(ii) Debentures and Bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others	NIL	
2. Unquoted		
(i) Shares		
(a) Equity	NIL	
(b) Preference	NIL	
(ii) Debentures and Bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others	NIL	
Long Term investments :		
1. Quoted :		
(i) Shares :		
(a) Equity	14.01	
(b) Preference	NIL	
(ii) Debentures and Bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others	NIL	
2. Unquoted :		
(i) Shares :		
(a) Equity	161.92	
(b) Preference	2.57	
(ii) Debentures and Bonds	151.31	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others		
Investment in Property	3.91	
TOTAL	333.72	

(6) Borrower group-wise classification of assets financed as in (3) and (4) above : Please see Note 2 below	Amount net of provisions		
	Secured	Unsecured	Total
Category			
1. Related Parties **			
(a) Subsidiaries	NIL	102.70	102.70
(b) Companies in the same group	NIL	3.84	3.84
(c) Other related parties	NIL	19.05	19.05
2. Other than related parties	10.78	735.07	745.85
Total	10.78	860.66	871.44
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)
Category			
1. Related Parties **			
(a) Subsidiaries		1388.53	311.81
(b) Companies in the same group		0.10	1.96
(c) Other related parties		-	-
2. Other than related parties		15.82	16.04
Total		1404.45	329.81
** As per Accounting Standard of ICAI (Please see Note 3)			
(8) Other information			
Particulars			Amount
(i) Gross Non-Performing Assets			
(a) Related parties			NIL
(b) Other than related parties			94.46
(ii) Net Non-Performing Assets			
(a) Related parties			NIL
(b) Other than related parties			85.01
(iii) Assets acquired in satisfaction of debt			NIL

Notes:

- As defined in paragraph 3(xv) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

Note 26

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date

For C.S.Arora & Associates

Chartered Accountants
FRN 015130N

Chanchal Singh

Proprietor
Membership Number 090835

Ludhiana, 30 May,2019

For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Harjeet Singh Arora
Managing Director
DIN-00063176

Sunil Kumar
Chief Financial Officer

Vikas Gupta
Company Secretary

CONSOLIDATED AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Members of Master Trust Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Master Trust Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit, and its consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined that there is no key audit matter to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for 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, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 other information, we are required to report that fact. Since the other information has not been made available to us, we shall not be able to comment on this aspect.

Responsibilities of Management and those charged with governance for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated 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 of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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.

Other Matters

We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 5,245.12 mn (before consolidation adjustments) as at 31st March, 2019, total revenues of Rs.1,340.68 mn (before consolidation adjustments) and net cash flows amounting to Rs.625.19 mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies none of the directors of the Group companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of Internal Financial Control with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

- g. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 22 to the consolidated financial statements.
 - b. The Group, did not have any material foreseeable losses as at 31st March, 2019 on long-term contracts including derivative contracts.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

For C.S.Arora & Associates
Chartered Accountants
FRN: 015130N

Place : Ludhiana
Date : 30 May, 2019

Chanchal Singh
Proprietor
Membership No.: 090835

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Master Trust Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Group; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019 based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C.S.Arora & Associates
Chartered Accountants
FRN: 015130N

Chanchal Singh
Proprietor
Membership No.: 090835

Place : Ludhiana
Date : 30 May, 2019

CONSOLIDATED BALANCE SHEET

Master Trust Limited

Consolidated Balance Sheet as at 31 March, 2019

(₹ In Millions)

Particulars	Note	As at 31 March, 2019	As at 31 March, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	109.22	109.22
Reserves and surplus	3	1840.55	1744.96
		1949.77	1854.18
Minority Interest	4	12.46	11.31
Non-current liabilities			
Long-term borrowings	5	584.31	463.97
Current liabilities			
Trade payables	6		
– Total outstanding dues of micro enterprises and small enterprises		-	-
– Total outstanding dues of creditors other than micro enterprises and small enterprises		2500.89	2132.12
Short-term borrowings	7	282.81	221.56
Other current liabilities	8	341.08	206.31
Short-term provision	9	10.68	24.81
		3135.46	2584.80
TOTAL		5682.00	4914.26
ASSETS			
Non-current assets			
Fixed assets - Tangible	10	103.37	82.11
Non-current investments	11	369.58	207.01
Deferred Tax Assets (net)	12	1.68	2.67
Long-term loans and advances	13	64.66	59.85
		539.29	351.64
Current assets			
Inventories	14	269.14	215.28
Trade receivables	15	914.37	1143.04
Cash and cash equivalents	16	2951.69	2327.18
Short-term loans and advances	17	1007.51	877.12
		5142.71	4562.62
TOTAL		5682.00	4914.26
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date

For C.S.Arora & Associates

Chartered Accountants
FRN 015130N

Chanchal Singh
Proprietor

Membership Number 090835
Ludhiana, 30 May, 2019

For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Harjeet Singh Arora
Managing Director
DIN-00063176

Sunil Kumar
Chief Financial Officer

Vikas Gupta
Company Secretary

Master Trust Limited

Consolidated Statement of Profit and Loss for the year ended 31 March, 2019

(₹ In Millions)

Particulars	Note	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Income			
Revenue from operations and other income	18	1344.14	1570.51
Total Revenue		1344.14	1570.51
Expenses			
Employee benefits expense	19	335.19	285.04
Finance costs	20	202.90	191.22
Depreciation	10	14.76	28.08
Other expenses	21	666.40	936.07
Total Expenses		1219.25	1440.41
Profit before tax		124.89	130.10
Tax expense:			
Current tax expense for current year		26.39	32.93
Deferred tax		0.99	(2.64)
Current tax expense relating to prior years		0.76	(0.96)
Profit for the year before adjustment for Minority Interest		96.75	100.77
Less Share of profit transferred to Minority Interest		1.16	0.34
Profit after tax and adjustment for Minority Interest		95.59	100.43
Earnings per equity share of face value ₹10 each Basic and Diluted (in ₹)	23	8.79	9.23
Significant Accounting Policies The accompanying notes are an integral part of the financial statements	1		

As per our Report of even date

For C.S.Arora & Associates

Chartered Accountants
FRN 015130N

Chanchal Singh
Proprietor

Membership Number 090835
Ludhiana, 30 May, 2019

For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Harjeet Singh Arora
Managing Director
DIN-00063176

Sunil Kumar
Chief Financial Officer

Vikas Gupta
Company Secretary

Master Trust Limited

Consolidated Cash Flow Statement for the year ended 31 March, 2019

(₹ In Millions)

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
A. Cash flow from operating activities				
Net Profit before tax and extraordinary items		124.89		130.10
<i>Adjustments for:</i>				
Depreciation and amortisation	14.76		28.08	
Short-term provisions	(1.38)		(5.22)	
Loss/ (Profit) on sale of fixed assets	-		0.01	
Profit on sale of Investment	(16.13)		(49.37)	
Provision for Non Performing Assets	0.41		(18.52)	
		(2.34)		(45.02)
Operating profit before working capital changes		122.55		85.08
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(53.86)		(77.49)	
Trade receivables	228.67		(281.46)	
Short-term loans and advances	(130.80)		87.75	
Long-term loans and advances	(4.81)		18.74	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	368.77		144.11	
Other current liabilities	134.76		90.95	
Short-term borrowings	61.25		76.17	
Long-term borrowings	120.34		(135.25)	
		724.32		(76.48)
Operating profit before extraordinary items		846.87		8.60
Cash flow from extraordinary items		-		-
Cash generated from/(used in) operations		846.87		8.60
Net income tax (paid)/ Refund		(26.81)		(32.12)
Net cash flow from/ (used in) operating activities		820.06		(23.52)
B. Cash flow from investing activities				
Purchase of fixed assets		(36.02)		(21.24)
Sale of fixed assets		-		0.84
Purchase of Investment		(162.61)		(20.00)
Sale of Investment		16.17		110.62
Net cash flow from investing activities (B)		(182.46)		70.22
C. Cash flow from financing activities				
Dividends paid		(13.09)		-
Net cash flow (used in) financing activities (C)		(13.09)		-
Net increase in Cash and cash equivalents (A+B+C)		624.51		46.70
Cash and cash equivalents at the beginning of the year		2327.18		2280.48
Cash and cash equivalents at the end of the year		2951.69		2327.18

As per our Report of even date

For C.S.Arora & Associates

Chartered Accountants
FRN 015130N

Chanchal Singh
Proprietor

Membership Number 090835
Ludhiana, 30 May, 2019

For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Sunil Kumar
Chief Financial Officer

Harjeet Singh Arora
Managing Director
DIN-00063176

Vikas Gupta
Company Secretary

Notes forming part of consolidated financial statements for the year ended 31 March, 2019

1 Significant Accounting Policies

a. Basis of Preparation of Consolidated Financial Statements

- (i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard-21 issued by the Institute of Chartered Accountants of India and generally accepted accounting principles in India.
- (ii) The Consolidated Financial Statements of Master Trust Limited for the year ended 31 March, 2019 and its following subsidiaries:

Subsidiaries	Accounting Year Ended Date	Proportion of Ownerships Interest as at 31 March, 2019
-Master Capital Services Limited	31 March, 2019	100%
-Master Infrastructure and Real Estate Developers Limited	31 March, 2019	100%
-Master Commodity Services Limited *	31 March, 2019	100%
-Master Insurance Brokers Limited *	31 March, 2019	100%
-Master Portfolio Services Limited *	31 March, 2019	100%
-H.A. Share & Stock Brokers Limited	31 March, 2019	51%

*Master Insurance Brokers Limited (MIBL), Master Portfolio Services Limited (MPSL) and Master Commodity Services Limited (MCOML) are the subsidiaries of Master Capital Services Limited. Since, Master Capital Services Limited is a subsidiary of the Company, therefore, MIBL, MPSL and MCOML are being reported as subsidiaries of the Company.

All the subsidiaries are incorporated in India.

- (iii) The financial statements of the Company and its subsidiaries have been combined on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions.
- (iv) The Company has disclosed only such policies and notes from the individual financial statements, which fairly cover the required disclosures.
- (v) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

b. Use of Estimates

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

c. Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

d. Depreciation and Amortisation

Depreciation on fixed assets is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

e. Impairment of Assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss Account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

f. Investments

Current investments are carried at lower of cost and fair value. Long Term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

g. Inventories

Inventories are valued at the lower of cost and the net realisable value.

h. Revenue Recognition

The Company follows the mercantile system of accounting and recognized Profit/Loss on that basis. Interest income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms.

i. Employee Benefits

- (i) Under the Provident Fund plan, the Company contributes to a government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.
- (ii) Leave encashment is payable to eligible employee, who have earned leaves, during the employment and/or on separation as per the company policy.

(iii) The Company has a defined benefit Gratuity plan covering all its employees. Gratuity is covered under a scheme of Life insurance Corporation of India (LIC) . Provision for gratuity, which is defined benefit plan, is made on the basis of an actuarial valuation, as per AS-15 issued by ICAI, carried out by an independent actuary at the balance sheet date, using the projected unit credit method.

j. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

l. Prudential Norms:

For identifying Non Performing Assets (NPA) relating to financing activities, the Company follows Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

m. Provisions and contingencies

Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements, A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

Note: 2 Share capital**(₹ In Millions)**

Particulars	As at 31 march, 2019		As at 31 march, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised Equity shares of ₹10 each	1,10,00,000	110.00	1,10,00,000	110.00
Issued Equity shares of ₹10 each	1,09,75,400	109.75	1,09,75,400	109.75
Subscribed and fully paid up Equity shares of ₹10 each	1,08,76,600	108.76	1,08,76,600	108.76
Forfeited Shares	-	0.46	-	0.46
Total	1,08,76,600	109.22	1,08,76,600	109.22

2.1 The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share.

2.2 The details of shareholders holding more than 5% shares:

Name of the shareholder	As at 31 march, 2019		As at 31 march, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Harjeet Singh Arora	15,86,848	14.59	15,86,848	14.59
Harneesh Kaur Arora	12,15,010	11.17	12,15,010	11.17
Rajinder Kumar Singhania	25,80,357	23.72	25,80,357	23.72
Jashanjyot Singh Arora	7,20,000	6.62	7,20,000	6.62
Parveen Singhania	9,90,500	9.11	9,90,500	9.11
Gala Finance & Investment Limited	6,45,999	5.94	6,45,999	5.94
Prime Industries Limited	5,93,958	5.46	5,93,958	5.46
Convexity Solutions and Advisors Pvt Ltd	8,74,900	8.04	8,75,000	8.04

2.3 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31 march, 2019		As at 31 march, 2018	
	Number of shares		Number of shares	
Equity share at the begining of the year	1,08,76,600		1,08,76,600	
Equity Shares at the end of the year	1,08,76,600		1,08,76,600	

2.4 Proposed dividend

Particulars	As at 31 March, 2019	As at 31 March, 2018
Face value	-	₹10 each
Dividend per share	-	₹1 each
Amount of dividend (including tax on dividend)	-	₹13.09 Mn

Note: 3 Reserves and surplus

(₹ In Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital Reserve		
As per last Balance Sheet	49.41	49.41
Securities Premium Account		
As per last Balance Sheet	460.38	460.38
General Reserve		
As per last Balance Sheet	21.97	21.97
Statutory Reserve (Under Section 45IC of RBI Act, 1934)		
As per last Balance Sheet	31.77	28.12
Add: Transferred from Profit and Loss Account	3.71	3.65
Closing balance	35.48	31.77
Reserve for Standard Assets		
As per last Balance Sheet	1.49	1.38
Add: Transferred from Profit and Loss Account	0.17	0.11
Closing balance	1.66	1.49
Profit and Loss Account		
As per last Balance Sheet	1179.94	1096.36
Add: Transferred from Statement of Profit and Loss	95.59	100.43
	1275.53	1196.79
Less: Appropriations		
Proposed Dividends on Equity Shares (Rs.1 per equity share)	-	10.88
Tax on dividend	-	2.21
Reserve for Standard Asset	0.17	0.11
Statutory Reserve	3.71	3.65
Closing balance	1271.65	1179.94
Total	1840.55	1744.96

Note: 4 Minority interest

(₹ In Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Share Capital	8.51	8.51
Share of accumulated profit upto previous year	2.79	2.45
Profit for the year transferred from Statement of Profit & Loss	1.16	0.35
Total	12.46	11.31

Note: 5 Long - term borrowings**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deep Discount Bonds		
Unsecured	15.17	15.93
Interest on Deep Discount Bond accrued but not due.	561.29	443.19
	576.46	459.12
Term Loans		
From Banks - Secured	7.85	4.85
Total	584.31	463.97

5.1 Nature of Security and terms of repayment for Long Term secured borrowings :

Nature of Security	Terms of Repayment
Term Loan amounting to ₹7.85 Million (31 March, 2018 : ₹4.85 Million) is secured against hypothecation of Cars	Repayable in equal monthly instalments.
5.2 Installments falling due in respect of all the above loans upto 31 March, 2019 have been grouped under "Current maturities of long term debt" (Refer Note 8)	

Note: 6 Trade payables**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade payables		
– Total outstanding dues of micro enterprises and small enterprises	-	-
– Total outstanding dues of creditors other than micro enterprises and small enterprises	2500.89	2132.12
Total	2500.89	2132.12

Note: 7 Short-term borrowings**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans repayable on demand		
From banks		
Secured	85.62	0.43
From other parties		
Secured	-	0.27
	85.62	0.70
Loans and advances from related parties		
Unsecured	65.34	57.80
Other loans and advances		
Unsecured	131.85	163.06
Total	282.81	221.56

7.1 Loans from banks are secured against pledging of FDRs

7.2 Loans from others are secured against units of Mutual Fund.

Note: 8 Other current liabilities**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Current maturities of long-term debt (Refer Note 5)	2.81	1.72
Unclaimed dividends	1.12	1.07
Statutory dues	15.08	16.62
Cheque Issued Net	160.72	-
Others	161.35	186.90
Total	341.08	206.31

8.1 Unclaimed dividends do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Note: 9 Short-term provisions**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for gratuity	10.34	11.72
Provision for tax	0.34	-
Provision for proposed equity dividend	-	10.88
Provision for tax on proposed dividends	-	2.21
Total	10.68	24.81

Note: 10 Fixed assets**Tangible Assets****(₹ In Millions)**

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 April, 2018	Additions	Disposals/ Transfer	As at 31 March, 2019	As at 1 April, 2018	Depreciation expense for the year	Eliminated on disposal of assets	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018
Buildings	59.95	10.98	-	70.93	11.14	0.64	-	11.78	59.15	48.81
Furniture and Fixtures	23.79	4.74	-	28.53	18.96	1.68	-	20.64	7.89	4.83
Office equipment	36.43	9.01	-	45.44	31.94	7.01	-	38.95	6.49	4.49
Computer	154.44	2.30	-	156.74	142.34	1.99	-	144.33	12.41	12.10
Vehicles	32.55	8.99	-	41.54	20.67	3.44	-	24.11	17.43	11.88
Total	307.16	36.02	-	343.18	225.05	14.76	-	239.81	103.37	82.11
Previous year	288.76	21.24	2.84	307.16	198.96	28.08	1.99	225.05	82.11	89.80

Note: 11 Non-current investments | Long Term Investments

(₹ In Millions)

Particulars	As at 31 March, 2019			As at 31 March, 2018		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Investment in equity instruments of associates						
54,800 (As at 31 March, 2018: 21,17,800) shares of ₹10 each fully paid up in Prime Industries Limited	0.54	-	0.54	0.54	-	0.54
4 (As at 31 March, 2018: 4 shares of ₹5000 each partly paid) shares of ₹5000 each fully paid in Master Projects Private Ltd.	-	1.42	1.42	-	1.40	1.40
	0.54	1.42	1.96	0.54	1.40	1.94
of other entities						
Nil (As at 31 March, 2018: 5,000) shares of ₹10 each fully paid up in RRB Securities Limited	-	-	-	-	0.50	0.50
8,250 (As at 31 March, 2018: 8,250) shares of ₹10 each fully paid up in Raghuvanshi Mills Limited	0.09	-	0.09	0.09	-	0.09
125 (As at 31 March, 2018: 125) shares of ₹10 each fully paid up in Varun Shipping Limited	0.01	-	0.01	0.01	-	0.01
1,392 (As at 31 March, 2018: 1,392) shares of ₹10 each fully paid up in MOIL Limited	0.52	-	0.52	0.52	-	0.52
56 (As at 31 March, 2018: 56) shares of ₹10 each fully paid up in Tata Power Limited and 100 (As at 31 March, 2018: 100) shares of ₹1 each fully paid up in Ludhiana Stock Exchange Limited	0.01	-	0.01	0.01	-	0.01
12,870 (As at 31 March, 2018: 12,870) shares of ₹10 each fully paid up in NCC Limited	0.25	-	0.25	0.25	-	0.25
36,037 (As at 31 March, 2018: 36,037) shares of ₹1 each fully paid up in Delhi Stock Exchange Limited	-	1.30	1.30	-	1.30	1.30
23600 (As at 31 March 2018: 23600) Sahres Of ₹10 each fully paid up in R R Financial Consultants Ltd.	0.01	-	0.01	0.01	-	0.01
30747 (As at 31 March 2018: 41684) Sahres Of ₹10 each fully paid up in Sainik Finance Ltd.	0.09	-	0.09	0.12	-	0.12
17500 (As at 31 March 2018: 17500) Shares Of ₹10 each fully paid up in PTC India Financial Services Ltd.	0.96	-	0.96	0.96	-	0.96
8500 (As at 31 March 2018: Nil) Shares of ₹10/- Each of LSC Securities Ltd.	-	0.08	0.08	-	-	-
20000 (As at 31 March 2018: Nil) Shares Of ₹2 each fully paid up in BSE Ltd.	12.40	-	12.40	-	-	-
	14.34	1.38	15.72	1.97	1.80	3.77
Investment in Compulsory Convertible Cumulative Preference Shares						
60 (As at 31 March 2018: Nil) Shares Of ₹10 each fully paid up in Quantinsti Quantitative Learning Private Ltd.	-	2.57	2.57	-	-	-
	-	71.76	71.76	-	71.76	71.76
Investment in property						
	-	0.07	0.07	-	0.03	0.03
Investment in partnership firms						
Mutual Funds/Return Fund						
28527 (As at 31 March, 2018: Nil) units of ₹1000 each of Reliance Liquid Fund	130.00	-	130.00	-	-	-
175000 (As at 31 March 2018: Nil) units of ₹100/- each of Master Trust iRage Absolute Return Fund	-	17.50	17.50	-	-	-
50,00,000 (As at 31 March, 2018: 50,00,000) units of ₹10 each of Reliance Mutual Fund	50.00	-	50.00	50.00	-	50.00
25,00,000 (As at 31 March, 2018: 25,00,000) units of ₹10 each of Birla Sun Life Fund	25.00	-	25.00	25.00	-	25.00
14,77,352 (As at 31 March, 2018: 14,77,352) units of ₹10 each of IDFC Mutual Fund	15.00	-	15.00	15.00	-	15.00
20,00,000 (As at 31 March, 2018: 20,00,000) units of ₹10 each of HDFC Mutual Fund	20.00	-	20.00	20.00	-	20.00
16,12,757 (As at 31 March, 2018: 16,12,757) units of ₹10 each of L AND T Mutual Fund	20.00	-	20.00	20.00	-	20.00
	260.00	17.50	277.50	130.00	-	130.00
			-			
Total	274.88	94.70	369.58	132.51	74.99	207.50
Less: Provision for diminution in value of investments	-	-	-	-	0.49	0.49
Total			369.58			207.01
Aggregate amount of quoted investments	274.88			132.51		
Aggregate market value of listed and quoted investments	299.72			171.83		
Aggregate amount of unquoted investments		94.70			74.50	

Note: 12 Deferred Tax Assets (Net)**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Deferred Tax Asset On account of Gratuity	2.49	3.42
Deferred Tax Liability On account of Depreciation	0.81	0.75
Net Deferred Tax Liability	1.68	2.67

Note: 13 Long - term loans and advances**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Security deposits Unsecured, considered good	38.01	40.24
Advance income tax	26.65	19.61
Total	64.66	59.85

Note: 14 Inventories**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Stock-in-trade Acquired for trading	269.14	215.28
Total	269.14	215.28

Note: 15 Trade receivables**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	60.04	22.82
Trade receivables outstanding for a period for and less than six months from the date they were due for payment Unsecured, considered good	854.33	1120.22
Total	914.37	1143.04

Note: 16 Cash and cash equivalents**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash in hand	1.38	1.17
Balances with banks		
In current accounts	337.62	98.43
Cheques in hand (Net)	-	13.11
In deposit accounts *	2611.57	2213.40
In earmarked accounts		
- Unpaid dividend accounts	1.12	1.07
Total	2951.69	2327.18

* Deposit are pledged against overdraft facility

Note: 17 Short-term loans and advances**(₹ In Millions)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
Loans and advances to related parties Unsecured, considered good	23.32	19.77
Prepaid expenses - Unsecured, considered good	8.15	6.34
Loans and advances to others	777.74	711.08
Less: Provision for NPA	(9.45)	(9.03)
	768.29	702.05
Others	207.75	148.96
Total	1007.51	877.12

Note: 18 Revenue from operations and other income**(₹ In Millions)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest		
Interest on Loans and Advances	175.65	211.19
Interest on Fixed Deposits	155.52	157.13
	331.17	368.32
Other Financial Services		
Brokerage and other operating income	935.40	1097.61
Profit on Sale of long-term investments	16.13	49.37
Income from PMS	47.16	70.20
Dividend Income	1.56	0.88
DP Income	10.31	13.40
Profit/(Loss) on Sale of Land	1.44	(29.95)
Others	0.97	0.68
	1012.97	1202.19
Total	1344.14	1570.51

Note: 19 Employee benefits expense**(₹ In Millions)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries and wages	327.87	278.31
Contributions to provident funds	2.00	2.01
Staff welfare expenses	5.32	4.72
Total	335.19	285.04

Note: 20 Finance costs**(₹ In Millions)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest expenses	200.21	189.72
Bank Charges	2.69	1.50
Total	202.90	191.22

Note: 21 Other expense**(₹ In Millions)**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Printing & Stationery	4.90	6.22
Postage, Telegram & Telephone	28.78	27.29
Rent	26.28	23.10
Fees & Taxes	7.18	7.37
Directors Travelling	0.02	0.28
Demat/ Remat Charges	5.53	5.85
Legal & Professional Charges	54.47	69.76
Travelling & Conveyance	11.78	10.46
Payments to auditors		
As auditors - statutory audit	0.94	0.86
For Tax Audit	0.29	0.26
Office Maintenance	29.63	24.48
General Expenses	22.92	28.82
Advertisement Expenses	0.05	0.08
Computer & Software Expenses	45.38	43.45
Sub Brokerage	277.51	351.70
Turnover Charges	156.80	158.04
VSAT Charges	3.48	3.84
Provison for Non Performing Assets	0.41	(18.52)
Loss on Sale of Fixed Assets	-	0.01
Bad Debts Written Off/(Back)	(9.95)	192.72
Total	666.40	936.07

Note: 22 Contingent liabilities

- a Master Capital Services Limited has given/availed a Bank Guarantee amounting to ₹2.50 Millions (As at 31 March, 2018: ₹2.50 Millions) in favour of NSE Clearing Ltd, ₹260.00 Millions (As at 31 March, 2018: Nil) in favour of SHCIL and ₹200.00 Millions (As at 31 March, 2018: Nil) in favour of IL&FS.

Master Commodity Services Limited has given/availed a Bank Guarantee amounting to ₹93.75 Millions (As at 31 March, 2018: ₹3.75 Millions) in favour of Multi Commodity Exchange of India Limited, ₹3.25 Millions (As at 31 March, 2018: ₹3.25 Millions) in favour of National Commodity & Derivatives Exchange Limited.

Master Infrastructure and Real Estate Developers Limited has given/availed Bank Guarantee of ₹0.05 Million (As at 31 March, 2018: ₹0.05 Million) in favour of Greater Ludhiana Area Development Authority.

- b An Arbitration Panel at Patna had passed an Arbitration Award on 27th April 2015 and additional award on 14th May 2015 against the company for alleged unauthorised trading on behalf of a client for an amount of ₹3.47 crore plus interest @ 15% per month. The amount of ₹3.47 Crore has also been deposited in the form of FDR to NSE. The Appellate Arbitral Tribunal has set aside the above award vide its order dated 06/05/2019 and the company has applied to the NSE for the release of above FDR. In view of the management and the legal advice sought, no liability is likely to arise. Therefore, provision for contingent liability for the same has not been provided in the books of accounts.
- c The Group has other small litigations which have arisen in ordinary course of business with the clients. The Group has reviewed the impact of all such litigations on Financial Position. In view of the management and the legal advice sought, no provision is required to be made in case of litigation against/by the company. Therefore, provision for the same has not been provided in books of accounts.

Note: 23 Computation of Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources (if any). For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A) Basic		
(i) Net Profit attributable to shareholders (₹ In Millions)	95.59	100.43
(ii) Adjusted weighted average equity shares	1,08,76,600	1,08,76,600
Basic EPS (₹)	8.79	9.23
B) Diluted		
(i) Net Profit attributable to shareholders (₹ In Millions)	95.59	100.43
(ii) Adjusted weighted average equity shares	1,08,76,600	1,08,76,600
Diluted EPS (₹)	8.79	9.23

Note: 24

Disclosures, relating to amounts unpaid as at the year end together with interest required under the Micro, Small and Medium Enterprises Development Act, 2006 have been given to the extent company has received intimation from "Suppliers" regarding their status under the said Act.

Note: 25 Segment Reporting

- (a) Information about business Segments

Particulars	As at 31 March, 2019	As at 31 March, 2018
A) Segment Revenue		
1) Total Segment Revenue		
(a) Segment – Broking	1043.5	1191.3
(b) Segment – Interest	45.6	59.4
(c) Segment – Portfolio Management Services	52.5	70.2
(d) Segment – Insurance Broking	16.0	17.1
(e) Segment – New Issue	22.0	32.5
(f) Segment – Investment/Trading in Securities & others	164.5	200.0
Total	1344.1	1570.5
2) Inter Segment Revenue	-	-
3) External Revenue (1-2)		
(a) Segment – Broking	1043.5	1191.3
(b) Segment – Interest	45.6	59.4
(c) Segment – Portfolio Management Services	52.5	70.2
(d) Segment – Insurance Broking	16.0	17.1
(e) Segment – New Issue	22.0	32.5
(f) Segment – Investment/Trading in Securities & others	164.5	200.0
Total	1344.1	1570.5
B) Results		
1) Segment Results:		
(a) Segment – Broking	48.0	69.0
(b) Segment – Interest	4.2	(108.0)
(c) Segment – Portfolio Management Services	1.6	7.0
(d) Segment – Insurance Broking	3.6	2.3
(e) Segment – New Issue	(1.1)	10.3
(f) Segment – Investment/Trading in Securities & others	69.0	150.2
Total	125.3	130.8
2) Unallocated Expenses	0.40	0.70
3) Operating Profit	124.9	130.1
4) Provision	28.14	29.3
5) Minority Interest	1.2	0.3
6) Net Profit	95.6	100.4
Other Information		
1) Segment Assets		
(a) Segment – Broking	3937.65	3339.57
(b) Segment – Interest	491.12	581.52
(c) Segment – Portfolio Management Services	41.38	51.51
(d) Segment – Insurance Broking	16.75	14.26
(e) Segment – New Issue	4.26	6.94
(f) Segment – Investment/Trading in Securities & others	1176.89	906.40
Total	5668.05	4900.20
2) Unallocated Corporate Assets	12.27	11.39
3) Deferred Tax Assets	1.68	2.67
4) Total Assets	5682.00	4914.26
5) Segment Liabilities		
(a) Segment – Broking	2812.85	2320.05
(b) Segment – Interest	412.21	364.87
(c) Segment – Portfolio Management Services	12.52	24.08
(d) Segment – Insurance Broking	2.68	2.35
(e) Segment – New Issue	3.90	4.30
(f) Segment – Investment/Trading in Securities & others	474.49	320.94
Total	3718.65	3036.59
6) Unallocated Liabilities	1.12	12.18
7) Deferred Tax Liabilities	-	-
8) Total Liabilities	3719.77	3048.77
9) Minority Interest	12.46	11.31
10) Share Holder's Fund	1949.77	1854.18

(b) Information about Geographical Segments

The company caters mainly to the needs of Indian market so there are no reportable geographical segments.

Note: 26 Gratuity (post employment benefit plan)

The company operates a defined plans viz gratuity for its employees. Under the gratuity plan ,every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service .The scheme is funded with an insurance company in the form of qualifying insurance policy.

(₹ In Millions)

Particulars	As at 31 March, 2019	As at 31 March, 2018
A) Expenses recognised in the Statement of Profit and Loss:		
a) Current service cost	5.35	5.16
b) Interest cost on benefit obligation	2.95	2.17
c) expected return on plan assets	(2.08)	(0.90)
d) Net actuarial (gain)/loss recognised in the year	(0.03)	5.02
Total included in 'Employee benefits expense'	6.19	11.45
B) Net liability recognised in the balance sheet:		
a) Present value of defined benefit obligation	45.94	39.33
b) Fair value of plan assets	35.60	27.61
Liability recognized in the balance sheet	10.34	11.72
C) Reconciliation of defined benefit obligation		
a) Opening defined benefit obligation	39.33	28.96
b) Current service cost	5.35	5.16
c) Interest cost	2.95	2.17
d) Benefits paid	(1.66)	(1.98)
e) Actuarial (gain)/loss on obligation	(0.03)	5.02
Present value of DBO at the end of the year	45.94	39.33
D) Changes in the fair value of plan assets as on 31/03/2018		
Particulars		
Fair value of plan assets at beginning of year	27.61	12.02
Expected return on plan assets	1.99	0.99
Contributions	6.00	14.60
Benefits Paid	-	-
Actuarial gain/(loss) on Plan assets	-	-
Fair value of plan assets at the end of year	35.60	27.61
E) Principal actuarial assumptions at the balance sheet date:		
a) Discount rate	7.5%	7.5%
b) Expected rate of Future salary escalation	7%	7%

Note: 27

Master Capital Services Limited had issued 4000 Deep Discount Bonds (DDB) in the previous years, outstanding Face Value at the end of the year amounting to ₹30.70 Millions (As at 31 March, 2018: ₹32.61 Millions), to augment the working capital and other requirements. Interest expense is accounted for on mercantile basis. However, as per the provisions of Income Tax Act, the tax will be deducted at source at the time of maturity/redemption.

Note: 28 Related Party Disclosures

As required by AS-18, Related Party Disclosures, are given below:

Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives
Prime Industries Limited Master Share & Stock Brokers Limited H.K Arora Real Estate Service Limited Big Build Real Estate Private Limited Amni Real Estate Private Limited Matria Estate Developers Private Limited Gold Touch Agri Private Limited Master Trust Wealth Private Limited Sanawar Investments Saint co India Private Limited Singhanian Properties Prime Agro Farms Private Limited Eminent Buildwell Private Limited Master Projects Private Limited Sanawar Agri Private Limited Arora Financial Services Limited Bluecircle Investments Crescent Investments KAG Investment and Advisors Private Limited Chandi Angel Investors Forum Paawan Capital Services Limited PHDA Financial Services Private Limited Hindola Investments Private Limited Subal Securities Private Limited R. K. Singhanian HUF Harjeet Singh Arora HUF Harinder Singh HUF Puneet Singhanian HUF H. Arora & Co. Irage Mastertrust Investment Managers LLP Partnership Firms	KMP Mr. Harjeet Singh Arora Mr. R. K. Singhanian Mr. Gurmeet Singh Chawla Mr. Pavan Kumar Chhabra Mr. Harinder Singh Mr. Puneet Singhanian Mr. Jashanjyot Singh Arora Relatives of KMP Mrs. Harneesh Kaur Arora Mrs. Parveen Singhanian Mr. Chirag Singhanian Mrs. Palka A Chopra Mrs. Priyanka Thukral Mrs. Rohila Singhanian Mrs. Isha Singhanian Mr. Amandeep Singh Chawla Ms. Guneet Chawla Mrs. Charu Chhabra Mr. Maninder Singh

Transactions with related parties
(₹ In Millions)

Transactions with related parties	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives	Total
Purchases	3.26 (113.73)	- -	3.26 (113.73)
Sale	46.62 -	5.00 (2.10)	51.62 (2.10)
Brokerage Received	0.02 (0.05)	0.04 (0.07)	0.06 (0.12)
Brokerage Paid	- -	1.90 -	1.90 -
Interest Paid	4.52 (7.86)	1.02 (1.87)	5.54 (9.73)
Interest Received	9.90 (1.25)	1.73 (1.05)	11.63 (2.30)
Professional Charges	0.60 -	- -	0.60 -
Rent Paid	2.08 (2.42)	1.45 (0.42)	3.53 (2.84)
Loan & Advances Given	3.84 (12.02)	19.05 (7.73)	22.89 (19.75)
Loan & Advances Taken	20.70 (11.93)	33.98 (35.22)	54.68 (47.15)
Remuneration	- -	24.18 (19.03)	24.18 (19.03)
Balance outstanding at the end of the year	0.08 (0.20)	3.34 (4.44)	3.42 (4.64)
Payable	0.01 (0.08)	12.18 (12.43)	12.19 (12.51)

Note: Amount in bracket denotes previous year figures.

Note: 29

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For C.S.Arora & Associates

Chartered Accountants
FRN 015130N

Chanchal Singh
Proprietor

Membership Number 090835
Ludhiana, 30 May, 2019

For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Harjeet Singh Arora
Managing Director
DIN-00063176

Sunil Kumar
Chief Financial Officer

Vikas Gupta
Company Secretary

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary Company	Master Infrastructure and Real Estate Developers Limited	H.A. Share & Stock Brokers Limited	Master Capital Services Limited	Master Commodity Services Limited	Master Portfolio Services Limited	Master Insurance Brokers Limited
1	Reporting period	1 April, 2018 to 31 March, 2019	1 April, 2018 to 31 March, 2019	1 April, 2018 to 31 March, 2019	1 April, 2018 to 31 March, 2019	1 April, 2018 to 31 March, 2019	1 April, 2018 to 31 March, 2019
2	Reporting currency	INR	INR	INR	INR	INR	INR
3	Share Capital	2.00	2.45	59.00	5.50	8.10	7.50
4	Reserves & Surplus	144.66	23.02	915.61	206.76	20.81	7.00
5	Total Assets	484.38	28.01	4,349.68	324.45	41.43	17.18
6	Total Liabilities	337.72	2.54	3,375.07	112.18	12.52	2.68
7	Investments	175.01	-	310.29	30.00	-	-
8	Turnover & Other Income	141.55	14.1	1,018.54	95.17	55.37	15.95
9	Profit before taxation	39.65	3.03	55.92	9.27	2.03	3.51
10	Provision for taxation	8.29	0.67	12.61	2.45	0.55	0.92
11	Profit after tax	31.36	2.36	43.31	6.82	1.48	2.59
12	Proposed Dividend	-	-	-	-	-	-
13	% of shareholding	100%	51%	100%	100%	100%	100%

1 Names of subsidiaries which are yet to commence operations: None

2 Names of subsidiaries which have been liquidated or sold during the year: None

*Master Insurance Brokers Limited (MIBL), Master Portfolio Services Limited (MPSL) and Master Commodity Services Limited (MCOML) are the subsidiaries of Master Capital Services Limited. Since, Master Capital Services Limited is a subsidiary of the Company, therefore, MIBL, MPSL and MCOML are being reported as subsidiaries of the Company.

Part "B": Associates and Joint Ventures

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

*There were no Associates and Joint Ventures during the financial year 2018 - 2019.

For C.S.Arora & Associates

Chartered Accountants
FRN 015130N

Chanchal Singh
Proprietor

Membership Number 090835
Ludhiana, 30 May, 2019

For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Harjeet Singh Arora
Managing Director
DIN-00063176

Sunil Kumar
Chief Financial Officer

Vikas Gupta
Company Secretary

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