

INDEPENDENT AUDITORS' REPORT

To the Members of Master Commodity Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Master Commodity Services Limited ('the Company')**, which comprise the Balance Sheet as at 31 March, 2017 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2017 and its loss and its cash flows for the year ended on that date.

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 Section 143(11) of the Act, 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.
 - (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.
 - (d) In our opinion, the aforesaid 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 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigation on its financial position in its financial statements- Refer Note 20.1 (c), (d) to the financial statement.
 - (ii) The Company did not have any outstanding long-term contracts including derivative contracts as at 31 March, 2017 for which there were any material foreseeable losses: and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in its financial statement as to holding as well as dealing in Specified bank notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with books of accounts maintained by the Company. Refer Note 12(a) to the financial statements

Ludhiana, 27th May, 2017

For Manjeet Singh & Co.
Chartered Accountants



(Membership No. 088759) —

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. As there is no inventories, the provisions of clause 3 (ii) of the Order are not applicable to the Company and hence not commented upon.
3. The Company has granted loan to one party covered in the register maintained under section 189 of the Companies Act, 2013.
 - a) The terms and conditions of the grant of above said loan are not prejudicial to the company's interest;
 - b) In the case of the above said loan granted to the party covered in the register maintained under section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and loans are repayable on demand. Accordingly, paragraph 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
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, investments, guarantees and security as applicable.
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, 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, 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, 2016 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, Duty of Customs, Duty of Excise and value added tax which have not

been deposited on account of any dispute. According to the information and explanations the details of dues of income tax which have been deposited on account of dispute are as follows:

Related To	Authority Where Pending	Financial Year	Disputed Amount
Income Tax	Commissioner of Income Tax (Appeals)-III, Ludhiana	2012-2013	1.20 lacs

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 not paid/provided for managerial remuneration during the year, as such the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act are not applicable.
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 not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manjeet Singh & Co.
Chartered Accountants
FRN 011831N
Accountants
Manjeet Singh
Prop.
(Membership No. 088759)

Ludhiana, 27th May, 2017

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 Commodity Services Limited** ('the Company') as of 31 March, 2017 in conjunction with our audit of the 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, 2017 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.

Ludhiana, 27th May, 2017

For Manjeet Singh & Co.
Chartered Accountants



(Membership No. 088759)


MASTER COMMODITY SERVICES LTD

Balance Sheet as at 31st March, 2017

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	5,500,070	5,500,070
Reserves and surplus	2	196,275,015	196,585,061
Long Term Liabilities			
Long Term Borrowings	3	16,739	572,253
		201,791,824	202,657,384
Current liabilities			
Short-term borrowings	4	10,323	2,347,825
Trade payables	5	145,649,586	171,317,926
Other current liabilities	6	33,452,633	10,319,311
Short-term provisions	7	1,337,266	2,962,093
		180,449,808	186,947,155
TOTAL		382,241,631	389,604,539
ASSETS			
Non-current assets			
Fixed assets	8	21,693,558	22,082,780
Non Current Investments	9	120,000	-
Long-term loans and advances	10	710,002	9,547,800
Deferred tax Assets(Net)	19.2	919,639	821,373
		23,443,198	32,451,953
Current assets			
Trade receivables	11	7,365,347	16,478,540
Cash and cash equivalents	12	232,371,909	201,830,196
Short-term loans and advances	13	119,061,176	138,843,850
		358,798,432	357,152,586
TOTAL		382,241,631	389,604,539
Significant Accounting Policies Notes on Financial Statements	1 to 21		

As per our Report of even date
For Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh
Prop.
M.No. 088759
Place: Ludhiana
Date: 27/05/2017


Dinesh Kumar Sharm
General Manager
-Accounts


R. K. Singhania
Director
DIN-00077540

For and on behalf of the Board

Harjeet Singh Arora
Director
DIN-00063176

MASTER COMMODITY SERVICES LTD

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
		Rs.	Rs.
INCOME			
Revenue from operations (gross)	14	113,205,592	132,639,708
Other income	15	2,232,015	2,304,763
Total Revenue		115,437,606	134,944,471
Expenses			
Employee benefits expense	16	27,021,895	23,367,309
Finance costs	17	1,674,626	1,810,623
Depreciation	8	608,597	1,022,907
Other expenses	18	75,467,300	101,925,294
Total Expenses		104,772,419	128,126,133
Profit before tax		10,665,188	6,818,338
Tax expense:			
Current tax expense for current year		2,700,000	2,100,000
Deferred tax		(98,265)	(513,883)
Excess/ Less for Tax expense relating to prior years		8,373,499	(1,461,007)
Profit for the year		(310,046)	6,693,228
Earnings per equity share of face value Rs. 10 each			
Basic and Diluted (in Rs.)		(0.56)	12.17
Weighted average number of shares outstanding		550,007	550,007
Significant Accounting Policies Notes on Financial Statements	1 to 20		


As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants
Firm Registration Number 011831N


Manjeet Singh
Prop.
M.No. 088759
Place: Ludhiana
Date: 27/05/2017

For and on behalf of the Board


Jinesh Kumar Sharm:
General Manager
-Accounts


R. K. Singhania
Director
DIN-00077540


Harjeet Singh Arora
Director
DIN-00063176

MASTER COMMODITY SERVICES LTD

Cash Flow Statement for the year ended 31st March, 2017

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit before tax and extraordinary items		10,665,188		6,818,338
<u>Adjustments for:</u>				
Depreciation and amortisation	608,598		1,022,908	
Miscellaneous Expenditure		608,598		1,022,908
Operating profit before working capital changes		11,273,786		7,841,246
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	-			
Trade receivables	9,113,193		25,090,296	
Short-term loans and advances	19,782,674		6,022,964	
Long-term loans and advances	8,837,798		4,501,568	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(25,668,340)		47,949,298	
Other current liabilities	23,133,320		3,723,085	
Short-term borrowings	(2,893,016)		(15,277,441)	
Short-term Provisions	(1,624,827)		1,701,388	
		30,680,801		73,711,158
		41,954,587		81,552,404
Cash flow from extraordinary items		-		-
Cash generated from operations		41,954,587		81,552,404
Net income tax (paid) / refunds		(11,073,499)		(638,993)
Net cash flow (used in) operating activities (A)		30,881,088		80,913,411
B. Cash flow from investing activities				
Purchase of fixed assets		(219,375)		(721,704)
Sale of fixed assets		-		-
Purchase of Investment		(120,000)		-
Sale of Investment		-		-
Net cash flow (used in) investing activities (B)		(339,375)		(721,704)
C. Cash flow from financing activities				
Proceeds from issue of equity shares/ warrants		-		-
Net cash flow (used in) financing activities (C)		-		-
Net (decrease) in Cash and cash equivalents (A+B+C)		30,541,713		80,191,707
Cash and cash equivalents at the beginning of the year		201,830,196		121,638,489
Cash and cash equivalents at the end of the year		232,371,909		201,830,196

As per our Report of even date

For Manjeet Singh & Co.

Chartered

FRN 011831N

Chartered

Accountants

M. No. 088759

Manjeet Singh

Prop.

M. no. 088759

Place: Ludhiana

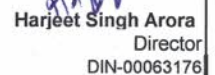
Date: 27/05/2017

For and on behalf of the Board



Dinesh Kumar Sharn
General Manager
-Accounts


R. K. Singhania
Director
DIN-00077540


Harjeet Singh Arora
Director
DIN-00063176

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. The financial statements have been prepared on an accrual basis and under the historical cost convention.

B 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.

C 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.

D Impairment of Assets

The company is making an assessment whether any indication exists that an asset has been impaired at the end of the year. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of accounts.

E Investments

Long term investments are valued at cost unless there is a decline in value other than temporary. Current investments are stated at lower of Cost or Fair Value

F Inventories

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

G Revenue Recognition

- (a) The company follows the mercantile system of accounting and recognizes profit or loss on that basis.
- (b) Misc. expenditure have been written off @ 20% during the year.

H Employee Benefits

Defined Benefit Plans (Gratuity):

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.

I 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.

J 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.

K 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.

Notes forming part of the financial statements

Note 1 Share capital

Particulars	As at 31st March, 2017		As at 31 March, 2016	
	Number of shares	Amount	Number of shares	Amount
Authorised Equity shares of Rs.10 each	750,000	7,500,000	750,000	7,500,000
Issued Equity shares of Rs.10 each	550,007	5,500,070	550,007	5,500,070
Subscribed and fully paid up Equity shares of Rs.10 each	550,007	5,500,070	550,007	5,500,070
Subscribed but not fully paid up Equity shares of Rs.10 each	-	-	-	-
Total	550,007	5,500,070	550,007	5,500,070

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

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

Name of the shareholder	As at 31st March, 2017		As at 31 March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Master Capital Services td	550,007	100	550,007	100

1.3 The reconciliation of the number of shares and amount outstanding is set out below :

Particulars	As at 31st March, 2017		As at 31 March, 2016	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the beginning of the year	550,007		550,007	
Equity Shares at the end of the year	550,007		550,007	

Notes forming part of the financial statements

Note 2 Reserves and surplus

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Securities Premium Account As per last Balance Sheet	29,400,000	29,400,000
Profit and Loss Account As per last Balance Sheet	167,185,061	160,491,833
Add: Profit for the year	-310,046	6,693,228
Closing balance	166,875,015	167,185,061
Total	196,275,015	196,585,061

Note 3 Long Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Term Loans From Banks	16,739	572,253
hypothecation of Cars, Repayable in Equated Monthly Instalments) Installments falling due in respect of all the above loans upto 31 March, 2018 have been grouped under " Current maturities "		
Total	16,739	572,253

Note 4 Short-term borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
From banks/Financial Institutions: Secured Against Fixed Deposits	10,323	2,347,825
Total	10,323	2,347,825

Note 5 Trade payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Trade payables	145,649,586	171,317,926
Total	145,649,586	171,317,926

Note 6 Other current liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Loans and advances to related parties: Current Maturities of Long Term Debt(Refer Note3)	17,974,599	-
Statutory dues	658,021	807,696
Others Payables	130,853	1,507,356
	14,689,159	8,004,259
Total	33,452,633	10,319,311

Note 7 Short-term provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Provision for gratuity (Refer note 20.6)	1,337,266	2,962,093
Total	1,337,266	2,962,093

Notes forming part of the financial statements

Note 8 Fixed assets

Particulars	Gross block						Accumulated depreciation				Net block	
	Balance as at 1st April, 2016	Additions	Disposals/ Transfer	Balance as at 31st March, 2017	Balance as at 1st April, 2016	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2017	Balance as at 31st March, 2016	Rs.	Rs.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Electric Fitting	573,074	-	-	573,074	75,326	27,221	-	102,547	470,527	497,748		
Computer Software & Hardware	2,608,977	-	-	2,608,977	2,549,119	-	-	2,549,119	59,858	59,858		
Office equipment	155,852	219,375	-	375,227	22,020	13,455	-	35,475	339,752	133,832		
Furniture & Fitting	1,581,568	-	-	1,581,568	154,790	100,113	-	254,903	1,326,665	1,426,778		
Vehicles	4,462,403	-	-	4,462,403	1,762,218	423,928	-	2,186,146	2,276,257	2,700,185		
Land	14,681,628	-	-	14,681,628	-	-	-	-	14,681,628	14,681,628		
Building	2,643,376	-	-	2,643,376	60,625	43,880	-	104,505	2,538,871	2,582,751		
Total	26,706,878	219,375	-	26,926,253	4,624,098	608,597	-	5,232,695	21,693,558	22,082,780		
Previous year	25,985,174	721,704	-	26,706,878	3,601,191	1,022,907	-	4,624,098	22,082,780			

Notes forming part of the financial statements

Note 9 Non Current Investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
(Quoted) 120000 (Nil) Equity Shares of Rs. 10/- each of Prime Industries Ltd	120,000	-
Total	120,000	-
Market value as on 31.03.2017	91200	

Note 10 Long-term loans and advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Advance income tax (net of provision for tax)	710,002	9,547,800
Total	710,002	9,547,800

Note 11 Trade receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six Unsecured, considered good	3,280,830	3,403,026
Other Trade receivables Unsecured, considered good	4,084,517	13,075,514
Total	7,365,347	16,478,540

Note 12 Cash and cash equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Cash on hand/Imprest	196,886	129,693
Net Cheques, Drafts on Hand	9,026,089	68,982,734
Balances with banks In current accounts	13,648,934	1,717,769
In deposit accounts *	209,500,000	131,000,000
Total	232,371,909	201,830,196

Notes:

* Deposit are pledged against overdraft facility

(a)

Disclosure Regarding Specified bank Notes

	SBN'S	Other denomination notes	Total
Closing Cash In hand as on 08 Nov,2016	1245000	180377	1425377
(+) Withdrawal From Bank accounts	-	120000	120000
(+) Permitted receipts	-	-	-
(-) Permitted Payments	-	6170	6170
(-) Deposited In Bank Account	1245000	-	1245000
Closing Cash In Hand as on 30 Dec,2016	0	294207	294207

Note 13 Short-term loans and advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
Loans and advances towards :		
Margin Deposit with Commodity Exchanges & Other Unsecured, considered good	111,290,090	109,741,090
Loans and advances to related parties: Unsecured, considered good	-	21,901,749
Prepaid expenses - Unsecured, considered good	181,597	668,680
Other Loans & Advances- Unsecured, considered good	7,589,489	6,532,331
Total	119,061,176	138,843,850

Notes forming part of the financial statements

Note 14 Revenue from operations

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income from Brokerage/Sale Purchase of Commodities/Units/Derivative Trading	93,105,833	120,665,989
Interest Income	20,099,759	11,973,720
Total	113,205,592	132,639,709

Note 15 Other income

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Rs.	Rs.
Other non-operating income		
Miscellaneous income	2,232,015	2,304,763
Total	2,232,015	2,304,763

Note 16 Employee benefits expense

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Rs.	Rs.
Salaries and wages *	27,016,077	22,924,927
Staff welfare expenses	5,818	442,382
Total	27,021,895	23,367,309

* Includes Gratuity amounting to Rs.644711/- (Year ended March 31, 2016 :Rs .1984499/-)

Note 17 Finance costs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Rs.	Rs.
Interest expense on: Borrowings	483,980	462,997
Other borrowing costs - Bank Charges	1,190,646	1,347,626
Total	1,674,626	1,810,623

Notes forming part of the financial statements

Note 18 Other expenses

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Rs.	Rs.
Printing & Stationery	358,719	577,855
Postage, Telegram & Telephone	535,506	1,090,939
Rent	1,645,708	1,385,236
Fees & Taxes	197,188	78,936
Travelling & Conveyance	462,647	573,773
Legal & Professional Charges	4,941,910	4,057,710
Sub-Brokerage	35,848,764	52,656,907
Turnover Charges	25,253,068	26,356,759
Payments to auditors		
As auditors - statutory audit	60,000	60,000
For Other matters	20,000	20,000
Office & Other Maintenance	1,229,334	348,642
General Expenses	2,171,263	643,431
V-Sat,Internet/User Id Subscription Charges	1,336,629	1,623,946
Bad Debts	1,406,565	12,451,160
Total	75,467,300	101,925,294

Note 19.1 Disclosures under Accounting Standards (contd.)

Particulars	
Related party transactions	
Details of related parties:	
Description of relationship	Names of related parties
Ultimate Holding Company	Master Trust Ltd
Holding Company	Master Capital Services Ltd
Fellow Subsidiaries	Master Insurance Brokers Ltd, HA Share & Stock Brokers Ltd, Master Portfolio services Limited, Master Infrastructure & Real Estate Developers Ltd
Associates	Master Share & Stock Brokers Ltd, Harjeet Singh Arora (Huf), Firms where Master Infrastructure & Real Estate Developers Ltd having Partnership Share, Hk Arora Real Estate Services Limited, Prime Industries Limited
Key Management Personnel (KMP)	Mr. Harjeet Singh Arora, Mr. R.K Singhania & Mr. Harinder Singh
Relatives of KMP	Mrs. Harneesh kaur Arora, Palka Arora, Jashanjot Singh, Puneet Singhania

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017:

Rs.

	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Associates	KMP	Relatives of KMP	Total
Brokerage Earned	-	-	8,231,792 (12,514,363)	-	609	-	8,232,401 (12,514,363)
Interest Earned	-	4,340,868 (1,728,623)	-	-	-	-	4,340,868 (1,728,623)
Rent Paid	-	-	-	9,000 (9,000)	75,000 (75,000)	75,000 (75,000)	159,000 (159,000)
Professional Charges	-	-	2,400,000 (2,400,000)	-	-	-	2,400,000 (2,400,000)
Equity Contribution	-	5,500,020 (5,500,020)	-	-	-	-	5,500,020 (5,500,020)
Corporate Guarantees given by others	3,500,000,000 (3,500,000,000)	-	-	-	-	-	3,500,000,000 (3,500,000,000)
Balances outstanding at the end of the year							
Payables	-	17,974,599	- (14,387,025)	-	-	-	17,974,599 (14,387,025)

Note: Figures in bracket relates to the previous year

Note 19.2 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31 March, 2017	As at 31 March, 2016
		Rs.	Rs.
19.2	Deferred tax (liability) / asset		
	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	(194,833)	(93,913)
	Tax effect of items constituting deferred tax liability	(194,833)	(93,913)
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits	1,114,472	915,287
	Tax effect of items constituting deferred tax assets	1,114,472	915,287
	Net deferred tax asset	919,639	821,374

Notes forming part of the financial statements

20 Notes on Account

20.1 Contingent liabilities

- (a) Bank Guarantees of Rs.637.50 Lacs (previous year Rs.1137.50 Lacs) in favour of Multi Commodity Exchange of India Ltd for our exposure as Trading/Clearing Member.
- (b) Bank Guarantees of Rs.132.50 Lacs (previous year Rs.215.00 Lacs) in favour of National Commodity & Derivatives Exchange Ltd for our exposure as Trading/Clearing Member
- (C) As per an Ex-Parte Ad-Interim Order by SEBI (WTM/RKA/ISD/162/2014) in the matter of First Financial Services Limited, Master Commodity Services Limited amongst others, inter-alia, has been restrained from accessing the Securities Market and buying, selling or dealing in Securities either directly or indirectly, in any manner, till further directions. The order has affected one of its activity i.e Trading /Investment in Securities till further directions.

The SEBI has further issued confirmatory Ad-interim order WTM/RKA/ISD/113/2016 dated 25 August 2016 confirming the aforesaid Ex-Parte Ad-Interim Order and has given interim/additional reliefs to the entities. The order is being contested by the company and is sub-judice. In the view of the management and as per the legal advice, no liability is likely to arise. Even, the amount of liability, if any, is indeterminate. Accordingly, no liability has been provided for

- (D) The Company has other small litigations with the clients, which have arisen in ordinary course of business. 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.

20.2 The Company has a procedure of receiving Fdr's from its clients as margins. Such Fixed Deposits are in the Name of the company and are kept with Principle Commodity Exchange as margin money. The Interest earned/accrued on such fdr's is credited by the issuing bank directly to the account of concerned clients, as such the interest on such fdr's has not been accrued to the Company's account.

20.3 The company is mainly engaged in commodity broking business, So there are no separate reportable segments as per Accounting Standard (AS) 17 on "Segment Reporting".

20.4 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

	For the year ended 31st march,2017	For the year ended 31st march,2016
Current service cost	620,198	250,793
Interest cost on benefit obligation	236,967	100,856
expected return on plan assets	-	-
Net actuarial(gain)/loss recognised in the year.	(212,454)	1,632,850
	644,711	1,984,499
Balance Sheet		
Present value of defined benefit obligation	3,373,266	2,962,093
Fair value of plan assets	2,010,981	-
Plan liability	1,362,285	2,962,093
Changes In the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	2,962,093	1,260,705
current service cost	620,198	250,793
Interest cost	236,967	100,856
Benefits paid	233,538	283,111
Actuarial (gain)losses on obligation	(212,454)	1,632,850
Closing defined benefit obligation	3,373,266	2,962,093
The principal assumptions used in determining gratuity obligation for the company's plan are shown below		
Discount rate	8.00	8.00
Expected rate of Future salary esclation	7.00	5.00

20.5 Income from Brokerage/ Commodity Units Trading Include Income from Brokerage Rs 9,31,05,833 [Previous Year Rs.12,06,65,989/-] . Certain common expenses have been paid/shared with group companies according to usage.



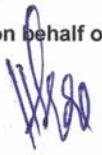
20.6 Disclosures relating to amount unpaid at the year end and together with Interest required under Micro, Small and Medium Enterprise Development Act 2006 have been given to the extent company has received the information from supplier's information from supplier's regarding the status under such Act.

Note 21 Previous year's figures

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 Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N
Manjeet Singh, 088759
Prop.
M.No. 088759
Place: Ludhiana
Date: 27.05.2017

For and on behalf of the Board

		
Dinesh Sharma	R. K. Singhania	Harjeet Singh Arora
General Manager-Accounts	Director	Director
	DIN-00077540	DIN-00063176