

## 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, 2018 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, 2018 and its profit 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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 21 (c), (d) to the financial statement.
    - (ii) The Company did not have any outstanding long-term contracts including derivative contracts as at 31 March, 2018 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.

For Manjeet Singh & Co.  
Chartered Accountants  
FRN 011831N  
Manjeet Singh  
Prop.

Ludhiana, 28<sup>th</sup> May, 2018

(Membership No. 088759)

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph I 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. However minor discrepancies has been duly adjusted while valuing the closing stock.
3. The Company has granted loan to one party covered in the register maintained under section 189 of the Companies Act, 2013.
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, 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, 2018 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 loan 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 45-1A of the Reserve Bank of India Act, 1934.

Ludhiana, 28th May, 2018

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

## 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, 2018 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, 2018 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, 28th May, 2018

**For Manjeet Singh & Co.**  
Chartered Accountants  
FRN 011831N

  
**Manjeet Singh**  
Prop.

(Membership No. 088759)

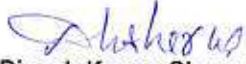
# MASTER COMMODITY SERVICES LTD

Balance Sheet as at 31st March, 2018


Particulars	Note	As at 31st March, 2018	As at 31st March, 2017
		Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	5,500,070	5,500,070
Reserves and surplus	2	199,937,773	196,275,015
<b>Non- Current Liabilities</b>			
Long Term Borrowings	3	-	16,739
		<b>205,437,843</b>	<b>201,791,824</b>
<b>Current liabilities</b>			
Short-term borrowings	4	106,035	10,323
Trade payables	5	127,230,554	145,649,586
Other current liabilities	6	8,154,100	33,452,633
Short-term provisions	7	868,483	1,337,266
		<b>136,359,173</b>	<b>180,449,808</b>
<b>TOTAL</b>		<b>341,797,016</b>	<b>382,241,631</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
<b>Tangible Assets</b>			
Tangible Assets	8	20,790,147	21,693,558
Deferred tax Assets(Net)	23	96,231	919,639
<b>Non Current Investments</b>			
Long-term loans and advances	9	0	120,000
	10	2,076,829	710,002
<b>Current assets</b>			
Inventories	11	1,889,515	-
Trade receivables	12	12,687,951	7,365,347
Cash and cash equivalents	13	196,953,237	232,371,909
Short-term loans and advances	14	107,303,106	119,061,176
		<b>318,833,809</b>	<b>358,798,432</b>
<b>TOTAL</b>		<b>341,797,016</b>	<b>382,241,631</b>
<b>Significant Accounting Policies</b>	<b>1 to31</b>		
<b>Notes on Financial Statements</b>			

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: 28/05/2018

  
**Dinesh Kumar Sharma**  
 General Manager  
 -Accounts-

  
**R. K. Singhania**  
 Director  
 DIN-00077540

  
**Harjeet Singh Arora**  
 Director  
 DIN-00063176

For and on behalf of the Board

# MASTER COMMODITY SERVICES LTD

## Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
		Rs.	Rs.
<b>CONTINUING OPERATIONS</b>			
<b>Incomes</b>			
Revenue from operations	15	86,992,559	113,205,592
Other income	16	637,231	2,232,015
<b>Total Revenue</b>		<b>87,629,790</b>	<b>115,437,606</b>
<b>Expenses</b>			
Employee Benefits Expenses	17	23,519,664	27,021,895
Administrative & Other Expenses	19	55,655,350	75,467,300
Finance costs	18	1,620,417	1,674,626
Depreciation	8	944,361	608,597
<b>Total Expenses</b>		<b>81,739,792</b>	<b>104,772,419</b>
<b>Profit before tax</b>		<b>5,889,998</b>	<b>10,665,188</b>
<b>Tax expense:</b>			
Current tax expense for current year		1,400,000	2,700,000
Deferred tax		823,408	(98,265)
Excess/ Less for Tax expense relating to prior years		3,832	8,373,499
<b>Profit for the year</b>		<b>3,662,758</b>	<b>(310,046)</b>
<b>Earnings per equity share of face value Rs. 10 each</b>			
Basic and Diluted ( in Rs.)		6.66	(0.56)
Weighted average number of shares outstanding		550,007	550,007
<b>Significant Accounting Policies</b>	<b>1 to 31</b>		
<b>Notes on Financial Statements</b>			

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: 28/05/2018

For and on behalf of the Board

  
Dinesh Kumar Sharma  
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, 2018

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit before tax and extraordinary items		5,889,998		10,665,188
<i>Adjustments for:</i>				
Depreciation and amortisation	944,362		608,597	
Miscellaneous Expenditure				
		944,362		608,597
Operating profit before working capital changes		6,834,360		11,273,785
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(1,889,515)			
Trade receivables	(5,322,604)		9,113,193	
Short-term loans and advances	11,758,070		19,782,674	
Long-term loans and advances	(1,366,828)		8,837,798	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(18,419,032)		(25,668,340)	
Other current liabilities	(25,298,534)		23,133,322	
Short-term borrowings	78,973		(2,893,016)	
Short-term Provisions	(468,783)		(1,624,827)	
		(40,928,252)		30,680,804
		(34,093,892)		41,954,589
Cash flow from extraordinary items		-		-
Cash generated from operations		(34,093,892)		41,954,589
Net income tax (paid) / refunds		(1,403,832)		(11,073,499)
<b>Net cash flow (used in) operating activities (A)</b>		<b>(35,497,724)</b>		<b>30,881,090</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		(40,950)		(219,375)
Sale of fixed assets		-		-
Purchase of Investment		120,000		(120,000)
Sale of Investment		-		-
<b>Net cash flow (used in) Investing activities (B)</b>		<b>79,050</b>		<b>(339,375)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares/ warrants		-		-
<b>Net cash flow (used in) financing activities (C)</b>		<b>-</b>		<b>-</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(35,418,674)</b>		<b>30,541,715</b>
Cash and cash equivalents at the beginning of the year		232,371,911		201,830,196
Cash and cash equivalents at the end of the year		196,953,237		232,371,911

As per our Report of even date

For Manjeet Singh & Co.

Chartered

FRN 011831N

Manjeet Singh

Prop.

M.no. 068759

Place: Ludhiana

Date: 28/05/2018

For and on behalf of the Board

*Dinesh Kumar Sharma*

Dinesh Kumar Sharma  
General Manager  
-Accounts

*R.K. Singhania*

R.K. Singhania  
Director  
DIN-00077540

*Harjeet Singh Arora*

Harjeet Singh Arora  
Director  
DIN-00083176

## SIGNIFICANT ACCOUNTING POLICIES

### 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.

### 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.

### 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.

### 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.

### 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

### Inventories

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

### Revenue Recognition

The company follows the mercantile system of accounting and recognizes profit or loss on that basis.

### Employee Benefits

#### Defined Benefit Plans

- 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.
- leave encashment is payable to eligible employees, who have earned leaves, during employment and/or on separation as per the company's policy.

#### 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.

### 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.

### 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.

### 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, 2018		As at 31 March, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b> Equity shares of Rs. 10 each	750,000	7,500,000	750,000	7,500,000
<b>Issued</b> Equity shares of Rs. 10 each	550,007	5,500,070	550,007	5,500,070
<b>Subscribed and fully paid up</b> Equity shares of Rs. 10 each	550,007	5,500,070	550,007	5,500,070
<b>Subscribed but not fully paid up</b> Equity shares of Rs. 10 each	-	-	-	-
<b>Total</b>	<b>550,007</b>	<b>5,500,070</b>	<b>550,007</b>	<b>5,500,070</b>

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, 2018		As at 31 March, 2017	
	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, 2018		As at 31 March, 2017	
	Number of shares		Number of shares	
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, 2018	As at 31st March, 2017
	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	166,875,015	167,185,061
Add: Profit for the year	366,275	(310,046)
Closing balance	170,537,773	166,875,015
<b>Total</b>	<b>199,937,773</b>	<b>196,275,015</b>

### Note 3 Long Term Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Term Loans		
From Banks	-	16,739
(Term Loan is secured against 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 "		
<b>Total</b>	<b>-</b>	<b>16,739</b>

### Note 4 Short-term borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
From banks/Financial Institutions: Secured Against Fixed Deposits	106,035	10,323
<b>Total</b>	<b>106,035</b>	<b>10,323</b>

### Note 5 Trade payables

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Trade payables	127,230,554	145,649,586
<b>Total</b>	<b>127,230,554</b>	<b>145,649,586</b>

### Note 6 Other current liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Loans and advances from related parties: Current Maturities of Long Term Debt(Refer Note3)	16,739	17,974,599 658,021
Statutory dues	40,076	130,853
Others Payables	8,097,285	14,689,159
<b>Total</b>	<b>8,154,100</b>	<b>33,452,633</b>

### Note 7 Short-term provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Provision for gratuity (Refer note 28)	868,483	1,337,266
<b>Total</b>	<b>868,483</b>	<b>1,337,266</b>



## Notes forming part of the financial statements

### Note 8 Fixed assets

Particulars	Gross block				Accumulated depreciation				Net block	
	Balance as at 1st April, 2017	Additions	Disposals/Transfer	Balance as at 31st March, 2018	Balance as at 1st April, 2017	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2018	Balance as at 31st March, 2017	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Electric Fitting	573,074	-	-	573,074	102,547	27,221	-	129,768	443,306	470,527
Computer Software & Hardware	2,608,977	-	-	2,608,977	2,549,119	-	-	2,549,119	59,858	59,858
Office equipment	375,227	40,950	-	416,177	35,475	19,683	-	55,158	361,019	339,752
Furniture & Fitting	1,581,568	-	-	1,581,568	254,903	100,113	-	355,016	1,226,552	1,326,665
Vehicles	4,462,403	-	127,132	4,335,271	2,186,146	753,464	127,132	2,812,478	1,522,793	2,276,257
Land	14,681,628	-	-	14,681,628	-	-	-	-	14,681,628	14,681,628
Building	2,643,376	-	-	2,643,376	104,505	43,880	-	148,385	2,494,991	2,538,871
<b>Total</b>	<b>26,926,253</b>	<b>40,950</b>	<b>127,132</b>	<b>26,840,071</b>	<b>5,232,695</b>	<b>944,361</b>	<b>127,132</b>	<b>6,049,924</b>	<b>20,790,147</b>	<b>21,693,558</b>
<b>Previous year</b>	<b>26,706,878</b>	<b>219,375</b>	<b>-</b>	<b>26,926,253</b>	<b>4,624,098</b>	<b>608,597</b>	<b>-</b>	<b>5,232,695</b>	<b>21,693,558</b>	



Notes forming part of the financial statements

Note 9 Non Current Investments

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
(Quoted) 120000 (Nil) Equity Shares of Rs. 10/- each of Prime Industries Ltd	0	120000
<b>Total</b>	<b>0</b>	<b>120000</b>
Market value as on 31.03.2018	0	91200

Note 10 Long-term loans and advances

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Advance income tax (net of provision for tax)	2,076,829	710,002
<b>Total</b>	<b>2,076,829</b>	<b>710,002</b>

Note 11 Inventories

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Stock -In-Trade (acquired for trading) Commodities	1,889,515	-
<b>Total</b>	<b>1,889,515</b>	<b>-</b>

Note 12 Trade receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six Unsecured, considered good	3,463,640	3,280,830
Other Trade receivables Unsecured, considered good	9,224,311	4,084,517
<b>Total</b>	<b>12,687,951</b>	<b>7,365,347</b>

Note 13 Cash and cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Cash In hand/Imprest	201,998	196,886
Cheques, Drafts In Hand (Net)	488,778	9,026,089
Balances with banks		
In current accounts	262,461	13,648,934
In deposit accounts *	196,000,000	209,500,000
<b>Total</b>	<b>196,953,237</b>	<b>232,371,909</b>

Notes:

\* Deposit are pledged against overdraft facility, margin with exchange and bank guarantee etc.

Note 14 Short-term loans and advances

Particulars	As at 31st March, 2018	As at 31st March, 2017
	Rs.	Rs.
Loans and advances towards :		
Margin Deposit with Commodity Exchanges & Other	61,107,792	111,290,090
Amount due from holding company	36,757,177	-
Prepaid expenses	297,180	181,597
Advances recoverable in cash or in kind for value to be received	9,140,957	7,589,489
<b>Total</b>	<b>107,303,106</b>	<b>119,061,176</b>



## Notes forming part of the financial statements

### Note 15 Revenue from operations

Particulars	For the year ended	For the year ended
	31st March, 2018	31st March, 2017
Income from Brokerage/Sale Purchase of Commodities/Units/Derivative Trading	70,575,235	93,105,833
Interest Income	16,417,323	20,099,759
<b>Total</b>	<b>86,992,559</b>	<b>113,205,592</b>

### Note 16 Other income

Particulars	For the year ended	For the year ended
	31st March, 2018	31st March, 2017
	Rs.	Rs.
Other non-operating income		
Miscellaneous income	637,231	2,232,015
<b>Total</b>	<b>637,231</b>	<b>2,232,015</b>

### Note 17 Employee benefits expense

Particulars	For the year ended	For the year ended
	31st March, 2018	31st March, 2017
	Rs.	Rs.
Salaries and wages *	23,511,259	27,016,077
Staff welfare expenses	8,405	5,818
<b>Total</b>	<b>23,519,664</b>	<b>27,021,895</b>

\* Includes Gratuity amounting to Rs.1842412/- (Year ended March 31, 2017 :Rs .644711/-)

### Note 18 Finance costs

Particulars	For the year ended	For the year ended
	31st March, 2018	31st March, 2017
	Rs.	Rs.
Interest expense on:		
Borrowings	1,213,467	483,980
Other borrowing costs		
- Bank Charges	406,950	1,190,646
<b>Total</b>	<b>1,620,417</b>	<b>1,674,626</b>



## Notes forming part of the financial statements

### Note 19 Other expenses

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Rs.	Rs.
Printing & Stationery	370,085	358,719
Postage, Telegram & Telephone	292,238	535,506
Rent	3,214,052	1,645,708
Fees & Taxes	119,959	197,188
Travelling & Conveyance	290,940	462,647
Legal & Professional Charges	1,060,880	4,941,910
Sub-Brokerage	24,758,437	35,848,764
Turnover Charges	20,398,169	25,253,068
Payments to auditors		
As auditors - statutory audit	200,000	60,000
- Tax Audit	50,000	20,000
Office & Other Maintenance	1,270,243	1,229,334
General Expenses	1,566,833	2,171,263
V-Sat,Internet/User Id Subscription Charges	1,376,305	1,336,629
Bad Debts	687,208	1,406,565
<b>Total</b>	<b>55,655,350</b>	<b>75,467,300</b>





## Name of the Company

Notes forming part of the financial statements

Note 20 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, Master Portfolio services Limited
Associates/Enterprises owned or significantly influenced by key management persons or their relatives	Master Share & Stock Brokers Ltd, Harjeet Singh Arora (Huf), Hk Arora Real Estate Services Limited, Prime Industries Limited, Master Infrastructures & Real Estate Ltd, H.A. Shares and stock brokers Ltd, H.Arora & Co, MII Capital Consultants Pvt Ltd, R.K. Singhania Huf, Harinder Singh Huf, Sanawar Investments, Phda Financial Services Pvt Ltd, Sainco India Pvt Ltd, Singhania Properties, Partnership Firms, Bigbuild Real Estate Pvt Ltd, Amni Real Estate Pvt Ltd, Subal Securities Pvt Ltd, Vision Investments, Pawan Capital Services Ltd, Prime Agro Farma Pvt Ltd
Key Management Personnel (KMP)	Mr. Harjeet Singh Arora, Mr. R.K. Singhania & Mr. Harinder Singh, Mr. G S Chawla, Mr. Pawan Chhabra
Relatives of KMP	Mrs. Hameesh kaur Arora, Palka A Chopra, Jashanjot Singh, Puneet Singhania, Chirag Singhania, Rohila Singha, Parveen Singhania, Isha Singhania, Charu Chhabra, Guneet Chawala, Maninder Singh

Note: Related parties have been identified by the Management.

## Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

	Rs.						
	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Associates	KMP	Relatives of KMP	Total
Brokerage Earned	-	-	14,274	-	-	-	14,274
Purchases	-	-	(8,231,792)	-	-	-	(8,231,792)
Interest Earned	-	301,957 (4,340,868)	-	-	-	-	301,957 (4,340,868)
Rent Paid	-	-	455,400	455,400 (9,000)	31,250 (75,000)	31,250 (75,000)	973,300 (159,000)
Professional Charges	-	-	1,000,000 (2,400,000)	-	-	-	1,000,000 (2,400,000)
Equity Contribution	-	5,500,020 (5,500,020)	-	-	-	-	5,500,020 (5,500,020)
Corporate Guarantees given by others	200,000,000 (200,000,000)	-	-	-	-	-	200,000,000 (200,000,000)
Balances outstanding at the end of the year							
receivable		36,757,177 (17,974,599)					36,757,177 (17,974,599)

Note: Figures in bracket relates to the previous year



**Notes forming part of the financial statements**

**21 Contingent liabilities**

- (a) Bank Guarantees of Rs 37.50 Lacs (previous year Rs.637.50 Lacs) in favour of Multi Commodity Exchange of India Ltd for our exposure as Trading/Clearing Member.
- (b) Bank Guarantees of Rs. 32.50 Lacs (previous year Rs.132.50 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 number WTM/RKA/ISD/162/2014 dated 19 December, 2014 by SEBI in the matter of First Financial Services Limited, Master Commodity Services Limited amongst others, was 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 had affected one of its activity i.e. trading/investment in securities till further directions.

The SEBI had further issued confirmatory Ad-interim order WTM/RKA/ISD/113/2016 dated 25 August 2016 confirming the aforesaid Ex-Parte Ad-Interim Order and had given interim/additional reliefs to the entities.

Subsequent to the interim orders, an investigation was carried out to look into the role of debarred entities in price manipulation the FFSL. Upon completion of investigation, violation of provisions of SEBI Act, 1992 (SEBI Act) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (PFUTP Regulations) are not observed in respect of our company against which directions were issued vide the interim orders. As per the order number WTM/SR/SEBI/efd-DRA3/71/09/2017 dated SEPTEMBER 06, 2017 by SEBI the directions issued earlier vide interim orders need not be continued and hence revoked with immediate effect.

- (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.

22 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"

23 Deferred Tax Liability/ Assets as on 31.03.2018 is as follows

Particulars	Current Year	Previous Year
<b>Deferred tax liability/asset on account of depreciation</b>		
Opening Balance	(194833)	(93913)
During The Year	67430	(100920)
Closing	(127403)	(194833)
<b>Deferred tax liability/asset on account of Gratuity</b>		
Opening Balance	1114472	915287
During The Year	(890838)	199185
Closing	223634	1114472
<b>Net deferred tax asset</b>	<b>96231</b>	<b>919639</b>

**24 Amortization**

Intangible Assets are stated at cost less accumulated amount of amortization./impairment loss. Intangible Assets (computer software) are amortized on straight line method over their estimated useful life. In accordance with the Accounting Standard - 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India, the amortization period and the amortization method is reviewed at each period end.

25 Calculation of basic and diluted earning per share as per accounting standard (earning per share) issued by the Institute of Chartered Accountants of India.

Particulars	Current Year	Previous Year
Net Profit in Rupees	3682758	-310046
Number of equity shares Outstanding during the year	550007	550007
Nominal Value per share in (Rs.)	10	10
Basic and diluted earning per share	6.6	-0.56

26 Income from Brokerage / Commodity Units Trading Include Income from Brokerage Rs 6,11,14,387 /- ( Previous Year Rs.9,31,05,833/-) , and profit/loss on trading in commodities Rs 94,60,848/- (previous year Rs. Nil). Certain common expenses for use of common facilities/services have been shared/recovered by the associates according to usage of Services.



27 In the opinion of Board of Directors, Current assets, Loans & Advances have the value at which they are stated, if realized in ordinary course of business.

28 **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

Particulars	For the year ended 31st march,2018	For the year ended 31st march,2017
Current service cost	438,828	620,198
Interest cost on benefit obligation	252,995	236,967
expected return on plan assets	(149,798)	-
Net actuarial(gain)/loss recognised in the year.	1,245,419	(212,454)
<b>Balance Sheet</b>		
Present value of defined benefit obligation	5,154,479	3,373,266
Fair value of plan assets	4,260,996	2,010,981
Plan liability	893,483	1,362,285
<b>Changes In the present value of the defined benefit obligation are as follows</b>		
Opening defined benefit obligation	3,373,266	2,962,093
current service cost	438,828	620,198
Interest cost	252,995	236,967
Benefits paid	(156,029)	233,538
Actuarial (gain)/losses on obligation	1,245,419	(212,454)
Closing defined benefit obligation	5,154,479	3,373,266
<b>Changes in the fair value of plan assets as on 31/03/2018</b>		
Fair value of plan assets at beginning of year	2011000	
Expected return on plan assets	149798	-19.00
Contributions	2100198	2011000
Benefits Paid		
Actuarial gain/(loss) on Plan assets		
Fair value of plan assets at the end of year	4260996	2010981
<b>The principal assumptions used in determining gratuity obligation for the company's plan are shown below</b>		
Discount rate	7.50	8.00
Expected rate of Future salary esclation	7.00	7.00

29 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 the interest on such fdr's has not been accrued to the Company's account.

30 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 regarding the status under such Act.

31 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 <b>For Manjeet Singh &amp; Co.</b> Chartered Accountants Firm Registration Number 011831N		<b>For and on behalf of the Board</b>	
 <b>Manjeet Singh</b> Prop. M.No. 088759 Place, Ludhiana Date: 28.05.2018	 <b>Dinesh Kumar Sharma</b> General Manager Accounts	 <b>R. K. Singhania</b> Director DIN-00077540	 <b>Harjeet Singh Arora</b> Director DIN-00063176