

# 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, 2016 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.

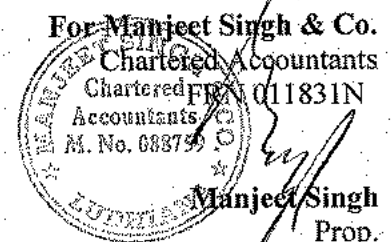
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## 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, 2016 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 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 18.1 (e) to the financial statement.
    - (ii) The Company did not have any outstanding long-term contracts including derivative contracts as at 31 March, 2016 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.



Ludhiana, 30<sup>th</sup> May, 2016

(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 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, 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.

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

Manjeet Singh  
Prop.

(Membership No. 088759)

Ludhiana, 30th May, 2016

## **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, 2016 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, 2016 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, 30th May, 2016

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

# MASTER COMMODITY SERVICES LTD

Balance Sheet as at 31st March, 2016

Particulars	Note	As at 31st March, 2016	As at 31st March, 2015
		Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	5,500,070	5,500,070
Reserves and surplus	2	196,585,061	189,891,833
<b>Long Term Liabilities</b>			
Long Term Borrowings	3	572,253	1,212,983
		<b>202,657,384</b>	<b>196,604,886</b>
<b>Current liabilities</b>			
Short-term borrowings	4	2,347,825	16,984,536
Trade payables	5	171,317,926	123,368,628
Other current liabilities	6	10,319,311	6,596,226
Short-term provisions	7	2,962,093	1,260,705
		<b>186,947,156</b>	<b>148,210,095</b>
<b>TOTAL</b>		<b>389,604,539</b>	<b>344,814,981</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	8	22,082,780	22,383,984
Long-term loans and advances	9	9,547,800	14,049,368
Deferred tax Assets(Net)	18.8	821,374	307,491
		<b>32,451,953</b>	<b>36,740,843</b>
<b>Current assets</b>			
Trade receivables	10	16,478,540	41,568,836
Cash and cash equivalents	11	201,830,196	121,638,488
Short-term loans and advances	12	138,843,850	144,866,814
		<b>357,152,586</b>	<b>308,074,138</b>
<b>TOTAL</b>		<b>389,604,539</b>	<b>344,814,981</b>
<b>Significant Accounting Policies Notes on Financial Statements</b>	1 to 19		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration Number 011837N

Accountants

M. No. 088759

Manjeet Singh

Prop.


M.No. 088759

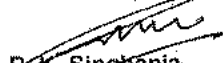
Place Ludhiana


Date: 30.05.2016



For and on behalf of the Board

  
Dinesh Sharma  
General Manager  
-Accounts-

  
R.K. Singhania  
Director  
DIN-00077540

  
Harjeet Singh Arora  
Director  
DIN-00083176

# MASTER COMMODITY SERVICES LTD

## Statement of Profit and Loss for the year ended 31st March, 2016

Particulars	Note No.	For the year ended	For the year ended
		31st March, 2016	31st March, 2015
		Rs.	Rs.
<b>INCOME</b>			
Revenue from operations (gross)	13	132,639,708	125,296,529
Other income	14	2,304,763	2,581,275
<b>Total Revenue</b>		<b>134,944,471</b>	<b>127,877,804</b>
<b>Expenses</b>			
Employee benefits expense	15	23,367,309	22,219,709
Finance costs	16	1,810,623	7,413,817
Depreciation	8	1,022,907	930,482
Other expenses	17	101,925,294	82,659,469
<b>Total Expenses</b>		<b>128,126,133</b>	<b>113,223,477</b>
<b>Profit before tax</b>		<b>6,818,338</b>	<b>14,654,327</b>
<b>Tax expense:</b>			
Current tax expense for current year		2,100,000	475,000
Deferred tax		(513,883)	(161,348)
Excess/ Less for Tax expense relating to prior years		(1,461,007)	(19,012)
<b>Profit for the year</b>		<b>6,693,228</b>	<b>14,359,687</b>
<b>Earnings per equity share of face value Rs. 10 each</b>			
Basic and Diluted ( in Rs.)		12.17	26.11
Weighted average number of shares outstanding		550,007	550,007
<b>Significant Accounting Policies</b>	<b>1 to 19</b>		
<b>Notes on Financial Statements</b>			

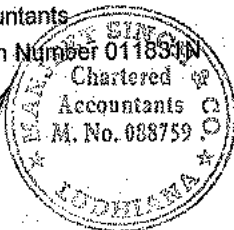
As per our Report of even date

For Manjeet Singh & Co.

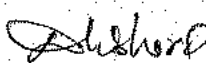
Chartered Accountants

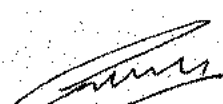
Firm Registration Number 011891N


Manjeet Singh  
Prop.  
M.No. 088759  
Place: Ludhiana  
Date: 30.05.2016



For and on behalf of the Board

  
Dinesh Sharma  
General Manager  
-Accounts

  
R. K. Singhania  
Director  
DIN-00077540

  
Harjeet Singh Arora  
Director  
DIN-00063176



# MASTER COMMODITY SERVICES LTD

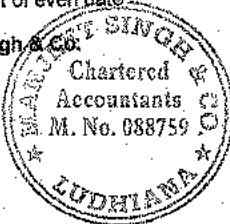
Cash Flow Statement for the year ended 31st March, 2016

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit before tax and extraordinary items		6,818,338		14,654,327
<u>Adjustments for:</u>			930,483	
Depreciation and amortisation	1,022,908			
Miscellaneous Expenditure		1,022,908		930,483
Operating profit before working capital changes		7,841,246		15,584,810
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories				
Trade receivables	25,090,296			
Short-term loans and advances	6,022,964			
Long-term loans and advances	4,501,568			
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	47,949,298			
Other current liabilities	3,723,085			
Short-term borrowings	(15,277,441)			
Short-term Provisions	1,701,388			
		73,711,158		
		81,552,404		15,584,810
Cash flow from extraordinary items				
Cash generated from operations		81,552,404		(455,988)
Net income tax (paid) / refunds		(638,993)		
<b>Net cash flow (used in) operating activities (A)</b>		80,913,411		15,128,822
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		(721,704)		(18,670,779)
Sale of fixed assets				277,777
Purchase of Investment				
Sale of Investment				
<b>Net cash flow (used in) investing activities (B)</b>		(721,704)		(18,393,002)
<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>Net (decrease) in Cash and cash equivalents (A+B+C)</b>		80,191,707		(3,264,180)
Cash and cash equivalents at the beginning of the year		166,179,714		169,443,894
Cash and cash equivalents at the end of the year		246,371,421		166,179,714

As per our Report of even date

For Manjeet Singh & Co.

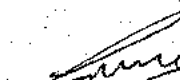
Chartered  
FRM 011831N



Manjeet Singh  
Prop.  
M.no. 088759  
Place: Ludhiana  
Date: 30.05.2016

For and on behalf of the Board

  
Dinesh Sharma  
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

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

### H Employee Benefits

Under the provident fund plan, the Company contribute to government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution

The Company has provided the provision for the gratuity and charges to revenue.

### 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, 2016		As at 31 March, 2015	
	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, 2016		As at 31 March, 2015	
	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, 2016		As at 31 March, 2015	
	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, 2016	As at 31st March, 2015
	Rs.	Rs.
<b>Securities Premium Account</b> As per last Balance Sheet	29,400,000	29,400,000
<b>Profit and Loss Account</b> As per last Balance Sheet	160,491,833	146,132,145
Add: Profit for the year	6,693,228	14,359,687
Closing balance	<b>167,185,061</b>	<b>160,491,832</b>
<b>Total</b>	<b>196,585,061</b>	<b>189,891,832</b>

### Note 3 Long Term Borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
<b>Term Loans</b> From Banks (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, 2016 have been grouped under " Current maturities "	572,253	1,212,983
<b>Total</b>	<b>572,253</b>	<b>1,212,983</b>

### Note 4 Short-term borrowings

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
From banks/Financial Institutions: Secured Against Fixed Deposits	2,347,825	16,984,536
<b>Total</b>	<b>2,347,825</b>	<b>16,984,536</b>

### Note 5 Trade payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Trade payables	171,317,926	123,368,628
<b>Total</b>	<b>171,317,926</b>	<b>123,368,628</b>

### Note 6 Other current liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Current Maturities of Long Term Debt(Refer Note3)	807,696	807,696
Statutory dues	1,507,356	856,658
Others Payables	8,004,259	4,931,872
<b>Total</b>	<b>10,319,311</b>	<b>6,596,226</b>

### Note 7 Short-term provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Provision for gratuity	2,962,093	1,260,705
<b>Total</b>	<b>2,962,093</b>	<b>1,260,705</b>

## Notes forming part of the financial statements

### Note 9 Long-term loans and advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Security & Membership Deposits Unsecured, considered good		2,520,250
Advance income tax (net of provision for tax)	9,547,800	11,529,118
<b>Total</b>	<b>9,547,800</b>	<b>14,049,368</b>

### Note 10 Trade receivables

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment  Unsecured, considered good	3,403,026	9,114,456
Trade receivables outstanding for a period less than six months from the date they were due for payment  Unsecured, considered good	13,075,514	32,454,380
<b>Total</b>	<b>16,478,540</b>	<b>41,568,836</b>

### Note 11 Cash and cash equivalents

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Cash on hand/Imprest	129,693	95,196
Net Cheques, Drafts on Hand	68,982,734	6,962,196
Balances with banks In current accounts	1,717,769	12,331,096
In deposit accounts *	131,000,000	102,250,000
<b>Total</b>	<b>201,830,196</b>	<b>121,638,488</b>

#### Notes:

\* Deposit are pledged against overdraft facility

### Note 12 Short-term loans and advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
Loans and advances towards :		
Margin Deposit with Commodity Exchanges & Other Advances: Unsecured, considered good	109,741,090	106,567,501
Loans and advances to related parties for Business Operations: Unsecured, considered good	21,901,749	28,960,659
Prepaid expenses - Unsecured, considered good	668,680	597,586
Other Loans & Advances- Unsecured, considered good	6,532,331	8,741,068
<b>Total</b>	<b>138,843,850</b>	<b>144,866,814</b>

## Notes forming part of the financial statements

### Note 13 Revenue from operations

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Income from Brokerage/Sale Purchase of Commodities/Units/Derivative Trading	120,665,989	97,053,397
Interest Income	11,973,720	15,700,358
Dividend Income	-	12,542,774
<b>Total</b>	<b>132,639,708</b>	<b>125,296,529</b>

### Note 14 Other income

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rs.	Rs.
Other non-operating income Miscellaneous income	2,304,763	2,581,275
<b>Total</b>	<b>2,304,763</b>	<b>2,581,275</b>

### Note 15 Employee benefits expense

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rs.	Rs.
Salaries and wages *	22,924,927	21,708,963
Staff welfare expenses	442,382	510,746
<b>Total</b>	<b>23,367,309</b>	<b>22,219,709</b>

\* Includes Gratuity amounting to Rs.1701388/- (Year ended March 31, 2015 :Rs.696959/-)

### Note 16 Finance costs

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rs.	Rs.
Interest expense on: Borrowings	462,997	5,731,951
Other borrowing costs - Bank Charges	1,347,626	1,681,866
<b>Total</b>	<b>1,810,623</b>	<b>7,413,817</b>

## Notes forming part of the financial statements

### Note 17 Other expenses

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rs.	Rs.
Annual & Other Membership Charges		
Printing & Stationery	577,855	992,204
Postage, Telegram & Telephone	1,090,939	982,168
Rent	1,385,236	919,842
Fees & Taxes	78,936	8,010
Travelling & Conveyance	573,773	641,796
Legal & Professional Charges	4,057,710	4,789,974
Sub-Brokerage Paid	52,656,907	45,381,583
Turnover Charges Paid	26,356,759	25,029,061
Payments to auditors		
As auditors - statutory audit	60,000	60,000
For Other matters	20,000	20,000
Office & Other Maintenance	348,642	1,111,743
General Expenses	643,431	1,012,458
V-Sat,Internet/User Id Subscription Charges	1,623,946	1,684,938
Bad Debts	12,451,159	20,692
Preliminary Expenses Written off	-	5,000
<b>Total</b>	<b>101,925,294</b>	<b>82,659,469</b>

## Notes forming part of the financial statements

### 18. Notes on Accounts

- 18.1 Contingent liabilities
- (a) Bank Guarantees of Rs.1137.50 Lacs (previous year Rs.937.50 Lacs) in favour of Multi Commodity Exchange of India Ltd for our exposure as Trading/Clearing Member.
- (b) Bank Guarantees of Rs.215.00.Lacs (previous year Rs.115.00 Lacs) in favour of National Commodity & Derivatives Exchange Ltd for our exposure as Trading/Clearing Member.
- (c) Bank Guarantees of Nil (previous year Rs.6.00 Lacs) in favour of ACE Derivative & Commodity Exchange Ltd for our exposure as Trading/Clearing Member.
- (d) The Company has other small litigations with the clients/Govt. Departments, 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.
- (e) 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, 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 order is being contested by the company and is sub-judice. However, no significant or material orders have been passed by the regulators or courts or tribunals during the year. In the view of 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.
- 18.2 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.
- 18.3 The company is engaged in Commodity Broking and Sale/Purchase and there are no separate reportable segments as per Accounting Standard (AS) 17 on "Segment Reporting".
- 18.4 Income from Brokerage/Commodity Units Trading Include Income from Brokerage Rs.12,06,65,989 [Previous Year Rs.10,69,85,777/-] and Profit/(Loss) on Trading of Commodities/Derivatives/mf Units (-NIL-) [Previous Year (Rs.99,32,380/-)]. Certain common expenses have been paid/shared with group companies according to usage
- 18.5 Details of Guarantees & Loans covered under the provisions of Section 186 of the Act, are given in the notes 18.1 (a), (b), (c), 12 & 18.7 to the Financial Statement.
- 18.6 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 regarding the status under such Act.



Note 18.7 Disclosures under Accounting Standards (contd.)

Note	Particulars						
<b>Related party transactions</b>							
<b>Details of related parties:</b>							
	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, Master Infrastructure & Real Estate Developers Ltd, Partnership Firms, H.K Arora Real Estate Services Limited, Prime Industries Limited, Prime Agro Farms Pvt. Ltd., Sanawar investments, PHDA Financial Services Pvt. Ltd., Big Build Real Estate Pvt. Ltd., Sainco India Pvt. Ltd., Singhania Properties, MTL Capital Consultants Pvt.Ltd., Amni Real Estate Pvt.Ltd., Matria Estate Developers P. Ltd.				
	Key Management Personnel (KMP)		Mr. Harjeet Singh Arora, Mr. R.K Singhania, Mr. Harinder Singh, Mr.Pavan Chhabra, Mr.G.S Chawla				
	Relatives of KMP		Mrs. Hameesh kaur Arora, Paika Arora, Jashanjot Singh, Puneet Singhania, Chirag Singhania, Anil Kumar Bhatia, Ashwani Kumar, Sudhir Kumar, Parveen Singhania, Priyanka Thakral, Rohilla Singhania & Isha Singhania.				
Note: Related parties have been identified by the Management.							
<b>Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2018:</b>							Rs.
	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Associates	KMP	Relatives of KMP	Total
Brokerage Earned	(1,494,101)	-	12,514,363 (9,562,210)	(507,480)	(640)	-	12,514,363 (11,564,431)
Purchases	-	-	-	-	-	-	-
Interest Earned	(2,577,122)	1,728,623 (1,025,878)	-	-	-	-	1,728,623 (3,603,001)
Interest Paid	-	-	-	-	-	-	-
Rent Paid	-	-	-	9,000 (9,000)	75,000 (75,000)	75,000 (75,000)	159,000 (159,000)
Professional Charges	-	-	2,400,000 (500,000)	-	-	-	2,400,000 (500,000)
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)
<b>Balances outstanding at the end of the year</b>							
Loans and advances	(28,960,659)	21,901,749	-	-	-	-	21,901,749 (28,960,659)
Trade payables	-	-	14,387,025 (16,786,060)	-	(25,045)	-	14,387,025 (16,811,105)
Note: Figures in bracket relates to the previous year							

Name of the Company  
Notes forming part of the financial statements

Note 18.8 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31 March, 2016	As at 31 March, 2015
		Rs.	Rs.
18.8	<b>Deferred tax (liability) / asset</b>		
	<u>Tax effect of items constituting deferred tax liability</u> On difference between book balance and tax balance of fixed assets	(93,913)	(82,067)
	Tax effect of items constituting deferred tax liability	(93,913)	(82,067)
	<u>Tax effect of items constituting deferred tax assets</u> Provision for compensated absences, gratuity and other employee benefits	915,287	389,558
	Tax effect of items constituting deferred tax assets	915,287	389,558
	<b>Net deferred tax asset</b>	<b>821,374</b>	<b>307,491</b>

Note 19 Previous year's figures

Note	Particulars
19	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

M. No. 088759

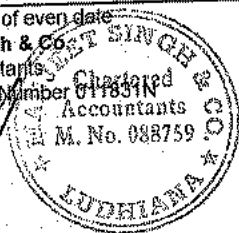
Manjeet Singh

Prop.

M.No. 088759

Place: Ludhiana

Date: 30.05.2016



For and on behalf of the Board

*Dinesh Sharma*  
Dinesh Sharma  
General Manager-  
Accounts

*R. K. Singhania*  
R. K. Singhania  
Director

*Harjeet Singh Arora*  
Harjeet Singh Arora  
Director

DIN-00077540

DIN-00063176