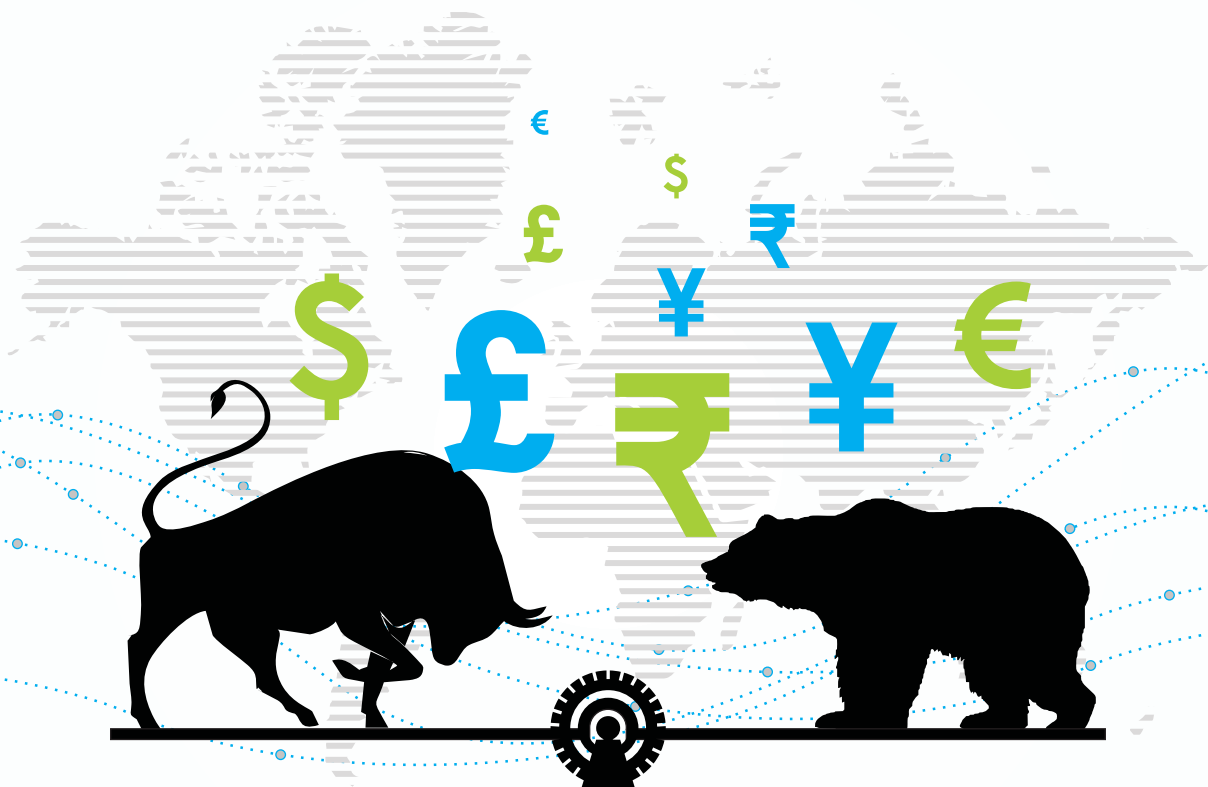


annual report

2011-2012




mastertrust

IN MASTER I TRUST

BOARD OF DIRECTORS

Mr. Harjeet Singh Arora – Managing Director

Mr. R.K. Singhania

Mr. Pavan Chhabra

Mr. Sanjay Sood- Executive Director

Mr. G.S. Chawla

Mrs. H.K. Arora

Mr. Anil Kumar Bhatia

Mr. Sudhir Kumar

Mr. Ashwani Kumar

Mr. Anil Kumar Malhotra

COMPANY SECRETARY

Mr. Honey Ahuja

AUDITORS

M/s Manjeet Singh & Co.,
Chartered Accountants,
1761, Phase-II, Urban Estate
Dugri, Ludhiana

REGISTRAR AND SHARE TRANSFER AGENT

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

BANKERS

HDFC Bank Limited
Oriental Bank of Commerce Ltd.
Karnataka Bank Ltd.
ICICI Bank Ltd.
Kotak Mahindra Bank Ltd.
Canara Bank Ltd.

CONTENTS

Vision Mission Philosophy	Managing Directors' Speech	Board of Directors	Milestones	Business Highlights	Management Discussion & Analysis
5	6	10	12	13	16
Industry Scenario	Director's Report	Report on Corporate Governance	CEO Certificate	Auditors' Certificate	Auditors' Report
19	23	28	36	37	38
Financial Report					
Balance Sheet	Statement of Profit & Loss	Cash Flow Statement	Significant Accounting Policies	Notes on Financial Statements	
44	45	46	47	49	
Consolidated Financial Statement					
Auditor's Report on Consolidated Financial Statements	Consolidated Balance Sheet	Consolidated Statement of Profit & Loss	Consolidated Cash Flow Statement	Significant Accounting Policies	Notes on Consolidated Financial Statements
60	61	62	63	64	67
Financial Information of Subsidiary Companies	Forward Looking Statement				
78	79				





MISSION

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

VISION

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

CORPORATE PHILOSOPHY

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





MANAGING DIRECTOR'S SPEECH

Dear Shareholders,

On whole, the year 2011-12 was a very challenging year for the economy in general and financial services sector in particular as the Indian GDP growth started to moderate once again after a robust performance during the year 2009-10 and 2010-11. The moderation was due to high inflation and interest rates. Moreover, fiscal mismanagement and policy deadlock during last one year resulted in deceleration in investment growth in the country. Apart from that, devaluation of the domestic currency has also added pressure on India's current account balance. Spreading euro zone sovereign debt crisis is also putting pressure on foreign investment flow to the nation.

Despite a challenging year, at MASTER TRUST, we guided the company through this challenging period with the same prudent approach that has served us well for the last 27 years. We have built a resilient and diverse business, and our enduring strength enabled us to remain focused on helping our clients navigate the impact of the global recession. While other companies retrenched, we captured opportunities, including investment in human capital, technology and assets that will accelerate our potential for growth and further differentiate your company. While significant economic headwinds remain, we have a clear vision of what we want to achieve, and we are confident that we have the right people, strategy and business model to realize our full potential.

Generating satisfactory results in a difficult year

While global economic and financial conditions remained under pressure for most of 2011, India's GDP growth was at 6.5% compared to 8.5 % in the previous financial year. Despite the constraints caused by slowdown of economy and the challenging year, your Company performed reasonably well signifying your Company's ability to tide over tough economic times. We are proud that we returned ₹ 6.10 million to shareholders through dividends and this year also, the Board of Directors has recommended a dividend of 10% amounting to ₹10.88 million.

On a consolidated basis, the Company's gross income posted a reasonable growth of 10.42 % to reach ₹959.60 mn as compared to ₹869.04 mn in the previous year. Although, Profit before tax declined by 14.33 % to ₹133.83 mn as compared to ₹156.21 mn in the previous year and Net profit after tax declined by 6.93 % to ₹116.83 mn as compared to ₹125.53 mn in the previous year, the Networth of the Company has increased by 36.16 % to ₹1424.45 mn as compared to ₹1046.10 mn in the previous year due to infusion by the promoters and others.

The year under review has seen a steady but mixed performance in key sectors in the economy with agriculture and services sectors showing growth but manufacturing, construction and infrastructure slowing down. Although Real GDP growth of the year 2011-12 was the lowest growth rate since 2005-06 but this downward trend may end during the year 2012-13 (current fiscal year) as both Inflation and Interest rate cycle are peaking. Moreover, Government should act fast to initiate reform policies that were pending since long time due to political uncertainty. Coordinated efforts by both Government and Central bank with fiscal consolidation and monetary

growth in the coming year. As the India Story is almost on the brink on faltering and concerns rise over how long the market will remain sluggish, economists are starting to question whether India will continue to "shine". Whether our new Finance Minister will make a difference in "policy paralysis" is the key question today? The long run prospects of our country are enormous but the question of when certain reforms will take place and re-start growth is the key sign that investors and firms will need to read carefully. We remain optimistic and will continue to work for enhancement of shareholder value.

We look forward to the year with a "5 P" approach to capitalize on the expected turnaround in the industry in the current fiscal year.

1. People Management

We continue to recognise our people as our greatest assets and continue to provide tremendous learning and growth opportunities for our team. A coherent team of people is the right ingredient for any success story. Further, we have strengthened the Board with fresh talent in the form of – Mr. Jashanjyot Singh (Director, Master Capital Services Limited) and Mr. Puneet Singhanian (Director, Master Capital Services Limited) to augment our team. Due to their efforts along with the guidance of senior management and executives, our programmes like "Master Connect" and "Master Rewards" are running successfully.

2. Propinquity to Customers

Our business is built on the personal, long-term relationships that clients form with our financial advisors. Through our Think > Plan > Track > approach to financial planning, we start by gaining a complete understanding of client's individual goals and dreams, and then offer advice to each client. As conditions change and life events occur, our advisors work closely with clients to assess their needs and adjust financial plans accordingly. This personal connection and long-term focus differentiates us from our competitors and defines our position in the marketplace. As with any competitive market where incumbents are a favored poaching ground for the newcomers for business and clients, your Company continues to thrive despite increasing competition due to the continued focus on long term relationship oriented approach, delivering unbiased advise to our clients. We have experienced high customer satisfaction and retention rates despite a difficult year as a result of this approach.

3. Planning Future

Glancing at the future, we foresee tremendous opportunities, offered by our booming economy. Our efforts would be to help tap these opportunities and meet our client's financial needs. Financial Services Industry is expected to grow by leaps and bounds over the next decade. Your Company has also identified various areas and focussed on the growing segments within the Financial Services Industry. The necessary steps in terms of identification of business verticals and development of dedicated focused team on the vertical are being developed by your Company meticulously.

4. Position Maintenance

Today, your Company has a dominant position in many aspects of the business, and we have continued to invest to strengthen our position in the industry in a sustainable manner. Despite the tough market conditions, we will continue to channelize all our efforts in maintaining this current position and strive for improving the same going forward. Size is going to be of significant competitive advantage in the financial services industry.

5. Proactive Servicing

The goal of a service provider is to respond to a customer's query with speed, accuracy and efficiency. This is true at MASTER TRUST with a difference; this responsiveness is not a goal in itself; it represents the originating point in our customer relationship cycle. We recognise that it is not only important to provide all that the customer requires, it is also critical to provide what he or she has been unable to articulate as well. We are leveraging technology also in being as proactive as possible by suggesting to clients new products and services based on their transaction history and profile and continuously updating our customers' knowledge with regular SMS alerts and e-mails apart from the omnipresent personal touch.

Closing a challenging year, I am grateful to our Board of Directors for their support & guidance. I am also thankful to all our stakeholders, customers, employees, clients, bankers, sub-brokers, business associates, vendors and shareholders, who have reposed their trust and given us constant support.



Harjeet Singh Arora
Managing Director





Mr. G.S. Chawla

(B.E., M.B.A., D.B.F.) has worked with Public Financial Institutions & Corporates for more than 12 years. He also has 15 years rich experience of Capital Market, Finance, Merchant Banking, Research, IT and other related activities with group.



Mr. Harinder Singh*

(B.Com, I.C.W.A.-Inter) has been monitoring the Secondary Market operations of the group for more than 15 years.



Mr. Pavan Chhabra

(F.C.A.) is having a rich experience of more than 20 years in Primary and Secondary Capital Market, Institutional Broking Business and other Merchant Banking activities.



Mr. R.K. Singhania

(F.C.A.) is another co-promoter of the group. He had over 10 years experience as Director(Finance) with a top Corporate before joining the group. He is having more than 30 years experience in Corporate Strategy, Tax Planning, Financial Engineering and M & A space.

DIRECTORS



Mr. Harjeet Singh Arora

(FCA, FCS)

As a founder entrepreneur, he has been instrumental in making Master Group one of the leading Financial Services players in India. He laid the foundation of the group in 1985 under the name of Arora Financials (P) Ltd. He has handled more than 150 public issues and has been involved in many other merchant banking & investment banking mandates of top corporates of India. He has over 30 years of experience in Corporate Finance, Capital Market and Financial Advisory Services.



Mr. Sanjay Sood

(F.C.A.) is having more than 15 years of experience in Merchant Banking, Foreign Exchange Management, Financial and Retail services.



Mr. Puneet Singhania*

(M.B.A., C.F.A.) is involved in new initiatives in the group and assists other Directors in corporate strategy. Prior to joining the Company, he was working with ING Investment Management in India in their equity fund management department.



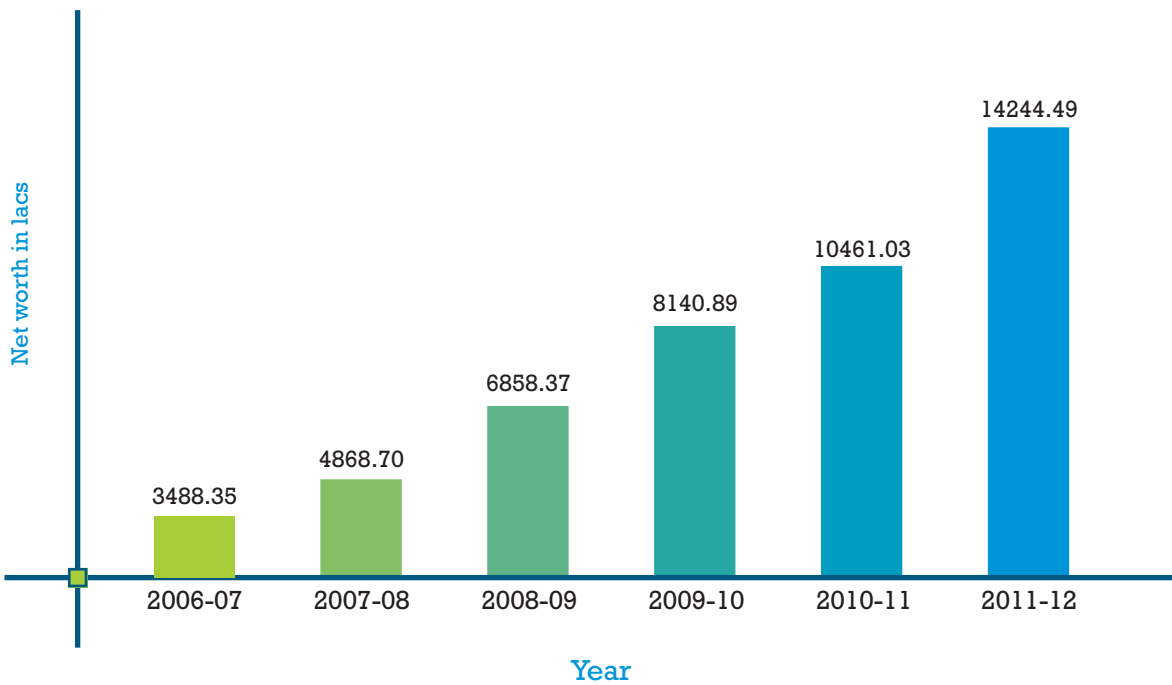
Mr. Jashan Arora*

(A.C.A.) is overseeing the arbitrage business and also marketing initiatives on all India Level. He is actively involved on the I-Banking front and private equity deals for the company.

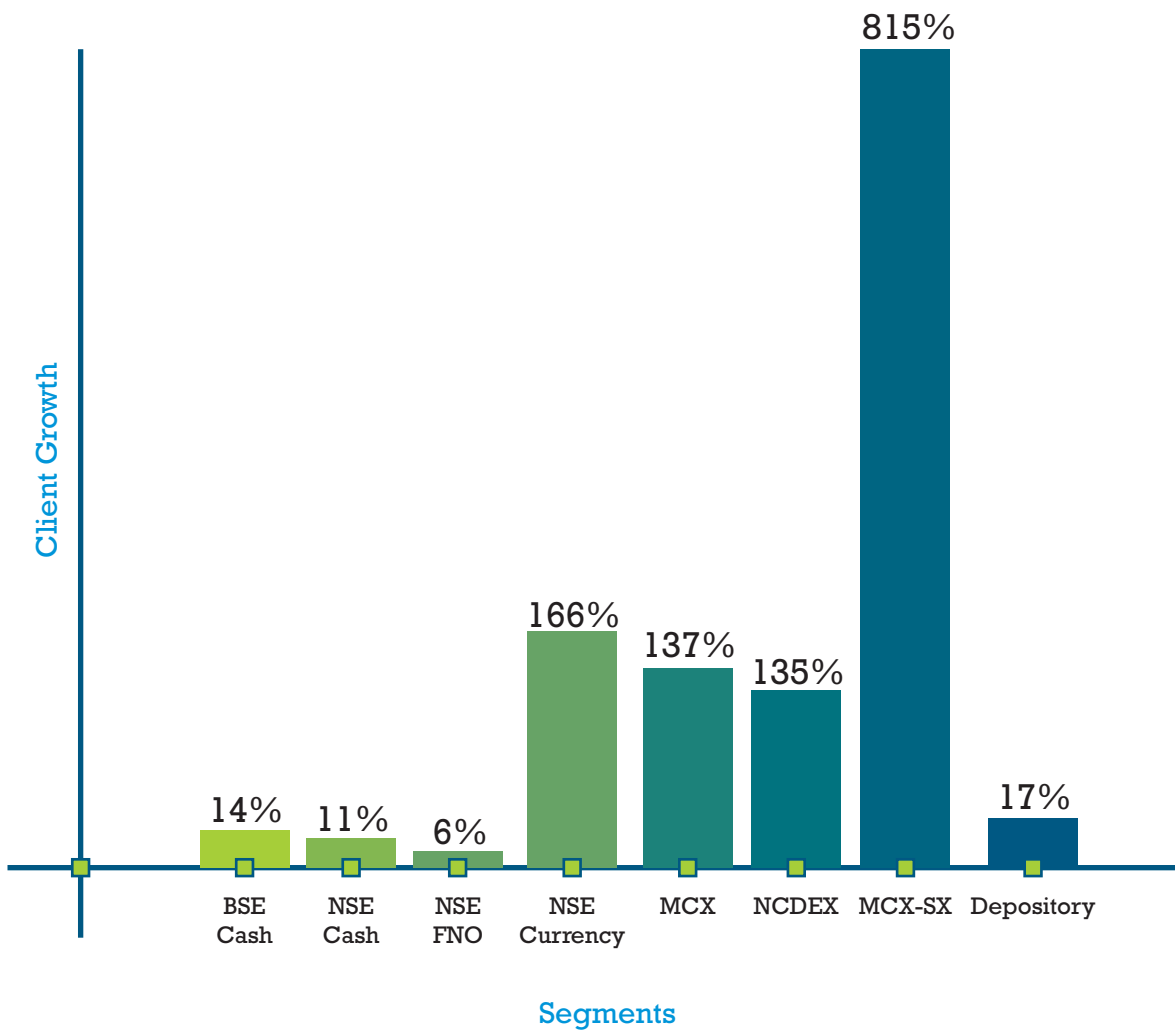
MILESTONES

- 1985** Company was incorporated by the name of Arora Financial Consultants Limited
- 1993** Acquired status of SEBI accredited Category-I Merchant Bankers under the name Master Trust Limited
- 1994** Master Capital Services Ltd. acquired membership of NSE
- 1995** Master Trust Ltd. came out with an IPO
- 1997** Became RBI approved Full Fledged Money Changers
- 1999** Launched Depository Services as a Depository participant of NSDL
- 2001** Launched Depository Services as depository participant of CDSL
- 2002** Entered into insurance business as advisor for Life & General Insurance
- 2004** Became member of NCDEX and MCX
Became Insurance Broker under the name of M/s Master Insurance Brokers
- 2005** Acquired the membership of Bombay Stock Exchange Limited
Commenced Internet Trading
Became SEBI Registered Portfolio Manager
- 2007** Set up regional offices at Baroda, Kolkata, Hyderabad, Allahabad, Hissar, Bhubneshwar & Ahmedabad
- 2008** Introduced Currency Derivatives trading through MCX-SX & NSE
- 2009** Established an arbitrage desk
Implemented Master Swift
Established CRM
- 2010** Trading turnover peaks US\$1 billion/day of group companies
Became members of NSEL and ACE
Arbitrage desk activated in spot commodity
Rebranding exercise of retail services
- 2011** Launched its flagship PMS product named Master Quant 10
Started algorithmic trading solutions to its trading clients named Master Pulse/ Master Trader
Opened branches in Jaipur, Patna and Mumbai

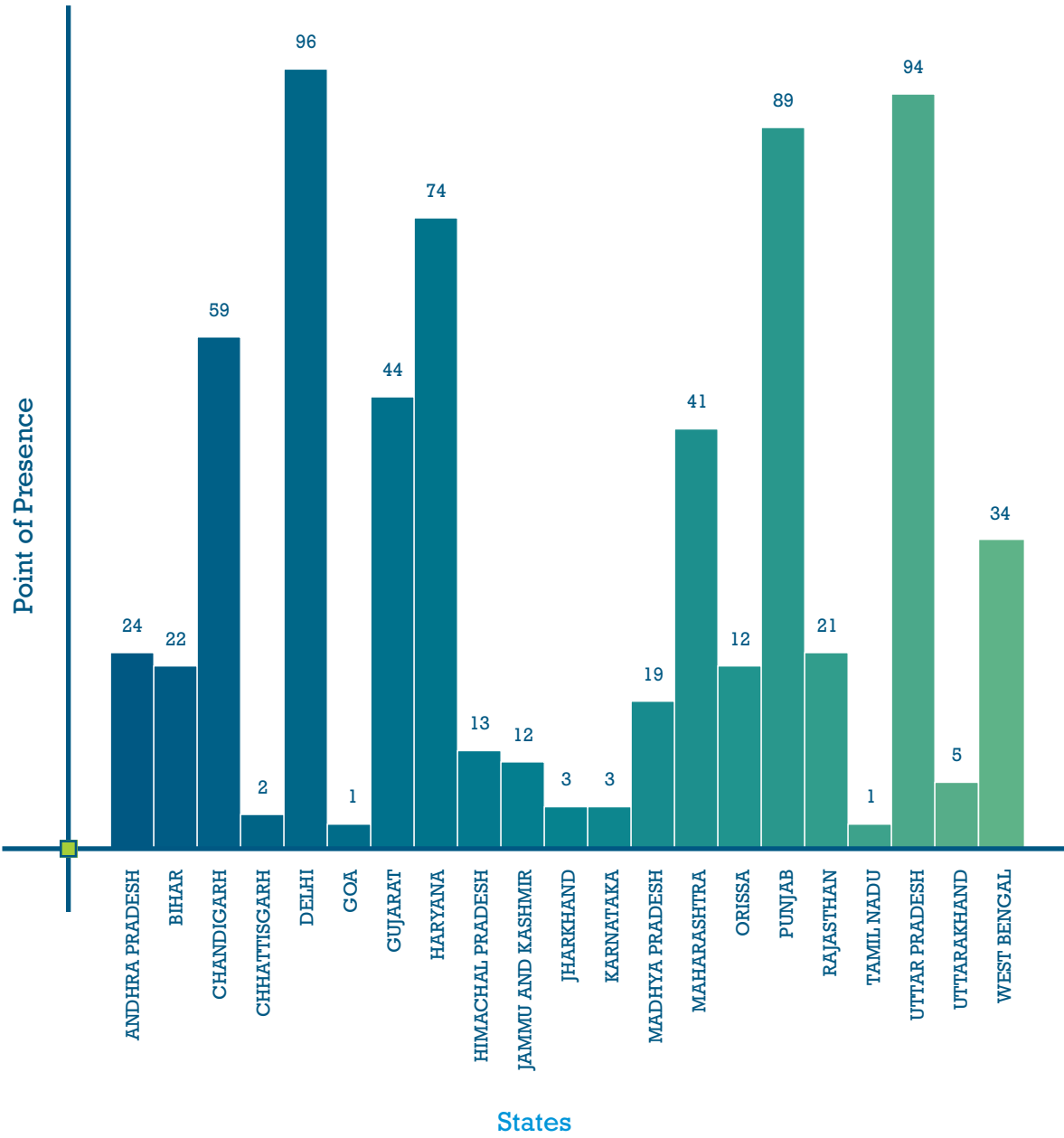
BUSINESS HIGHLIGHTS



Net worth



Client Growth



Points of Presence

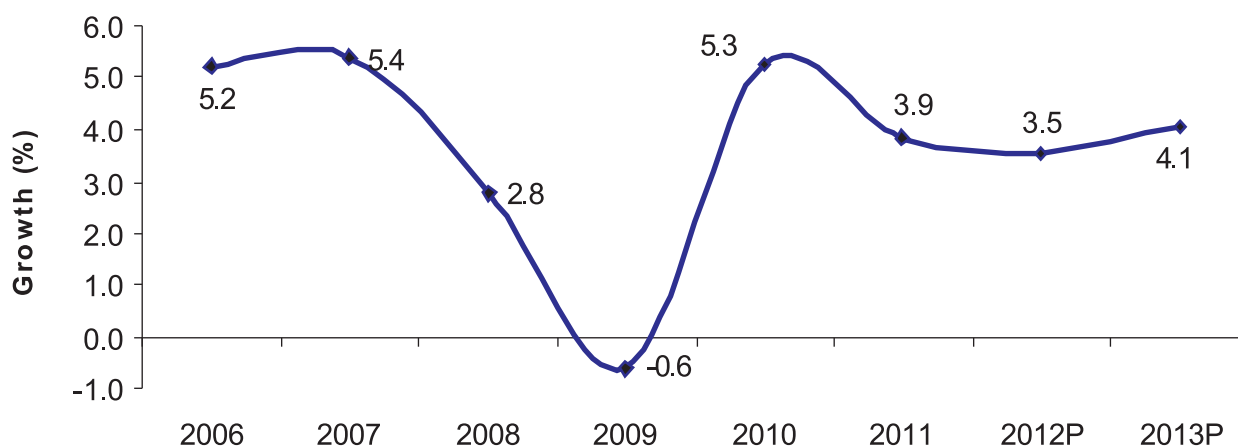


MANAGEMENT DISCUSSION & ANALYSIS

Global economic setback in 2012 on account of Euro Zone Crisis

IMF has projected global growth to drop from about 4 percent in 2011 to about 3½ percent in 2012 because of weak activity during the second half of 2011. Sluggish growth in 2011 was mainly due to the damage done by deteriorating sovereign and banking sector developments in the euro zone. The euro zone is still projected to go into a mild recession in 2012 as a result of the sovereign debt crisis, a general loss of confidence, the effects of bank deleveraging on the real economy, and the impact of fiscal consolidation in response to market pressures.

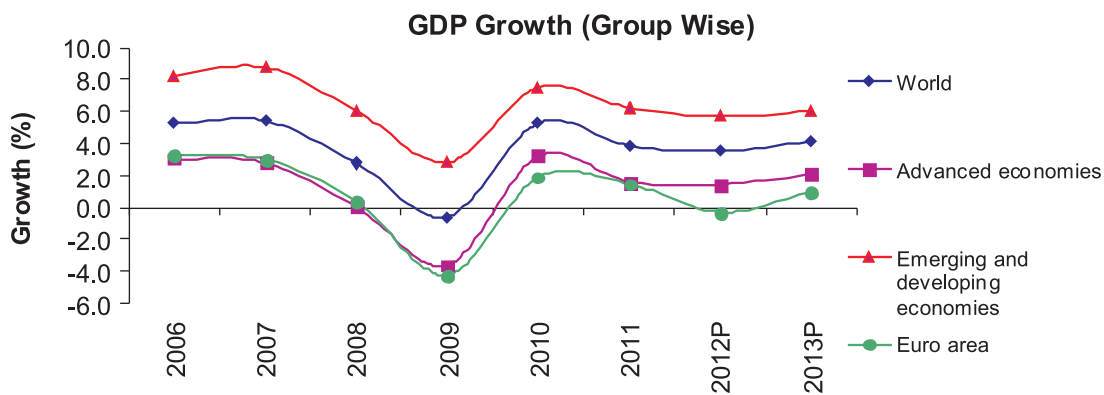
World GDP Growth (%)



Source: IMF, P= Projection

Emerging Economies still leading the growth

In many of the emerging/ developing economies in Asia, Latin America and Sub-Saharan Africa recovery had reached pre-crisis level in 2010. But, thereafter growth in emerging/ developing economies started to moderate due high inflation and interest rates. Real GDP growth in the emerging and developing economies is projected to slow from 6¼ percent in 2011-12 to 5¾ percent in 2012-13 but then to reaccelerate to 6 percent in 2013-14, helped by easier macroeconomic policies and strengthening foreign demand. But, financial volatility due to European sovereign debt crisis will persist throughout the year and may affect the growth of emerging and developing economies. However, situation may improve and growth may resume from 2013 onwards.



Source: IMF

The Indian growth story

The Indian real GDP growth started to moderate once again after a robust performance during the year 2009-10 and 2010-11. The moderation is due to high inflation and interest rates. Moreover, fiscal mismanagement and policy deadlock during last one year resulted in deceleration in investment growth in the country. Apart from that, devaluing domestic currency is also adding pressure on India's current account balance. Spreading euro zone sovereign debt crisis is also putting pressure on foreign investment flow to the nation.

Indian economy grew at 6.5% (Revised estimate) in the financial year 2011-12 as compared to 8.5% (Quick estimates) in the previous year. This was the worst annual performance since 2005-06. The downward revision in the GDP growth rate is mainly on account of lower performance in manufacturing and trade, hotels, transport and communication than anticipated. However, Real GDP growth is expected to pickup next year, if headline inflation and interest rates start moderating.

Q-o-Q Growth tumbled on high Inflation and interest rates

India has witnessed huge moderation in the quarter ending January-March 2012 by registering a growth of 5.3% as compared to 9.2% in the same quarter of previous year. Subdued performance was mainly due to weak performance of manufacturing and agricultural segments. However, moderating cycle is expected to bottom out this year if Inflation and interest rate cycle start to cool off.

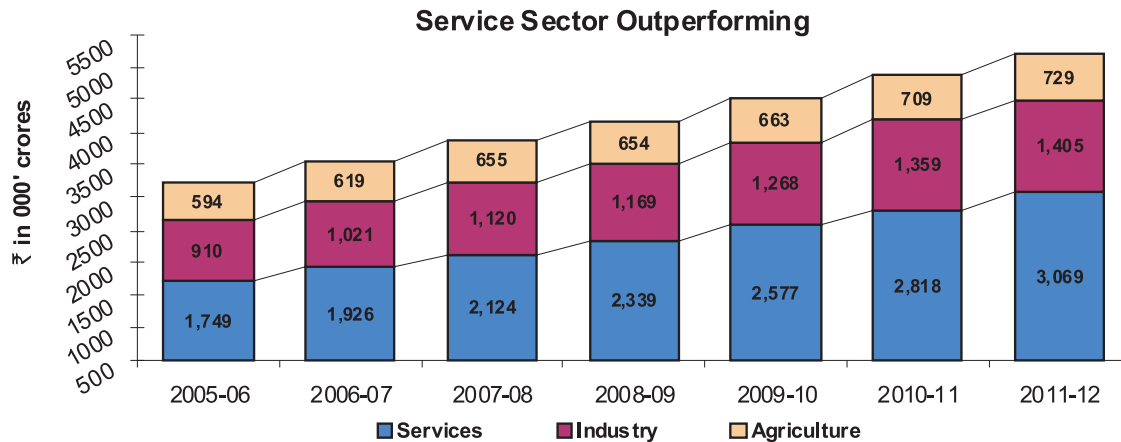


Source:CSO



Service Sector growth is still outperforming

Services sector registered a consistency growth over 8.91% although at slower pace than that of previous year, despite considerable setback in agriculture and manufacturing segment. Service sector has grown at average rate of 9.8% during last 6 years. This reflects that service sector is less vulnerable to the economic fluctuations seen in the Indian economy.



Service sector is contributing around 58% of GDP and financing activities including insurance, real estate and business services contributes around 17% of GDP currently. Although, the growth in financing and business activities has been moderated in last two years but the financial service segment has shown a consistency growth unlike any other segment with 5 year average growth registered around 10.67%. This 5 year average growth is the highest among services sector viz. Trade, Hotels, Transport & Communication (9.93%) and Community, Social & Personal services (8.36%). Thus, in the coming future, financial services segment is expected to show a robust growth.

Outlook

Last year, Indian economy has seen significant downward pressure due to high inflation and interest rates and policy gridlock. Fiscal mismanagement by the Government also played negative role in foreign capital flow to the country. Although Real GDP growth of the year 2011-12 was the lowest growth rate since 2005-06 but this downward trend may end during the year 2012-13 (current fiscal year) as both Inflation and Interest rate cycle are peaking out. But, Government should act fast to initiate reform policies that were pending since long time due political uncertainty. Coordinated efforts by both Government and Central bank with fiscal consolidation and monetary easing respectively will certainly help to resume growth in coming years.

INDUSTRY SCENARIO

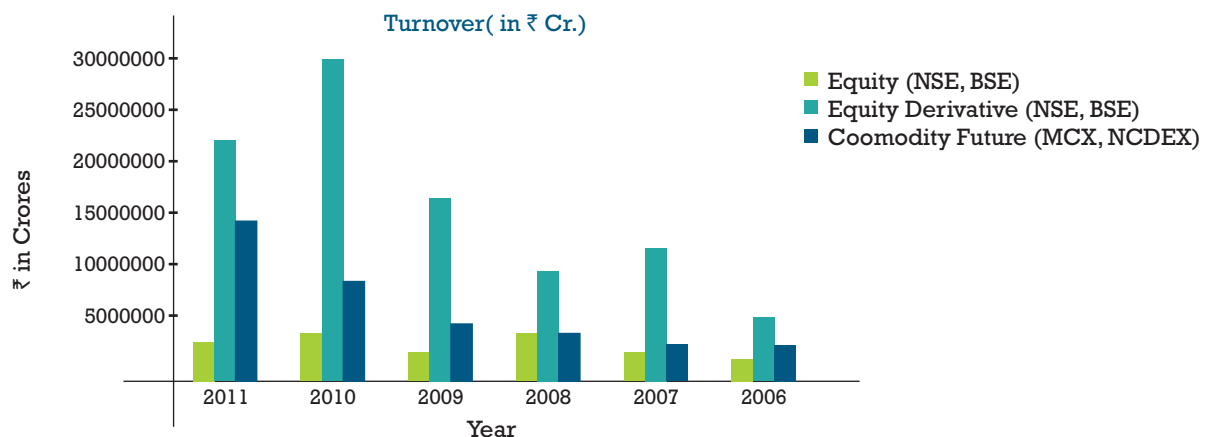
Indian Financial Sector Highlights

Indian economy grew only by 6.5% in 2011-12 mainly due to weakening industrial growth. But the robust growth in services sector, mainly financial sector, which posted growth of nearly 9.8 per cent this fiscal partially succeeded in stemming further slowing of the Indian economy.

- FII inflows stood at ₹47,935 crore (US\$ 9.34 billion) in the financial year ended March 31, 2012. (SEBI)
- Average assets under management (AUM) of the Indian mutual fund industry stood at ₹6,81,655 Crore as on 30 November 2011 compared to ₹6,65,282 crore as on 31 March 2011, indicating an increase of 2.5 per cent. (AMFI)
- India's foreign exchange reserves stood at US\$ 294.60 billion as on April 20, 2012. (RBI)
- India has emerged as an attractive investment destination for global investors as it witnessed 202 merger and acquisition (M&A) deals worth US\$ 9.4 billion during the first quarter of 2012 and has crossed the \$16 billion mark.
- There are 24 life insurers in India with about ₹1500000 Cr. (US\$ 292.5 billion) in assets, the life insurance industry collected ₹ 89,655.83 Cr. (US\$ 17.5 billion) during April 2011-February 2012 by writing new policies while the insurers sold about 35.12 million policies. (IRDA)
- The Indian banking sector is poised to become the world's third-largest in terms of assets over the next 14 years—with its assets poised to touch US\$ 28,500 billion by 2025. The bank deposits grew 13.4 per cent to ₹6072000 Cr. (US\$ 1.18 trillion) in the fiscal 2011-12 (the year to March 23, 2011) while loans and advances grew 17.08 percent to ₹ 4754000 Cr. US\$ 927.16 billion).
- India's equity market-cap as on Dec 2011 was US\$ 985 billion, 2.22% share of world market-cap.

Indian Brokerage Industry

The Indian financial market is growing rapidly, with significant potential for further growth. Segment wise, equity market has seen turbulent times due to the meltdown in the global financial markets, but slowing growth in developed nations and high inflationary expectations in emerging markets have turned out to be favourable for commodities. The turnover in the equity derivatives segment has grown at a CAGR of 24.64% since FY06 and the turnover in the commodity futures market has grown at a CAGR of 38.48% in the same period. In FY 2011-12 the commodity future segment's (NCDEX and MCX combined) turnover has registered phenomenal growth of 65.11% as compared to FY 2010-11.

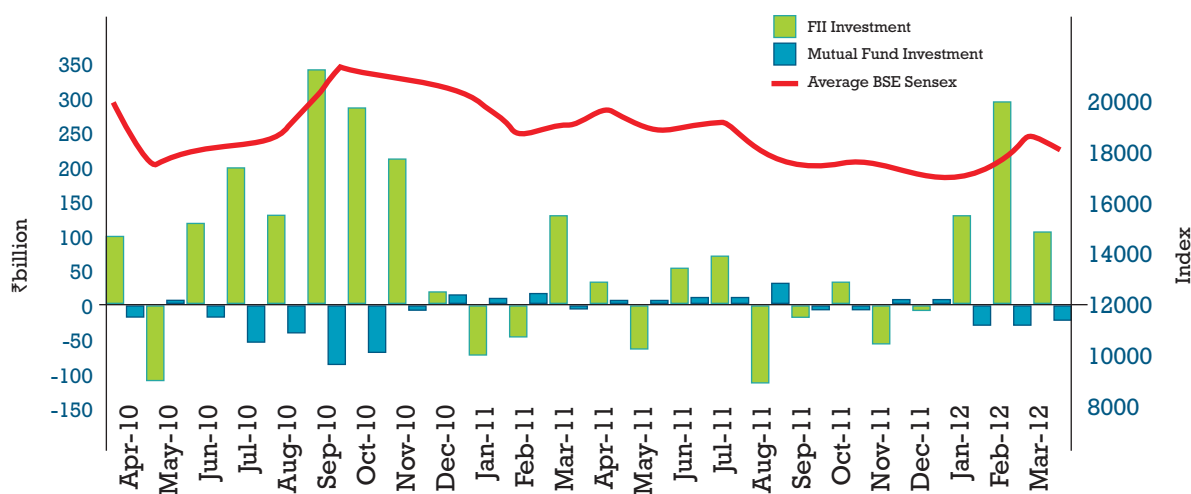


The year-on-year changes in the brokerage volumes at the exchanges have been quite volatile indicating the inherent volatile nature of the capital markets. The average daily turnover in the equities segment (Cash and F&O) stood at ₹ 137192 Crores witnessing growth of around 7% in FY12 as compared to FY11. Commodity volumes on NCDEX, MCX and NMCEIL in aggregate have grown by more than 110% from Average Daily Turnover (ADTO) of ₹ 22,000 crore in FY09 to ₹ 46,000 crore in FY11 (annualized). Amongst commodity exchanges, MCX accounts for more than 85% of the overall commodity volumes followed by NCDEX and NMCEIL.

The Steadily rising turnover in the market has led to rapid expansion of the brokerage segment but the brokerage market is getting more competitive with entry of more players. Further, the markets have witnessed a structural change over the last few quarters with a decline in the higher yielding cash volume and a sharp rise in the lower yielding options volume which has resulted in disproportionate rise in volumes when compared to the brokerage pool. On the back of sustained high competitive environment and the change in trading pattern, the blended broking yields declined in FY12 leading to only a moderate growth in broking revenues. However, expenses increased sharply with higher employee costs and costs associated with building capacities in existing as well as new business lines. Consequently the brokerage houses' profitability declined in FY11-12. Given the current challenging outlook for the equity markets over the short term, pressure is expected on the revenue growth over the next few quarters and consequently the overall profitability indicators.

Low Mutual funds participation as compared to High Inflows of FIIs

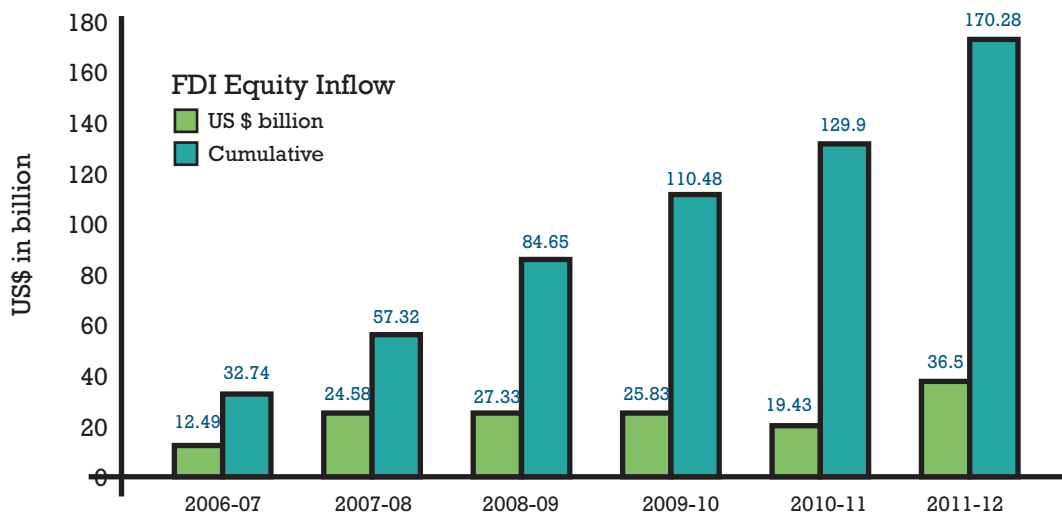
During the period 2011-12 FII supported the market with net purchase of ₹ 40960 Cr. lead by fall in inflation and firm trends in the global equity markets, but on the other hand, Mutual Funds sold shares worth ₹ 1220 Cr.



Source: RBI Report

India Top Destination for Foreign Direct Investment

India attracted FDI equity inflows of US\$ 36.5 billion for FY 2012. The cumulative amount of FDI equity inflows from April 2000 to March 2012 stood at US\$ 170.28 billion, according to the data released by the Department of Industrial Policy and Promotion (DIPP). But in future the GAAR implication could force foreign investors to re-examine their structures for investments in India especially in the area of global mergers and acquisitions which could lead to many more billions of dollars worth investments getting hit within a short span of time of their implementation.



Source: DIPP

Equity Resource Mobilisation

Primary Market

In the year 2011-12 primary market witnessed a few issuances worth ₹ 12900 Cr. in the equity segment which has fallen around 67% as compared to corresponding period of the previous year indicating a slow recovery on the backdrop of the equity indices recovering from lower levels. Further, global economic uncertainties such as the euro zone debt crisis persist, domestic growth slows and corporate earnings and investments decline, pulling the stock market and the rupee, lower the 2012-13 outlook for IPOs but certain policy announcements in the Union Budget 2012-13 i.e. Rajeev Gandhi Equity Savings Scheme and simplification in the issuance process of IPOs may help to revive the primary market.

Year	Issue Amount (In ₹Cr.)
2009-10	32607.00
2010-11	37620.00
2011-12	12900.00

Euro Issue

During 2011-12, resources raised by Indian Corporate through Euro issues (all GDR issues) are ₹ 2700 Cr. as compared to ₹ 9441Cr. of corresponding period of the previous year.

Year	Issue Amount (In ₹Cr.)
2009-10	15967
2010-11	9441
2011-12	2700

(Source: RBI Report: Macroeconomic and Monetary Developments in 2011-12 –Financial Markets)

Outlook

Supportive monetary policy, diminishing concerns about fiscal imbalances, and renewed confidence will carry the world economy in 2012-13.

Moderate rebound in growth is expected as the Government of India has placed its domestic growth projection for 2012-13 at 7.6 per cent (+/- 0.25 per cent) against the backdrop of the CSO's growth figures for 2011-12 at 6.5 per cent. Services sector growth is likely to be conditioned by the revival in global demand and pickup in industrial growth. Overall, services growth may stay largely resilient, though some spillover may occur from the slow pace of industrial growth.

The financial markets have stabilized as the recent firming up of growth fundamentals in the US coupled with policy measures in the euro area have helped abate fears of a double dip recession. Nevertheless, signs of a mild recession in the euro area, slowdown in emerging and developing economies (EDEs) including China, and surging crude oil prices bring to the fore risks to recovery in global growth and inflation. Also a pertinent risk in this context is the integration of commodity markets with financial markets. This could cause a spillover of volatility for financial markets onto the commodity space, especially as currency (exchange rate) uncertainty and volatility is expected to prevail through 2012-13.

DIRECTOR'S REPORT

To
The Members,

Your Company's Directors are pleased to present the 27th Annual Report along with Audited Accounts of your Company for the financial year ended March 31, 2012.

1. Financial Results

(amount in million ₹)

Particulars	For the Year ended			
	March 31	March 31	March 31	March 31
	2012	2011	2012	2011
	Consolidated		Standalone	
Gross Income	959.60	869.04	106.99	58.56
Profit Before Depreciation, Interest & Tax	290.41	254.97	92.20	37.29
Less: Depreciation	13.91	16.85	0.69	0.52
Interest	142.95	81.91	67.72	17.64
Profit Before Tax	133.55	156.21	23.79	19.13
Provision for tax	16.93	30.67	(0.01)	2.52
Profit after tax but before minority interest and share in associate Companies	116.62	125.55	23.80	16.61
Less: Share of Minority Interest	0.06	0.02	-	-
Net Profit	116.56	125.53	23.80	16.61
Add: Profit brought forward from earlier years	629.49	517.18	55.26	48.13
Add: Profit on Amalgamation	51.02	-	-	-
Profit available for appropriation	797.07	642.71	79.06	64.74
Less: Appropriations				
- Proposed Dividend	10.88	6.10	10.88	6.10
- Tax on Dividend	1.76	0.99	0.33	-
- Transfer to Statutory Reserve	4.76	3.38	4.76	3.38
- Transfer to General Reserve	2.93	2.74	-	-
- Other	4.03	-	-	-
Closing Balance	772.71	629.49	63.09	55.26

2. Operational review

Despite the constraints caused by slowdown of economy and the challenging year, the Company performed reasonably well. On a consolidated basis, the Company's gross income posted a reasonable growth of 10.42 % to reach ₹ 959.60 mn as compared to ₹ 869.04 mn in the previous year. However, the Profit before tax declined by 14.50 % to ₹ 133.55 mn as compared to ₹ 156.21 mn in the previous year and the net Profit after tax declined by 6.94 % to ₹ 116.62 mn as compared to ₹ 125.55 mn in the previous year. The Networth of the Company has increased by 35.75 % to ₹ 1420.13 mn as compared to ₹ 1046.10 mn in the previous year due to infusion by the promoters and others.

3. Dividend

Your Directors are pleased to recommend a dividend 10% on Equity share of ₹ 10 each for the year ended 31st March, 2012.

4. Key initiatives

As an ongoing effort, your Company endeavours to innovate and keep on taking new initiatives which would add to the competitive advantage.

The "Master Connect" programme and the "Master Rewards" programme started last year has been a resounding success and the Company extended the same in the current year as well. The "Master Rewards" programme has been specifically extended to the currency derivatives segment to promote this segment. The "Master Connect" programme has been modified to be having two pronged approach. Now it offers "Opt in" training programmes to existing sub brokers/clients who feel the need for training and also a compulsory programme for all new sub brokers which takes them through the core functional aspects of the business making them reasonably accustomed to our business processes and work flows even before they start the business thereby making them productive from day one.

On the product side, the company has started offering algorithmic trading solutions to its trading clients. The initial response has been encouraging and some cutting edge work is being done to create a new product line with the broking business. This has potential to open a new segment within the same broking business, allowing further de-risking of the business.

On the diversification side, the Company started its flagship PMS product named Master Quant 10 in September, 2011 and is expected to scale up this business as the market sentiments improve. The PMS business provides a fee based revenue which is less volatile than the broking revenue. Further, being in-house product, the margins are also on the higher side when compared to distribution of mutual funds and third party PMS.

On the expansion side, the Company opened new offices in Patna, Mumbai and Indore. Patna office would provide us a beach head to grow the business in one of the fastest growing states of India- Bihar. With the new Mumbai office, one of the main markets for financial services would further be served and the market share is likely to improve. Indore office is positioned to capitalise on the growth of the Madhya Pradesh region. Further, the Company added more sales staff in the fiscal year 2011-2012 to be more aggressive in client and sub broker acquisition.

5. Outlook

The financial markets have stabilized as the recent firming up of growth fundamentals in the US coupled with policy measures in the euro area have helped abate fears of a double dip recession. Nevertheless, signs of a mild recession in the euro area, slowdown in emerging and developing economies (EDEs) including China, and surging crude oil prices bring to the fore risks to recovery in global growth and inflation. Also a pertinent risk in this context is the integration of commodity markets with financial markets. This could cause a spillover of volatility from financial markets onto the commodity space, especially as currency (exchange rate) uncertainty and volatility is expected to prevail through 2012-13.

On the domestic front, moderate rebound in growth is expected as the Government of India has placed its domestic growth projection for 2012-13 at 7.6 per cent (+/- 0.25 per cent) against the backdrop of the CSO's growth figures for 2011-12 at 6.5 per cent. With Mr. Manmohan Singh likely to take the dual role of the Prime Minister and the Finance Minister, the policy paralysis is expected to abate resulting in clearance of major investment projects. Services sector growth is likely to be conditioned by the revival in global demand and pickup in industrial growth. Overall, services growth may stay largely resilient, though some spillover may occur from the slow pace of industrial growth.

Despite the global recession fears and the issues surrounding the Indian Economy, as per the recent study of Morgan Stanley who have considered price to book value (P/BV) of the Sensex which serves a good valuation multiple and tried to correlate it to its returns, the Equity market valuations seem to be attractively valued at present. As per the results, each time the P/BV of the Sensex dips below 3, the markets have delivered healthy returns in the next 12 months. The ratio currently stands at 2.98 on account of which expectation is that major domestic Indices i.e Sensex could deliver over 30% or even better if P/BV were to fall further. Therefore, from investment point of view, the scenario is very bright but from the business point of view the trading volumes are likely to stay subdued. However, as discussed in last year's report, we are bullish on the long term prospects of the broking industry and retail financial services; hence we continue to expand our pan India presence. The size and scale we achieve in the years to come would be a significant competitive advantage as the cost of running a broking operation and capital requirements increases and clients' become more sophisticated. We continue to subscribe to the view that the consolidation in the broking industry is long due now given the rising operation costs, increasing capital requirements and margin pressures and the backdrop that most of the large broking houses with strong balance sheet, sizeable market share continue to expand their market share in both - institutional as well as retail segment.

6. Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement, is given as a separate statement forming part of the Annual Report.

7. Financial Resources

During the year under review, your Company has converted 41,35,000 Convertible Warrants into Equity Shares of ₹ 10/- each on 14th February 2012. These Convertible Warrants were converted into Equity Shares at a conversion price of ₹ 68/- for each Warrant i.e. face value ₹ 10/- and premium ₹ 58/- per Equity Share.

The Board of Directors of the Company forfeited 98,800 Equity shares of ₹ 10/- each on 13.08.2011 due to non payment of call money after complying with all the formalities.

8. Adequacy of Internal Control

The Company has a proper and adequate system of internal control, to ensure that all assets are safeguarded, properly utilized and protected against loss from un-authorized use or disposition and those transactions are authorized and recorded by the concerned departments properly and reported to the Audit Committee/Board correctly.

9. Human Resource Development

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

10. Directors

In accordance with Article 103 of the Articles of Association of the Company read with the provisions of the Companies Act, 1956, Mr. R.K. Singhanian, Mrs. Harneesh Kaur Arora and Mr. G.S. Chawla, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

11. Fixed Deposits

The Company has not accepted any public deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under and as such, no amount on account of principal or interest on Public Deposits was outstanding on the date of the Balance Sheet.

12. Corporate Governance

The report on the compliance with the provisions of Section 49 of the Listing Agreement executed with concerned Stock Exchange is given separately in the Annual Report. A certificate from Statutory Auditor's confirming compliance with the conditions of the Clause 49 of the Listing Agreement is annexed hereto and form part of the Directors' Report. The CEO Certificate duly signed forming part of the Corporate Governance Report, has been submitted to the Board. All Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct for Financial Year 2011-12.

13. Directors' Responsibility Statement

In pursuance to the provisions of Section 217(2AA) of the Companies Act, 1956, we, the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations and there are no material departures from the same.
- Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of your Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

14. Listing / De-listing of Shares

The Shares of your Company are presently listed on The Bombay Stock Exchange Limited, Mumbai (BSE) and the Annual Listing Fees for the year 2012-2013 have already been paid to it.

15. Auditors

The retiring Auditors, namely, M/s Manjeet Singh & Co., Chartered Accountants, Ludhiana, hold office until the conclusion of forthcoming Annual General Meeting (AGM) and being eligible, seek their re-appointment. The Statutory Auditors have furnished a certificate to the effect that their re-appointment, if made, at the ensuing AGM, will be within the limits prescribed under sub-section (1B) of Section 224 of the Companies Act, 1956 and that they are not beneficially holding any security or interest in the Company as defined under Section 226(3) of the said Act. Members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration for the year 2012-13. Your Directors recommend their re-appointment.

16. Auditors Report

The Auditors' Report on the Accounts of the Company for the period under review is self – explanatory and no comments are required.

17. Subsidiaries (Particulars under Section 212 of the Companies Act, 1956)

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. However, the Financial Statement of the Subsidiaries namely;

Master Capital Services Limited
Master Insurance Brokers Limited
Master Commodity Services Limited
Master Infrastructure And Real Estate Developers Limited
Master Portfolio Services Limited

duly audited by the Statutory Auditors (prepared in accordance with the Accounting Standards and Listing Agreement prescribed by SEBI) form part of this Annual Report and are reflected in the Consolidated Accounts of the Company. Further, as directed by the Ministry of Corporate Affairs, the financial data of the subsidiary (ies) has been furnished under "Summary of Financial Information of Subsidiary Company (ies)" and form part of this Annual Report. The annual accounts of the subsidiary (ies) and related detailed information will be kept at the Head Office/Registered Office of the Company and that of the subsidiary company(ies) and will be available to the investors of the Company and its subsidiary company(ies) to seek any such information at any point of time.

It is further informed that Master Portfolio Services Limited and Master Commodity Services Limited are 100% wholly owned Subsidiaries of Master Capital Services Limited and by that reason Master Portfolio Services Limited and Master Commodity Services Limited are also subsidiaries of Master Trust Limited.

Further, MTL Share and Stock Brokers Limited, Associate Company has been merged with Master Capital Services Limited, a subsidiary of Master Trust Limited pursuant to Hon'ble Bombay High Court order dated April 15, 2011 and in accordance with the Section 391 & 394 of the Companies Act, 1956 w.e.f. June 21, 2011.

18. Particulars of Employees

During the period under review, no employee received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 217(2A) of the Companies Act, 1956.

19. Conservation of energy, technology, absorption, foreign exchange earnings and outgo

Information with respect to Conservation of energy, technology, absorption, foreign exchange earnings and outgo pursuant to Section 217(1)(e) of the Act read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988 is not applicable because there are no any manufacturing activities in the Company and/or its subsidiaries.

20. Acknowledgement

Your Directors are pleased to place on record their appreciation and express their gratitude to the Company's Bankers, Customers, Advisors and Business Associates for their continued and valuable co-operation and support to the Company from time to time.

Your Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

Your Directors would also like to place on record their appreciation for committed services rendered by the employees at all levels of your company and its subsidiary companies.

For and on behalf of the Board of Directors

Place : Ludhiana
Date : 21.07.2012

(Harjeet Singh Arora)
Managing Director

(R.K.Singhania)
Director

REPORT ON CORPORATE GOVERNANCE

Corporate Governance has evolved over the years as a fundamental component of business process for every corporate entity. Far from the amorphous existence corporate governance once entailed, it has evolved into a firm set of guidelines that are aimed at ensuring that companies maintain a firm commitment to values and an ethical business conduct, irrespective of its business segment, geography or culture.

Clause 49 of the Listing Agreement executed with the Stock Exchange(s), inter-alia, lays out several corporate governance related requirements, which listed companies are required to adopt and follow.

While most of the practices laid out in Clause 49 require mandatory compliance, others are recommendatory in nature, this Report sets out to define the governance practice followed by the Company.

1. Company's Philosophy

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

2. Board of Directors

A) Composition:

The present strength of the Board consists of 10 Directors who are professionals and are drawn from diverse fields. The majority of the Directors of the Board are Non- Executive Directors. The day to day Management of the Company is conducted by the Managing Director and Executive Director of the Company subject to the supervision and control of the Board of Directors.

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

B) The names of Directors and their attendance at each Board Meeting /Last Annual General Meeting and number of Directorship/ Committee Chairmanship/Committee membership in other companies is given below:

Name of the Director	Category	Attendance at the last AGM	No. of Board meetings attended	No. of Directorships and Committee Membership / Chairmanship in other Companies		
				Directorship	Committee Chairmanship*	Committee membership*
Mr. Harjeet Singh Arora	Managing Director	Present	4	15	1	1
Mr. R. K. Singhania	Non Executive Director	Present	4	9	-	-
Mr. Pavan Kumar Chhabra	Independent Non Executive Director	Absent	1	8	-	-
Mr. Sanjay Sood	Executive Director	Present	2	1	-	-
Mr. G.S. Chawla	Non Executive Director	Present	2	4	-	-
Mrs. Harneesh Kaur Arora	Non Executive Director	Present	3	5	-	-
Mr. Anil Kumar Bhatia	Independent Non Executive Director	Absent	1	-	-	-
Mr. Sudhir Kumar	Independent Non Executive Director	Absent	1	1	-	-
Mr. Ashwani Kumar	Independent Non Executive Director	Present	3	7	5	4
Mr. Anil Kumar Malhotra	Independent Non Executive Director	Present	2	6	-	-

* For the purpose of Clause 49, the Committees considered are Audit Committee and Shareholders/ Investors Grievance Committee of Public Limited Companies.

Board Meeting(s) held from 1st April, 2011 to 31st March, 2012:

14.05.2011 | 13.08.2011 | 14.11.2011 | 14.02.2012

3. Audit Committee

To ensure the independence of the Committee, the Audit Committee is comprised of Non- Executive Directors viz. Mr. Ashwani Kumar, Mr. Sudhir Kumar and Mr. Anil Kumar Bhatia. All the Members of Audit Committee are qualified and having insight to interpret and understand financial statements.

Mr. Ashwani Kumar is presently the Chairman of Audit Committee. The Company Secretary, Statutory Auditors and Head of Accounts Department are permanent invitees to the Committee meetings. The terms of reference of the Audit Committee are specified on the pattern as contained in Section 292A of the Companies Act, 1956 and also clause 49 of the Listing Agreement.

The Audit Committee met four times during the year on 14.05.2011, 13.08.2011, 14.11.2011, 14.02.2012.

4. Director's Remuneration

Managing Director/Executive Director

The Company paid the remuneration to the Managing Director and Executive Director as approved by the members of the Company in the General Meeting. Detail of remuneration paid to the Managing Director and Executive Director during the Financial Year 2011-12 is given ahead:

Name	Designation	Remuneration paid during the year.
1. Mr. Harjeet Singh Arora	Managing Director	₹ 24,32,280/-
2. Mr. Sanjay Sood	Executive Director	₹ 9,38,000/-

Non-Executive Directors

Non Executive Directors have not been paid any remuneration during the financial year.

Shares held by the Non- Executive Directors

Details of Equity Shares of the Company held by the Non-Executive Directors as on 31st March 2012.

Name of the Director	Category	No. of Equity Shares held
Mr. R.K. Singhanian	Non Executive Director	2580357
Mr. Pavan Chhabra	Independent Non Executive Director	Nil
Mr. G.S. Chawla	Non Executive Director	Nil
Mrs. Harneesh Kaur Arora	Non Executive Director	1125010
Mr. Anil Kumar Bhatia	Independent Non Executive Director	Nil
Mr. Sudhir Kumar	Independent Non Executive Director	Nil
Mr. Ashwani Kumar	Independent Non Executive Director	Nil
Mr. Anil Kumar Malhotra	Independent Non Executive Director	Nil

5. Shareholders/Investors Grievance Committee

The Shareholders'/ Investors' Grievance committee was constituted to look into the redressal of investors' complaints on various issues. Mr. R.K. Singhanian, Mrs. Harneesh Kaur Arora and Mr. G.S. Chawla, Director(s) of the Company are Members of the Committee duly constituted by the Board and Mr. R.K. Singhanian is the Chairman of the Committee.

Mr. Honey Ahuja, Company Secretary is the Compliance Officer. The Committee meets as and when required, to deal with the investor related matters etc.

The terms of reference of the Investors' Grievance Committee are in accordance with the Listing Agreement of Stock Exchange as amended from time to time.

During the year, 120 investor queries/requests were received, all of which were redressed/replied to the satisfaction of the investors. There were no outstanding investor complaints as on 31st March 2012.

6. Remuneration Committee

The Company has a Remuneration Committee of three directors comprising majority of independent non executive Directors who are free from any business or other relationships. The Remuneration paid to Mr. Harjeet Singh Arora, Managing Director and to Mr. Sanjay Sood, Executive Director, is as per the applicable provisions of the Companies Act, 1956.

The terms of reference of the Remuneration Committee is to look into the entire gamut of remuneration package for the Executive Director(s) and revise their remuneration suitably within the limits prescribed under the Companies Act, 1956. The Committee met once during the year.

7. Code of Conduct

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

8. Risk Management

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

9. General Body Meetings

The details of last three Annual General Meetings are given below:

Financial Year	Location	Date	Time
2011	Master Chambers, SCO-19, Ground Floor, Feroze Gandhi Market, Ludhiana	30.09.2011	10.30 A.M.
2010	Master Chambers, SCO-19, Ground Floor, Feroze Gandhi Market, Ludhiana	30.09.2010	11.30 A.M.
2009	Lions club, near Tagore Nagar, Ludhiana.	30.09.2009	11.30 A.M.

Extraordinary General Meeting(s):

Financial Year	Location	Date	Time
2010	Master Chambers, SCO-19, First Floor, Feroze Gandhi Market, Ludhiana	05.04.2010	11.30 A.M.

Special Resolutions passed at the Annual General Meeting(s)/Extra Ordinary General Meeting(s):

Financial Year	Meeting	Date	Time	Special Resolution passed:
2011	Annual General Meeting	30.09.2011	10.30 A.M.	Nil
2010	Annual General Meeting	30.09.2010	11.30 A.M.	<ol style="list-style-type: none">1. Re-appointment of Mr. G.S Chawla, Non Executive Director of the Company as Managing Director of Subsidiary Company of the Subsidiary Company.2. Appointment of Mr. Puneet Singhania, relative of Director of the Company as Executive Director in Subsidiary Company.3. Appointment of Mr. Jashan Jyot Singh Arora, relative of Managing Director of the Company as Executive Director in Subsidiary Company.
2010	Extra Ordinary General Meeting	05.04.2010	11.30 A.M.	<ol style="list-style-type: none">1. To issue Convertible Warrants on preferential basis.

No special resolution was passed by postal ballot during the financial year 2011-12.

The Company has not proposed any special resolution to be conducted through postal ballot.

10. Disclosures

During the year, there was no significant transaction with the Directors, management, their relatives etc. that have any potential conflict with the interest of the Company at large.

- There has been no instance of the non-compliance by the Company on any matter related to capital market during the last three years.
- Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note No. 27 of the Notes to the Accounts attached with the Financial Statements for the year ended March 31, 2012. The details of the Related Party transactions are placed periodically before and reviewed by the Company's Audit Committee.
- No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements. The Guidelines on Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the company.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and has not followed the non mandatory requirements.

11. Means of Communication

The Company communicates with the shareholders at large through its Annual Report, publication of financial results and by filing of various reports and returns with the statutory bodies like Stock Exchanges and Registrar of Companies. The quarterly results are published in newspapers and are displayed on the website of the Company www.mastertrust.co.in.

12. Audit Qualifications

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

13. General Information for Shareholders.

I. Annual General Meeting :

The 28th Annual General Meeting of Master Trust Limited will be held on Friday, the 28th day of September 2012, at 10.30 A.M. at Master Chambers, SCO 19, Feroze Gandhi Market, Ludhiana – 141001 (Pb).

ii. Financial Year : 1st April, 2011 to March 31, 2012

Tentative calendar of events for the Financial Year 2012-13 is

First Quarterly Results:	August, 2012
Second Quarterly Results:	November, 2012
Third Quarterly Results :	February, 2013
Fourth Quarterly Results:	May, 2013

iii. Date of Book Closure : 23.09.2012 to 28.09.2012
(both days inclusive)

iv. Information regarding dividend payment date

Subject to the approval of the members, the dividend @10% on Equity Share of ₹ 10 each for the year ended 31st March 2012 recommended by the Board will be paid on or before 25th October 2012.

v. Listing :

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

The Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai.

The listing fees have been paid to the said Stock Exchange.

vi. Stock Code/ ISIN No.

The Bombay Stock Exchange Ltd. : 511768

Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares: INE677D01011.

vii. Stock Market Data

The monthly high, low and closing price of Equity Shares etc. of Master Trust Limited at The Bombay Stock Exchange Limited and BSE Sensex is given below:

Month	High Price	Low Price	Close Price	BSE Sensex (High)
Apr-11	95	70	85	19,811.14
May-11	95	70	81.05	19,253.87
Jun-11	93.8	75	88.75	18,873.39
Jul-11	97	80	81.2	19,131.70
Aug-11	82.9	68	78.35	18,440.07
Sep-11	83.5	70	75	17,211.80
Oct-11	83	68.5	81.05	17,908.13
Nov-11	85.5	65.05	72.5	17,702.26
Dec-11	79	57.05	58.95	17,003.71
Jan-12	73.85	58	68.95	17,258.97
Feb-12	85.15	67	75.05	18,523.78
Mar-12	93	69.95	91.85	18,040.69

viii. Registrar and Share Transfer Agent:

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

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

ix. Share Transfer System

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

Your Company has appointed a SEBI registered Registrar & Transfer Agent viz Skyline Financial Services (P) Ltd. for looking after both physical and electronic share transfer work of the company.

The shareholders are requested to send all shares in physical form for transfer as well demat/remat requests to the Registered Office of the Company and/or to the Registrar & Share Transfer Agent of the Company i.e Skyline Financial Services (P) Ltd.

The Company has constituted a Share Transfer Committee of its Directors. The Share Transfer Committee meets once in month to consider transfer/ transmission/demat/remat cases and other allied matters.

x. Distribution of Shareholding Pattern of the Company as on 31.03.2012

Sr. No.	Category	No. of Shares	% of Shares
1.	Promoters	6177312	56.79%
2.	Bodies Corporates	3754376	34.52%
3.	Other Indian Public	938945	8.64%
4.	NRI	5967	0.05%
5.	FIIs	-	0.00%
	Total	1087660	100.00%

xi. Break-up of Equity / Dematerialization of Shares

Category	No. of Shares					
	Physical	%	Demat	%	Total	%
Promoters	2610000	24.00	3567312	32.80	6177312	56.79
Non-Promoters	1803425	16.58	2895863	26.62	4699288	43.21
TOTAL	4413425	40.58	6463175	59.42	10876600	100.00

xii. During the financial year ended on 31st March, 2012, the Company has not issued any GDRs / ADRs.

During the year under review, your Company has converted 41,35,000 Convertible Warrants into Equity Shares of ₹ 10/- each on 14th February, 2012. These Convertible Warrants were converted into Equity Shares at a conversion price of ₹ 68/- for each Warrant i.e. face value ₹ 10/- and premium ₹ 58/- per Equity Share.

The Board of Directors of the Company forfeited 98,800 Equity shares of ₹ 10/- each on 13.08.2011 due to non payment of call money after giving prior notice to the shareholders.

xiii The Company is having office(s) at the following address(es)

1. Registered Office
Master Chambers, 3rd Floor
SCO 19, Feroze Gandhi Market,
Ludhiana – 141001 (Pb)
2. Chandigarh Office
SCO 22-23, Sector 9D,
Madhya Marg,
Chandigarh.
3. Delhi Office
1012, Arunachal Building,
19, Barakhamba Road, New Delhi.
4. Mumbai Office
C-1, Jeevan Jyot, 18/20,
Cawasjee Patel Street, Fort
Mumbai.
5. Kolkatta Office
6th Floor, Sabarwal house,
55 B, Mirza Ghalib Street,
Kolkatta-West Bengal

xiv. Address for Correspondence

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

xv. Compliance Officer : Mr. Honey Ahuja, Company Secretary.

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

CEO CERTIFICATE

Pursuant to Clause 49 (V) of the Listing Agreement of the Stock Exchanges, we hereby certify that:

- a. We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:
 - I. Significant changes, if any, in internal control over financial reporting during the year;
 - II. Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - III. That no instances of significant fraud have come to our notice.

For Master Trust Limited

Place : Ludhiana
Date : 21.07.2012

(Harjeet S. Arora)
Managing Director

Certificate Of Compliance of The Code of Conduct of The Company

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

For Master Trust Limited

Place : Ludhiana
Date : 21.07.2012

(Harjeet S. Arora)
Managing Director

AUDITORS' CERTIFICATE

Auditor's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To

The Members of
Master Trust Limited

We have examined the compliance of conditions of Corporate Governance by **Master Trust Limited** for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 in above mentioned Listing Agreement.

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

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N

Place: Ludhiana
Date: 21.07.2012

(Manjeet Singh)
Prop.
Membership Number 088759

AUDITORS' REPORT

To
The Members
Master Trust Limited

We have audited the attached Balance Sheet of **Master Trust Limited** as at 31st March, 2012 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 and amended by the companies (Auditors Report) (Amendment) order 2004 issued by the Central Government in terms of subsection (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred in paragraph (1) above, we state that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) 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 such books;
 - iii) The Balance Sheet and Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply in all material respect with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, in so far as they apply to company.
 - v) Based on representation made by the directors and taken on record by the Board, we report that none of the directors is disqualified as on 31.3.2012 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, read with the significant accounting policies and the notes there on gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principal generally accepted in India:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st march 2012
- ii) In the case of Statement of Profit & Loss, of the Profit for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N

(Manjeet Singh)
Prop.
Membership Number 088759

Place Ludhiana
Date:21.07.2012

ANNEXURE TO THE AUDITORS REPORT

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph (1) 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) As explained to us, the management has physically verified these fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of verification of fixed assets is reasonable. To the best of our knowledge, no material discrepancy have been noticed on verification.
 - c) No substantial part of the fixed assets have been disposed off during the year.
2.
 - a) The inventory (shares, foreign currency, mutual fund & land), which are held in dematerialized/ physical form, has been verified during the year by the management and in our opinion the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of verification of inventory followed by the company are reasonable and adequate commensurate with the size of company and the nature of its business.
 - c) The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical inventory and book records were not material and the same have been properly dealt with the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a) The Company has granted loans to Five Parties aggregating to ₹ 325.54 mn and maximum balance outstanding during the year was ₹ 336.21mn. The company has taken loans from five parties aggregating to ₹ 46.17mn. and maximum balance outstanding during the year was ₹ 401.14mn. All these loans are payable/ receivable on demand.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are prima facie not prejudicial to the interest of the Company.
 - c) In respect of loans granted by the Company to the parties, the interest and loans are repayable on demand.
 - d) In respect of loans granted by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.

- e) In case of loan taken by the company secured and unsecured, according to information and explanation given to us the rate of interest wherever applicable and other terms & condition prima facie not prejudicial to the interest of the Company.
 - f) In respect of loans taken by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further on the basis of our examination of books and records of the company and according to information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
 5.
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Act, have been so entered.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to rupees 0.5 mn or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
 6. The company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975. No order has been passed by the Company Law Board of National Company law tribunal or Reserve Bank of India or any court or any other tribunal.
 7. In our opinion, the company has an adequate system of internal audit which is commensurate with the size and nature of its business.
 8. The Company belongs to the service sector industry therefore clause 4(viii) of the companies (Auditor's Report) Order, 2003 (as amended) in respect of maintenances of cost records is not applicable to Company.
 9. The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities as applicable, No amount was outstanding for more than six months as on the date of Balance Sheet from the date they become payable.
 10. There are no accumulated losses of the Company at the end of the financial year. There are no cash losses during the current and immediately preceding financial year.
 11. According to the information and explanations given to us and as per books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
 12. According to the information and explanations given to us, the company has adequate documents and proper records were maintained wherever the company has granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company does not fall within the category of Chit Fund/ Nidhi/ Mutual Benefit Fund/ Society and hence the related reporting requirements are not applicable.
 14. The Company is dealing or trading in shares, securities, debentures and other investments and maintaining proper records of transactions and contracts and also timely entries have been made therein. Shares, securities, debentures and other securities have been held by the Company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.

15. The company has given the corporate guarantees of ₹ 1170.00 mn for the facilities of bank guarantees taken by the subsidiaries from banks or financial institutions, the terms and conditions whereof, in our opinion are prima facie not prejudicial to the interest of the company.
16. In our opinion and according to the information and explanations given to us, the company has applied term loans for the purpose for which the loan was obtained.
17. According to the information and explanations given to us, and as per the books and records examined by us, as on the date of balance sheet, the fund raised by the company on short term basis have not been applied for long term investments. Long term funds have been partly applied for financing core working capital in consonance with the principles of sound financial management.
18. The Company has made preferential allotment of 2.61 mn shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price which equity shares have been issued is not prejudicial to the interest of the company.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue(s) during the year.

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N

(Manjeet Singh)
Prop.
Membership Number 088759

Place : Ludhiana
Dated : 21.07.2012

FINANCIAL REPORT



MASTER TRUST LTD

Balance Sheet as at 31 March, 2012 (amount in ₹)

Particulars	Note	As at 31 March, 2012	As at 31 March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	109,223,500	67,843,750
Reserves and surplus	2	579,905,873	327,361,371
Money received against share warrants	1.5	-	70,295,000
		689,129,373	465,500,121
Non-current liabilities			
Long-term borrowings	3	482,143	1,063,648
Current liabilities			
Short-term borrowings	4	673,174,330	229,219,262
Trade payables	5	-	4,183,842
Other current liabilities	6	9,255,485	26,885,314
Short-term provisions	7	13,072,272	9,746,642
		695,502,087	270,035,060
TOTAL		1,385,113,603	736,598,829
ASSETS			
Non-current assets			
Fixed assets - Tangible	8	7,618,871	6,429,102
Non-current investments	9	253,487,772	160,962,117
Deferred tax assets (net)	10	1,464,587	1,294,775
Long-term loans and advances	11	9,524,609	5,906,924
		272,095,839	174,592,918
Current assets			
Inventories	12	37,403,718	59,055,889
Trade receivables	13	127,179,146	1,022,246
Cash and cash equivalents	14	24,384,138	32,996,339
Short-term loans and advances	15	923,747,937	468,161,962
Other current assets	16	302,825	769,475
		1,113,017,764	562,005,911
TOTAL		1,385,113,603	736,598,829
Significant Accounting Policies Notes on Financial Statements	1 to 30		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh

Prop.
Membership Number 088759

Ludhiana, 21st July, 2012

For and on behalf of the Board

R. K. Singhania
Director

Harjeet Singh Arora
Managing Director

Sunil Kumar
Manager Accounts

Honey Ahuja
Company Secretary

MASTER TRUST LTD

Statement of Profit and Loss for the year ended 31 March, 2012 (amount in ₹)

Particulars	Note	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Income			
Revenue from operations	17	105,702,717	40,650,585
Other income	18	1,285,426	17,913,785
Total Revenue		106,988,143	58,564,370
Expenses			
Employee benefits expense	19	8,131,669	8,540,574
Finance costs	20	67,720,464	17,639,010
Depreciation	8	693,305	515,343
Other expenses	21	6,655,880	12,737,478
Total Expenses		83,201,318	39,432,405
Profit before tax		23,786,825	19,131,965
Tax expense:			
Current tax expense for current year		250,000	2,250,000
Deferred tax		(169,812)	(32,648)
Current tax expense relating to prior years		(94,230)	306,201
Profit for the year		23,800,867	16,608,412
Earnings per equity share of face value ₹ 10 each			
Basic and Diluted (in ₹)		3.28	2.68
Weighted average number of shares outstanding		7,258,475	6,207,400
Significant Accounting Policies Notes on financial Statements	1 to 30		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh

Prop.
Membership Number 088759

Ludhiana, 21st July, 2012

For and on behalf of the Board

R. K. Singhania
Director

Harjeet Singh Arora
Managing Director

Sunil Kumar
Manager Accounts

Honey Ahuja
Company Secretary

MASTER TRUST LTD

Cash Flow Statement for the year ended 31 March, 2012 (amount in ₹)

Particulars	As at 31 March, 2012		As at 31 March, 2011	
A. Cash flow from operating activities		23,786,825		19,131,965
Net Profit before tax and extraordinary items				
Adjustments for:				
Depreciation and amortisation	693,305		515,343	
Miscellaneous Expenditure	50,000		50,000	
Provision for Gratuity	217,815		212,359	
Provision for NPA	483,810	1,444,930	(1,083,697)	(305,995)
Operating profit before working capital changes		25,231,755		18,825,970
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	21,652,171		(49,442,707)	
Trade receivables	(126,156,900)		2,703,182	
Short-term loans and advances	(456,069,785)		(96,938,333)	
Long-term loans and advances	(3,617,685)		(1,685,050)	
Other Current Assets	416,650		49,766	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(4,183,842)		(1,023,198)	
Other current liabilities	(17,629,829)		(172,434,136)	
Short-term borrowings	443,955,068		149,137,041	
Long-term borrowings	(581,505)		(3,864,486)	
		(142,215,657)		(173,497,921)
		(116,983,902)		(154,671,951)
Cash flow from extraordinary items		-		-
Cash generated from operations		(116,983,902)		(154,671,951)
Net income tax (paid) / refunds		(2,155,770)		(1,735,250)
Net cash flow (used in) operating activities (A)		(119,139,672)		(156,407,201)
B. Cash flow from investing activities				
Purchase of fixed assets		(1,883,074)		(5,418,589)
Sale of fixed assets		-		20,367,298
Purchase of Investment		(97,562,736)		(63,968,957)
Sale of Investment		5,037,081		79,951,849
Net cash flow from / (used in) investing activities (B)		(94,408,729)		30,931,601
C. Cash flow from financing activities				
Proceeds from issue of equity shares/ warrants		211,033,750		113,815,000
Dividends paid		(6,097,550)		(5,919,600)
Net cash flow from financing activities (C)		204,936,200		107,895,400
Net (decrease) in Cash and cash equivalents (A+B+C)		(8,612,201)		(17,580,200)
Cash and cash equivalents at the beginning of the year		32,996,339		50,576,539
Cash and cash equivalents at the end of the year		24,384,138		32,996,339

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh

Prop.

Membership Number 088759

Ludhiana, 21st July, 2012

For and on behalf of the Board

R. K. Singhania
Director

Sunil Kumar
Manager Accounts

Harjeet Singh Arora
Managing Director

Honey Ahuja
Comany Secretary

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) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

B. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C. Fixed Assets

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

D. Depreciation and Amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

E. Impairment of Assets

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

F. Investments

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

G. Inventories

Inventories are valued at the lower of cost and the net realisable value. Encashed traveller cheques and traveller cheques sold but not settled are valued at inter bank rate.

H. Revenue Recognition

The Company follows the mercantile system of accounting and recognized Profit & Loss on that basis. Interest income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms. Income from Forex Business comprises of traveller cheques commissions and margins on foreign exchange transactions in the normal course of business as Full Fledged Money Changers. The income arising from buying and selling of foreign currencies and traveller cheques has been considered on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

I. Employee Benefits

- (a) 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.
- (b) Leave encashment is payable to eligible employee, who have earned leaves, during the employment and/or on separation as per the company policy.
- (c) The company has provided the provision for the gratuity and charges to revenue.

J. Borrowing Costs

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

K. Taxes on income

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

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

L. Prudential Norms

For identifying Non Performing Assets (NPA) relating to financing activities, the Company follows Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

M. Provisions and contingencies

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

Notes forming part of the financial statements

Note 1 Share capital (amounts in ₹)

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of ₹ 10 each	11,000,000	110,000,000	11,000,000	110,000,000
Issued				
Equity shares of ₹ 10 each	10,975,400	109,754,000	6,840,400	68,404,000
Subscribed and fully paid up				
Equity shares of ₹ 10 each	10,876,600	108,766,000	6,733,500	67,335,000
Subscribed but not fully paid up				
Equity shares of ₹ 10 each	-	-	106,900	508,750
Forfeited Shares	-	457,500	-	-
Total	10,876,600	109,223,500	6,840,400	67,843,750

- 1.1 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share.
- 1.2 Calls in Arrears by others Nil (As at 31 March, 2011 ₹ 560,250)
- 1.3 The details of shareholders holding more than 5% shares:

Name of the shareholder	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares held	% of holding	No. of shares held	% of holding
Harjeet Singh Arora	1,406,848	12.93	606,848	8.87
Harneesh Kaur Arora	1,125,010	10.34	325,010	4.75
Rajinder Kumar Singhania	2,580,357	23.72	980,357	14.33
Shiv Narayan Investment (P) Ltd.	1,149,200	10.57	-	-
Vidya Portfolio Management(P)Ltd.	700,000	6.44	-	-
Gala Finance & Investment Limited	525,750	4.83	355,000	5.19

- 1.4 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares		No. of shares	
Equity Shares at the beginning of the year	6,840,400		6,200,400	
Add: Conversion of warrants into equity shares	4,135,000		640,000	
Less: Equity shares forfeited	98,800		-	
Equity Shares at the end of the year	10,876,600		6,840,400	

- 1.5 In terms of the approval of the Board of Directors and Shareholders of the Company and as per statutory provisions including SEBI (Issue of Capital and Disclosure Requirements), Regulation 2009, the Company on August 28, 2010 had issued and allotted 47,75,000 Convertible Warrants on preferential basis. Each warrant provided the holder with the option to subscribe to one fully paid-up equity share of the Company for every warrant at a price of ₹ 68/- per warrant (including a premium of ₹ 58/- per warrant) within 18 months from the date of allotment.

The Company has converted 41,35,000 Convertible Warrants into Equity Shares on 14 February, 2012 (As at 31 March, 2011 640000 Convertible Warrants into Equity Shares on 28 March, 2011) of ₹ 10/- each.

Note 2 Reserves and surplus (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Capital Reserve		
As per last Balance Sheet	48,240,000	48,240,000
Securities Premium Account		
As per last Balance Sheet	208,427,282	171,307,282
Add : On issue of Shares	239,830,000	37,120,000
On Calls in Arrears received	119,000	-
Closing balance	448,376,282	208,427,282
General Reserve		
As per last Balance Sheet	10,000,000	10,000,000
Statutory Reserve (Under Section 45IC of RBI Act, 1934)		
As per last Balance Sheet	5,438,042	2,055,119
Add: Transferred from Statement of Profit and Loss	4,760,173	3,382,923
Closing balance	10,198,215	5,438,042
Profit and Loss Account		
As per last Balance Sheet	55,256,047	48,128,108
Add: Transferred from Statement of Profit and Loss	23,800,867	16,608,412
	79,056,914	64,736,520
Less: Appropriations		
Proposed Dividend on Equity Shares (₹1 per equity share)	10,876,600	6,097,550
Tax on dividend	328,765	-
Statutory Reserve	4,760,173	3,382,923
Closing balance	63,091,376	55,256,047
Total	579,905,873	327,361,371

Note 3 Long-term borrowings (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Term Loans		
From banks		
Secured	482,143	1,063,648
Total	482,143	1,063,648

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

Nature of Security	Terms of Repayment
3.1.1 Term Loan amounting to Rs NIL (31 March, 2011 : Rs 78,893) is secured against hypothecation of Cars	Repayable in 36 equal monthly instalments commencing from October, 2009. Last instalment due in September, 2012.
3.1.2 Term Loan amounting to Rs 368,594 (31 March, 2011 : Rs 697,326) is secured against hypothecation of Cars	Repayable in 36 equal monthly instalments commencing from April, 2011. Last instalment due in March, 2014.
3.1.3 Term Loan amounting to Rs 113,549 (31 March, 2011 : Rs 287,429) is secured against hypothecation of Cars	Repayable in 59 equal monthly instalments commencing from December, 2008. Last instalment due in October, 2013.

3.2 Installments falling due in respect of all the above loans upto 31 March, 2013 have been grouped under "Current maturities of long term debt" (Refer Note 6)

Note 4 Short-term borrowings (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans repayable on demand		
From banks		
Secured	8,795,887	15,437,374
From other parties		
Secured	122,125,173	-
Unsecured	10,000,000	10,000,000
	140,921,060	25,437,374
Loans and advances from related parties		
Unsecured	48,728,882	80,880,531
Other loans and advances		
Unsecured	483,524,388	122,901,357
Total	673,174,330	229,219,262

4.1 Loans from banks are secured against pledging of FDRs

4.2 Secured Other loans and advances are secured against proceeds from sale of Units of Mutual Funds.

Note 5 Trade payables (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade payables	-	4,183,842
Total	-	4,183,842

Note 6 Other current liabilities (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Current maturities of long-term debt (Refer Note 3)	579,843	767,793
Unpaid dividends	457,725	224,775
Other Payables		
Statutory dues	6,977,461	1,590,394
Cheque Issued Net	202,164	17,527,192
Others	1,038,292	6,775,160
Total	9,255,485	26,885,314

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

Note 7 Short-term provisions (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Provision for gratuity	1,616,907	1,399,092
Provision for tax	250,000	2,250,000
Provision for proposed equity dividend	10,876,600	6,097,550
Provision for tax on proposed dividend	328,765	-
Total	13,072,272	9,746,642

Note 8 Fixed assets | Tangible Assets (amounts in ₹)

Particulars	Balance as at 1 April, 2011	Additions	Disposals/ Transfer	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
Buildings	1,046,570	752,728	-	1,799,298	268,854	20,110	-	288,964	1,510,334	777,716
Furniture and Fixtures	1,559,766	321,803	-	1,881,569	1,504,345	13,995	-	1,518,340	363,229	55,421
Office equipment	2,693,064	793,505	-	3,486,569	1,595,665	136,795	-	1,732,460	1,754,109	1,097,399
Computer	1,493,958	-	-	1,493,958	1,268,811	83,330	-	1,352,141	141,817	225,147
Vehicles	5,015,212	689,515	-	5,704,727	1,416,270	439,075	-	1,855,345	3,849,382	3,598,942
Capital Work in Progress	674,477	-	674,477	-	-	-	-	-	-	674,477
Total	12,483,047	2,557,551	674,477	14,366,121	6,053,945	693,305	-	6,747,250	7,618,871	6,429,102
Previous year	27,431,756	5,418,589	20,367,298	12,483,047	5,838,602	515,343	-	6,053,945	6,429,102	21,893,154

Note 9 Non-current investments | Long Term Investments (amounts in ₹)

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Investment in equity instruments						
of subsidiaries						
59,00,000 (As at 31 March, 2011: 51,00,000) shares of ₹ 10 each fully paid up in Master Capital Services Ltd.	-	60,999,900	60,999,900	-	51,000,000	51,000,000
2,00,000 (As at 31 March, 2011: 1,30,000) shares of ₹ 10 each fully paid up in Master Infrastructure & Real Estate Developers Ltd.	-	89,500,000	89,500,000	-	40,500,000	40,500,000
4,49,930 (As at 31 March, 2011: 4,49,930) shares of ₹ 10 each fully paid up in Master Insurance Brokers Ltd.	-	4,699,300	4,699,300	-	4,699,300	4,699,300
		155,199,200	155,199,200		96,199,300	96,199,300
of associates						
15,69,800 (As at 31 March, 2011: 15,69,800) shares of ₹ 10 each fully paid up in Prime Industries Ltd.	15,695,000	-	15,695,000	15,695,000	-	15,695,000
4 (As at 31 March, 2011: 4) shares of ₹ 300 each fully paid up in Master Projects Private Ltd.	-	1,057,500	1,057,500	-	1,057,500	1,057,500
	15,695,000	1,057,500	16,752,500	15,695,000	1,057,500	16,752,500
of other entities						
1,468 (As at 31 March, 2011: 1,468) shares of ₹ 10 each fully paid up in Trident Ltd.	14,680	-	14,680	14,680	-	14,680
6,25,000 (As at 31 March, 2011: 6,25,000) shares of ₹ 10 each fully paid up in Vardhman Polytext Ltd.	24,706,250	-	24,706,250	24,706,250	-	24,706,250
5,000 (As at 31 March, 2011: 5,000) shares of ₹ 10 each fully paid up in RRB Securities Ltd.	-	500,000	500,000	-	500,000	500,000
500 (As at 31 March, 2011: 500) shares of ₹ 10 each fully paid up in ICICI Bank Ltd.	454,206	-	454,206	454,206	-	454,206
11,030 (As at 31 March, 2011: 11,030) shares of ₹ 10 each fully paid up in Coal India Ltd.	2,665,747	-	2,665,747	2,665,747	-	2,665,747
2,500 (As at 31 March, 2011: 2,500) shares of ₹ 10 each fully paid up in Apar Industries Ltd.	613,336	-	613,336	613,336	-	613,336
750 (As at 31 March, 2011: 750) shares of ₹ 10 each fully paid up in TRF Ltd.	516,324	-	516,324	516,324	-	516,324
1,781 (As at 31 March, 2011: 1,781) shares of ₹ 10 each fully paid up in Power Grid Corporation of India Ltd.	152,275	-	152,275	152,275	-	152,275
7,500 (As at 31 March, 2011: 7,500) shares of ₹ 10 each fully paid up in Development Credit Bank Ltd.	430,405	-	430,405	430,405	-	430,405
4,200 (As at 31 March, 2011: 4,200) shares of ₹ 10 each fully paid up in Karnataka Bank Ltd.	610,860	-	610,860	610,860	-	610,860
250 (As at 31 March, 2011: 250) shares of ₹ 10 each fully paid up in State Bank of India	653,870	-	653,870	653,870	-	653,870
1,000 (As at 31 March, 2011: 1,000) shares of ₹ 10 each fully paid up in Venky's (India) Ltd.	547,088	-	547,088	547,088	-	547,088
87,136 (As at 31 March, 2011: Nil) shares of ₹ 10 each fully paid up in SML Isuzu Ltd.	19,696,748	-	19,696,748	-	-	-
75,000 (As at 31 March, 2011: Nil) shares of ₹ 10 each fully paid up in First Financial Services Ltd.	1,500,000	-	1,500,000	-	-	-
3,000 (As at 31 March, 2011: 3,000) shares of ₹ 5 each fully paid up in Wockhardt Ltd.	1,020,349	-	1,020,349	1,020,349	-	1,020,349
1250 (As at 31 March, 2011: 250) shares of ₹ 2 each fully paid up in HDFC Bank Ltd.	512,190	-	512,190	512,190	-	512,190
	54,094,328	500,000	54,594,328	32,897,580	500,000	33,397,580
Investment property	-	17,366,088	17,366,088	-	-	-
Investment in debentures or bonds						
of subsidiaries						
992 (As at 31 March, 2011: 992) Deep Discount Bonds of ₹ 10,000 each fully paid up in Master Capital Services Ltd.	-	10,029,859	10,029,859	-	10,029,859	10,029,859
Investment in partnership firms	-	-	-	-	4,232,582	4,232,582
Other non-current investments						
Government Securities						
6.75% 2006 Government Securities	-	17,674	17,674	-	17,674	17,674
6.75% 2007 Government Securities	-	23,123	23,123	-	23,123	23,123
Mutual Funds						
7306.54 (As at 31 March, 2011: 7306.54) Units of DSP Black Rock Top 100 Regular Plan Growth	-	-	-	-	604,499	604,499
20,000 (As at 31 March, 2011: 20,000) Units of UTI Wealth Builder Fund Growth	-	-	-	-	200,000	200,000
	-	40,797	40,797	-	845,296	845,296
Total	69,789,328	184,193,444	253,982,772	48,592,580	112,864,537	161,457,117
Less: Provision for diminution in value of investments	-	495,000	495,000	-	495,000	495,000
Total	-	-	253,487,772	-	-	160,962,117
Aggregate amount of quoted investments	69,789,328	-	-	48,592,580	-	-
Aggregate market value of listed and quoted investments	102,944,154	-	-	57,853,033	-	-
Aggregate amount of unquoted investments	-	183,698,444	-	-	112,369,537	-

Note 10 Deffered Tax Liability (Net) (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Deferred Tax Asset		
On account of Gratuity	524,605	464,743
On account of NPA	1,467,750	1,341,987
	1,992,355	1,806,730
Deferred Tax Liability		
On account of Depreciation	527,768	511,955
Net Deferred Tax Asset	1,464,587	1,294,775

Note 11 Long-term loans and advances (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Security deposits Unsecured, considered good	614,367	617,367
Advance income tax (net of provision for tax)	8,910,242	5,289,557
Total	9,524,609	5,906,924

Note 12 Inventories (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Stock-in-trade (acquired for trading)		
Securities	9,815,671	9,515,975
Land	24,895,070	45,043,390
Foreign Currency	2,692,977	4,496,524
Total	37,403,718	59,055,889

Note 13 Trade receivables (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	979,800
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Unsecured, considered good	127,179,146	42,446
Total	127,179,146	1,022,246

Note 14 Cash and cash equivalents (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Cash on hand	1,135,589	456,905
Balances with banks		
In current accounts	1,471,291	4,063,820
In deposit accounts *	21,319,533	28,250,839
In earmarked accounts- Unpaid dividend accounts	457,725	224,775
Total	24,384,138	32,996,339

* Deposit are pledged against overdraft facility

Note 15 Short-term loans and advances (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans and advances to related parties Unsecured, considered good	325,954,971	26,734,996
Prepaid expenses Unsecured, considered good	229,050	143,293
Loans and advances to others	602,087,726	445,323,673
Less: Provision for NPA	(4,523,810)	(4,040,000)
Total	923,747,937	468,161,962

Note 16 Other current assets (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Others	302,825	769,475
Total	302,825	769,475

Note 17 Revenue from operations (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Interest		
Interest on Loans and Advances	85,286,657	36,109,109
Interest on Fixed Deposits	1,744,781	2,282,953
	87,031,438	38,392,062
Other Financial Services		
Income from Forex Business	4,473,027	6,927,958
Profit/(Loss) from dealing in securities	(13,469,245)	(18,586,065)
Dividend Income	23,264,463	6,660,350
Profit on Sale of Land	3,189,080	7,082,280
Others	1,213,954	174,000
	18,671,279	2,258,523
Total	105,702,717	40,650,585

Note 18 Other income (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Net gain on sale of: long-term investments	610,558	16,792,304
Other non-operating income		
Share of profit from partnership firms	609,428	853,902
Miscellaneous income	65,440	267,579
	674,868	1,121,481
Total	1,285,426	17,913,785

Note 19 Employee benefits expense (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Salaries and wages *	7,785,886	8,126,012
Contributions to provident funds	134,399	132,809
Staff welfare expenses	211,384	281,753
Total	8,131,669	8,540,574

* Includes Gratuity amounting to ₹ 217,815 (Year ended March 31, 2011 :212,359)

Note 20 Finance costs (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Interest expenses	67,671,691	17,473,329
Bank Charges	48,773	165,681
Total	67,720,464	17,639,010

Note 21 Other expenses (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Printing & Stationery	131,102	131,017
Postage, Telegram & Telephone	241,551	279,673
Rent	578,534	848,327
Fees & Taxes	215,924	132,024
Directors Travelling	175,021	229,606
Legal & Professional Charges	175,389	48,692
Travelling & Conveyance	118,030	327,526
Payments to auditors		
As auditors - statutory audit	67,500	67,500
For taxation matters	7,500	7,500
Office Maintenance	624,982	476,727
General Expenses	2,690,149	1,098,781
Advertisement Expenses	218,874	564,749
Provision for Non Performing Assets	483,810	(1,083,697)
Bad Debts	927,514	9,609,053
Total	6,655,880	12,737,478

Note 22 Contingent Liabilities

- (a) The Punjab State Industrial Development Corporation Limited (PSIDC) had contributed ₹ 8.85 mn in the equity share capital of Prime Industries Ltd @ ₹ 10/- per share, as Direct Equity Participation in 1993. The Company as an associate promoter of Prime Industries Ltd., pledged 569300 shares (Previous year 569300 shares) of Prime Industries Ltd of ₹ 10/- each amounting to ₹ 5.69 mn (Previous Year ₹ 5.69 mn) to PSIDC along with irrevocable power of attorney. The Company has also subscribed to the undertaking for buy back of the shares subscribed by PSIDC as referred above. As per the terms of undertaking for buy back of the shares, the promoters are to buy the said shares at the face value along with interest applicable to terms financing before the expiring of seven years from the date of commencement of commercial production i.e. 04.04.1994. As per the term of the above referred undertaking, in case the promoters/associates do not buy back the shares subscribed by PSIDC, then the PSIDC is entitled to sell the shares subscribed by it and also recovers the loss if any by sale of the above referred shares pledged to the PSIDC. The PSIDC had announced OTS Policy for equity disinvestment. The promoters / associates have applied for buy back of shares under OTS policy, subject to their rights under the law to adjudicate upon the amount due under the buy back agreement. However the government of Punjab has amended the one time settlement scheme whereby the profit making companies are not eligible for the OTS scheme as per industrial policy 2003. The PSIDC vide letter dated 29th April 2009 has illegally withdrawn the OTS in case of Prime Industries Limited and the matter is sub judice before Honorable Punjab & Haryana High Court. The Government of Punjab has Further notified a new one time settlement scheme (OTS) vide notification number 15/03/09-AS-6/400 Dated 02.03.2009. The promoters/associates being eligible even under the new OTS policy also, have apply for buy back of shares. The request of promoters/associates has not been accepted by PSIDC and the matter is sub judice before Honorable Punjab & Haryana High Court, a sum of ₹ 25.10 mn (previous year ₹ 25.10 mn) shown as loans and advances has been paid as per the amount demanded by the PSIDC in this respect. However PSIDC has filled a case for further recovery of ₹ 35.13 mn before Honorable Debts Recovery Tribunal.
- (b) Bank Guarantee of US\$ 0.05 mn (previous year US\$ 0.05 mn) in favour of American Express Travel Related Services Company Inc. U.S.A. for traveller cheques stock limit.
- (c) The Company has given Corporate Guarantee to Banks for securing the Bank Guarantees limits of ₹ 760.00 mn (As at 31 March, 2011: ₹ 1000.00 mn) on behalf of Master Capital Services Ltd. a wholly owned subsidiary company and ₹ 410.00 mn (previous year 490.50mn) on behalf of Master Commodity Services Ltd a subsidiary company.

Note 23

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

Note 24

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

Note 25

The Ministry of Corporates Affairs, Government of India, vide General Circular No 2 and 3 dated 8th February, 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

Note 26

As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(amount in million ₹)

Particulars	Amount outstanding	Amount overdue
Liabilities side :		
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:		
(a) Debentures :		
Secured	NIL	NIL
Unsecured	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	1.06	NIL
(d) Inter-corporate loans and borrowing	664.38	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans		
Bank overdraft (secured against Fixed Deposits)	8.80	NIL
* Please see Note 1 below		
Assets side :		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	78.20	
(b) Unsecured	845.32	
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(I) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	NIL	
(b) Operating lease	NIL	
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	NIL	
(b) Loans other than (a) above	NIL	
(4) Break-up of Investments :		
Current Investments :		
1. Quoted :		
(i) Shares :		
(a) Equity		
(b) Preference	NIL	
(ii) Debentures and Bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others (please specify)	NIL	
2. Unquoted :		
(i) Shares :		
(a) Equity	NIL	
(b) Preference	NIL	
(ii) Debentures and Bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others (please specify)	NIL	
Long Term investments :		
1. Quoted :		
(i) Shares :	69.79	
(a) Equity		
(b) Preference	NIL	
(ii) Debentures and Bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others (please specify)	NIL	
2. Unquoted :		
(i) Shares :		
(a) Equity	156.26	
(b) Preference		
(ii) Debentures and Bonds	10.03	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	0.04	
(v) Others (please specify)		
Investment in Property	17.37	
TOTAL	253.49	

Particulars	Amount net of provisions		
	Secured	Unsecured	Total
(5) Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below			
Category			
1. Related Parties **			
(a) Subsidiaries	NIL	225.20	225.20
(b) Companies in the same group	NIL	95.68	95.68
(c) Other related parties	NIL	5.07	5.07
2. Other than related parties	78.20	519.37	597.56
Total	78.20	845.32	923.52

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
Please see note 3 below		
Category		
1. Related Parties **		
(a) Subsidiaries	890.68	165.23
(b) Companies in the same group	16.48	15.70
(c) Other related parties	1.06	1.06
2. Other than related parties	104.37	71.51
Total	1,012.59	253.49
** As per Accounting Standard of ICAI (Please see Note 3)		

(7) Other information	
Particulars Amount	
(i) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	-4.52
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

Note 27 Related Party Disclosures

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

Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Realtives
Master Capital Services Ltd.	Prime Industries Ltd.	Sh. Harjeet Singh Arora
Master Infrastructure & Real Estate Developers Ltd.	Master Share & Stock Brokers Ltd.	Sh. R K Singhanian
Master Insurance Brokers Ltd	H.K Arora Real Estate Service Ltd	Sh. G S Chawla
Master Commodity Services Ltd	Sanawar Investments	Sh. Sanjay Sood
Master Portfolio Services Ltd.	PHDA Financial Services (P) Ltd.	Sh. Pavan Chhabra
	H.A. Share & Stock Brokers Ltd.	Smt. Harneesh Kaur Arora
	Saintco India (P) Ltd.	Sh. Ashwani Kumar
	Singhanian Properties.	Sh. Anil Kumar Bhatiya
	Partnership Firms	Sh. Sudhir Kumar
		Smt. Parveen Singhanian
		Sh. Puneet Singhanian
		Sh. Chirag Singhanian
		Smt. Palka A Chopra
		Sh. Jashanjyot Singh

Transactions with related parties

(amount in ₹)

Transactions with related parties	Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Realtives	2011-12 Total
Purchases	-	-	9,979,700	9,979,700
Sale	-	-	-	-
Brokerage Paid	416,491 (248,525)	-	-	416,491 (248,525)
Interest Paid	34,000,470 (5,350,905)	-	1,907,902	35,908,372 (5,441,810)
Interest Received	1,580,230 (243,942)	958,441 (773,679)	-	2,538,671 (1,017,621)
Rent Paid	-	-	13,200	13,200
Rent Received	2,500	-	-	2,500
Loan & Advances Given	225,204,993 (3,689,427)	95,678,277 (10,345,788)	-	320,883,270 (14,035,215)
Loan & Advances Taken	43,412,046 (34,667,216)	-	878,369	44,290,415 (34,667,216)
Remuneration	-	-	3,370,280 (3,370,280)	3,370,280 (3,370,280)
Corporate Guarantees given	1,170,000,000 (1,490,500,000)	-	-	1,170,000,000 (1,490,500,000)
Balance outstanding at the end of the year receivable	225,204,993 (3,689,427)	100,749,978 (23,045,569)	-	325,954,971 (26,734,996)
Payable	46,363,381 (34,910,364)	76,135 (25,167)	1,410,997 (45,945,000)	47,850,513 (80,880,531)

Note 28

The Company's domestic subsidiary Master Capital Services Limited has declared dividend of ₹ 8.85 mn (Previous Year ₹ 6.12 mn) is receivable by the Company in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provision of sub section 1A of section 115 O of the Income Tax Act, 1961 dividend distribution tax is payable by the company on the amount being excess of dividend proposed by the company over the dividend receivable by the company from its subsidiary.

Note 29

The Company has incurred foreign exchange out go is ₹ NIL (Previous Year ₹ 0.06 mn) during the year.

Note 30

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

CONSOLIDATED FINANCIAL REPORTS

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Board of Directors
Master Trust Ltd.

1. We have examined the attached Consolidated Balance Sheet of **Master Trust Limited** and its subsidiaries as at 31.03.2012 and also the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement, for the year ended on that date. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation, we believe that our audit provides a reasonable basis for our opinion.

3. We further report that the Consolidated Financial Statements have been prepared by the company's management in accordance with the requirements of Accounting Standard AS-21 Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the company and its subsidiaries included in Consolidated Financial Statements.

4. On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its subsidiaries, we are of the opinion that the said Consolidated Financial Statements, read together with notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India;

a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March, 2012;

b) In the case of Consolidated Statement of Profit & Loss, of the consolidated results of operations of the company and its subsidiaries for the year ended on that date.

c) In the case of Consolidated Cash Flow Statement, of the Consolidate Cash Flow for the year ended on that date.

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N

Place: Ludhiana
Date : 21.07.2012

(Manjeet Singh)
Prop.
Membership Number 088759

MASTER TRUST LTD

Consolidated Balance Sheet as at 31 March, 2012 (amounts in ₹)

Particulars	Note	As at 31 March, 2012	As at 31 March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	109,223,500	67,843,750
Reserves and surplus	2	1,310,916,348	908,062,157
Money received against share warrants	1.5	-	70,295,000
		1,420,139,848	1,046,200,907
Minority Interest	3	679,078	620,071
Non-current liabilities			
Long-term borrowings	4	321,630,091	258,282,337
Deferred tax liabilities (net)	5	9,040,326	9,148,072
		330,670,417	267,430,409
Current liabilities			
Short-term borrowings	6	975,078,796	612,158,811
Trade payables	7	1,510,013,860	1,510,841,451
Other current liabilities	8	75,130,809	223,555,850
Short-term provisions	9	28,051,119	14,682,667
		2,588,274,584	2,361,238,779
TOTAL		4,339,763,927	3,675,490,166
ASSETS			
Non-current assets			
Fixed assets - Tangible	10	127,208,977	108,247,609
Non-current investments	11	218,509,881	370,754,542
Long-term loans and advances	12	59,039,964	37,712,911
		404,758,822	516,715,062
Current assets			
Inventories	13	195,689,831	281,883,295
Trade receivables	14	1,455,116,285	891,844,574
Cash and cash equivalents	15	1,184,589,100	1,381,547,914
Short-term loans and advances	16	1,099,609,889	603,499,321
		3,935,005,105	3,158,775,104
TOTAL		4,339,763,927	3,675,490,166
Significant Accounting Policies Notes on Financial Statements	1 to 27		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration Number 011831N

Manjeet Singh

Prop.

Membership Number 088759

Ludhiana, 21st July, 2012

For and on behalf of the Board

R. K. Singhania
Director

Harjeet Singh Arora
Managing Director

Sunil Kumar
Manager Accounts

Honey Ahuja
Company Secretary

MASTER TRUST LTD

Consolidated Statement of Profit and Loss for the year ended 31 March, 2012 (amounts in ₹)

Particulars	Note	For the year ended 31 March, 2012	For the year ended 31 March, 2011
INCOME			
Revenue from operations	17	928,417,642	830,083,942
Other income	18	31,187,713	38,955,867
Total Revenue		959,605,355	869,039,809
Expenses			
Employee benefits expense	19	158,347,051	94,818,178
Finance costs	20	142,952,951	81,909,099
Depreciation	10	13,907,940	16,847,661
Other expenses	21	510,841,780	519,254,605
Total Expenses		826,049,722	712,829,543
Profit before tax		133,555,633	156,210,266
Tax expense:			
Current tax expense for current year		18,076,000	25,607,300
Deferred tax		(137,782)	(42,189)
Current tax expense relating to prior years		(1,004,492)	5,101,276
Profit for the year before adjustment for Minority Interest		116,621,907	125,543,879
Less Share of profit transferred to Minority Interest		59,007	16,366
Profit for the year after adjustment for Minority Interest		116,562,900	125,527,513
Earnings per equity share of face value ₹ 10 each			
Basic and Diluted (in ₹)		16.06	20.22
Weighted average number of shares outstanding		7,258,475	6,207,400
Significant Accounting Policies Notes on Financial Statements	1 to 25		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh

Prop.
Membership Number 088759

Ludhiana, 21st July, 2012

For and on behalf of the Board

R. K. Singhania
Director

Harjeet Singh Arora
Managing Director

Sunil Kumar
Manager Accounts

Honey Ahuja
Company Secretary

MASTER TRUST LTD

Consolidated Cash Flow Statement for the year ended 31 March, 2012 (amounts in ₹)

Particulars	As at 31 March, 2012		As at 31 March, 2011	
A. Cash flow from operating activities		133,555,633		156,210,266
Net Profit before tax and extraordinary items				
Adjustments for:				
Assets & Liabilities transferred in Amalgamation	65,020,585			
Depreciation and amortisation	13,907,940		16,847,661	
Miscellaneous Expenditure	61,110		71,324	
Profit on sale of fixed assets	(155,730)		(27,458)	
Provision for NPA	483,810		(1,083,697)	
		79,317,715		15,807,830
Operating profit before working capital changes		212,873,348		172,018,096
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	86,193,464		(270,380,939)	
Trade receivables	(563,271,711)		(244,982,968)	
Short-term loans and advances	(496,655,488)		(7,385,356)	
Long-term loans and advances	(21,327,053)		(131,374,641)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(827,591)		718,314,820	
Other current liabilities	(148,425,041)		(149,465,644)	
Short-term borrowings	362,919,985		396,691,137	
Long-term borrowings	63,347,754		43,656,317	
Short-term provisions	3,740,425			
		(714,305,256)		355,072,726
Cash flow from extraordinary items		(501,431,908)		527,090,822
Cash generated from operations		(501,431,908)		527,090,822
Net income tax (paid) / refunds		(19,994,189)		(17,414,811)
Net cash flow from / (used in) operating activities (A)		(521,426,097)		509,676,011
B. Cash flow from investing activities				
Purchase of fixed assets		(34,250,078)		(28,431,225)
Sale of fixed assets		1,536,500		20,424,207
Purchase of Investment		(111,653,548)		(300,686,854)
Sale of Investment		263,898,209		60,428,801
Net cash flow from / (used in) investing activities (B)		119,531,083		(248,265,071)
C. Cash flow from financing activities				
Proceeds from issue of equity shares/ warrants		211,033,750		113,815,000
Dividends paid		(6,097,550)		(6,144,375)
Net cash flow from financing activities (C)		204,936,200		107,670,625
Net Increase / (decrease) in Cash and cash equivalents (A+B+C)		(196,958,814)		369,064,909
Cash and cash equivalents at the beginning of the year		1,381,547,914		1,012,483,005
Cash and cash equivalents at the end of the year		1,184,589,100		1,381,547,914

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh

Prop.
Membership Number 088759
Ludhiana, 21st July, 2012

For and on behalf of the Board

R. K. Singhania
Director

Harjeet Singh Arora
Managing Director

Sunil Kumar
Manager Accounts

Honey Ahuja
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Consolidated Financial Statements

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India and generally accepted accounting principles in India.
- b) The Consolidated Financial Statements of Master Trust Limited for the year ended 31st March, 2012 and its following subsidiaries:

Subsidiaries	Accounting Year Ended Date	Proportion of Ownerships Interest as at 31.03.2012
-Master Capital Services Ltd.	31st March, 2012	100%
-Master Infrastructure and Real Estate Developers Ltd.	31st March, 2012	100%
-Master Commodity Services Ltd.	31st March, 2012	100%
-Master Insurance Brokers Ltd.	31st March, 2012	90%
-Master Portfolio Services Ltd	31st March, 2012	100%

All the subsidiaries are incorporated in India.

- c) The financial statements of the Company and its subsidiaries have been combined on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions.
- d) The Company has disclosed only such policies and notes from the individual financial statements, which fairly cover the required disclosures.
- e) The parent's portion of the proposed dividend amounting to ₹ 8.85 mn (previous year ₹ 6.12mn) has been reduced from the dividend proposed by subsidiary company, as a result of which the profit carried to the consolidated balance sheet stand increased to that extent.
- f) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

B. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C. Fixed Assets

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

D. Depreciation and Amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

E. Impairment of Assets

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

F. Investments

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

G. Inventories

Inventories are valued at the lower of cost and the net realisable value. Encashed traveller cheques and traveller cheques sold but not settled are valued at inter bank rate.

H. Revenue Recognition

The Company follows the mercantile system of accounting and recognized Profit & Loss on that basis. Interest income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms. Income from Forex Business comprises of traveller cheques commissions and margins on foreign exchange transactions in the normal course of business as Full Fledged Money Changers. The income arising from buying and selling of foreign currencies and traveller cheques has been considered on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

I. Employee Benefits

- (a) 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.
- (b) Leave encashment is payable to eligible employee, who have earned leaves, during the employment and/or on separation as per the company policy.
- (c) The company has provided the provision for the gratuity and charges to revenue.

J. Borrowing Costs

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

K. Taxes on income

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

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

L. Prudential Norms

For identifying Non Performing Assets (NPA) relating to financing activities, the Company follows Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

M. Provisions and contingencies

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

Notes forming part of the financial statements

Note 1 Share capital (amounts in ₹)

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of ₹ 10 each	11,000,000	110,000,000	11,000,000	110,000,000
Issued				
Equity shares of ₹10 each	10,975,400	109,754,000	6,840,400	68,404,000
Subscribed and fully paid up				
Equity shares of ₹ 10 each	10,876,600	108,766,000	6,733,500	67,335,000
Subscribed but not fully paid up				
Equity shares of ₹ 10 each	-	-	106,900	508,750
Forfeited Shares	-	457,500	-	-
Total	10,876,600	109,223,500	6,840,400	67,843,750

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

1.2 Calls in Arrears by others Nil (As at 31 March, 2011 ₹ 560,250)

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

Name of the shareholder	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares held	% of holding	No. of shares held	% of holding
Harjeet Singh Arora	1,406,848	12.93	606,848	8.87
Harneesh Kaur Arora	1,125,010	10.34	325,010	4.75
Rajinder Kumar Singhania	2,580,357	23.72	980,357	14.33
Shiv Narayan Investment (P) Ltd.	1,149,200	10.57	-	-
Vidya Portfolio Management(P)Ltd.	700,000	6.44	-	-
Gala Finance & Investment Limited	525,750	4.83	355,000	5.19

1.4 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares		No. of shares	
Equity Shares at the beginning of the year	6,840,400		6,200,400	
Add: Conversion of warrants into equity shares	4,135,000		640,000	
Less: Equity shares forfeited	98,800		-	
Equity Shares at the end of the year	10,876,600		6,840,400	

1.5 In terms of the approval of the Board of Directors and Shareholders of the Company and as per statutory provisions including SEBI (Issue of Capital and Disclosure Requirements), Regulation 2009, the Company on August 28, 2010 had issued and allotted 47,75,000 Convertible Warrants on preferential basis. Each warrant provided the holder with the option to subscribe to one fully paid-up equity share of the Company for every warrant at a price of ₹ 68/- per warrant (including a premium of ₹ 58/- per warrant) within 18 months from the date of allotment. The Company has converted 41,35,000 Convertible Warrants into Equity Shares on 14 February, 2012 (As at 31 March, 2011 640000 Convertible Warrants into Equity Shares on 28 March, 2011) of ₹ 10/- each.

Note 2 Reserves and surplus (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Capital Reserve		
As per last Balance Sheet	49,127,609	49,387,609
Add : On Amalgamation	100	-
Less : Adjusted	-	260,000
Closing balance	49,127,709	49,127,609
Securities Premium Account		
As per last Balance Sheet	208,427,282	171,307,282
Add : On issue of Shares	239,830,000	37,120,000
On Calls in Arrears received	119,000	-
On Amalgamation	12,000,000	-
Closing balance	460,376,282	208,427,282
General Reserve		
As per last Balance Sheet	15,578,883	12,836,319
Add : Transferred from Statement of Profit & Loss	2,929,124	2,742,564
Closing balance	18,508,007	15,578,883
Statutory Reserve (Under Section 45IC of RBI Act, 1934)		
As per last Balance Sheet	5,438,042	2,055,119
Add: Transferred from Statement of Profit & Loss	4,760,173	3,382,923
Closing balance	10,198,215	5,438,042
Profit and Loss Account		
As per last Balance Sheet	629,490,341	517,178,681
Add: On Amalgamation	51,020,585	-
Transferred from Statement of Profit & Loss	116,562,900	125,527,513
	797,073,826	642,706,194
Less: Appropriations		
Proposed Dividend on Equity Shares (₹ 1 per equity share)	10,876,600	6,097,550
Tax on dividend	1,764,456	992,817
Statutory Reserve	4,760,173	3,382,923
General Reserve	2,929,124	2,742,563
Provision for Gratuity for previous years	4,037,338	-
Closing balance	772,706,135	629,490,341
Total	1,310,916,348	908,062,157

Note 3 Minority Interest (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Share Capital	500,700	500,700
Share of accumulated profit upto previous year	119,371	103,005
Profit for the year transferred from Statement of Profit & Loss	59,007	16,366
Total	679,078	620,071

Note 4 Long-term borrowings (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Deep Discount Bonds		
Unsecured	26,280,000	26,280,000
Interest on Deep Discount Bond Accrued But not due	282,079,623	230,083,522
Term Loans	308,359,623	256,363,522
From banks		
Secured	5,100,035	1,918,815
Others		
Unsecured	8,170,433	-
Total	321,630,091	258,282,337

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

Nature of Security

Term Loan is secured against hypothecation of Cars

Terms of Repayment

Repayable in equal monthly instalments

4.2 Installments falling due in respect of all the above loans upto 31 March, 2013 have been grouped under "Current maturities of long term debt" (Refer Note 8)

Note 5 Deffered Tax Liability (Net) (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Deferred Tax Liability		
On account of Depreciation	13,545,625	12,809,752
Deferred Tax Asset		
On account of Gratuity	3,037,549	2,319,693
On account of NPA	1,467,750	1,341,987
	4,505,299	3,661,680
Net Deferred Tax Liability	9,040,326	9,148,072

Note 6 Short-term borrowings (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans repayable on demand		
From banks		
Secured	165,549,497	433,287,287
From other parties		
Secured	313,639,410	-
Unsecured	10,000,000	10,000,000
	489,188,907	443,287,287
Loans and advances from related parties		
Unsecured	2,365,501	45,970,167
Other loans and advances		
Unsecured	483,524,388	122,901,357
Total	975,078,796	612,158,811

6.1 Loans from banks are secured against pledging of FDRs

6.2 Secured Other loans and advances are secured against proceeds from sale of Units of Mutual Funds.

Note 7 Trade payables (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade payables	1,510,013,860	1,510,841,451
Total	1,510,013,860	1,510,841,451

Note 8 Other current liabilities (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Current maturities of long-term debt (Refer Note 4)	2,898,875	2,327,792
Unpaid dividends	457,725	224,775
Statutory dues	11,733,470	5,275,829
Cheque Issued Net	-	153,276,665
Others	60,040,739	62,450,789
Total	75,130,809	223,555,850

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

Note 9 Short-term provisions (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Provision for gratuity	15,160,063	7,382,300
Provision for tax	250,000	210,000
Provision for proposed equity dividend	10,876,600	6,097,550
Provision for tax on proposed dividend	1,764,456	992,817
Total	28,051,119	14,682,667

Note 10 Fixed assets (amounts in ₹)

Particulars	Gross block				Accumulated depreciation					Net block		
	Balance as at 1 April, 2011	Assets transferred on amalgamation	Additions	Disposals/Transfer	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Adjustment on account of amalgamation	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
Buildings	34,188,709	-	752,728	844,200	34,097,237	1,446,497	-	553,804	17,945	1,982,356	32,114,881	32,742,212
Furniture and Fixtures	15,999,500	263,321	2,902,564	-	19,165,385	4,607,836	170,799	991,026	-	5,769,661	13,395,724	11,391,664
Office equipment	19,428,585	486,327	4,086,840	-	24,001,752	4,184,722	157,964	998,758	-	5,341,444	18,660,308	15,243,863
Computer	100,375,374	4,745,373	16,466,634	-	121,587,381	62,801,564	4,270,789	9,477,052	-	76,549,405	45,037,976	37,573,810
Vehicles	15,212,696	3,963,789	6,460,720	1,193,487	24,443,718	4,591,113	604,189	1,887,300	638,972	6,443,630	18,000,088	10,621,583
Capital Work in Progress	674,477	-	-	674,477	-	-	-	-	-	-	-	674,477
Total	185,879,341	9,458,810	30,669,486	2,712,164	223,295,473	77,631,732	5,203,741	13,907,940	656,917	96,086,496	127,208,977	108,247,609
Previous year	178,020,914	-	28,431,225	20,572,798	185,879,341	60,960,120	-	16,847,661	176,049	77,631,732	108,247,609	117,060,794

Note 11 Non-current investments (amounts in ₹)

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
of associates						
15,69,800 (As at 31 March, 2011: 15,69,800) shares of ₹ 10 each fully paid up in Prime Industries Ltd.	26,322,520	-	26,322,520	26,322,520	-	26,322,520
4 (As at 31 March, 2011: 4) shares of ₹ 300 each fully paid up in Master Projects Private Ltd.	-	1,057,500	1,057,500	-	1,057,500	1,057,500
	26,322,520	1,057,500	27,380,020	26,322,520	1,057,500	27,380,020
of other entities						
1,468 (As at 31 March, 2011: 1,468) shares of ₹ 10 each fully paid up in Trident Ltd.	14,680	-	14,680	14,680	-	14,680
6,25,000 (As at 31 March, 2011: 6,25,000) shares of ₹ 10 each fully paid up in Vardhman Polytext Ltd.	24,706,250	-	24,706,250	24,706,250	-	24,706,250
5,000 (As at 31 March, 2011: 5,000) shares of ₹ 10 each fully paid up in RRB Securities Ltd.	-	500,000	500,000	-	500,000	500,000
500 (As at 31 March, 2011: 500) shares of ₹ 10 each fully paid up in ICICI Bank Ltd.	454,206	-	454,206	454,206	-	454,206
11,030 (As at 31 March, 2011: 11,030) shares of ₹ 10 each fully paid up in Coal India Ltd.	2,665,747	-	2,665,747	2,665,747	-	2,665,747
2,500 (As at 31 March, 2011: 2,500) shares of ₹ 10 each fully paid up in Apar Industries Ltd.	613,336	-	613,336	613,336	-	613,336
750 (As at 31 March, 2011: 750) shares of ₹ 10 each fully paid up in TRF Ltd.	516,324	-	516,324	516,324	-	516,324
1,781 (As at 31 March, 2011: 1,781) shares of ₹ 10 each fully paid up in Power Grid Corporation of India Ltd.	152,275	-	152,275	152,275	-	152,275
7,500 (As at 31 March, 2011: 7,500) shares of ₹ 10 each fully paid up in Development Credit Bank Ltd.	430,405	-	430,405	430,405	-	430,405
4,200 (As at 31 March, 2011: 4,200) shares of ₹ 10 each fully paid up in Karnataka Bank Ltd.	610,860	-	610,860	610,860	-	610,860
250 (As at 31 March, 2011: 250) shares of ₹ 10 each fully paid up in State Bank of India	653,870	-	653,870	653,870	-	653,870
1,000 (As at 31 March, 2011: 1,000) shares of ₹ 10 each fully paid up in Venky's (India) Ltd.	547,088	-	547,088	547,088	-	547,088
87,136 (As at 31 March, 2011: Nil) shares of ₹ 10 each fully paid up in SML Isuzu Ltd.	19,696,748	-	19,696,748	19,696,748	-	19,696,748
325,000 (As at 31 March, 2011: Nil) shares of ₹ 10 each fully paid up in First Financial Services Ltd.	6,500,000	-	6,500,000	-	-	-
3,000 (As at 31 March, 2011: 3,000) shares of ₹ 5 each fully paid up in Wockhardt Ltd.	1,020,349	-	1,020,349	1,020,349	-	1,020,349
1250 (As at 31 March, 2011: 250) shares of ₹ 2 each fully paid up in HDFC Bank Ltd.	512,190	-	512,190	512,190	-	512,190
8250 (As at 31 March, 2011: 8250) shares of ₹ 10 each fully paid up in Raghuvanshi Mills Ltd.	90,750	-	90,750	90,750	-	90,750
125 (As at 31 March, 2011: 125) shares of ₹ 10 each fully paid up in Varun Shipping Ltd.	2,250	-	2,250	2,250	-	2,250
1392 (As at 31 March, 2011: 1392) shares of ₹ 10 each fully paid up in MOIL Ltd.	522,000	-	522,000	522,000	-	522,000
200000 (As at 31 March, 2011: 200000) shares of ₹ 10 each fully paid up in Prabhav Industries Ltd.	7,000,000	-	7,000,000	7,000,000	-	7,000,000
Nil (As at 31 March, 2011: 250000) shares of ₹ 10 each fully paid up in LN Polyester	-	-	-	5,500,000	-	5,500,000
5,438 (As at 31 March, 2011: Nil) shares of ₹ 10 each fully paid up in Bombay Stock Exchange Ltd.	-	3,858,261	3,858,261	-	-	-
36,037 (As at 31 March, 2011: Nil) shares of ₹ 1 each fully paid up in Delhi Stock Exchange Ltd.	-	1,295,287	1,295,287	-	-	-
100 (As at 31 March, 2011: 100) shares of ₹ 1 each fully paid up in Ludhiana Stock Exchange Ltd.	-	100	100	-	100	100
70000 (As at 31 March, 2011: 70000) shares of ₹ 10 each fully paid up in Nahar Industrial Enterprises Ltd.	1,855,000	-	1,855,000	1,855,000	-	1,855,000
	68,564,328	5,653,648	74,217,976	67,564,328	500,100	68,064,428
Investment property	-	17,366,088	17,366,088	-	20,386,038	20,386,038
Investment in partnership firms	-	-	-	-	4,573,760	4,573,760
Other non-current investments						
Government Securities						
6.75% 2006 Government Securities	-	17,674	17,674	-	17,674	17,674
6.75% 2007 Government Securities	-	23,123	23,123	-	23,123	23,123
Mutual Funds						
- (As at 31 March, 2011: 7306.54) Units of DSP Black Rock Top 100 Regular Plan Growth	-	-	-	-	604,499	604,499
- (As at 31 March, 2011: 20,000) Units of UTI Wealth Builder Fund Growth	-	-	-	-	200,000	200,000
- (As at 31 March, 2011 : 500000) Units of Kotak Flexi Maturity Plan 38	-	-	-	-	50,000,000	50,000,000
- (As at 31 March, 2011 : 500000) Units Relaince Fixed Maturity Plan	-	-	-	-	50,000,000	50,000,000
- (As at 31 March, 2011 : 1000000) Units of Reliance Fixed Horizon Fund	-	-	-	-	100,000,000	100,000,000
- (As at 31 March, 2011 : 500000) Units of Tata FMP Series 31	-	-	-	-	50,000,000	50,000,000
50,00,000 (As at 31 March, 2011 : Nil) Units of Tata Mutual Fund	-	50,000,000	50,000,000	-	-	-
50,00,000 (As at 31 March, 2011 : Nil) Units of Reliance Mutual Fund	-	50,000,000	50,000,000	-	-	-
	-	100,040,797	100,040,797	-	250,845,296	250,845,296
Total	94,886,848	124,118,033	219,004,881	93,886,848	277,362,694	371,249,542
Less: Provision for diminution in value of investments	-	495,000	495,000	-	495,000	495,000
Total	-	-	218,509,881	-	-	370,754,542
Aggregate amount of quoted investments	94,886,848	-	-	93,886,848	-	-
Aggregate market value of listed and quoted investments	-	-	-	-	-	-
Aggregate amount of unquoted investments	-	123,623,033	-	-	276,867,694	-



Note 12 Long-term loans and advances (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Security deposits Unsecured, considered good	36,184,588	34,980,824
Advance income tax (net of provision for tax)	22,855,376	2,732,087
Total	59,039,964	37,712,911

Note 13 Inventories (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Stock-in-trade (acquired for trading)		
Securities	44,880,059	199,214,861
Land	148,116,795	78,171,910
Foreign Currency	2,692,977	4,496,524
Total	195,689,831	281,883,295

Note 14 Trade receivables (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	19,043,045	26,607,749
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Unsecured, considered good	1,436,073,240	865,236,825
Total	1,455,116,285	891,844,574

Note 15 Cash and cash equivalents (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Cash on hand	4,071,156	3,179,998
Balances with banks		
In current accounts	71,101,206	116,464,634
Cheques in hand (Net)	72,758,214	-
In deposit accounts *	1,036,200,799	1,261,678,507
In earmarked accounts- Unpaid dividend accounts	457,725	224,775
Total	1,184,589,100	1,381,547,914

* Deposit are pledged against overdraft facility

Note 16 Short-term loans and advances (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Loans and advances to related parties		
Unsecured, considered good	100,749,978	23,045,569
Prepaid expenses		
Unsecured, considered good	12,366,027	8,561,367
Loans and advances to others		
Unsecured, considered good	801,787,726	445,323,673
Less: Provision for NPA	(4,523,810)	(4,040,000)
	797,263,916	441,283,673
Others	189,229,968	130,608,712
Total	1,099,609,889	603,499,321

Note 17 Revenue from operations (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Interest		
Interest on Loans and Advances	84,224,071	68,000,818
Interest on Fixed Deposits	94,286,363	77,148,923
Others	10,739	168,674
	178,521,173	145,318,415
Other Financial Services		
Income from Forex Business	4,473,027	6,927,958
Brokerage/Profit/(Loss) from dealing in securities	580,241,322	523,176,764
Dividend Income	52,111,863	56,680,354
DP Income	31,550,231	26,313,486
Profit on Sale of Land	5,123,365	7,548,740
Others	76,396,661	64,118,225
	749,896,469	684,765,527
Total	928,417,642	830,083,942

Note 18 Other income (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Net gain on sale of: long-term investments	26,025,707	33,392,304
Other non-operating income		
Share of profit from partnership firms	616,323	866,562
Miscellaneous income	4,545,683	4,697,001
	5,162,006	5,563,563
Total	31,187,713	38,955,867

Note 19 Employee benefits expense (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Salaries and wages *	153,374,380	90,965,334
Contributions to provident funds	264,055	290,844
Staff welfare expenses	4,708,616	3,562,000
Total	158,347,051	94,818,178

* Includes Gratuity amounting to Rs 2740558 (Year ended March 31, 2011 :11,51,388)

Note 20 Finance costs (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Interest	134,225,069	72,401,671
Bank Charges	8,727,882	9,507,428
Total	142,952,951	81,909,099

Note 21 Other expenses (amounts in ₹)

Particulars	As at 31 March, 2012	As at 31 March, 2011
Printing & Stationery	8,022,075	5,997,983
Postage, Telegram & Telephone	21,133,587	15,028,141
Rent	19,846,767	13,845,321
Fees & Taxes	3,349,366	2,866,384
Directors Travelling	175,021	229,606
Demat/ Remat Charges	5,106,232	5,271,265
Legal & Professional Charges	18,561,942	15,146,715
Travelling & Conveyance	7,897,173	5,854,929
Payments to auditors		
As auditors - statutory audit	250,000	260,000
For taxation matters	55,000	45,000
Office Maintenance	30,359,582	13,649,163
General Expenses	48,121,755	66,362,259
Advertisement Expenses	218,874	568,681
Sub Brokerage	220,936,115	203,426,831
Turnover Charges	105,827,701	99,643,140
Custodian Charges	2,923,946	3,554,689
VSAT Charges	10,350,986	8,223,077
Provision for Non Performing Assets	483,810	(1,083,697)
Profit on Sale of Fixed Assets	(155,730)	(27,458)
Bad Debts	7,377,578	60,392,576
Total	510,841,780	519,254,605

Note 22 Contingent Liabilities

- (a) The Punjab State Industrial Development Corporation Limited (PSIDC) had contributed ₹ 8.85 mn in the equity share capital of Prime Industries Ltd @ ₹ 10/- per share, as Direct Equity Participation in 1993. The Company as an associate promoter of Prime Industries Ltd., pledged 569300 shares (Previous year 569300 shares) of Prime Industries Ltd of ₹ 10/- each amounting to ₹ 5.69 mn (Previous Year ₹ 5.69 mn) to PSIDC along with irrevocable power of attorney. The Company has also subscribed to the undertaking for buy back of the shares subscribed by PSIDC as referred above. As per the terms of undertaking for buy back of the shares, the promoters are to buy the said shares at the face value along with interest applicable to terms financing before the expiring of seven years from the date of commencement of commercial production i.e. 04.04.1994. As per the term of the above referred undertaking, in case the promoters/associates do not buy back the shares subscribed by PSIDC, then the PSIDC is entitled to sell the shares subscribed by it and also recovers the loss if any by sale of the above referred shares pledged to the PSIDC. The PSIDC had announced OTS Policy for equity disinvestment. The promoters / associates have applied for buy back of shares under OTS policy, subject to their rights under the law to adjudicate upon the amount due under the buy back agreement. However the government of Punjab has amended the one time settlement scheme whereby the profit making companies are not eligible for the OTS scheme as per industrial policy 2003. The PSIDC vide letter dated 29th April 2009 has illegally withdrawn the OTS in case of Prime Industries Limited and the matter is sub judice before Honorable Punjab & Haryana High Court. The Government of Punjab has Further notified a new one time settlement scheme (OTS) vide notification number 15/03/09-AS-6/400 Dated 02.03.2009. The promoters/associates being eligible even under the new OTS policy also, have apply for buy back of shares. The request of promoters/associates has not been accepted by PSIDC and the matter is sub judice before Honorable Punjab & Haryana High Court, a sum of ₹ 25.10 mn (previous year ₹ 25.10 mn) shown as loans and advances has been paid as per the amount demanded by the PSIDC in this respect. However PSIDC has filled a case for further recovery of ₹ 35.13 mn before Honorable Debts Recovery Tribunal.
- (b) Bank Guarantee of US\$ 0.05 mn (previous year US\$ 0.05 mn) in favour of American Express Travel Related Services Company Inc. U.S.A. for traveller cheques stock limit.
- (c) The Company has given Corporate Guarantee to Banks for securing the Bank Guarantees limits of ₹ 760.00 mn (As at 31 March, 2011: ₹ 1000.00 mn) on behalf of Master Capital Services Ltd. a wholly owned subsidiary company and ₹ 410.00 mn (previous year 490.50mn) on behalf of Master Commodity Services Ltd a subsidiary company.
- (d) The company has a contingent liability of ₹ 0.20 mn (As at 31 march 2011: ₹ 0.22 mn) in respect of Income Tax matters in dispute.

Note 23

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

Note 24. Segment Reporting (amounts in ₹)

(a) Information about business Segments

Particulars	As at 31 March, 2012	As at 31 March, 2011
A) Segment Revenue		
1) Total Segment Revenue		
a) Brokerage & Allied	847,912,740	805,919,160
b) Forex Business ^b	4,473,027	6,927,958
c) Interest	87,031,438	38,392,062
d) Others	20,188,150	17,800,629
Total	959,605,355	869,039,809
2) Inter Segment Revenue	-	-
External Revenue (1-2)		
a) Brokerage & Allied	847,912,740	805,919,160
b) Forex Business	4,473,027	6,927,958
c) Interest	87,031,438	38,392,062
d) Others	20,188,150	17,800,629
Total	959,605,355	869,039,809
B) Results		
1) Segment Results:		
a) Brokerage & Allied	109,379,688	136,693,609
b) Forex Business	1,362,683	907,494
c) Interest	14,324,286	7,950,150
d) Others	9,336,702	11,024,557
Total	134,403,359	156,575,810
2) Unallocated Expenses	847,726	365,544
3) Operating Profit	133,555,633	156,210,266
4) Provision	16,933,726	30,666,387
5) Minority Interest	59,007	16,366
6) Net Profit	116,562,900	125,527,513
Other Information		
1) Segment Assets		
a) Brokerage & Allied	2,937,486,125	2,968,959,843
b) Forex Business	8,647,218	16,642,093
c) Interest	838,439,023	379,298,977
d) Others	537,832,450	327,708,306
Total	4,322,404,816	3,692,609,219
2) Unallocated Corporate Assets	17,359,111	12,318,247
3) Total Assets	4,339,763,927	3,704,927,466
4) Segment Liabilities		
a) Brokerage & Allied	2,298,816,373	2,350,512,478
b) Forex Business	170,698	7,675,513
c) Interest	559,313,283	169,771,510
d) Others	37,766,670	105,207,112
Total	2,896,067,024	2,633,166,613
5) Unallocated Liabilities	13,837,651	15,791,803
6) Deferred Tax Liabilities	9,040,326	9,148,072
7) Total Liabilities	2,918,945,001	2,658,106,488
8) Minority Interest	679,078	620,071
9) Share Holder's Fund	1,420,139,848	1,046,200,907

(b) Information about Geographical Segments

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

Note 25 Related Party Disclosures

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

Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives

Prime Industries Ltd.
Master Share & Stock Brokers Ltd.
H.K Arora Real Estate Service Ltd
Sanawar Investments
PHDA Financial Services (P) Ltd.
H.A. Share & Stock Brokers Ltd.
Saintco India (P) Ltd.
Singhania Properties.
Partnership Firms

Key Management Personnel and their Relatives

Sh. Harjeet Singh Arora
Sh. R K Singhania
Sh. G S Chawla
Sh. Sanjay Sood
Sh. Pavan Chhabra
Smt. Harneesh Kaur Arora
Sh. Ashwani Kumar
Sh. Anil Kumar Bhatiya
Sh. Sudhir Kumar
Smt. Parveen Singhania
Sh. Puneet Singhania
Sh. Chirag Singhania
Smt. Palka A Chopra
Sh. Jashanjyot Singh

Transactions with related parties (amounts in ₹)

Transactions with related parties	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives	2011-12 Rupees Total
Purchases	-	9,979,700	9,979,700
	-	-	-
Sale	-	-	-
	-	(292,568)	(292,568)
Brokerage Received	28,356,050 (14,627,854)	284,275 (1,230,049)	28,640,325 (15,857,903)
Interest Paid	- (90,905)	1,907,902 -	1,907,902 (90,905)
Interest Received	958,441 (27,332,069)	- -	958,441 (27,332,069)
Rent Paid	52,200 (52,200)	392,400 (163,200)	444,600 (215,400)
Loan & Advances Given	95,903,277 (10,570,788)	- -	95,903,277 (10,570,788)
Loan & Advances Taken	- -	878,369 -	878,369 -
Remuneration	- -	6,145,593 (5,495,520)	6,145,593 (5,495,520)
Balance outstanding at the end of the year receivable	131,685,189 (86,613,496)	10,671,611 (4,630,939)	142,356,800 (91,244,435)
Payable	30,377,662 (75,638,529)	7,483,387 (55,861,889)	37,861,049 (131,500,418)

Note 26

The company had filed petition under section 391 of the Company Act 1956 before the Honorable High Court of Bombay regarding merger of MTL Share & Stock Brokers Ltd. (Member of BSE) with us. The Honorable High court has passed the order dtd. 15/04/2011 for merger. The Company has made necessary filings with the Registrar and Registrar of Companies has approved the Merger on 21-6-2011. of Companies, The Books of Accounts have been merged w.e.f 01.4.2011.

In terms of the Accounting Standard 14 – Accounting for amalgamation, issued by the Institute of Chartered Accountants of India, the Scheme of Amalgamation is accounted under “Pooling of Interests Method”, wherein all the assets and liabilities of MTL Shares and Stock Brokers Limited, have been accounted for in the books on the basis of the book values as on April 1, 2011.

Pursuant to the Scheme of Amalgamation approved by the Hon’ble High Court, all assets and liabilities of the transferor Company are transferred to the Company at fair value and all inter-company Balances are eliminated.

Pursuant to the Scheme of Amalgamation, the bank accounts and agreements in the name erstwhile MTL Shares and Stock Brokers Limited are transferred in the name of the Company. In view of this amalgamation being effective from April 1, 2011, the figures for the year ended March 31, 2011 are not comparable with the previous year’s figures.

Note 27

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Statement Pursuant To Section 212(8) Of The Companies Act, 1956 (amounts In ₹)

Particulars	Master Capital Services Limited	Master Insurance Brokers Limited	Mater Infrstcture and Real Estate Developers Limited	Master Commodity Services Limited	Master Portfolio Services Limited
Share Capital	59,000,000	5,000,000	2,000,000	5,500,070	8,100,070
Reserves & Surplus	656,382,297	1,761,409	87,342,878	95,590,256	12,533,557
Total Assets *	2,356,038,154	7,637,290	339,988,806	630,571,223	21,031,752
Total Liabilities	1,756,924,505	875,881	250,645,928	532,835,897	398,125
Details of Investments					
Shares (Excluding subsidiaries)	16,268,648	-	-	3,355,000	-
Mutual Funds	100,000,000	-	-	-	-
Turnover & Other Income	641,377,965	6,793,948	12,688,444	240,218,032	3,832,772
Profit before tax	70,766,924	850,530	93,288	43,933,247	244,819
Provision for taxation	11,656,387	260,461	50,339	4,877,443	76,986
Profit after tax	59,110,537	590,069	42,949	39,055,804	167,833
Proposed Dividend	8,850,000	-	-	-	-

* Total Assets excludes Investments (other than Investment in Subsidiaries)

FORWARD LOOKING STATEMENT

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make/contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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