

INDEPENDENT AUDITORS' REPORT

To

**The Members of
Master Capital Services Limited**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Master Capital Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

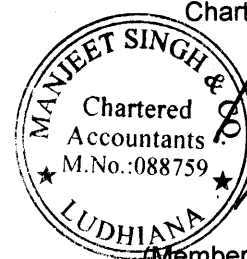
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 17 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Manjeet Singh & Co.
Chartered Accountants
FRN 11831N



Manjeet Singh
Prop.
(Membership No. 088759)

Ludhiana, 29th May, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

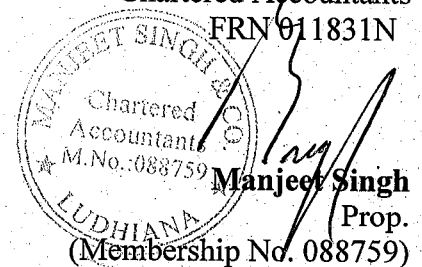
(b) Fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company through registered sale deeds except in one case in which title of the office is held through Builder Agreement/documents duly transferred in the name of the company in the records of builder and New Delhi Municipal Council only.
2. The inventory, which are held in dematerialized/physical form, has been verified at reasonable interval by the management and no material discrepancies were identified on such verification.
3. The Company has granted loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - a) The terms and conditions of the grant of above said loan are not prejudicial to the company's interest;
 - b) In the case of the above said loan granted to the party covered in the register maintained under section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and loans are repayable on demand. Accordingly, paragraph 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 read with Section 186 and 186 of the Act, with respect to loans, investments, guarantees and security as applicable.
5. The company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the record of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods & services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, goods & services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it were in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable.

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

For Manjeet Singh & Co.
Chartered Accountants
FRN 011831N



Ludhiana, 29th May, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

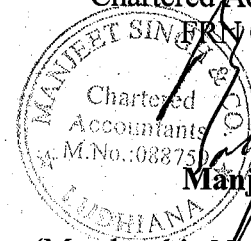
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

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

Ludhiana, 29th May, 2019

For Manjeet Singh & Co.
Chartered Accountants
M.No. 011831N



Manjeet Singh
Prop.
(Membership No. 088759)

MASTER CAPITAL SERVICES LTD

BALANCE SHEET AS AT 31st March 2019

PARTICULARS	Note	AS AT 31.03.2019	AS AT 31.03.2018
Equity & Liabilities			
Shareholders' Funds			
(a) Share Capital	1	59,000,000	59,000,000
(b) Reserves & Surplus	2	915,609,098	872,299,635
		974,609,098	931,299,635
Non-Current Liabilities			
(a) Long Term Borrowings	3	842,906,654	749,814,170
(b) Deferred Tax Liabilities (Net)	19	-	-
		842,906,654	749,814,170
CURRENT LIABILITIES			
a) Short Term Borrowings	4	74,608,953	78,566,017
b) Trade Payables		2,389,296,861	1,985,024,029
c) Other Current Liabilities	5	64,343,181	70,431,738
d) Short Term Provisions	6	3,915,613	16,850,665
		2,532,164,608	2,150,872,450
Total		4,349,680,360	3,831,986,254
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets			
Tangible Assets	7	75,026,548	51,951,951
Deferred Tax Asset	19	1,131,009	1,865,130
Non-current Investments	8	310,285,087	192,700,087
Long Term loans & advances	9	47,064,491	45,811,020
Current Assets			
a) Inventories	10	4,754	1,082,707
b) Trade Receivables		909,415,720	1,140,585,936
c) Cash & Cash Equivalents		2,687,454,437	2,099,878,188
d) Short Term Loans & Advances		319,298,315	298,111,235
		3,916,173,225	3,539,658,066
Total		4,349,680,360	3,831,986,254

Significant Accounting Policies & Notes on Financial Statements 1 to 30

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

FRN/011831N

Chartered Accountants
M.No.:088759

Manjeet Singh

Prop.

M.no. 088759

Place: Ludhiana

Date: 29.05.2019

For and on behalf of the Board

Sukhbir Singh
GM - Finance

Divyesh Jani
Company Secretary

R. K. Singhania
Managing Director
DIN-00077540

Harjeet Singh Arora
Managing Director
DIN-00063176

MASTER CAPITAL SERVICES LTD

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

PARTICULARS	Note	For the year ended 31st March, 2019	For the year ended 31st March, 2018
CONTINUING OPERATIONS			
Incomes			
Revenue from Operations	11	971,457,125	1,105,843,779
Other Incomes	12	47,078,238	65,402,102
		1,018,535,363	1,171,245,881
Expenses			
Employee Benefit Expenses	13	223,077,196	192,839,982
Administrative & Other Expenses	14	558,364,944	689,843,740
Finance Costs	15	168,300,956	167,712,556
Depreciation	7	12,874,403	25,678,808
Total		962,617,500	1,076,075,087
Profit before Tax		55,917,863	95,170,794
Provision for Taxation			
- Current Year		11,500,000	28,500,000
-Deferred Tax		734,121	(2,752,140)
-Current tax expense relating to prior years		374,278	(958,576)
Profit for the Year		43,309,464	70,381,510
Provision for Dividend		-	9,735,000
Provision for DDT		-	1,981,817
Balance carried over to Balance Sheet		43,309,464	58,664,693
EPS(Basic & Diluted)	21	7	12
Weighted average number of shares outstanding		5,900,000	5,900,000

Significant Accounting Policies & Notes on Financial Statements 1 to 30

As per our Report of even date

For Manjeet Singh & Co.

For and on behalf of the Board

Chartered Accountants

FRN 011831N

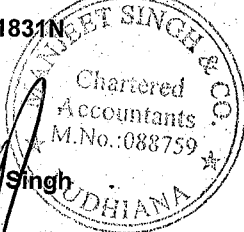
Manjeet Singh

Prop.

M.no. 088759

Place: Ludhiana

Date: 29.05.2019



S Singh
Sukhbir Singh
GM - Finance

Divyesh Jani
Divyesh Jani
Company Secretary

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

Harjeet Singh Arora
Harjeet Singh Arora
Managing Director
DIN-00063176

MASTER CAPITAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	For the year ended	For the year ended
	31st March, 2019	31st March, 2018
	(in Lacs)	(in Lacs)
A. CASH FROM OPERATING ACTIVITIES		
Net Profit before Tax & other extraordinary items	559.18	951.71
Adjustment for :		
Depreciation	128.74	256.79
Adjustment for Excess Less/Provisions	(3.74)	9.59
Profit on Sale of investment	(124.00)	(183.19)
Profit/loss on Sale of Fixed asset	-	0.12
Interest/Dividend	(7.96)	(6.14)
Operating Profit before working capital changes	552.22	1,028.88
Adjustments for increase / (decrease) in operating assets:		
Trade & Other receivables	2,311.70	(2,911.39)
Inventories	10.78	(10.83)
Short-term loans and advances	(211.87)	(925.36)
Long-term loans and advances	(12.53)	205.96
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	4,042.73	1,431.00
Other current liabilities	(60.89)	40.35
Short-term borrowings	(737.16)	771.17
Long-term borrowings	917.01	1,202.66
Short-term provisions	(129.35)	(68.53)
Cash Generated from Operations	6,682.64	763.92
Direct Tax Paid	(115.00)	(285.00)
Net Cash from/(used in) Operating Activities	6,567.64	478.92
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(359.49)	(209.91)
Sale of Fixed Assets	-	8.38
Interest & Dividend Received	7.96	6.14
Purchase/Sale of Investment(Net)	(1,051.85)	524.07
Net Cash from/(used in) Investing Activities	(1,403.38)	328.68
C. CASH FLOW FROM FINANCING ACTIVITIES		
Raising of Loans	711.50	28.58
Net Cash from/(used in) Financing Activities	711.50	28.58
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	5,875.76	836.17
Cash & Cash Equivalents as at 01.04.2018(Opening Balance)	20,998.78	20,162.61
Cash & Cash Equivalents as at 31.03.2019 (Closing Balance)	26,874.54	20,998.78

As per our report of even date

 For **Manjeet Singh & Co.**

Chartered Accountants

(F.No.01193/N)

Chartered

Accountants

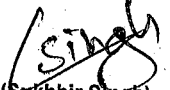
(Manjeet Singh) M.No.:088759

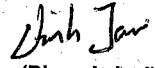
Prop.

M. No-088759


Place : Ludhiana


Date: 29.05.2019


 (Sukhbir Singh)
 GM- Finance


 (Divyesh Jani)
 Company Secretary

For and on behalf of the Board


 (R.K. Singbania)
 Managing Director
 DIN-00077540


 (Harjeet S. Arora)
 Managing Director
 DIN-00063176

MASTER CAPITAL SERVICES LIMITED

Significant Accounting Policies :

1. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the SEBI as applicable to a Stock Broking Company. The financial statements have been prepared on an accrual basis and under the historical cost convention.

2. 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.

3. Depreciation and Amortisation :

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

4. Investments :

Long term investments are valued at cost unless there is a decline in value other than Temporary. Current Investments are stated at lower of Cost or fair value.

5. Stock in Trade :

Closing stock has been valued at cost or net realisable value which ever is less.

6. Revenue Recognition :

The company follows the mercantile system of accounting and recognize profit or loss on that basis except income from DP operations which is net of unrealized amount of Demat accounts having NIL holding at the end of year and are being accounted for on receipt basis.

7. Employee benefits :

Defined Contribution Plans :

- 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 employees, who have earned leaves, during the employment and/or on separation as per the Company's policy.

Defined Benefit Plans (Gratuity):

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

8. Impairment of Assets :

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

9. Provisions, Contingent Liabilities & Contingent Assets :

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.

10. Borrowing Cost :

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.

11. 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 the 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.

MASTER CAPITAL SERVICES LTD

Note 1 SHARE CAPITAL

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Authorized 6100000 Equity Shares of Rs.10/- each fully paid up	61,000,000	61,000,000
Issued, Subscribed & Paid Up 5900000 Equity Shares of Rs. 10/- each	59,000,000	59,000,000
	59,000,000	59,000,000

The details of shareholders holding more than 5% shares:

Name of the shareholder	AS AT 31.03.2019		AS AT 31.03.2018	
	Number of shares held	% of holding	Number of shares	% of holding
Master Trust Limited	5,900,000	100	5,900,000	100

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

Particulars	AS AT 31.03.2019 Number of shares	AS AT 31.03.2018 Number of shares
Equity Shares at the beginning of the year	5,900,000	5,900,000
Equity Shares at the end of the year	5,900,000	5,900,000

Note 2 RESERVES & SURPLUS

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
General Reserves		
As per last Balance Sheet	11,973,635	11,973,635
Transferred During the Year		
Closing balance.	11,973,635	11,973,635
Securities Premium	12,000,000	12,000,000
Capital Reserve	2,000,000	2,000,000
Balance in Profit & Loss Account		
As per Last Balance Sheet	846,326,000	787,661,307
Transferred during the Year	43,309,464	58,664,693
Closing balance	889,635,463	846,326,000
Total	915,609,098	872,299,635

MASTER CAPITAL SERVICES LTD

Note 3 Long Term Borrowings

PARTICULARS		AS AT 31.03.2019	AS AT 31.03.2018
Secured			
Term Loans			
From Banks		4,919,720	60,445
From Others		3,230,144	4,788,232
Nature of Security and terms of repayment for Long Term secured borrowings :			
Nature of Security	Terms of Repayment		
Term Loan is secured against hypothecation of Cars	Repayable in Equal monthly instalments		
Installments falling due in respect of all the above loans upto 31 st March, 2019 have been grouped under " Current maturities "			
Unsecured			
Deep Discount Bonds		30,700,000	32,610,000
Interest on DDB accrued but not due		804,056,790	712,355,493
Total		842,906,654	749,814,170

CURRENT LIABILITIES

Note 4 Short Term Borrowings

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
From Banks/Financial Institutions (Secured)		
Overdraft Facility(Against FD)	40,271,811	240,046
Overdraft Facility(Against Units)	-	272,688
Short Term Loan (Bank)	30,000,000	-
Amt due to Holding Company & Subsidiaries for Business Operations	4,337,142	78,053,283
Total	74,608,953	78,566,017

Note 5 Other Current Liabilities

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Current Maturities of Long Term Debt	2,810,140	1,700,534
Other Liabilities	53,633,701	62,135,000
Other Liabilities(Statutory Dues)	7,899,339	6,596,204
Total	64,343,181	70,431,738

Note 6 Short term Provisions

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Provision for employee benefit (gratuity) (See Note 27)	3,915,613	5,133,848
- Cheques Issued (Net)	-	-
Provision For Dividend	-	9,735,000
Provision For DDT	-	1,981,817
Total	3,915,613	16,850,665

MASTER CAPITAL SERVICES LIMITED

Note 7 Fixed Assets

Tangible Assets	GROSS BLOCK					DEPRECIATION				WRITTEN DOWN VALUE	
	AS AT 01/04/2018	ADDITIONS DURING THE YEAR	SALES /DISCARDED	AS AT 31/03/2019	AS AT 01/04/2018	WRITTEN BACK	FOR THE YEAR	AS AT 31/03/2019	AS AT 31/03/2019	AS AT 31/03/2019	AS AT 31/03/2018
LAND & BUILDING	33,632,739	10,981,710	-	44,614,449	9,434,126	-	441,667	9,875,793	34,738,656	24,198,613	
FURNITURE & FIXTURE	18,141,249	4,723,856	-	22,865,105	15,090,201	-	1,258,112	16,348,313	6,516,792	3,051,048	
OFFICE EQUIPMENT	24,944,956	1,925,228	-	26,870,184	22,371,688	-	1,131,389	23,503,076	3,367,107	2,573,268	
COMPUTER	146,601,417	8,956,664	-	155,558,081	134,815,704	-	6,872,587	141,688,291	13,869,789	11,785,713	
VEHICLES	23,910,924	8,938,944	-	32,849,868	13,977,170	-	2,705,091	16,682,261	16,167,607	9,933,754	
ELECTRIC EQUIP/FITT.	4,548,693	369,598	-	4,918,291	4,139,137	-	461,260	4,600,397	317,894	409,556	
VEHICLES (TWO WHEELERS)	-	53,000	-	53,000	-	-	4,298	4,298	48,702	-	
G. TOTAL	251,779,977	35,949,000		287,728,977	199,828,026		12,874,403	212,702,429	75,026,548	51,951,951	

MASTER CAPITAL SERVICES LTD

Note 8 Non Current Investments

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
(Quoted)		
8250(8250) Equity shares of Rs.10/- each of Raghuvanshi Mills Ltd.	90,750	90,750
125(125) Equity shares of Rs.10/- each of Varun Shipping Ltd.	2,250	2,250
2784(1392) Equity Shares of Rs.10/- each of MOIL	522,000	522,000
56 (56) Equity Shares of Rs. 10/- each of Tata Power Limited	3,360	3,360
12870 (12870) Equity Shares of Rs. 10/- each of NCCLimited	257,400	257,400
347(20347) Equity Shares of Rs.10/- each of Bombay Stock Exchange Ltd.	-	-
(Unquoted)		
Investments In Subsidiaries		
810007(810007) Equity Shares of Rs. 10/- each of Master Portfolio Services Ltd	20,100,070	20,100,070
550007(550007) Equity Shares of Rs. 10/- each of Master Commodity Services Limited	34,904,570	34,904,570
750000(499970) Equity Shares of Rs. 10/- each) of Master Insurance Brokers Limited.	5,524,300	5,524,300
Investments in Others		
36037(36037) Equity Shares of Rs.1/- each of Delhi Stock Exchange	1,295,287	1,295,287
10(10) Fully.paid up equity shares of Rs.10/- of Ludhiana Stock Capital Ltd	100	100
8500(Nil) Shares of Rs.10/- Each of LSC Securities Ltd.	85,000	-
175000(Nil) Units of Rs. 100/- each of Master Trust iRage Absolute	17,500,000	-
Investments in Mutual Funds		
Quoted		
21943.606(NIL) units of Rs.1000 each of Reliance Liquid Fund	100,000,000	-
5000000(5000000) units of Rs.10 each of Reliance Mutual Fund	50,000,000	50,000,000
2500000(2500000) units of Rs.10 each of Birla Sunlife Mutual Fund	25,000,000	25,000,000
2000000(2000000) units of Rs.10 each of HDFC Mutual Fund	20,000,000	20,000,000
1612756.74(1612756.74) units of Rs.10 each of L AND T Mutual Fund	20,000,000	20,000,000
1477352.191(1477352.19) units of Rs.10 each of IDFC Corporate Bond	15,000,000	15,000,000
Market Value of Quoted Investment Rs. 25.64 Cr(14.80 Cr)		
Total	310,285,087	192,700,087

MASTER CAPITAL SERVICES LTD

Note 9 Long Term Loans & Advances

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
Security Deposits(Unsecured , Considered Good)	34,758,045	36,999,289
Advance Income Tax/ TDS refundable (Net of Provision for Tax)	12,306,446	8,811,731
Total	47,064,491	45,811,020

Note 10 CURRENT ASSETS

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
a) Inventories (Securities)	4,754	1,082,707
b) Trade Receivables (Unsecured Considered good)		
- Over six months old	56,421,364	19,479,251
- Others	852,994,356	1,121,106,685
	909,415,720	1,140,585,936
c) Cash &Cash Equivalents		
i) Cash in hand	1,024,914	696,746
ii) With Schedule Banks in		
- Current Account	249,315,184	94,073,650
- Cheques In Hand (Net)	2,005,924	14,097,893
- Fixed Deposit pledged against overdraft facility,Margin with Exchange and Bank Guarantee etc.	2,435,108,414	1,991,009,899
	2,687,454,437	2,099,878,188
d) Short Term Loans and Advances		
- Advances recoverable in cash or in kind or for value to be received	158,966,031	146,620,722
- Prepaid Expenses	7,290,949	5,446,236
Amt due from Holding Company & Subsidiaries for Business Operations	153,041,334	146,044,277
	319,298,315	298,111,235
Total	3,916,173,225	3,539,658,066

Note 11 Revenue From Operations

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Income from Brokerage, Sale/Purchase of Securities	651,677,889	762,574,423
Interest	303,591,507	325,226,521
DP Income	10,314,732	13,399,195
Professional Income	5,077,000	4,030,000
Dividend Income	795,997	613,641
Total	971,457,125	1,105,843,779

Note 12 Other Income

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit on Sale of Investments(Long Term Net)	12,400,000	18,316,750
Other Income	34,678,238	47,083,352
Total	47,078,238	65,402,102

MASTER CAPITAL SERVICES LTD

Note 13 Employee Benefit Expenses

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries and other Allowances	217,014,012	187,512,441
Contribution to Provident Funds	1,555,387	1,674,156
Staff Welfare Expenses	4,507,797	3,653,386
Total	223,077,196	192,839,982

Note 14 ADMINISTRATIVE EXPENSES

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Printing & Stationery	4,140,382	5,099,984
Legal & Professional Charges	20,261,957	19,299,444
Payments to auditors		
As auditors - statutory audit	450,000	450,000
Tax Audit	150,000	150,000
Fees & Taxes	6,348,506	6,489,159
Rent	22,240,331	21,292,491
Office Maintenance	23,363,375	17,937,843
Traveling & Conveyance	10,640,219	9,041,973
Demat./ Remat charges	5,528,928	5,850,144
Computer & Software Expenses	45,375,261	43,453,976
Loss on Sale of Fixed Assets	-	11,987
VSAT Charges	1,501,671	2,463,775
Sub Brokerage	252,550,823	325,614,057
General Expenses	17,488,356	20,624,127
Bad Debts w/off	(14,868,116)	47,983,856
Telephone, Postage & Server Hosting	27,892,823	26,442,770
Turnover Tax/Transaction charges	135,300,428	137,638,155
Total	558,364,944	689,843,740

Note 15 Finance Costs

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest	166,610,558	166,649,313
Bank Charges	1,690,398	1,063,243
Total	168,300,956	167,712,556

Note 16 Related Party Disclosure

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

Transaction With Related Parties

	Holding/Fellow Subsidiaries/ Subsidiaries	Associates/Enterprises owned or significantly influenced by Key Management Persons or their Relatives	Key Management Personnel	Relative of Key Managerial Persons
	Master Trust Ltd	Prime Industries Ltd	Mr. Harjeet Singh Arora	Mrs. Harneesh Kaur Arora
	Master Infrastructures & Real Estate Developers Ltd	Master Shares & Stock Brokers Ltd	Mr. R.K. Singhania	Mrs. Palka A Chopra
	Master Commodity Services Ltd	Harjeet Singh Arora HUF	Mr. G.S. Chawla	Mrs. Charu Chhabra
	Master Insurance Brokers Ltd	H K Arora Real Estate Services Ltd	Mr Pawan Chhabra	Mrs. Guneet Chawla
	Master Portfolio Service Ltd	Pawan Capital Services Ltd	Mr. Harinder Singh	Mr. Maninder Singh
	H.A. Shares & Stock Brokers Ltd.	H. Arora & Co.	Mr.Jashanjyot Singh	Mrs. Parveen Singhania
		R. K. Singhania HUF	Mr.Puneet Singhania	Mrs. Rohila Singhania
		Santco India Pvt Ltd		Mr. Chirag Singhania
		Irage Mastertrust		Amandeep Singh Chawla
		Investment Managers LLP		
		Sanawar Investments		Mrs. Isha Singhania
		Singhania Properties		Mrs. Priyanka Thukral
		Amni Real Estate Pvt Ltd		
		Big Build Real Estate Pvt Ltd		
		PHDA Financial Services Pvt Ltd		
		Chandi Angel Investors Forum		
		Master Projects Pvt Ltd		
		Sanawar Agri Pvt Ltd		
		Arora Financial Services Ltd		
		Bluecircle Investments		
		Crescent Investments		
		Matria Estate Developers Pvt Ltd		
		Gold Touch Agri Pvt Ltd		
		Prime Agro Farms Pvt Ltd		
		Eminent Buildwell Pvt Ltd		
		Vision Investments		
		KAG Investment and Advisors Pvt Ltd		
		Blonkr Software Labs.		
		Hindola investments Pvt Ltd		
		Subal Securities Pvt Ltd		
		Master Trust Wealth Pvt Ltd		
		Harinder Singh HUF		

					Total
Brokerage	50,463,030 (33,110,769)	17,798 (49,067)	36,451 (60,584)	5,190 (7,506)	50,522,469 (33,227,926)
Interest Received	35,286,830 (30,577,876)	- -	- -	- -	35,286,830 (30,577,876)
Sale of Investment	12,400,000 -	- -	- -	- -	12,400,000 -
Interest Paid	804,939 (2,783,233)	- -	35,963 -	23,890 -	864,792 (2,783,233)
Professional Charges	- (1,500,000)	600,000 -	- -	- -	600,000 (1,500,000)
Remuneration	- -	- -	9,699,904 (8,339,904)	2,921,188 -	12,621,092 (8,339,904)
Rent Received	12,000 -	- -	- -	- -	12,000 -
Commision Received	2,542,474 (1,828,936)	- -	- -	- -	2,542,474 (1,828,936)
Commision Paid	- -	- -	- -	1,897,969 -	1,897,969 -
Rent Paid	1,846,200 (1,846,200)	809,160 (1,915,560)	332,000 (177,000)	158,400 (177,000)	3,145,760 (4,115,760)
Corporate Guarantees given by others	500,000,000 (500,000,000)	- -	- -	- -	500,000,000 (500,000,000)
<u>Balance outstanding at the end of the year</u>					
Receivable / Loans	166,269,298 (163,117,927)	2,380 (165,260)	335,981 (1,436,839)	118 (241)	166,607,777 (164,720,267)
Payable	4,337,142 (78,097,635)	2,163 (79,818)	786,992 (1,076,696)	739,931 (701,874)	5,866,228 (79,956,023)

17 Contingent Liabilities Not Provided For In Respect of:

In lacs

Particulares	As At 31st, March 2019	As At 31st, March 2018
Claims against the Company not acknowledged as debts in respect of :		
Court Cases (i) & (ii)	381.47	370.31
Bank Guarantees -		
NSE Clearing Ltd. as its Clearing Member for exposure with Capital/Currency market segment.	25	25
SHCIL as its Trading Member for exposure with capital market F&O segment for NSE.	2,600	-
IL&FS as its Trading Member for exposure with Currency market F&O segment for NSE & BSE	2,000	-

(i) An Arbitration Panel at Patna had passed an Arbitration Award on 27th April 2015 and additional award on 14th May 2015 against the company for alleged unauthorised trading on behalf of a client for an amount of Rupees 3.47 crore plus interest @ 15% per month. The amount of Rs 3.47 Crore has also been deposited in the form of FDR to NSE. The Appellate Arbitral Tribunal has set aside the above award vide its order dated 06/05/2019 and the company has applied to the NSE for the release of above FDR. In view of the management and the legal advice sought, no liability is likely to arise. Therefore, provision for contingent liability for the same has not been provided in the books of accounts.

(ii) The company is involved in various small legal proceedings for various claims related to the ordinary course of its business. In respect of these claims, the company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have a material adverse effect on its financial statements. In view of the management and the legal advice sought, no provision is required to be made in case litigation against/ by the company. Therefore, provision for the same has not been provided in the books of account.

18

(i) The Company has a procedure of receiving FDRs from its clients as margins. Such Fixed Deposits are in the name of the Company and are kept with the principle Stock Exchange as margin money. The Interest earned/accrued on such FDRs is credited by the issuing bank directly to the account of the concerned clients, as such the interest on such FDRs has not been accrued to the Company's account.

(ii) The Company has also a procedure of receiving Bonds from its clients as margins. The bonds are held by the company in the Pool account. However interest/ TDS has been directly credit to the related client under the provision of rule 37BA(2) of income tax act 1961.

19 Deferred Tax Liability as on 31-03-2019 is as follows:

Timing difference on account of

Deferred Tax Liabilities on 31-03-2019 is as follows:

Particulars	Current Year	Previous Year
On account of Depreciation		
- Opening	(167,880)	4,849,961
- During the year	132,174	(5,017,841)
- Closing	(35,706)	(167,880)

Deferred Tax Assets on 31-03-2019 is as follows:

Particulars	Current Year	Previous Year
On account of Gratuity		
- Opening	1,697,250	3,962,950
- During the year	(607,927)	(2,265,700)
- Closing	1,089,324	1,697,250
Net Deferred Tax Liability	(1,125,029)	(1,865,130)

20 Amortization

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

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

Particulars	Current Year	Previous Year
Net Profit in Rupees	43,309,464	70,381,510
Number of equity shares Outstanding during the year	5,900,000	5,900,000
Nominal Value per share in (Rs.)	10	10
Basic and diluted earning per share	7	12

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

23

The Company had issued 4000 Deep Discount Bonds (DDB) of face value Rs. 400.00 lacs in the earlier years, outstanding Face Value at the end of the year amounting to Rs.307 Lacs (As at 31st March, 2018: Rs. 326.1 Lacs), to augment the working capital and other requirements. Interest is accounted for on mercantile basis. However, as per the provisions of Income Tax Act, the tax will be deducted at source at the time of maturity/redemption.

- 24 Details of Guarantees & Loans covered under the provisions of Section 186 of Act, are given in the notes 10, 17 (a), (b), & 16 to the Financial Statement.

- 25 Expenditure in Foreign Currency Rs.18.14 Lacs (previous year Rs. 3.34 Lacs)

- 26 The company is engaged in share & stock broking and allied activities and there are no separate reportable segments as per Accounting standard -17 on "Segment reporting".

27 Gratuity(post employment benefit plan)

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

Changes In the present value of the defined benefit obligation are as follows :

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening defined benefit obligation	28,416,671	22,023,529
current service cost	4,152,473	4,020,119
Interest cost	2,131,250	1,651,765
Benefits paid	(1,090,964)	(1,775,615)
Actuarial (gain)losses on obligation	302,462	2,496,873
Closing defined benefit obligation	33,911,892	28,416,671

Changes in the fair value of plan assets as on 31/03/2019

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Fair value of plan assets at beginning of year	23,282,823	10,011,078
Expected return on plan assets	1,713,456	746,745
Contributions	5,000,000	12,525,000
Benefits Paid	-	-
Actuarial gain/(loss) on Plan assets	-	-
Fair value of plan assets at the end of year	29,996,279	23,282,823

Amount Recognized in the Balance Sheet

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Present value of defined benefit obligation	33,911,892	28,416,671
Fair value of plan assets	29,996,279	23,257,823
Plan liability	3,915,613	5,158,848

Expenses Recognized in the Statement of Profit & Loss

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current service cost	4,152,473	4,020,119
Interest cost on benefit obligation	2,131,250	1,651,765
expected return on plan assets	(1,713,456)	(746,745)
Net actuarial(gain)/loss recognised in the year.	302,462	2,496,873
Total	4,872,729	7,422,012

The principal assumptions used in determining gratuity obligation for the company's plan are shown below

Discount rate	7.50	7.50
Expected rate of Future salary esclation	7.00	7.00

- 28 Income from Brokerage, Sale/Purchase of securities include Brokerage of Rs 642080041.(Previous Year Rs. 761507147, and Profit/(Loss) on Trading of Securities Rs.9597848 (previous Year 1067276.). Certain common expenses for use of common facilities/services have been shared/recovered by the Associate according to usage of Services.
- 29 Disclosures relating to amount unpaid at the year end and together with Interest required under Micro, Small and Medium Enterprise Development Act 2006 have been given to the extent company has received the information from supplier's regarding the status under such Act.
- 30 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

F/N- 011831N

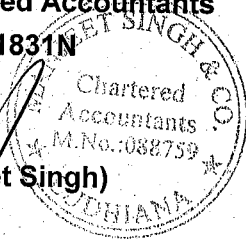
(Manjeet Singh)

Prop.

M.no. 088759

Place: Ludhiana

Dated: 29.05.2019



For and On Behalf of Board

(R.K. Singhania) Harjeet Singh Arora)

Managing Director

DIN-00077540

Managing Director

DIN-00063176

(Sukhbir Singh)

GM - Finance

(Divyesh Jani)

Company Secretary