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Manjeet Singh & Co.
CHARTERED ACCOUNTANTS

1761, Phase II, Urban Estate,
Dugri Road, Ludhiana-141002

INDEPENDENT AUDITORS' REPORT

To

**The Members of
Master Commodity Services Limited**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Master Commodity 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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Since the other information has not been made available to us, we shall not be able to comment on this aspect.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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, no remuneration has been paid by the Company to its directors during the year .
 - 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 20(C) 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.

Ludhiana, 28th May, 2019

For Manjeet Singh & Co.
Chartered Accountants
FRN 11831N



Manjeet Singh
Prop.
(Membership No. 088759)

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company through registered sale deeds.
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 two 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 company has not raised any money by way of term loans during the year .
 10. According to the information and explanations given to us, no material fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
 11. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not paid/provided any managerial remuneration during the year.
 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.

Ludhiana, 28th May, 2019

For Manjeet Singh & Co.
Chartered Accountants

FRN 011831N



Manjeet Singh
Prop.

(Membership No. 088759)

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Master 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. 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, 28th May, 2019

For Manjeet Singh & Co.
Chartered Accountants
FRN 011831N



Manjeet Singh
Prop.

(Membership No. 088759)

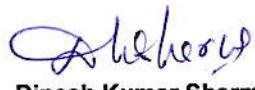
MASTER COMMODITY SERVICES LTD

Balance Sheet as at 31st March, 2019

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	5,500,070	5,500,070
Reserves and surplus	2	206,761,367	199,937,773
Non- Current Liabilities			
Deferred Tax Liabilities (net)	22	47,217	-
		212,308,654	205,437,843
Current liabilities			
Short-term borrowings	3	-	106,035
Trade payables	4	105,723,716	127,230,554
Other current liabilities	5	6,158,277	8,154,100
Short-term provisions	6	255,503	868,483
		112,137,496	136,359,173
TOTAL		324,446,150	341,797,016
ASSETS			
Non-current assets			
Fixed assets			
Tangible Assets	7	20,057,256	20,790,147
Deferred tax Assets(Net)	22	-	96,231
Investments	8	30,000,000	-
Long-term loans and advances	9	2,129,300	2,076,829
Current assets			
Inventories	10	-	1,889,515
Trade receivables	11	11,511,287	12,687,951
Cash and cash equivalents	12	152,596,830	196,953,237
Short-term loans and advances	13	108,151,477	107,303,106
		272,259,594	318,833,809
TOTAL		324,446,150	341,797,016
Significant Accounting Policies	1 to 30		
Notes on Financial Statements			

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


Manjeet Singh
 Prop.
 M.No. 088759
 Place: Ludhiana
 Date: 28/05/2019


Dinesh Kumar Sharma
 General Manager
 -Accounts

For and on behalf of the Board


R. K. Singhania
 Director
 DIN-00077540


Harjeet Singh Arora
 Director
 DIN-00063176

MASTER COMMODITY SERVICES LTD

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

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
		Rs.	Rs.
CONTINUING OPERATIONS			
Incomes			
Revenue from operations	14	94,726,742	86,992,559
Other income	15	447,036	637,231
Total Revenue		95,173,778	87,629,790
Expenses			
Employee Benefits Expenses	16	29,333,980	23,519,664
Administrative & Other Expenses	18	54,399,647	55,655,350
Finance costs	17	1,438,003	1,620,417
Depreciation	7	732,891	944,361
Total Expenses		85,904,521	81,739,792
Profit before tax		9,269,258	5,889,998
Tax expense:			
Current tax expense for current year		2,260,000	1,400,000
Deferred tax		143,448	823,408
Excess/ Less for Tax expense relating to prior years		42,216	3,832
Profit for the year		6,823,594	3,662,758
Earnings per equity share of face value Rs. 10 each			
Basic and Diluted (in Rs.)		12.41	6.66
Weighted average number of shares outstanding		550,007	550,007
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. 088759

M.No. 088759

Place: Ludhiana

Date: 28/05/2019

For and on behalf of the Board


Dinesh Kumar Sharma

General Manager
-Accounts


R. K. Singhania

Director
DIN-00077540


Harjeet Singh Arora

Director
DIN-00063176

MASTER COMMODITY SERVICES LTD

Cash Flow Statement for the year ended 31st March, 2019

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit before tax and extraordinary items		9,269,258		5,889,998
<u>Adjustments for:</u>				
Depreciation and amortisation	732,891		944,362	
Miscellaneous Expenditure		732,891		944,362
Operating profit before working capital changes		10,002,149		6,834,360
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	1,889,515		(1,889,515)	
Trade receivables	1,176,664		(5,322,604)	
Short-term loans and advances	(848,371)		11,758,070	
Long-term loans and advances	(52,471)		(1,366,828)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	(21,506,839)		(18,419,032)	
Other current liabilities	(1,995,823)		(25,298,534)	
Short-term borrowings	(106,035)		78,973	
Short-term Provisions	(612,980)		(468,783)	
		(22,056,340)		(40,928,252)
		(12,054,191)		(34,093,892)
Cash flow from extraordinary items		-		-
Cash generated from operations		(12,054,191)		(34,093,892)
Net income tax (paid) / refunds		(2,302,216)		(1,403,832)
Net cash flow (used in) operating activities (A)		(14,356,407)		(35,497,724)
B. Cash flow from investing activities				
Purchase of fixed assets		-		(40,950)
Sale of fixed assets		-		-
Purchase of Investment		(30,000,000)		120,000
Sale of Investment		-		-
Net cash flow (used in) investing activities (B)		(30,000,000)		79,050
C. Cash flow from financing activities				
Proceeds from issue of equity shares/ warrants		-		-
Net cash flow (used in) financing activities (C)		-		-
Net (decrease) in Cash and cash equivalents (A+B+C)		(44,356,407)		(35,418,674)
Cash and cash equivalents at the beginning of the year		196,953,237		232,371,911
Cash and cash equivalents at the end of the year		152,596,830		196,953,237

As per our Report of even date

For Manjeet Singh & Co.

Chartered
FRN/011831N

Chartered
Manjeet Singh


Prop.: 088759

M.no. 088759

Place: Ludhiana

Date: 28/05/2019

For and on behalf of the Board


Dinesh Kumar Sharma
General Manager
-Accounts


R. K. Singhania
Director
DIN-00077540


Harjeet Singh Arora
Director
DIN-00063176

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

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

Fixed Assets

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

Depreciation and Amortisation

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

Impairment of Assets

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

Investments

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

Inventories

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

Revenue Recognition

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

Employee Benefits

Defined Benefit Plans

- under the provident fund plan, the company contributes to a government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.
- leave encashment is payable to eligible employees, who have earned leaves, during employment and/or on separation as per the company's policy.

Defined Benefit Plans (Gratuity):

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

Borrowing Costs

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

Taxes on Income

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

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

Provisions and contingencies

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

Notes forming part of the financial statements

Note 1 Share capital

Particulars	As at 31st March, 2019		As at 31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised Equity shares of Rs.10 each	750,000	7,500,000	750,000	7,500,000
Issued Equity shares of Rs.10 each	550,007	5,500,070	550,007	5,500,070
Subscribed and fully paid up Equity shares of Rs.10 each	550,007	5,500,070	550,007	5,500,070
Subscribed but not fully paid up Equity shares of Rs.10 each	-	-	-	-
Total	550,007	5,500,070	550,007	5,500,070

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

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

Name of the shareholder	As at 31st March, 2019		As at 31 March, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Master Capital Services td	550,007	100	550,007	100

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

Particulars	As at 31st March, 2019		As at 31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity Shares at the beginning of the year	550,007		550,007	
Equity Shares at the end of the year	550,007		550,007	

Notes forming part of the financial statements

Note 2 Reserves and surplus

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Securities Premium Account As per last Balance Sheet	29,400,000	29,400,000
Profit and Loss Account As per last Balance Sheet	170,537,773	166,875,015
Add: Profit for the year	682,3594	3,662,758
Closing balance	177,361,367	170,537,773
Total	206,761,367	199,937,773

Note 3 Short-term borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
From banks/Financial Institutions: Secured Against Fixed Deposits	-	106,035
Total	-	106,035

Note 4 Trade payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Trade payables	105,723,716	127,230,554
Total	105,723,716	127,230,554

Note 5 Other current liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Loans and advances from related parties: Current Maturities of Long Term Debt(Refer Note3)	- -	- 16,739
Statutory dues	12,033	40,076
Others Payables	6,146,244	8,097,285
Total	6,158,277	8,154,100

Note 6 Short-term provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Provision for gratuity (Refer note 28)	255,503	868,483
Total	255,503	868,483

Notes forming part of the financial statements

Note 7 Fixed assets

Particulars	Gross block					Accumulated depreciation				Net block	
	Balance as at 1st April, 2018	Additions	Disposals/ Transfer	Balance as at 31st March, 2019	Balance as at 1st April, 2018	Depreciation for the expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2019	Balance as at 31st March, 2019	Balance as at 31st March, 2018	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Electric Fitting	573,074	-	-	573,074	129,768	27,221	-	156,989	416,085	443,306	
Computer Software & Hardware	2,608,977	-	-	2,608,977	2,549,119	-	-	2,549,119	59,858	59,858	
Office equipment	416,177	-	-	416,177	55,158	19,768	-	74,926	341,251	361,019	
Furniture & Fitting	1,581,568	-	-	1,581,568	355,016	100,113	-	455,129	1,126,439	1,226,552	
Vehicles	4,335,271	-	-	4,335,271	2,812,478	541,909	-	3,354,387	980,884	1,522,793	
Land	14,681,628	-	-	14,681,628	-	-	-	-	14,681,628	14,681,628	
Building	2,643,376	-	-	2,643,376	148,385	43,880	-	192,265	2,451,111	2,494,991	
Total	26,840,071	-	-	26,840,071	6,049,924	732,891	-	6,782,815	20,057,256	20,790,147	
Previous year	26,926,253	40,950	127,132	26,840,071	5,232,635	944,361	127,132	6,049,924	20,790,147		

Notes forming part of the financial statements

Note 8 Investments

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
(Quoted) 6583.082 units (previous year Nil) of Reliance Mutual	30,000,000	0
Total	30,000,000	0
Market value as on 31.03.2019	30,000,000	0

Note 9 Long-term loans and advances

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Advance income tax (net of provision for tax)	2,129,300	2,076,829
Total	2,129,300	2,076,929

Note 10 Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Stock -In-Trade (acquired for trading) Commodities	-	1,889,515
Total	-	1,889,515

Note 11 Trade receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six Unsecured, considered good	3,618,987	3,463,640
Other Trade receivables Unsecured, considered good	7,892,300	9,224,311
Total	11,511,287	12,687,951

Note 12 Cash and cash equivalents

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Cash In hand/Imprest	203,199	201,998
Cheques, Drafts In Hand (Net)	21,701	488,778
Balances with banks		
In current accounts	2,371,931	262,461
In deposit accounts *	150,000,000	196,000,000
Total	152,596,830	196,953,237

Notes:

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

Note 13 Short-term loans and advances

Particulars	As at 31st March, 2019	As at 31st March, 2018
	Rs.	Rs.
Loans and advances towards :		
Margin Deposit with Commodity Exchanges & Other	12,566,292	61,107,792
Amount due from related parties	87,757,075	36,757,177
Prepaid expenses	364,035	297,180
Advances recoverable in cash or in kind for value to be received	7,464,076	9,140,957
Total	108,151,477	107,303,106

Notes forming part of the financial statements

Note 14 Revenue from operations

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Income from Brokerage/Sale Purchase of Commodities/Units/Derivative Trading	73,014,316	70,575,235
Interest Income	21,712,427	16,417,323
Total	94,726,742	86,992,559

Note 15 Other income

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rs.	Rs.
Other non-operating income		
Miscellaneous income	447,036	637,231
Total	447,036	637,231

Note 16 Employee benefits expense

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rs.	Rs.
Salaries and wages *	29,327,784	23,511,259
Staff welfare expenses	6,196	8,405
Total	29,333,980	23,519,664

* Includes Gratuity amounting to Rs.524662/- (Year ended March 31, 2018 :Rs .1842412/-)

Note 17 Finance costs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rs.	Rs.
Interest expense on: Borrowings	463,804	1,213,467
Other borrowing costs - Bank Charges	974,199	406,950
Total	1,438,003	1,620,417

Notes forming part of the financial statements

Note 18 Other expenses

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rs.	Rs.
Printing & Stationery	270,308	370,085
Postage, Telegram & Telephone	297,253	292,238
Rent	3,060,729	3,214,052
Fees & Taxes	83,095	119,959
Travelling & Conveyance	368,592	290,940
Legal & Professional Charges	634,941	1,060,880
Sub-Brokerage	23,107,402	24,758,437
Turnover Charges	21,503,132	20,398,169
Payments to auditors		
As auditors - statutory audit	200,000	200,000
- Tax Audit	50,000	50,000
Office & Other Maintenance	1,403,745	1,270,243
General Expenses	522,875	1,566,833
V-Sat,Internet/User Id Subscription Charges	1,982,862	1,376,305
Bad Debts	914,714	687,208
Total	54,399,647	55,655,350

Name of the Company

Notes forming part of the financial statements

Note 19 Disclosures under Accounting Standards
(contd.)

Particulars	
Related party transactions	
Details of related parties:	
Description of relationship	Names of related parties
Ultimate Holding Company	Master Trust Ltd
Holding Company	Master Capital Services Ltd
Fellow Subsidiaries	Master Insurance Brokers Ltd, Master Portfolio services Limited, H A Share & stock brokers Ltd, Master Infrastructures & Real Estate Ltd, Master insurance brokers Ltd
Associates/Enterprises owned or significantly influenced by key management persons or their relatives .	Master Share & Stock Brokers Ltd, Hk Arora Real Estate Services Limited, Prime Industries Limited, Master Trust Wealth Pvt Ltd, Sanawar Investments, Saintco India Pvt Ltd, Singhania Properties, Partnership Firms, Bigbuild Real Estate Pvt Ltd, Amni Real Estate Pvt Ltd, Prime Agro Farma Pvt Ltd, Matria Estate Developers Pvt Ltd, Gold Touch Agri Pvt Ltd, Eminent Buildwell Pvt Ltd, Master Projects Pvt Ltd, Sanawar Agri Pvt Ltd, Arora Financial Services Ltd, Bluecircle Investments, Crecent Investments
Key Management Personnel (KMP)	Mr. Harjeet Singh Arora , Mr. R.K Singhania
Relatives of KMP	Mrs. Harneesh kaur Arora, Palka A Chopra, Jashanjyot Singh Arora, Puneet Singhania, Chirag Singhania, Rohila Singhania, Parveen Singhania, Isha Singhania, Priyanka Thukral

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:

	Rs.						
	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Associates	KMP	Relatives of KMP	Total
Brokerage Earned	-	-	0	-	-	315	315
Purchases	-	-	-14274	-	-	-	(14,274)
Interest Earned	-	804,939 (301,957)	9,355,479 -	- -	-	-	10,160,418 (301,957)
Rent Paid	-	-	807,800 (455,400)	455,400 (455,400)	- (31,250)	- (31,250)	1,263,200 (973,300)
Rent Income	-	-	60,000	-	-	-	60,000
Professional Charges	-	-	- (1,000,000)	-	-	-	- (1,000,000)
Equity Contribution	-	5,500,020 (5,500,020)	-	-	-	-	5,500,020 (5,500,020)
Corporate Guarantees given by others	200,000,000 (200,000,000)	-	-	-	-	-	200,000,000 (200,000,000)
<u>Balances outstanding at the end of the year</u>							
receivable	-	4337144 -36757177	83,419,931 -	- -	- -	- -	87,757,075 (36,757,177)

Note: Figures in bracket relates to the previous year

Notes forming part of the financial statements

20 Contingent liabilities

- (a) Bank Guarantees of Rs.937.50 Lacs (previous year Rs. 37.50 Lacs) in favour of Multi Commodity Exchange of India Ltd for our exposure as Trading/Clearing Member.
- (b) Bank Guarantees of Rs. 32.50 Lacs (previous year Rs.32.50 Lacs) in favour of National Commodity & Derivatives Exchange Ltd for our exposure as Trading/Clearing Member

© The Company has other small litigations with the clients,which have arisen in ordinary course of business.The Company has reviewed the impact of all such litigations on Financial Position. In view of the management and the legal advice sought, no provision is required to be made in case of litigation against/by the company .Therefore, provision for the same has not been provided in books of accounts.

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

22 Deferred Tax Liability/ Assets as on 31.03.2019 is as follows

Particulars	Current Year	Previous Year
Deferred tax liability/asset on account of depreciation		
Opening Balance	(127403)	(194833)
During The Year	7972	67430
Closing	(119431)	(127403)
Deferred tax liability/asset on account of Gratuity		
Opening Balance	223634	1114472
During The Year	(151420)	(890838)
Closing	72214	223634
Net deferred tax asset	(47217)	96231

23 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.

24 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	6823594	3662758
Number of equity shares Outstanding during the year	550007	550007
Nominal Value per share in (Rs.)	10	10
Basic and diluted earning per share	12.41	6.6

25 Income from Brokerage / Commodity Units Trading Include Income from Brokerage Rs 5,00,61,084 /- (Previous Year Rs.6,11,14,387/-) , and profit/loss on trading in commodities Rs 2,29,53,232/- (previous year Rs. 94,60,848/-). Certain common expenses for use of common facilities/services have been shared/recovered by the associates according to usage of Services.

26 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.

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 ofservice.The scheme is funded with an insurance company in the form of qualifying insurance policy

Particulars	For the year ended 31st march,2019	For the year ended 31st march,2018
Current service cost	516,261	438,828
Interest cost on benefit obligation	386,586	252,995
expected return on plan assets	(312,447)	(149,798)
Net actuarial(gain)/loss recognised in the year.	(65,738)	1,245,419
Total	524,662	1,787,444
Balance Sheet		
Present value of defined benefit obligation	5,853,946	5,154,479
Fair value of plan assets	5,598,443	4,285,996
Plan liability	255,503	868,483
Changes In the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	5,154,479	3,373,266
current service cost	516,261	438,828
Interest cost	386,586	252,995
Benefits paid	(137,642)	(159,029)
Actuarial (gain)losses on obligation	(65,738)	1,245,419
Closing defined benefit obligation	5,853,946	5,154,479
Changes in the fair value of plan assets as on 31/03/2019		
Fair value of plan assets at beginning of year	4285996	2011000.00
Expected return on plan assets	312447	149798.00
Contributions	1000000	2125198
Benefits Paid		
Actuarial gain/(loss) on Plan assets		
Fair value of plan assets at the end of year	5598443	4285996
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 The Company has a procedure of receiving Fdr's from its clients as margins.Such Fixed Deposits are in the Name of the company and are kept with Principle Commodity Exchange as margin money.The Interest earned/accrued on such fdr's is credited by the issuing bank directly to the account of concerned clients, as such the the interest on such fdr's has not been accrued to the Company's account.

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 Firm Registration Number 011831N		For and on behalf of the Board	
 Manjeet Singh Prop. M.No. 088759 Place: Ludhiana Date: 28.05.2019	 Dinesh Kumar Sharma General Manager Accounts	 R. K. Singhania Director DIN-00077540	 Harjeet Singh Arora Director DIN-00063176