

INDEPENDENT AUDITOR'S 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, 2021, and the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the 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, 2021, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) 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 for the year ended 31st March 2021. 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 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 is 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

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.

Those charged with governance 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 for the year ended 31st March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report as applicable 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 including statement of other comprehensive income, the statement of changes in equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with 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, as amended, 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 24 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Ludhiana, 28th June, 2021

For Gary Jain & Associates.
Chartered Accountants
FRN 034073N



Gary
Gary Jain
Prop.
(Membership No. 544732)

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 two parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties covered in the register maintained under section 189 of the Act were not prima facie, prejudicial to the interest of the company.
 - b) In the case of the loan granted to the parties covered in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. 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 in respect of the principal amount.
 - c) There are no overdue amounts in respect of loans granted to the parties covered in the register maintained under section 189 of the Act.
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, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other Tribunal.
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, Goods and Service tax, cess and any other statutory dues applicable to it. We are informed the provisions of sales tax, service tax, Value Added Tax, duty of Customs and duty of Excise, are not applicable to the Company.

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, 2021 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 or dues to debenture holders. The Company did not have any outstanding loans or borrowing dues in respect of a government during the year.
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 as referred to in Section 192 of Companies Act, 2013. 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 June, 2021



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, 2021 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 with reference to these financial statements.



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, 2021 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 June, 2021

For Gary Jain & Associates.
Chartered Accountants
FRN 034073N



Gary
Gary Jain
Prop.
(Membership No. 544732)

MASTER CAPITAL SERVICES LIMITED

Balance Sheet as at 31st March, 2021

Particulars	Note No.	As at	
		31st March, 2021	31st March, 2020
I ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment	3	7,91,04,511	7,51,94,311
b) Investments	4	29,47,39,663	35,29,43,996
c) Other non current assets	5	6,58,69,271	8,86,66,166
Total non-current assets		43,97,13,445	51,68,04,473
2 Current assets			
a) Inventories			
b) Financial Assets	6	4,64,48,480	5,39,00,721
i) Trade receivables	7	65,15,44,805	34,21,91,561
ii) Cash and cash equivalent	8	5,67,06,25,162	3,01,58,55,671
c) Other current assets	9	19,51,53,463	51,97,79,118
Total Current assets		6,56,37,71,910	3,93,17,27,071
Total		7,00,34,85,354	4,44,85,31,544
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	10	5,90,00,000	5,90,00,000
b) Other equity	11	1,33,80,68,257	1,11,67,02,670
Total equity		1,39,70,68,257	1,17,57,02,670
2 Non-current liabilities			
a) Financial Liabilities			
i) Long term borrowings	12	96,19,32,692	88,74,39,557
ii) Deferred tax liabilities	13	4,41,10,629	3,89,00,588
Total non-current liabilities		1,00,60,43,321	92,63,40,145
3 Current liabilities			
a) Financial Liabilities			
i) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	14		
-Total outstanding dues of creditors other than micro enterprises and small enterprises		3,99,46,87,625	1,81,43,10,760
b) Provisions	15	2,02,25,613	1,33,52,882
c) Other current liabilities	16	26,41,54,033	12,25,04,243
d) Short term Borrowings	17	32,13,06,506	39,63,20,844
Total current liabilities		4,60,03,73,776	2,34,64,88,729
Total liabilities		5,60,64,17,097	3,27,28,28,874
Total		7,00,34,85,354	4,44,85,31,544

Significant Accounting Policies & Notes on Financial Statements 1 to 34

As per our Report of even date
For Gary Jain & Associates
Chartered Accountants
FRN 034073N

Gary
Gary Jain
Prop.
M.no. 544732
Place: Ludhiana
Date: 28.06.2021



For and on behalf of the Board

R. K. Singhania Harjeet Singh Arora
Director Director
DIN-00077540 DIN-00063176
Sukhbir Singh Divyesh Jani
GM - Finance Company Secretary

UDIN 21544732AAAABA6745

MASTER CAPITAL SERVICES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2021

(Rupees)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from operations	18	1,87,66,44,259	1,03,75,23,530
Other income	19	4,90,28,706	5,54,42,226
Total Revenue		1,92,56,72,965	1,09,29,65,756
EXPENSES:			
Employee benefits expense	20	49,21,77,750	25,69,20,532
Depreciation and amortization expense	3	1,23,48,019	1,47,83,587
Finance Cost	21	19,95,42,962	21,65,56,339
Other expenses	22	94,53,41,557	56,23,75,964
Total Expenses		1,64,94,10,288	1,05,06,36,423
Profit before tax		27,62,62,677	4,23,29,334
Tax Expenses			
- Current tax expense for current year		6,50,00,000	63,50,000
- Deferred tax		34,15,443	(11,88,959)
- Current tax expense relating to prior years		(23,11,925)	66,123
Profit for the year		21,01,59,159	3,71,02,169
Provision for Dividend		-	-
Provision for DDT		-	-
Balance carried over to Balance Sheet		21,01,59,159	3,71,02,169
Other Comprehensive Income/(Loss)			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal(A)		-	-
(B) (i) Items that will be reclassified to profit or loss		1,30,01,027	(1,69,78,966)
(ii) Income tax relating to items that will be reclassified to profit or loss		(17,94,599)	29,36,653
Subtotal(B)		1,12,06,428	(1,40,42,314)
Other Comprehensive Income (A+B)		1,12,06,428	(1,40,42,314)
Total Comprehensive Income for the year		22,13,65,587	2,30,59,856
Earnings per equity share (face value Rs. 10 each)			
- Basic		35.62	6.29
- Diluted		35.62	6.29
Weighted average number of shares outstanding		59,00,000	59,00,000

Significant Accounting Policies & Notes on Financial Statements 1 to 34

As per our Report of even date

For Gary Jain & Associates

Chartered Accountants

FRN 034073N

Gary Jain

Prop.

M.no. 544732

Place: Ludhiana

Date: 28.06.2021



For and on behalf of the Board

R. K. Singhania
Director
DIN-00077540

Harjeet Singh Arora
Director
DIN-00063176

Sukhbir Singh
GM - Finance

Divyesh Jani
Company Secretary

MASTER CAPITAL SERVICES LIMITED

Cash Flow Statement for the year ended 31st March, 2021

(in Lacs)

	PARTICULARS	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A.	CASH FROM OPERATING ACTIVITIES		
	Net Profit before Tax & other extraordinary items	2,892.64	282.87
	Adjustment for :		
	Depreciation	123.48	147.84
	Adjustment for Excess Less/Provisions	23.12	-0.66
	Profit on Sale of investment	-120.32	-256.20
	Profit/loss on Sale of Fixed asset	-	1.80
	Interest/Dividend Income	-3,836.13	-3,237.38
	Operating Profit/(Loss) before working capital changes	-917.21	-3,061.73
	Adjustments for increase / (decrease) in operating assets:		
	Trade Receivables	-3,093.53	5,672.24
	Inventories	74.52	-292.91
	Other Current Assets	3,246.26	-2,249.70
	Other non current assets	227.97	-416.02
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	21,803.77	-5,749.86
	Other current liabilities	1,416.50	638.32
	Short-term borrowings	-750.14	-19.33
	Long-term borrowings	790.12	495.06
	Other Financial Liabilities & Provisions	68.73	37.66
	Cash Generated from Operations	22,866.97	-4,946.27
	Direct Tax Paid	-650.00	-63.50
	Net Cash from/(used in) Operating Activities	22,216.97	-5,009.77
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	-162.58	-154.99
	Sale of Fixed Assets	-	3.68
	Interest & Dividend Received	3,836.13	3,237.38
	Purchase/Sale of Investment(Net)	702.36	2,021.00
	Net Cash from/(used in) Investing Activities	4,375.91	5,107.07
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Raising of Loans	-45.18	3,186.72
	Net Cash from/(used in) Financing Activities	-45.18	3,186.72
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	26,547.69	3,284.02
	Cash & Cash Equivalents as at 01.04.2020(Opening Balance)	30,158.56	26,874.54
	Cash & Cash Equivalents as at 31.03.2021 (Closing Balance)	56,706.25	30,158.56

Significant Accounting Policies & Notes on Financial Statements 1 to 34

As per our Report of even date

For Gary Jain & Associates

Chartered Accountants

FRN 034073N

Gary
Gary Jain

Prop.

M.no. 544732

Place: Ludhiana

Date: 28.06.2021



For and on behalf of the Board

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

Harjeet Singh Arora
Harjeet Singh Arora
Director
DIN-00063176

Sukhbir Singh
Sukhbir Singh
GM - Finance

Divyesh Jani
Divyesh Jani
Company Secretary

Notes forming part of financial statements for the year ended 31st March, 2021

1 Corporate Information -

Master Capital Services Ltd ('the Company') is a public limited company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as stock broker and commodity broker with the Securities and Exchange Board of India ('SEBI').

The company is mainly in the business of share /stock broking as a member of National Stock Exchange of India Limited (NSE), Bombay Stock Exchange (BSE), Metropolitan Stock Exchange of India Limited (MSE). The company is also registered as commodity broker since October, 2019 with Indian Commodity Exchange Limited (ICEX), Multi Commodity Exchange of India Limited (MCX) & National Commodity & Derivatives Exchange Limited (NCDEX). The company is also providing depository services as depository participants of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) to its clients.

2 Significant Accounting Policies

a. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the 2013 Act.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

b. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make judgements, estimates and assumptions considered in the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Deemed cost for property, plant and equipment and intangible assets -

The Company has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

d. Revenue Recognition

Recognition of interest income on loans

The Company follows the mercantile system of accounting and recognized Profit/Loss on that basis. Interest income is recognized on the time proportionate basis starting from the date of disbursement of loan.

Rental Income :

Income from operating leases is recognised in the Statement of profit and loss as per contractual rentals unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

Fee and commission income :

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognised as and when they are due.

Dividend and interest income on investments:

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

- Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

e. Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computer	3 years
Vehicles	8 years and 10 years

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

f. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considering the terms of the business purchase agreements are as follows:

Software 3 years

g. Investments in subsidiaries and associates

Investments in subsidiaries and associate are measured at fair value, if any.

Financial Instruments

h. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. On initial recognition, a financial asset is classified as measured at FVOCI. The Company subsequently measures all financial investments at fair value through other comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities and equity instruments:

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received.

Financial liabilities are classified as measured at amortised cost.

Employee benefits

l. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Contribution to provident fund and ESIC -

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

Gratuity -

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

j. Finance costs

Finance costs include interest expense on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, loan to related parties and loan to others. Finance costs are charged to the Statement of profit and loss.

k. Taxation - Current and deferred tax:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

l. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Leases :

m. Where the Company is the lessee -

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of profit and loss.

Where the Company is the lessor -

Lease income is recognised in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished.

n. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

o. Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

MASTER CAPITAL SERVICES LIMITED

NOTE 3 - Property, Plant and Equipment

Particulars	Land & Buildings	Furniture & Fixtures	Office Equipments	Computer	Vehicles	Electric Equip/Fit.	Vehicles (Two Wheelers)	Total
GROSS CARRYING AMOUNT								
Balance as at 1 April 2020	4,46,14,449	2,31,06,605	2,81,97,987	16,42,39,578	3,54,41,899	49,18,291	53,000	30,05,71,809
Additions during the year	24,42,420	2,71,110	9,51,564	1,25,93,125	-	-	-	1,62,58,219
Disposals / deductions during the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	4,70,56,869	2,33,77,715	2,91,49,551	17,68,32,703	3,54,41,899	49,18,291	53,000	31,68,30,028
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES								
Balance as at 1 April 2020	1,03,17,460	1,76,20,681	2,46,62,056	15,00,93,923	1,79,96,366	46,77,414	9,598	22,53,77,498
Additions during the year	4,41,667	9,69,852	8,04,730	73,61,725	27,02,844	61,902	5,300	1,23,48,019
Disposals / deductions during the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	1,07,59,127	1,85,90,533	2,54,66,786	15,74,55,648	2,06,99,211	47,39,316	14,898	23,77,25,517
NET CARRYING AMOUNT								
As at 31 March 2020	3,42,96,989	54,85,924	35,35,931	1,41,45,655	1,74,45,533	2,40,877	43,402	7,51,94,311
As at 31 March 2021	3,62,97,742	47,87,182	36,82,765	1,93,77,055	1,47,42,688	1,78,975	38,102	7,91,04,510

Notes forming part of the financial statements

NOTE 4 - INVESTMENTS AT FAIR VALUE

Particulars	As at	
	31st, March 2021	31st March, 2020
(Quoted)		
NIL (3150000) 6% PR Shares of Zee Entertainment Ltd	-	1,12,02,000
NIL (56) shares of '10 each fully paid up in Tata Power Limited	-	3,360
12,870 (12,870) shares of '10 each fully paid up in NCC Limited	2,57,400	2,57,400
(Unquoted)		
Investments In Subsidiaries		
810007 (810007) Equity Shares of Rs. 10/- each of Master Portfolio Services Limited	2,01,00,070	2,01,00,070
550007 (550007) Equity Shares of Rs. 10/- each of Master Commodity Services Limited	3,49,04,570	3,49,04,570
Investments In Others		
36037(36037) shares of '1 each fully paid up in Delhi Stock Exchange Limited	12,95,287	12,95,287
10 (10) shares of '1 each fully paid up in Ludhiana Stock Exchange Limited	100	100
8500 (8500) Shares of Rs.10/- Each of LSC Securities Ltd.	85,000	85,000
Investments in Mutual Funds		
Quoted		
2000000(4000000) units of Rs.10 each of Reliance Mutual Fund	2,00,00,000	4,00,00,000
NIL (2000000) units of Rs.10 each of HDFC Mutual Fund	-	2,00,00,000
NIL (1612756.74) units of '10 each of LAND T Mutual Fund	-	2,00,00,000
NIL (NIL) units of Rs.10 each of IDFC Mutual Fund Corp Bond FD	-	-
Accured Value of Investment as per Ind As	21,80,97,236	20,50,96,209
Total	29,47,39,663	35,29,43,996

NOTE 5 - OTHER NON CURRENT ASSETS

Particulars	As at	
	31st, March 2021	31st March, 2020
Security Deposits(Unsecured , Considered Good)	6,46,53,646	6,12,62,116
Advance Income Tax/ TDS refundable (Net of Provision for Tax)	12,15,625	2,74,04,050
Total	6,58,69,271	8,86,66,166

NOTE 6 - INVENTORIES

Particulars	As at	
	31st, March 2021	31st March, 2020
Securities	4,64,48,480	5,39,00,722
Total	4,64,48,480	5,39,00,722

NOTE 7 - TRADE RECEIVABLES

Particulars	As at	
	31st, March 2021	31st March, 2020
Outstanding for a period exceeding 5 months from the date they are due for payment	1,40,29,216	1,97,21,838
Other Debts	63,75,15,589	32,24,69,722
Total	65,15,44,805	34,21,91,561

NOTE 8 - CASH AND CASH EQUIVALENT

Particulars	As at	
	31st, March 2021	31st March, 2020
Cash on hand	8,01,492	4,64,127
Balances with banks		
-In current accounts	7,40,44,415	21,96,26,465
-Fixed Deposit pledged against overdraft facility, Margin with Exchange and Bank Guarantee etc.	5,55,53,88,488	2,79,57,65,078
-Cheques in Hand (Net)	4,03,90,767.78	-
Total	5,67,06,25,162	3,01,58,55,671

NOTE 9 - OTHER CURRENT ASSETS

Particulars	As at	
	31st, March 2021	31st March, 2020
Short Term Loans and Advances		
Amount Due from Related Parties	9,18,275	4,99,55,124
Prepaid expense	85,46,862	62,90,090
Advances Receivable in Cash or in Kind for Value to be received	18,56,88,326	46,35,33,904
Total	19,51,53,463	51,97,79,119

NOTE 10 - EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised				
Equity shares of Rs.10/- each (Par value)	61,00,000	6,10,00,000	61,00,000	6,10,00,000
	61,00,000	6,10,00,000	61,00,000	6,10,00,000
Issued, Subscribed and fully paid up				
Equity shares of Rs. 10/- each (Par value)	59,00,000	5,90,00,000	59,00,000	5,90,00,000
	59,00,000	5,90,00,000	59,00,000	5,90,00,000

The authorised share capital has been increased to 6,00,00,000 equity shares of 10/- each pursuant to amalgamation of Colors Textiles Limited vide order dated 6th May, 2014 of the Hon'ble Punjab & Haryana High Court.

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Share Capital		Share Capital	
	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
i) Issued, Subscribed and paid up equity shares				
Outstanding at the beginning of the year	59,00,000	5,90,00,000	59,00,000	5,90,00,000
Issued during the year pursuant to scheme of Amalgamation	-	-	-	-
Cancelled pursuant to scheme of amalgamation (Refer Note 34)	-	-	-	-
Outstanding at the end of the year	59,00,000	5,90,00,000	59,00,000	5,90,00,000

(b) Terms/rights attached to equity shares

The company has one class of shares referred to as Equity Shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.

(c) Shares held by holding company or ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Master Trust Ltd	59,00,000	100.00	59,00,000	100.00

(d) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for

Particulars	Aggregate number of shares		Amount (Rs.)
	As at 31st March, 2021		
	Number	Amount (Rs.)	
Equity Shares allotted as fully paid up by way of scheme of Amalgamation	-	-	-
Equity Shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-	-
Equity Shares bought back by the Company	-	-	-

(d) The details of shareholder holding more than 5 percent shares.

Particulars	Equity Share Capital		Equity Share Capital	
	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Master Trust Ltd	59,00,000	100.00	59,00,000	100.00

NOTE 11 - OTHER EQUITY

Particulars	As at	As at
	31st March 2021	31st March, 2020
(a) General Reserve	1,19,73,635	1,19,73,635
(b) Capital Reserve	20,00,000	20,00,000
(c) Securities Premium Reserve	1,20,00,000	1,20,00,000
(d) Debt/Equity Instruments through OCI	17,50,82,083	16,38,75,655
(e) Retained Earning	1,13,70,12,539	92,68,53,380
Total	1,33,80,68,257	1,11,67,02,670

Particulars	Reserves & Surplus				Items of other comprehensive income	Total
	General Reserve	Capital Reserve	Securities Premium Reserve	Retained Earning	Debt/Equity Instruments through OCI	
Balance as at 1 April 2020	1,19,73,635	20,00,000	1,20,00,000	92,68,53,380	16,38,75,655	1,11,67,02,670
Profit/(loss) for the year	-	-	-	21,01,59,159	-	21,01,59,159
Other Comprehensive Income / (loss)	-	-	-	-	1,12,06,428	1,12,06,428
Balance as at 31 March 2021	1,19,73,635	20,00,000	1,20,00,000	1,13,70,12,539	17,50,82,083	1,33,80,68,257

NOTE 12 - LONG TERM BORROWINGS

Particulars	As at 31st, March 2021	As at 31st March, 2020
Secured		
Term Loans		
From Banks	27,54,776	48,38,781
From Others	10,43,372	16,67,801
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
Installments falling due in respect of all the above loans upto 31 st March, 2021 have been grouped under "		
Unsecured		
Deep Discount Bonds	2,55,60,000	27370000
Interest on DDB accrued but not due	93,25,74,544	85,35,62,975.51
Total	96,19,37,692	88,74,39,557

NOTE 13 - DEFERRED TAX LIABILITIES

Particulars	As at 31st, March 2021	As at 31st March, 2020
Deferred tax Liability		
Related to fixed assets	10,82,294	3,86,539
Related to Gratuity	13,183	19,33,427
	10,95,476	23,19,966
Deferred tax Liabilities		
Related to Investment	4,30,15,153	4,12,20,554
	4,30,15,153	4,12,20,554
Total	4,41,10,629	3,89,00,588

NOTE 14 - TRADE PAYABLE

Particulars	As at 31st, March 2021	As at 31st March, 2020
Trade Payable		
- Total outstanding dues of micro enterprises and small enterprises		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,99,46,87,625	1,81,43,10,763
Total	3,99,46,87,625	1,81,43,10,763

NOTE 15 - PROVISIONS

Particulars	As at 31st, March 2021	As at 31st March, 2020
Provision for employee benefit (gratuity)	-	76,81,476
Provision For Dividend	-	-
Provision For Tax	2,02,25,613	56,71,406
Total	2,02,25,613	1,33,52,882

NOTE 16 - OTHER CURRENT LIABILITIES

Particulars	As at 31st, March 2021	As at 31st March, 2020
Current Maturities of Long Term Debt	35,42,475	43,89,747
Statutory dues	1,90,32,242	1,24,97,934
Other payables	24,15,79,316	10,56,16,561
Total	26,41,54,033	12,25,04,243

NOTE 17 - SHORT TERM BORROWINGS

Particulars	As at 31st, March 2021	As at 31st March, 2020
Short Term Borrowings		
From Banks/Financial Institutions (Secured)		
Overdraft Facility(Against FD)	11,46,65,571	39,39,16,787
Overdraft Facility(Against Units)	-	-
Short Term Loan (Bank)	-	-
Amt due to Subsidiaries for Business Operations	20,66,40,934	24,04,057
Total	32,13,06,506	39,63,20,844

Notes forming part of the financial statements

NOTE 18 - REVENUE FROM OPERATIONS

Particulars	(Rupees)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income from Brokerage, Sale/Purchase of Securities	1,46,13,85,917	69,34,91,816
Interest	34,07,20,553	32,26,68,910
DP Income	3,06,68,921	1,50,36,151
Professional Income	9,76,750	52,57,670
Dividend Income	4,28,92,118	10,68,983
Total	1,87,66,44,259	1,03,75,23,530

NOTE 19 - OTHER INCOME

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit on Sale of Investments(Long Term Net)	1,20,31,780	2,56,19,890
Other Income	3,69,96,926	2,98,22,336
Total	4,90,28,706	5,54,42,226

NOTE 20 - EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	48,84,96,174	25,09,53,822
Contribution to provident and other funds	15,83,403	14,62,416
Staff welfare expenses	20,98,172	45,04,294
Total	49,21,77,750	25,69,20,532

NOTE 21 - Finance Cost

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Expenses on Borrowings	19,31,49,842	21,37,61,676
Other Borrowing Cost	-	-
Bank Charges	63,93,120	27,94,664
Total	19,95,42,962	21,65,56,339

NOTE 22 - OTHER EXPENSES

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Printing & Stationery	34,02,647	36,14,523
Legal & Professional Charges	4,64,43,446	1,71,32,299
Payments to auditors		
As auditors - statutory audit	2,00,000	60,000
For Tax Audit	50,000	15,000
Fees & Taxes	38,19,194	64,05,615
Rent	2,28,40,031	2,48,53,038
Office Maintenance	1,80,78,433	1,78,25,134
Traveling & Conveyance	44,32,308	1,00,25,438
Demat / Remat charges	1,01,67,190	62,63,827
Computer & Software Expenses	7,54,30,590	5,19,69,187
Loss on Sale of Fixed Assets	-	1,79,945
VSAT Charges	12,71,735	13,34,607
Sub Brokerage	34,67,05,964	21,83,10,713
General Expenses	1,24,90,058	1,75,46,125
Bad Debts w/off	1,80,71,545	37,88,740
Telephone, Postage & Server Hosting	3,60,37,790	3,02,16,634
Turnover Tax/Transaction charges	34,59,00,625	15,28,35,138
Total	94,53,41,557	56,23,75,964

Note 23 Related Party Transactions

Holding/Fellow Subsidiaries/ Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives
Holding:- Master Trust Ltd. Subsidiaries :- Master Commodity Services Ltd. Master Portfolio Service Ltd.	Prime Industries Ltd. Master Infrastructures & Real Estate Developers Ltd. Master Insurance Brokers Ltd. H.A. Shares & Stock Brokers Master Shares & Stock Brokers Ltd. Harjeet Singh Arora HUF H K Arora Real Estate Services Pvt. Ltd. R. K. Singhania HUF Puneet Singhania HUF Santco India Pvt. Ltd. Irage Mastertrust Investment Managers LLP Sanawar Investments Singhania Properties Amni Real Estate Pvt. Ltd. Big Build Real Estate Pvt. Ltd. PHDA Financial Services Pvt. Chandi Angel Investors Forum Master Projects Pvt. Ltd. Sanawar Agri Pvt. Ltd. Arora Financial Services Ltd. Bluecircle Investments Crescent Investments Matria Estate Developers Pvt. Gold Touch Agri Pvt. Ltd. Eminent Buildwell Pvt. Ltd. Vision Investments KAG Investment and Advisors Pvt. Ltd. Master Trust Wealth Pvt. Ltd. Harinder Singh HUF	KMP Mr. Harjeet Singh Arora Mr. R K Singhania Mr. Gurmeet Singh Chawla Mr. Harinder Singh Mr. Puneet Singhania Mr. Jashanjyot Singh Arora Relatives of KMP Mrs. Hameesh Kaur Arora Mrs. Parveen Singhania Mr. Chirag Singhania Mrs. Paika A Chopra Mrs. Priyanka Thukral Mrs. Rohila Singhania Mrs. Isha Singhania Mr. Amandeep Singh Chawla Ms. Guneet Chawla Mr. Maninder Singh

Transactions with related parties

Transactions with related parties	Holding/Fellow Subsidiaries/ Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management	Key Management Personnel and their Relatives	Total	
Brokerage	Year ended 31st March, 2021	1,31,58,115	2,37,68,967	8,569	3,69,35,650
	Year ended 31st March, 2020	4,50,27,993	2,91,087	2,26,609	4,55,45,689
Interest Received	Year ended 31st March, 2021	68,46,972	-	-	68,46,972
	Year ended 31st March, 2020	4,10,19,711	-	2,282	4,10,21,993
Purchase of Investment	Year ended 31st March, 2021	-	-	-	-
	Year ended 31st March, 2020	-	11,01,06,000	-	11,01,06,000
Sale of Investment	Year ended 31st March, 2021	-	-	-	-
	Year ended 31st March, 2020	3,48,98,604	-	-	3,48,98,604
Interest Paid	Year ended 31st March, 2021	-	-	50,194	50,194
	Year ended 31st March, 2020	22,29,208	4,88,572	2,00,341	29,18,121
Professional Charges Paid	Year ended 31st March, 2021	-	2,00,000	-	2,00,000

	Year ended 31st March, 2020	32,00,000	6,00,000	-	38,00,000
Remuneration	Year ended 31st March, 2021	-	-	1,58,81,290	1,58,81,290
	Year ended 31st March, 2020	-	-	1,26,28,292	1,26,28,292
Rent Received	Year ended 31st March, 2021	6,00,000	12,000	-	6,12,000
	Year ended 31st March, 2020	12,000	-	-	12,000
Commision Received	Year ended 31st March, 2021	-	-	-	-
	Year ended 31st March, 2020	20,72,444	-	-	20,72,444
Commision Paid	Year ended 31st March, 2021	-	-	66,81,534	66,81,534
	Year ended 31st March, 2020	-	-	31,34,232	31,34,232
Rent Paid	Year ended 31st March, 2021	20,46,200	8,09,160	9,80,400	38,35,760
	Year ended 31st March, 2020	18,46,200	18,89,160	7,80,850	45,16,210
Corporate Guarantees given	As at 31st March, 2021	1,00,00,00,000	-	-	1,00,00,00,000
	As at 31st March, 2020	50,00,00,000	-	-	50,00,00,000
Balance outstanding at the end of the year Receivable	As at 31st March, 2021	-	-	2,85,923	2,85,923
	As at 31st March, 2020	5,00,25,359	-	-	5,00,25,359
Payable	As at 31st March, 2021	20,68,40,934	-	1,90,176	20,68,31,110
	As at 31st March, 2020	34,71,350	1,45,033	1,10,62,659	1,46,79,042

24 Contingent Liabilities Not Provided For in Respect of:

Particulars	In lacs	
	As At 31st, March 2021	As At 31st, March 2020
Claims against the Company not acknowledged as debts in respect of :		
Court Cases (i)	441.47	23.15
Bank Guarantees -		
NSE Clearing Ltd. as its Clearing Member for exposure with Capital/Currency market segment	605	25
NCDEX as its Clearing Member for exposure with Commodity market segment.	32.50	
MCX as its Clearing Member for exposure with Commodity market segment.	62.50	
SHCIL as its Trading Member for exposure with Capital market Future & Option segment for NSE	*9280	2,600
IL&FS as its Trading Member for exposure with Currency market segment/ F&O segment for NSE & BSE	-	2,000

*Out of the total BG of Rs 9280 Lakhs issued in favour of SHCIL, the company has deposited BG of Rs. 8280 Lakhs only to SHCIL for exposure as per SHCIL bill dated 31/03/2021.

(i) 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 advise 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.

- 25 (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.

- 26 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
Basic Earning per share (Rs.)	35.62	6.29
Diluted Earning per share (Rs.)	35.62	6.29
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	21,01,59,159	3,71,02,169
Weighted average number of equity shares for the purpose of calculating basic earning per share and diluted earning per share	59,00,000	59,00,000

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

- 28 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.255.60 Lacs (As at 31st March, 2019: Rs. 273.7 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.

- 29 Income from Brokerage, Sale/Purchase of securities include Brokerage of Rs. 95,24,94,367/- (Previous Year Rs. 58,94,08,420/-) and Profit/(Loss) on Trading of Securities Rs. 50,88,91,550/-(previous Year 10,40,83,396/-).

- 30 Expenditure in Foreign Currency Rs.5.76 Lakhs (previous year Rs. 7.78 Lakhs)

31 **Segment Information**

The Company is primarily in the broking business. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

32 **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, 2021	For the year ended 31st March, 2020
Opening defined benefit obligation	3,98,95,064	3,39,11,892
current service cost	1,40,15,106	51,63,177
Interest cost	29,92,130	25,43,392
Benefits paid	(24,17,234)	(12,25,425)
Actuarial (gain)/losses on obligation	(26,72,711)	(4,97,972)
Closing defined benefit obligation	5,18,12,355	3,98,95,064

Changes in the fair value of plan assets as on 31/03/2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Fair value of plan assets at beginning of year	3,22,13,588	2,99,96,279
Expected return on plan assets	21,51,142	22,17,309
Contributions	1,75,00,000	-
Benefits Paid	-	-
Actuarial gain/(loss) on Plan assets	-	-
Fair value of plan assets at the end of year	5,18,64,730	3,22,13,588

Amount Recognized in the Balance Sheet

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Present value of defined benefit obligation	5,18,12,355	3,98,95,064
Fair value of plan assets	5,18,64,730	3,22,13,588
Plan liability	(52,375)	76,81,476

Expenses Recognized in the Statement of Profit & Loss

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current service cost	1,40,15,106	51,63,177
Interest cost on benefit obligation	29,92,130	25,43,392
expected return on plan assets	(21,51,142)	(22,17,309)
Net actuarial(gain)/loss recognised in the year.	(26,72,711)	(4,97,972)
Total	1,21,83,383	49,91,288

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 escalation	7.00	7.00

- 33 Details of Guarantees & Loans covered under the provisions of Section 186 of Act, are given in the notes 5.7,21 & 22 to the Financial Statement.
- 34 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.

As per our Report of even date
For Gary Jain & Associates
Chartered Accountants
FRN 034073N

Gary Jain
Gary Jain
Prop.
M.no. 544732
Place: Ludhiana
Date: 28.06.2021



For and on behalf of the Board

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

Harjeet Singh Arora
Harjeet Singh Arora
Director
DIN-00063176

Sukhbir Singh
Sukhbir Singh
GM - Finance

Divyesh Jani
Divyesh Jani
Company Secretary

MASTER CAPITAL SERVICES LIMITED

Statement Of Changes in Equity For the year ended 31st March, 2021

A. Equity Share Capital

Particulars	Amount
Balance as at 1 April 2020	5,90,00,000
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2021	5,90,00,000

B. Other Equity

Particulars	Reserves & Surplus				Items of other comprehensive income	Total
	General Reserve	Capital Reserve	Securities Premium Reserve	Retained Earning		
Balance as at 1 April 2020	1,19,73,635	20,00,000	1,20,00,000	92,68,53,380	16,38,75,655	1,11,67,02,670
Profit/(loss) for the year	-	-	-	21,01,59,159	-	20,89,67,109
Other Comprehensive Income / (loss)	-	-	-	-	1,12,06,428	1,12,06,428
Balance as at 31 March 2021	1,19,73,635	20,00,000	1,20,00,000	1,13,70,12,539	17,50,82,083	1,33,68,76,207

Significant Accounting Policies & Notes on Financial Statements 1 to 34

As per our Report of even date
For Gary Jain & Associates
Chartered Accountants
FRN 034073N

Gary
Gary Jain
Prop.
M.no. 544732
Place: Ludhiana
Date: 28.06.2021



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

Sukhbir Singh
Sukhbir Singh
GM - Finance

For and on behalf of the Board

Harjeet Singh Arora
Harjeet Singh Arora
Director
DIN-00063176

Divyesh Jani
Divyesh Jani
Company Secretary