

INDEPENDENT AUDITORS' REPORT

To

**The Members of
Master Portfolio Services Limited**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Master Portfolio Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, 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, 2020, 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 2020. 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 2020 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, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 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, in our opinion and to the best of our information and according to the explanations given to us;
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (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, 29th June, 2020

For Manjeet Singh & Co.
Chartered Accountants
FRN 011831N


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 verifications.

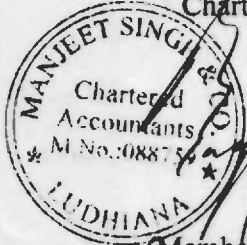
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable properties are owned by the Company, accordingly the provisions of clause 3 (i) (c) of the Order are not applicable to the company.
2. The company's business doesn't involve inventories and accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
3. The Company has granted unsecured loans to the party 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) of the Order is not applicable to the Company in respect of the principal amount.
 - c) There are no overdue amounts in respect of the 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 section 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 and Service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it were in arrears as at 31 March, 2020 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 and Service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to the debenture holders.
 9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
 10. According to the information and explanations given to us, no material fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
 11. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
 12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable.
 13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year.
 15. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
 16. According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Ludhiana, 29th June, 2020

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 Portfolio Services Limited** ('the Company') as of 31 March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Ludhiana, 29th June, 2020

For Manjeet Singh & Co.
Chartered Accountants
FRN 011831N



Manjeet Singh
Prop.
(Membership No. 088759)

MASTER PORTFOLIO SERVICES LIMITED

Balance Sheet as at 31st March, 2020

(Rupees)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
I ASSETS				
1 Non-current assets				
a) Property, Plant and Equipment	3	1,089	1,089	1,089
b) Deferred tax assets	4	64,464	51,784	123,156
c) Financial Assets				
i) Loan & deposits	5	20,000	20,000	20,000
d) Other non current assets	6	1,669,197	1,439,179	265,470
Total non-current assets		1,754,750	1,512,052	409,715
2 Current assets				
a) Financial Assets				
i) Trade receivables	7	5,597,878	4,157,835	4,757,551
ii) Cash and cash equivalent	8	214,666	151,544	252,707
iii) Other financial assets	9	25,399,712	32,914,262	41,391,096
b) Other current assets	10	1,456,061	2,693,058	4,788,219
Total Current assets		32,668,317	39,916,699	51,189,573
Total		34,423,067	41,428,751	51,599,288
II EQUITY AND LIABILITIES				
1 Equity				
a) Equity share capital	11	8,100,070	8,100,070	8,100,070
b) Other equity	12	20,857,708	20,807,094	19,328,231
Total equity		28,957,778	28,907,164	27,428,301
2 Current liabilities				
a) Financial liabilities				
i) Trade payables				
– Total outstanding dues of micro enterprises and small enterprises				
– Total outstanding dues of creditors other than micro enterprises and small enterprises				
	13	4,148,934	10,467,429	19,857,162
ii) Other financial liabilities	14	390,708	726,652	772,470
b) Other current liabilities	15	680,033	1,141,235	3,079,338
c) Provisions	16	245,614	186,271	462,017
Total current liabilities		5,465,289	12,521,587	24,170,987
Total		34,423,067	41,428,751	51,599,288

Significant Accounting Policies & Notes on Financial Statements 1 to 27

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

FRN 011831N

Manjeet Singh

Prop.

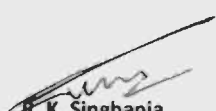
Membership No. 088759

Place: Ludhiana

Date: 29.06.2020



For and on behalf of the Board


R. K. Singhania

Director
DIN-00077540



Harjeet Singh Arora

Director
DIN-00063176

MASTER PORTFOLIO SERVICES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2020

(Rupees)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from operations	17	36,488,009	47,154,241
Other income	18	2,597,465	8,213,324
Total Revenue		39,085,474	55,367,565
EXPENSES:			
Employee benefits expense	19	6,994,251	7,059,784
Finance costs	20	2,453	5,316,946
Depreciation and amortization expense	3	-	-
Other expenses	21	32,022,336	40,964,689
Total Expenses		39,019,040	53,341,419
Profit before tax		66,434	2,026,146
Tax Expenses			
- Current tax expense for current year		31,000	465,000
- Deferred tax		(12,680)	71,373
- Current tax expense relating to prior years		(2,500)	10,910
Profit for the year		50,614	1,478,863
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		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal(B)		-	-
Other Comprehensive Income (A+B)		-	-
Total Comprehensive Income for the year		50,614	1,478,863
Earnings per equity share (face value Rs. 10 each)			
- Basic		0.06	1.83
- Diluted		0.06	1.83
Weighted average number of shares outstanding		810,007	810,007

Significant Accounting Policies & Notes on Financial Statements 1 to 27

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

FRN 011831N

Manjeet Singh

Prop.

Membership No. 088759

Place: Ludhiana

Date: 29.06.2020



For and on behalf of the Board


R. K. Singhanla

Director

DIN-00077540


Harjeet Singh Arora

Director

DIN-00063176

MASTER PORTFOLIO SERVICES LIMITED

Cash Flow Statement for the year ended 31st March, 2020

(Rupees)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
A. Cash flow from operating activities				
Net Profit before tax and extraordinary items		66,434		2,026,146
Adjustments for:				
Depreciation and amortization expense	-		-	
Provision for Gratuity/(Written Back)	59,343		(275,746)	
		59,343		(275,746)
Operating profit before working capital changes		125,777		1,750,400
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(1,440,043)		599,716	
Other current assets	8,751,547		10,571,995	
Other non current assets	(230,018)		(1,173,709)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(6,318,495)		(9,389,733)	
Other current liabilities	(363,146)		(448,921)	
Short-term borrowings	-		-	
		399,845		159,347
		525,622		1,909,747
Cash flow from extraordinary items		-		-
Cash generated from operations		525,622		1,909,747
Net income tax (paid) / refunds		(462,500)		(2,010,910)
Net cash flow from / (used in) operating activities (A)		63,122		(101,163)
B. Cash flow from investing activities				
Purchase of fixed assets		-		-
Net cash flow from / (used in) investing activities (B)		-		-
C. Cash flow from financing activities				
Proceeds from issue of equity shares/ warrants		-		-
Net cash flow from / (used in) financing activities (C)		-		-
Net Increase (decrease) in Cash and cash equivalents (A+B+C)		63,122		(101,163)
Cash and cash equivalents at the beginning of the year		151,544		252,707
Cash and cash equivalents at the end of the year		214,666		151,544

Significant Accounting Policies & Notes on Financial Statements 1 to 27

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

FRN 011831N

Manjeet Singh

Prop.

Membership No. 088759

Place: Ludhiana

Date: 29.06.2020



For and on behalf of the Board

J.R.K. Singhania

Director

DIN-00077540

Harjeet Singh Arora

Director

DIN-00063176

MASTER PORTFOLIO SERVICES LIMITED

Statement Of Changes in Equity For the year ended 31st March, 2020

A. Equity Share Capital

Particulars	Amount
Balance as at 1 April 2018	8,100,070
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2019	8,100,070
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2020	8,100,070

B. Other Equity

Particulars	Reserves & Surplus			Items of other comprehensive income	Total
	Securities Premium Reserve	General Reserve	Retained Earning		
Balance as at 1 April 2018	12,000,000	123	7,328,108	-	19,328,231
Profit/(loss) for the year	-	-	1,478,863	-	1,478,863
Balance as at 31 March 2019	12,000,000	123	8,806,971	-	20,807,094
Balance as at 1 April 2019	12,000,000	123	8,806,971	-	20,807,094
Profit/(loss) for the year	-	-	50,614	-	50,614
Balance as at 31 March 2020	12,000,000	123	8,857,585	-	20,857,708

Significant Accounting Policies & Notes on Financial Statements 1 to 27

As per our Report of even date
For Manjeet Singh & Co.

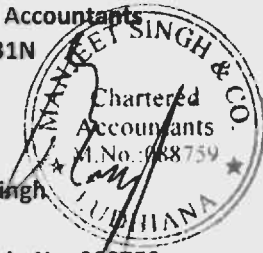
Chartered Accountants
FRN 011831N

Manjeet Singh
Prop.

Membership No. 088759

Place: Ludhiana

Date: 29.06.2020



For and on behalf of the Board


R. K. Singhania
Director
DIN-00077540


Harjeet Singh Arora
Director
DIN-00063176

Notes forming part of financial statements for the year ended 31 March, 2020

1 Corporate Information -

Master Portfolio Services Ltd. ('the Company') is a public limited company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is registered with Securities and Exchange Board of India (SEBI) as a Portfolio Manager having registration number INP000001637 under the SEBI (Portfolio Managers) Regulations 1993.

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. First-time adoption of Ind AS

Overall principle :

The Company has prepared the opening balance sheet as per Ind AS as of 1st April 2018 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as mentioned below:

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

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
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g. Investments in subsidiaries and associates

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

h. Financial instruments**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, if any. 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.

i. Employee benefits

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 ESIC is recognised in the 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.

m. Leases :

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 recognized 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 PORTFOLIO SERVICES LIMITED

NOTE 3 - Property, Plant and Equipment

Particulars	Furniture and Fixtures	Computer software	Total
GROSS CARRYING AMOUNT			
Balance as at 1 April 2018	42,200	615,506	657,706
Additions during the year	-	-	-
Disposals / deductions during the year	-	-	-
Balance as at 31 March 2019	42,200	615,506	657,706
Balance as at 1 April 2019	42,200	615,506	657,706
Additions during the year	-	-	-
Disposals / deductions during the year	-	-	-
Balance as at 31 March 2020	42,200	615,506	657,706
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
Balance as at 1 April 2018	41,111	615,506	656,617
Additions during the year	-	-	-
Disposals / deductions during the year	-	-	-
Balance as at 31 March 2019	41,111	615,506	656,617
Balance as at 1 April 2019	41,111	615,506	656,617
Additions during the year	-	-	-
Disposals / deductions during the year	-	-	-
Balance as at 31 March 2020	41,111	615,506	656,617
NET CARRYING AMOUNT			
As at 1 April 2018	1,089	-	1,089
As at 31 March 2019	1,089	-	1,089
As at 31 March 2020	1,089	-	1,089

NOTE 4 - DEFFERED TAX ASSET (NET)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Deferred tax Assets			
Related to fixed assets	2,648	3,353	4,187
Related to Gratuity	61,816	48,431	118,969
Total	64,464	51,784	123,156

NOTE 5 - LOAN & DEPOSITS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Securly deposits	20,000	20,000	20,000
Total	20,000	20,000	20,000

NOTE 6 - OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Advance income tax (net of provision for tax)	1,669,197	1,439,179	265,470
Total	1,669,197	1,439,179	265,470

NOTE 7 - TRADE RECEIVABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Outstanding for a period less than 6 months from the date they are due for payment	5,597,878	4,157,835	4,757,551
Other Debts	-	-	-
Total	5,597,878	4,157,835	4,757,551

NOTE 8 - CASH AND CASH EQUIVALENT

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on hand	30,147	23,309	170,351
Balances with banks			
-In current accounts	184,519	128,235	82,356
Total	214,666	151,544	252,707

NOTE 9 - OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Loans and advances to related parties	25,197,428	32,636,384	41,294,109
Other Receivable	202,284	277,878	96,987
Total	25,399,712	32,914,262	41,391,096

NOTE 10 - OTHER CURRENT ASSETS

Particulars	As at	As at	As at
	31st March, 2020	31st March, 2019	1st April, 2018
Prepaid expense	146,577	313,243	486,516
Others	1,309,484	2,379,815	4,301,703
Total	1,456,061	2,693,058	4,788,219

NOTE 11 - EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number	Amount (Rs.)	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised						
Equity shares of Rs.10/- each (Par value)	1,000,000	10,000,000	1,000,000	10,000,000	1,000,000	10,000,000
	1,000,000	10,000,000	1,000,000	10,000,000	1,000,000	10,000,000
Issued, Subscribed and fully paid up						
Equity shares of Rs. 10/- each (Par value)	810,007	8,100,070	810,007	8,100,070	810,007	8,100,070
	810,007	8,100,070	810,007	8,100,070	810,007	8,100,070

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

Particulars	Share Capital		Share Capital		Share Capital	
	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	Number	Amount (Rs.)	Number	Amount (Rs.)	Number	Amount (Rs.)
i) Issued, Subscribed and paid up equity shares						
Outstanding at the beginning of the year	810,007	8,100,070	810,007	8,100,070	810,007	8,100,070
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the period	810,007	8,100,070	810,007	8,100,070	810,007	8,100,070

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

Particulars	Equity Share Capital		Equity Share Capital		Equity Share Capital	
	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Master Capital Services Ltd	810,007	100	810,007	100	810,007	100

NOTE 12 - OTHER EQUITY

Particulars	As at	As at	As at
	31st March, 2020	31st March, 2019	1st April, 2018
(a) Securities Premium Reserve	12,000,000	12,000,000	12,000,000
(b) General Reserve	123	123	123
(c) Debt/Equity instruments through OCI	-	-	-
(d) Retained Earning	8,857,585	8,806,971	7,328,108
Total	20,857,708	20,807,094	19,328,231

B. Other Equity					
Particulars	Reserves & Surplus			Items of other comprehensive income	Total
	Securities Premium Reserve	General Reserve	Retained Earning	Debt/Equity instruments through OCI	
Balance as at 1 April 2018	12,000,000	123	7,328,108	-	19,328,231
Profit/(loss) for the year	-	-	1,478,863	-	1,478,863
Balance as at 31 March 2019	12,000,000	123	8,806,971	-	20,807,094
Balance as at 1 April 2019	12,000,000	123	8,806,971	-	20,807,094
Profit/(loss) for the year	-	-	50,614	-	50,614
Balance as at 31 March 2020	12,000,000	123	8,857,585	-	20,857,708

NOTE 13 - TRADE PAYABLES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,148,934	10,467,429	19,857,162
Total	4,148,934	10,467,429	19,857,162

NOTE 14 - OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Other payables	390,708	726,652	772,470
Total	390,708	726,652	772,470

NOTE 15 - OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Statutory dues	680,033	1,141,235	3,079,338
Total	680,033	1,141,235	3,079,338

NOTE 16 - PROVISIONS

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits : Provision for gratuity	245,614	186,271	462,017
Total	245,614	186,271	462,017

NOTE 17 - REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Income from PMS	34,488,009	47,154,241
Professional Income	2,000,000	-
Total	36,488,009	47,154,241

NOTE 18 - OTHER INCOME

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest/Other Income	2,597,465	8,213,324
Total	2,597,465	8,213,324

NOTE 19 - EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and wages	6,922,776	6,903,849
Staff welfare expenses	71,475	155,935
Total	6,994,251	7,059,784

NOTE 20 - FINANCE COSTS

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest expense on:		
- Interest on delayed / deferred payment of service tax	224	5,315,820
Other borrowing costs		
- Bank Charges	2,229	1,126
Total	2,453	5,316,946

NOTE 21 - OTHER EXPENSES

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Postage & Courier	92,076	38,840
Printing & Stationery	53,310	50,103
Rent	165,000	165,000
Commission Paid	3,408,118	4,396,475
Professional Charges	25,420,663	33,339,131
Fees & Taxes	3,600	3,600
Fund Accounting & Custody Charges	2,412,903	2,704,874
Payments to auditors		
As auditors - statutory audit/certification	275,000	75,000
For taxation matters	25,000	25,000
Sebi Registration Fee	166,666	166,666
Total	32,022,336	40,964,689

Note 22 Related Party Transactions

Holding/Fellow Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives/Individual have significant influence & their relatives
Ultimate Holding Company:- Master Trust Limited Holding Company Master Capital Services Limited Fellow Subsidiary Company Master Commodity Services Limited Fellow Subsidiaries of the Ultimate Holding Company H.A. Share & Stock Brokers Limited Master Insurance Brokers Limited Master Infrastructure & Real Estate Developers Limited	Prime Industries Limited Master Share & Stock Brokers Limited Gold Touch Agri Private Limited Big Build Real Estate Private Limited Amni Real Estate Private Limited Master Trust Wealth Private Limited Matria Estate Developers Private Limited Master Projects Private Limited Eminent Buildwell Private Limited Sanawar Investments Saintco India Private Limited Singhania Properties Arora Financial Services Private Limited H.K Arora Real Estate Service Private Limited Sanawar Agri Private Limited Bluecircle Investments Crescent Investments Irage Mastertrust Investment Managers LLP KAG Investment and Advisors Private Limited Chandi Angel Investors Forum PHDA Financial Services Private Limited	KMP Mr. Harjeet Singh Arora Mr. R K Singhania Mr. Gurmeet Singh Chawla Mr. Maninder Singh Relatives of KMP Mrs. Palka A Chopra Mr. Harinder Singh Mrs. Harneesh Kaur Arora Mr. Jashanjyot Singh Arora Mrs. Parveen Singhania Mr. Puneet Singhania Mr. Chirag Singhania Mrs. Priyanka Thukral Mrs. Rohila Singhania Mrs. Isha Singhania Mrs. Guneet Chawla Mr. Amandeep Singh Chawla

Transactions with related parties

Transactions with related parties		Holding/Fellow Subsidiaries/ Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives	Total
Professional Income	Year ended 31st March, 2020	2,000,000	-	-	2,000,000
	Year ended 31st March, 2019	-	-	-	-
Interest Received	Year ended 31st March, 2020	2,561,045	-	-	2,561,045
	Year ended 31st March, 2019	2,929,000	-	-	2,929,000
Brokerage Paid	Year ended 31st March, 2020	2,072,444	-	-	2,072,444
	Year ended 31st March, 2019	2,542,000	-	-	2,542,000
Remuneration	Year ended 31st March, 2020	-	-	4,687,500	4,687,500
	Year ended 31st March, 2019	-	-	4,650,000	4,650,000
Sundry Creditor	As at 31st March, 2020	-	-	-	-
	As at 31st March, 2019	4,628,000	-	-	4,628,000
Sundry Debtors	As at 31st March, 2020	2,398,392	-	-	2,398,392
	As at 31st March, 2019	-	-	-	-
Balance outstanding at the end of the year Receivable	As at 31st March, 2020	25,197,428	-	-	25,197,428
	As at 31st March, 2019	32,636,384	-	-	32,636,384

- 23 No contingent liability exists at the end of the Financial Year.
- 24 Details of Guarantees & Loans covered under the provisions of Section 186 of Act, are given in the notes 9 & 22 to the Financial Statement.
- 25 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.

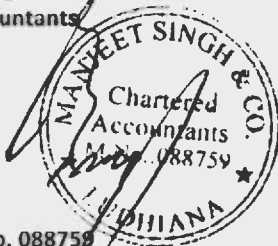
26 Segment Information

The Company is primarily in the business of portfolio management. The 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.

- 27 Being the portfolio manager, to manage the funds/securities of its portfolio clients, the company has opened separate bank/ trading accounts on its name to segregate the funds/ securities of its clients from his own funds and securities and the same is duly reflected in the books of respective clients.

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

Manjeet Singh
Prop.
Membership No. 088759
Place: Ludhiana
Date: 29.06.2020



For and on behalf of the Board


R. K. Singhania
Director
DIN-00077540


Harjeet Singh Arora
Director
DIN-00063176