



2009



One-stop financial services shop.

This was the vision with which we entered business in 1985.

Today, we provide intermediation services across equity, debt, commodities, insurance, currency, foreign exchange, merchant banking, IPO and mutual fund businesses.

- Enhancing customer convenience.
- 360° wealth management.
- Providing a holistic solution.

Result: Master Trust Limited is among the leading equity brokerage houses in India today.



Vision

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

Mission

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

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Happiness as rewarding as
a good investment.

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Stock Broking
(NSE/BSE/NSE Derivatives)

Commodity Broking
(NCDEX/MCX)

Currency Derivatives
(MCX-SX/NSE-CDS)

Portfolio Management

Advisory Services

Depository Services

Merchant Banking

Investment Banking

Insurance Broking
(Life & General)

Forex Services

Mutual Funds & IPO's



Presence

- MTL has its corporate office in New Delhi
- It has a pan-India presence across 153 cities and 19 states
- It is listed on the Bombay Stock Exchange.

Achievements

1985

The seeds of the Group were sown as Arora Financial Consultants Pvt. Ltd. (Later converted into Master Trust Ltd.)

1993

Acquired status of SEBI accredited Category I Merchant Bankers under the name Master Capital Services Ltd.
- Became Dealer of OTCEI
(Over the Counter Exchange of India)

1994

Master Capital Services Ltd. became corporate members of NSE (National Stock Exchange of India Ltd.)

1995

Master Trust Ltd. came out with an IPO (Initial Public Offer) of Equity Shares & Fully Convertible Debentures.
- Upgraded Dealership of OTCEI to Membership.

1997

Became RBI approved Full Fledged Money Changers.

1999

Launched Depository Services as a Depository Participant of NSDL.

2001

Launched Depository Services as a Depository Participant of CDSL.
- Commenced Trading in Derivatives Segment in NSE.

2002

Entered into insurance business as advisor for Life & General Insurance.

2004

Became Members of NCDEX (National Commodity Derivatives Exchange Ltd) and MCX (Multi Commodity Exchange of India Ltd.)
- Introduced Virtual Private Network (VPN)
- Became Insurance Broker under the name of M/s Master Insurance Brokers.

2005

Acquired the membership of Bombay Stock Exchange Ltd. (BSE)
- Commenced Internet Trading.

2006

Became SEBI registered Portfolio Manager.

2007

Set up regional offices at Baroda, Kolkata and Hyderabad.

2008

Introduced Currency Derivatives trading through MCX-SX & NSE.

Values

To optimise wealth through:

- Excellent service to clients
- Personal responsibility towards delivering value
- Teamwork
- Trust through integrity
- Diversity for growth and innovation

Chairman's Message

We want our people to "enjoy their work, be proud of their work" while underlining their personal growth. This anchors the growth model for the Company.

Mr. Harjeet S. Arora, Managing Director
on the Company's performance in 2008-09



It gives me great pleasure to present your Company's Annual Report and to share with you its performance for the year 2008-09.

The Company's top & bottom line saw a decline due to tremendous financial market meltdown, which had a ripple effect on the Indian financial markets as well where your's Company, operates in. I am sure, our Shareholders would be happy at the performance of the Company and would share with me our sense of satisfaction.

The Indian economy has been growing at a rate of nearly 9 percent for the past four years. After deteriorating global economic conditions during the year 2008 had affected adversely our growth witnessing a moderation in 2008-09. This declining trend seems to have ended in the last quarter of 2008-09, as RBI's measure's such as cuts in the CRR, Repo rate and Reverse Repo rates along with several stimulus packages announced by Government of India have prevented Indian economy to further diminish.

Services sector continues to be the key driver, contributing the major portion to the overall growth. However, the long-term prospects are indeed promising with fundamentals of the economy remaining strong. In fact, the Indian economy is today poised to achieve a coveted position among the top economies of the world as we go along on the robust growth path.

The stock market followed the general global sentiments and market trends. After a phase of sharp downward movement, the market has shown some recovery since March 2009. However, after testing the low levels of 7697 in Oct. 2008, the Sensex has now recovered up to the level of 15000 in June 2009.

As the business of the Company is centered around a hub-and-spoke franchisee model, the emphasis is on spreading the geographical network across India by serving larger number of customers by opening franchisee outlets. We have increased the scale of our activities and now we have a presence across 153 cities.

Adding to this we have entered into new areas of services of Currency derivatives trading and have become more focused on margin funding business to shore up brokerage and interest incomes and are constantly updating our technology platform to support the expansion and customer convenience.

Further to strengthen our business model we are taking following initiatives to have attractive revenue, margin and profit implications over the foreseeable future:

- More emphasis to fee-based products like existing insurance, mutual fund and IPO distribution businesses, strengthen investment banking, forex business and portfolio management.
- Mobilise resources to strengthen our margin-funding business, through different sources.
- Continue our penetration in markets where we are firmly entrenched, besides venturing further into Tier-II and Tier-III cities. We will widen our branch network to newer geographies to capitalise on the market rebound including global presence in select centres with large NRI population.

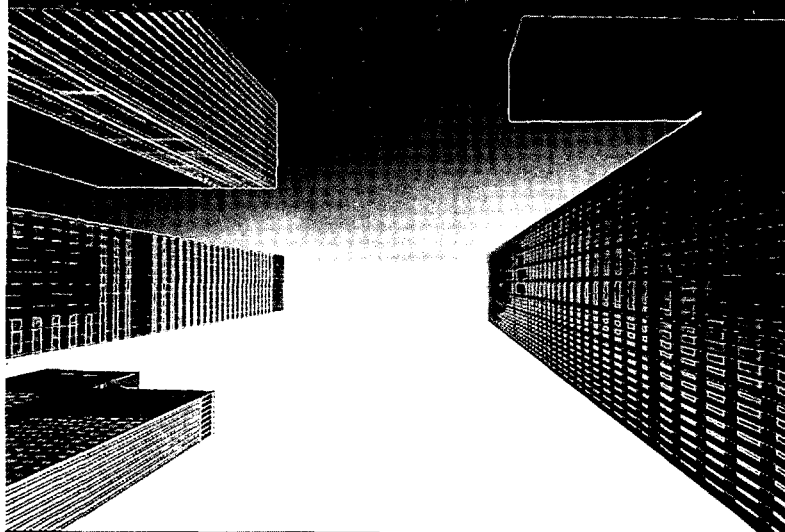
Taken together, this would help in improving the overall performance, meeting customers' requirements and expectations and thus pursue the Company's objective of becoming a trusted partner in the financial services sector.

On behalf of the Board of Directors and Shareholders, let me compliment and convey our gratitude to all the employees and the management team for the excellent performance during such tough times and for setting new milestones.

I am confident that Master Trust Ltd. will continue to strive to establish itself as one of the leading and preferred financial services company in the years to come.

Thank you for your continued support and encouragement and wish you all the very best.

Our Strengths



Presence >

We have pan India presence over 19 states where the equity culture is the strongest and we are one of the leading financial intermediaries across Punjab, Haryana, Jammu and Kashmir, Delhi NCR, Rajasthan, Uttar Pradesh, Gujarat, Himachal Pradesh, Maharashtra, Tamil Nadu, West Bengal, Orissa, Bihar, Uttarakhand etc.

Convenience >

We provide one-stop financial services comprising equity broking, commodity broking, currency broking, money changing, depository services, insurance broking (life and general), merchant banking, margin funding, portfolio management, public issue distribution and wealth management with growing cross-sale opportunities.

Asset Lite model >

The business of the Company is centred around a hub-and-spoke franchisee model where large branch/regional offices serve a larger number of customers by opening franchisees. Since opening of franchisees does not require much capital cost for the Company, it can be rolled out in high numbers at a fast pace with minimum capital.

Technology >

We proactively invest in technology to address a growing transaction volume, increased transaction speed and reducing time-lag between trading and account update. A 100% redundancy enhances systematic safety.

Cost of operation >

The operational cost of our franchisee model is low as a significant part of the client acquisition costs, rentals, salaries, etc. are borne by the franchisee, resulting in a high operating leverage for the Company.

Liquidity >

The Company has been maintaining relatively low debt level for the recent past. It has sufficient cash or cash equivalents to meet any unforeseen requirements.

Intellectual capital >

The six senior-most managers are working with the Company for 16 years and above. The Company possesses a large pool of employees with a rich industry experience.

Research base >

The Company's research team comprises qualified MBAs/CFAs from prominent business schools with analytical abilities in fundamental and technical investment research.

Employee turnover >

Owing to the franchisee model, employee turnover is not a serious issue. The threat of high salaries resulting out of increasing competition is mitigated through this model, which is otherwise a common problem in today's branch-centric business model.

IT infrastructure >

The Company's trading services and surveillance platforms are based on the ODIN software from Financial Technologies Ltd. using different modes of connectivity (VSAT VPN, DSL VPN, PRI/ISDN/leased VPN, RF VPN, internet-based trading platform) and Oracle-based back office software. All the applications and software run on state-of-the-art enterprise-class servers.

Distribution Network >

Growing from a single business location in 1985, MTL's network is now spread across India, covering more than 153 locations across 19 states.

Compliances >

We provide uninterrupted trading facilities through memberships across all relevant stock and commodity exchanges, as well as comprehensive regulatory compliances. We have an immaculate track record with respect to compliances with various statutory provisions applying to our various business segments.



How We Performed in 2008-09

- **63,000+ > 76,000+**
Increase in the number of registered clients for the NSECM segment from 2007-08 to 2008-09, a growth of 20%
- **75,000+**
Number of demat accounts
- **44,000+ > 56,000+**
Increase in the number of registered clients for the NSEFO segment witnessed 27% growth
- **119 > 153**
Increase in the city coverage
- **58,000+ > 70,000+**
Increase in the number of registered clients for the BSE* from 2007-08 to 2008-09, a growth of 21%
- **19**
Number of states covered

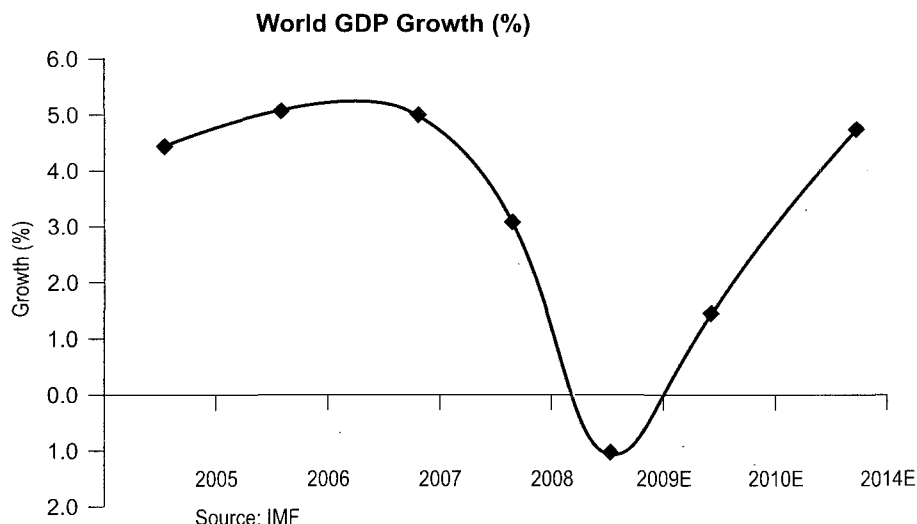
* Through our associate company MTL Share & Stock Brokers (MTLSSB)

MANAGEMENT DISCUSSION AND ANALYSIS

An economic overview :

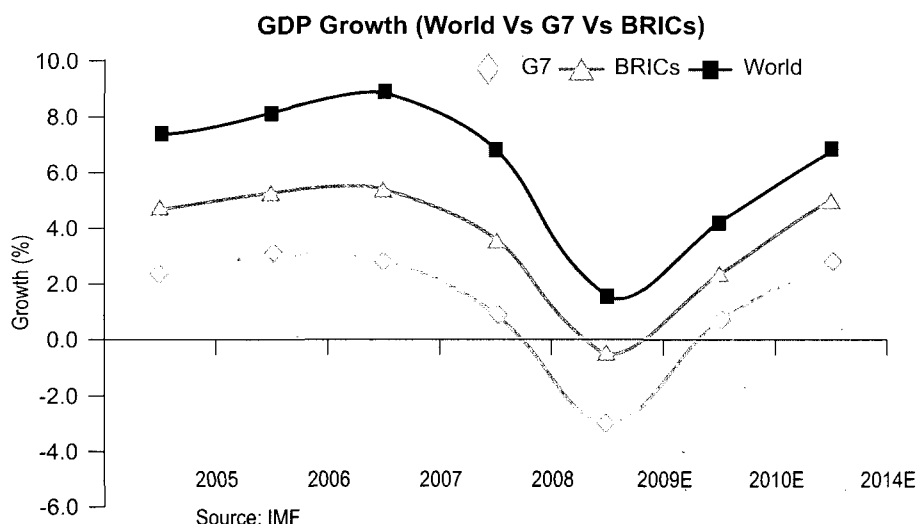
World Economy Bottoming Out

World economy after posting a 5.2 per cent growth in 2007, grew only at 3.2 per cent in 2008. The contraction in global economy is mainly due to credit deterioration, stress in mortgage market, sub-prime crisis in US and financial meltdown in advanced economies. The financial crisis that erupted in August 2007 after the collapse of the U.S. sub-prime mortgage market entered a tumultuous new phase in September 2008 that has badly shaken confidence in global financial institutions and markets which resulted in slowdown in global economy. Now IMF has a projection that the global economy will start recovering from the end of 2009 after posting a decline of 1.3 per cent in 2009 and it will recover only gradually in 2010, growing by 1.9 percent. Up to 2014, IMF has projected the World GDP will grow by 4.8 per cent. Rising hopes in global financial market and some macro economic indicators in the US also suggest that contraction process is about to end by 2009.



BRICs Advantage :

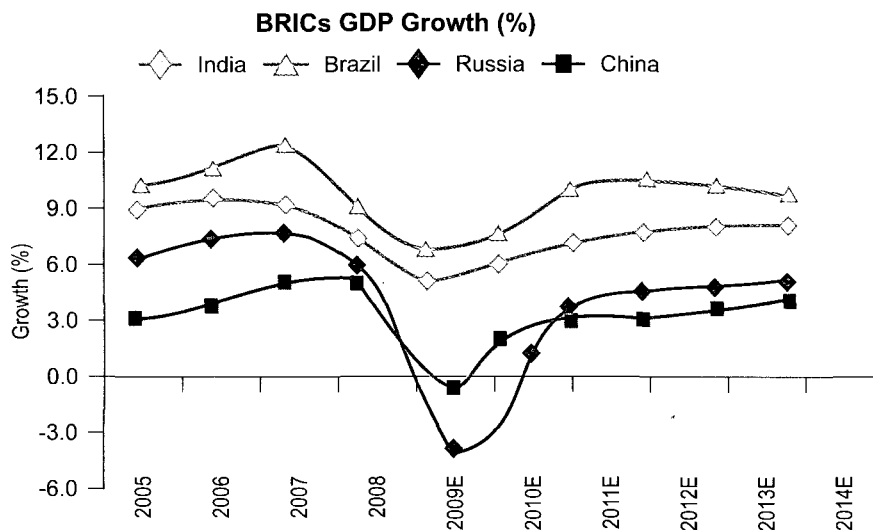
In 2007-08, World GDP declined more as compared to BRIC economies except Brazil. Emerging economies too suffered badly because the damage is being inflicted through both financial and trade channels, particularly to East Asian countries that rely heavily on manufacturer exports. Still, as compared to rest of the world vis-à-vis 'Advanced Economies', BRIC economies will perform better and recovery will be faster than Advanced economies. According to IMF, BRIC economies will grow by 0.9 per cent in 2009, 3.9 per cent by 2010 and 6.9 per cent by 2014, while, G7 and World will post negative growth viz. -4.1 per cent and -1.3 per cent in 2009. The main reasons behind growth of BRIC nations are 1) strong overall macroeconomic fundamentals will continue to attract substantial flows of foreign investment, further boosting potential for the future output growth 2) big source of labour 3) strong consumer demand due to its 2.8 billion consumers 4) falling inflation rates and 5) easing interest rates.



FINANCIAL HIGHLIGHTS

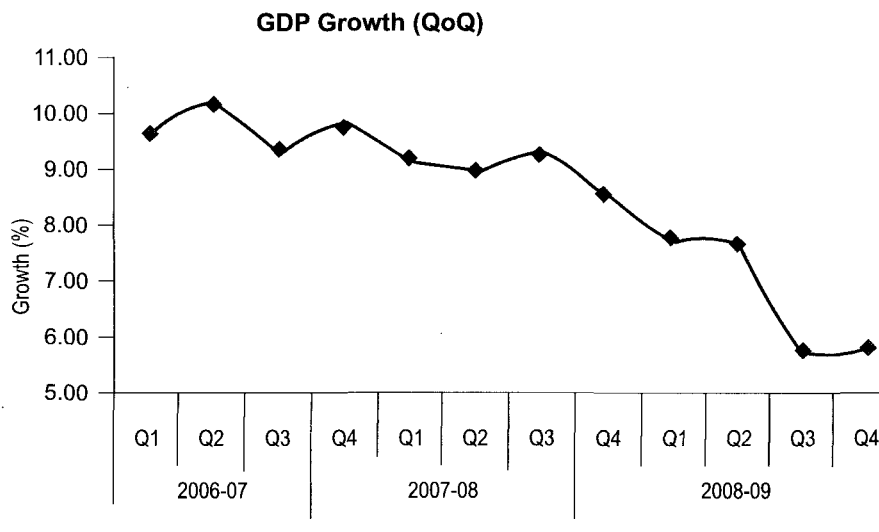
India Placed Better :

Among BRICs, the decline in GDP growth in India will remain less affected. India is placed better because of its less dependence on manufacturer exports and substantial domestic demand. The pace of growth in coming years will be faster in India even than that of China. IMF has projected that India GDP will grow by 4.5 per cent in 2009 and 5.6 per cent in 2010 after that 8 per cent by 2014.



The Indian Growth Story :

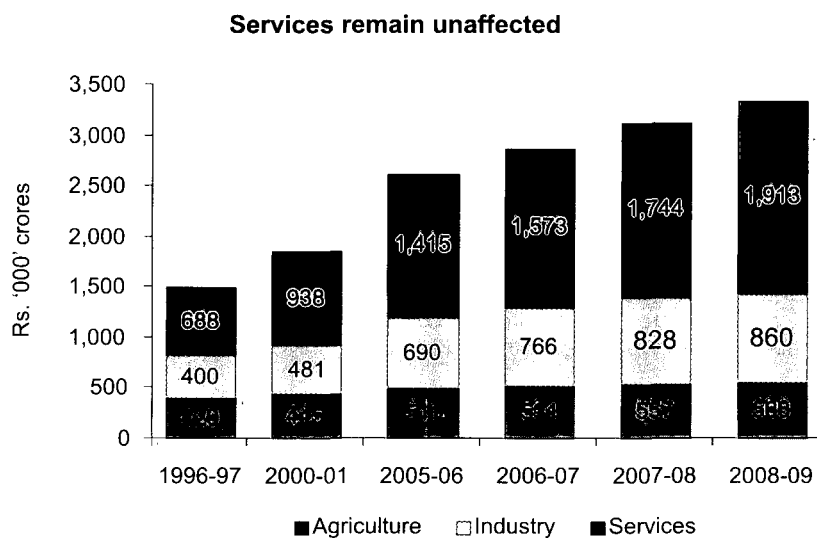
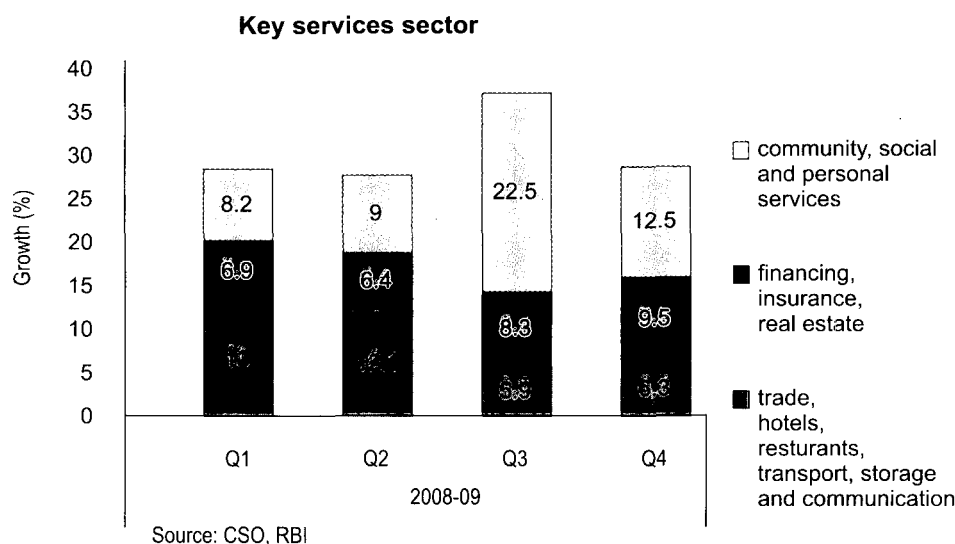
After posting the highest growth of 10.20 per cent in second quarter of 2006-07, it was on a robust growth path up to 2007-08, averaging at 8.9 per cent during the period 2003-2004 to 2007-08. After this it witnessed moderation in 2008-09 and turned out a sharper decline in the third quarter by growing 5.8 per cent only. Deteriorating global economic conditions during the year 2008 which affected adversely several advanced economies also created adverse shocks for emerging economies like India. The slowdown in Indian economy was partly affected by the cyclical factors. The industrial growth experienced significant downturn. Weak domestic business confidence affected the demand, which had been an important growth driver in recent years. During the third quarter of 2008-09 liquidity froze in the financial market with call rate, repo rate and CBLO rates rising to 19.74%, 12.42% and 11.97% respectively on 10th October 2008, further effecting adversely the financial system. Inflation and interest rates were at its height in that period, which affected the private consumption as well. This declining trend seems to be reaching an end in the last quarter of 2008-09 as it remained stable as compared to third quarter of 2008-09. RBI's measures such as cuts in the CRR, Repo rate and Reverse Repo rates along with unwinding of balances held by the Government with RBI under Market Stabilization Scheme (MSS) as well as open market operations (OMOs) to insure proper liquidity in the system, have helped to prevent decreasing pace of growth. Further several stimulus packages announced by Government of India have also prevented Indian economy to further diminish.



FINANCIAL HIGHLIGHTS

Services Sector Growth Less Affected :

Comparing with other components of Indian GDP, service sector growth has been less affected. It continued to grow above 9 per cent and in the third quarter of 2008-09, it grew by 12.23 percent.

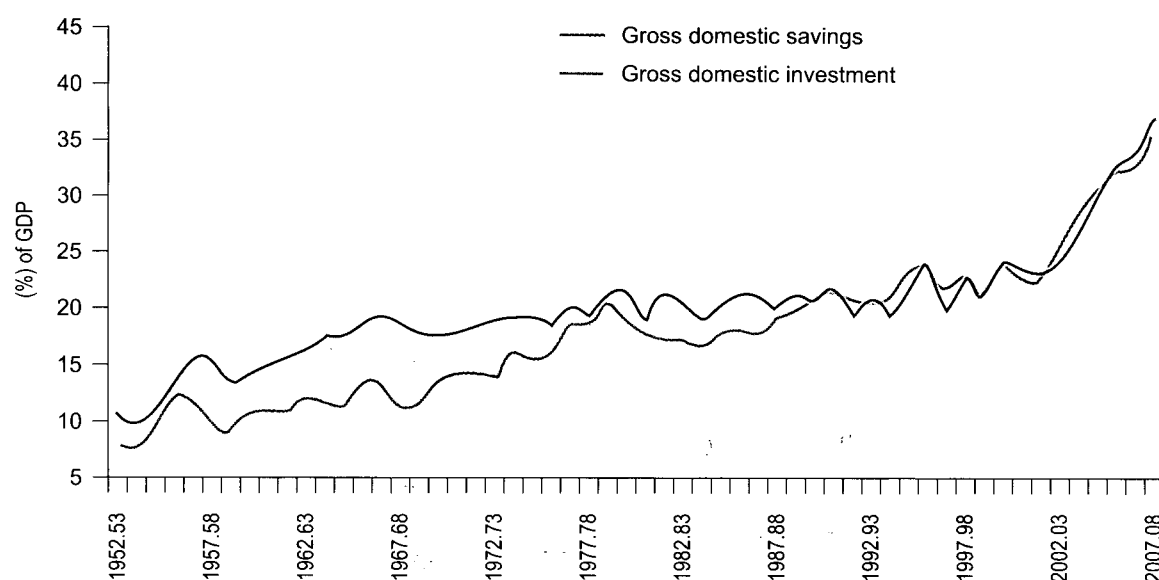


Financing, insurance, real estate have witnessed a continuous growth over the years. While a sudden jump in the community, social and personal services was due to the government spending in these sectors through implementation of Sixth Pay Commission payout, various programs for the rural poor and the farm loan waiver package. Sharp decline in foreign tourist arrival contributed to decelerations in hotel and transportation services.

Increasing Savings and Investments :

India's GDP growth strengthened the gross domestic investment and savings, with the savings and investment gap turning negative from 2004 onwards, indicating an improving investment climate.

FINANCIAL HIGHLIGHTS



Source: CSO

Road Ahead :

Global economic condition is still under stress, but some indication of revival in the US economy in the form of rising retail sales data, consumer confidence index, pending home sales data has shown that U.S economy is also recovering slowly. All these factors support the IMF projection that world economy will recover by the end of 2009.

Indian economic performance has been relatively robust in comparison to its western counterparts. Although India may expect further weakness in economic activity before seeing stability in the region, its sound fundamentals give us confidence that it is reasonably well placed to recover more strongly from the current slowdown.

Rising Inflation in the first half of 2008 had started easing significantly, leaving policymakers the freedom to concentrate on supportive measures. We expect the weak global economic background to keep a lid on inflation in 2009 and this will enable government and RBI to continue to cut interest rates and to use fiscal policy. The effects of the large scale stimulus measures and interest rate cuts are likely to provide cushion to much deeper deterioration in activity. Further political stability will help in boosting economic growth in the future through various reforms and more stimulus packages to revive the economy.

Indian economy remains fundamentally strong despite the adverse impact of the global financial crisis. With the right mix of macroeconomic policy and corporate strategy, we expect that, as an economy, India will emerge from this global recession stronger than before.

INDUSTRY SCENARIO

Indian Financial Sector Highlights

India's financial sector is generally sound, resilient and fairly liquid. The financial infrastructure is also assessed to be robust.

1. Aggregate deposits of banks, y-o-y, was 18.8 per cent at end-March 2009 as compared with 21.7 per cent a year ago.
2. Since October 2008, the RBI has cut the cash reserve ratio (CRR) and the repo rate by 400 basis points each. Also, the reverse repo rate has been lowered by 200 basis points. Adjusted for the first round effect of the changes in CRR, reserve money growth (y-o-y) as on March 31, 2009 was lower at 19.0 per cent as compared with 25.3 per cent a year ago.
3. Exports from special economic zones (SEZs) rose 33 per cent during the year to end-March 2009. Exports from such tax-free manufacturing hubs totalled US\$ 18.16 billion last year, up from US\$ 13.60 billion a year before.
4. Net inflows through various non-resident Indians (NRIs) deposits surged from US\$ 179 million in 2007-08 to US\$ 3,999 million in 2008-09, according to the RBI.
5. FDI inflows during April 2008-January 2009 stood at US\$ 27.30 billion compared with US\$ 24.58 billion in the corresponding period of the previous fiscal, witnessing a growth of 11 per cent.
6. The per capita income in real terms (at 1999-2000 prices) during 2008-09 is likely to attain a level of US\$ 528 as compared to the Quick Estimate for the year 2007-08 of US\$ 500.

Financial Markets :

In the context of the high volatility that was witnessed in global financial markets in 2008-09, one notable aspect of the Indian financial markets was that all segments functioned normally, with occasional volatility for short periods.

With sustained deregulation measures, exposure to international financial markets and the introduction of new products and services, the Indian financial sector is charting an impressive growth path.

According to global research data from Macquarie, India is the most preferred stock market in terms of portfolio allocation owing to current lucrative valuations and the government fiscal measures taken to boost liquidity in the economy.

Equity Markets :

The equity markets followed the general global sentiments and market trends and after a phase of sharp downward movement, the market has shown some recovery since March 2009.

The major reasons for the improvement were:

1. US\$ 1 trillion public private investment program by the US Treasury.
2. Major US banks posting profits for the first two months of 2009.
3. Extension of the deadline for buyback of foreign currency convertible bonds (FCCBs) by the Reserve Bank to December 31, 2009.
4. Domestic consumer durable and capital goods output increasing by 2.5 per cent and 15.4 per cent, respectively, in January 2009.
5. Lower domestic inflation rate.
6. Congress set to form a stable government for five more years.
7. Strengthening of the rupee against the US dollar.
8. Net purchases by FIIs and mutual funds in domestic equity market.

The BSE Sensex and the S&P CNX Nifty closed at 9709 and 3021 at end-March 2009 registering losses of 37.9 per cent and 36.2 per cent, respectively, over end-March 2008. Now the markets have tremendously recovered from the lows of March 2009 (Nifty at 2540 and Sensex at 8047), posting around 97% gain up to June 2009. The BSE Sensex closed at 14493 and NSE Nifty at 4291 in June 2009.

FINANCIAL HIGHLIGHTS

Equity Resource Mobilisation :

Primary Market

The primary market segment of the domestic capital market witnessed a marginal increase during the fourth quarter of 2008-09. Cumulatively, resources raised through public issues declined sharply to Rs.14,671 crore during 2008-09 from Rs.83,707 crore during 2007-08. The number of issues also declined considerably from 119 to 45.

Year	IPOs	Issue Amount (Rs. in Cr.)
2004-05	23	14662
2005-06	76	10807
2006-07	76	23706
2007-08	119	83707
2008-09	45	14671

Private Placement

India is among the top 10 countries in terms of value of private equity deals across the world, according to the global deal tracking firm, Zephyr. Resource mobilisation through private placement and euro issues also declined considerably by 25.1 per cent during April-December 2008.

Year	No. of Issues	Issue Amount (Rs. in Cr.)
2007-08	1362	149956
2008-09	652	112292

Euro Issue

During 2008-09, resources raised by Indian corporates through Euro issues (all GDR issues) declined significantly by 82.0 per cent to Rs.4,788 crore as compared with the corresponding period of the previous year.

Year	No. of Issues	Issue Amount (Rs. in Cr.)
2007-08	26	26556
2008-09	13	4788

(Source: RBI Report: Macroeconomic and Monetary Developments in 2008-09 Financial Markets)

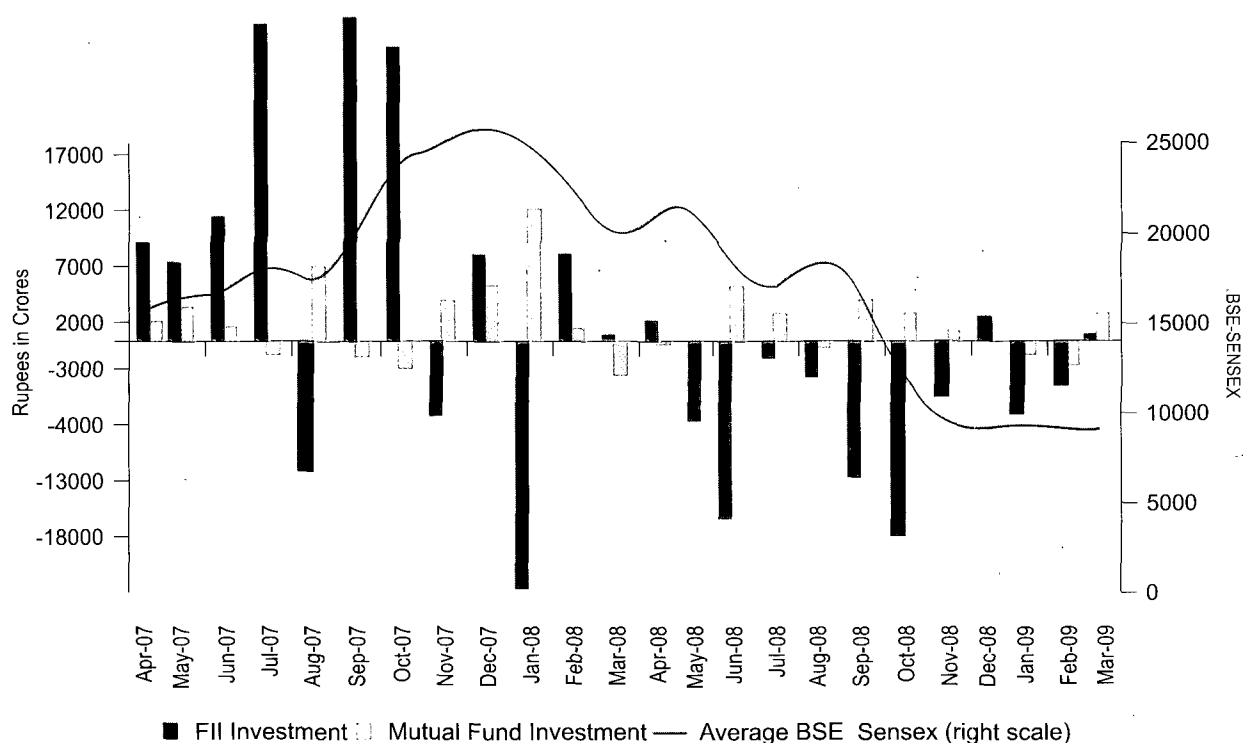
Mutual Funds :

The Indian mutual funds market is estimated to grow at a CAGR of 18 per cent in the next five years, with the country's mutual funds assets expected to more than double to US\$ 298.73 billion by 2012, according to a report by US-based financial services research and consulting firm, Cerulli Associates.

During 2008-09, net resource mobilisation by mutual funds turned negative; there was a net outflow of Rs.28,297 crore during the year as compared to a net inflow of Rs.1,53,801 crore during 2007-08, due to the uncertain conditions in the stock markets and redemption pressures from banks and corporates on account of tight liquidity conditions prevailing at that time. The RBI then announced immediate measures to provide liquidity support to mutual funds through banks. With the easing of overall liquidity conditions, investment in mutual funds again became attractive. During November 2008 to February 2009, net resource mobilization by mutual funds turned positive.

FIs and Mutual Funds Inflows :

According to the data released by the Securities and Exchange Board of India (SEBI), FIs made net sales of Rs.48,249 crore (US \$ 12.0 billion) in the Indian equity market during 2008-09 as against net purchases of Rs.52,574 crore (US \$ 12.7) billion) during 2007-08. Mutual funds, on the other hand, made net purchases of Rs.6,985 crore during 2008-09 as compared with net purchases of Rs.15,775 crore in the previous year.



Source: SEBI

Insurance Sector

The insurance sector is one of the most promising sectors in India today. According to the ASSOCHAM report, India's insurance sector is likely to reach US\$ 46.25 billion by 2010 from the current level of US\$ 1.15 billion. India is the fifth largest life insurance market in the emerging insurance economies globally and the segment is growing at a healthy 32-34 per cent annually.

Surging Private Equity Sector :

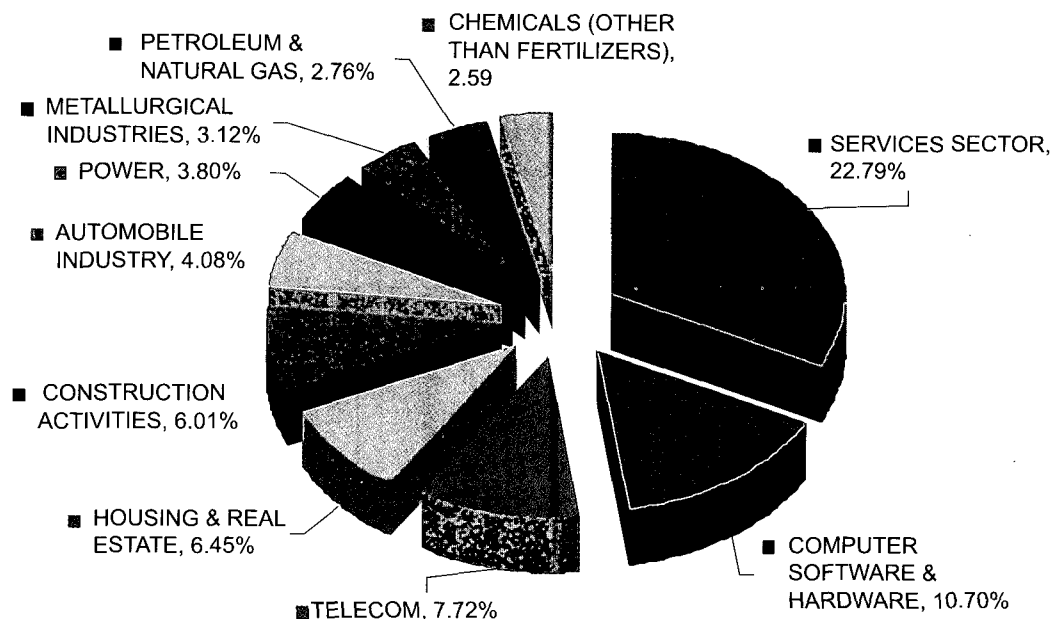
India does not seem to be losing its sheen among private equity (PE) investors even though the global liquidity crunch is now being assumed to be significantly larger in proportion and investors are increasingly turning bearish. 13 of the world's 20 largest PE funds in terms of fund mobilization in the past five years have already invested in India. In the first eight months of the year 2008, at least \$9.4 billion flowed into India from PE investors, according to JM Financial, higher than \$7.8 billion in the corresponding period last year. According to the Emerging Markets Private Equity Association, emerging Asia private equity funds raised \$40 billion in 2008, a 39 per cent increase over 2007. China remained the favourite among Asia private equity funds, getting \$14.5 billion in 2008, compared to \$3.9 billion in 2007. India-dedicated emerging markets private equity funds raised \$7.7 billion in 2008 against \$4.6 billion in 2007.

Rising FDI :

From August 1991 to March 2009, the total FDI into India was US\$89.82 bn. The services sector (financial and non-financial) accounted for the highest FDI worth US\$ 19.17 bn (22.79%), computer software & hardware accounted for worth US\$ 8.9bn (0.70%) & telecommunications accounted for worth of US\$ 6.3bn (7.72%) between April 2000 and March 2009.

The government is also planning to ease restrictions on foreign investments in insurance, banking and pensions, and allow foreign direct investment (FDI) of 49 per cent from the present 26 per cent. The economy and improving investment climate has attracted corporations to invest in India. A major outcome of the economic reforms process aimed at opening up the economy and embracing globalization has led to tremendous increase in Foreign Direct Investment inflows into India. The average FDI inflows per year during the 9th Plan were \$ 3.2 billion and during the 10th Plan it increased manifold to stand at \$ 16.33 billion the annual average being \$ 6.16 billion. The top five sectors attracting FDI in fiscal 2007-08 included services sector, housing and real estate, construction activities, computer software & hardware and telecommunications. The infrastructure sector that offers massive potential to attract FDI witnessed marked increase in FDI inflows during this five-year period. (Source: DIPP)

FINANCIAL HIGHLIGHTS



FDI INFLOW SECTOR WISE - APR 2000 TO MAR 2009 (GREATER THAN 2%)

Source: DIPP

FDI EQUITY INFLOWS DURING FINANCIAL YEAR 2008-09 :

Financial Year 2008-09	Amount of FDI inflows	
	(In Rs. Crores)	(In US\$ mn)
1. April 2008	15,005	3,749
2. May 2008	16,563	3,932
3. June 2008	10,244	2,392
4. July 2008	9,627	2,247
5. August 2008	9,995	2,328
6. September 2008	11,676	2,562
7. October 2008	7,284	1,497
8. November 2008	5,305	1,083
9. December 2008	6,626	1,362
10. January 2009	13,347	2,733
11. February 2009	7,223	1,466
12. March 2009	10,023	1,957
2008-09 (up to March 2009)	122,919	27,309
2007-08 (up to March 2008)	98,664	24,580
%age growth over last year	(+) 25 %	(+) 11 %

Source: DIPP

Industry Optimism :

The reasons for sustained growth of the industry constitute of the following factors:-

Under-penetration :

The World Bank estimates that more than 45% of the 6.5 billion world population does not have access to a formal source of banking or financial services. In India alone it is estimated that 560 million people (about 51% of India's population) are financially underserved. Despite these challenges, India has a growing domestic demand and aspiration to be an economic power, which indicates the extent of scope for a financial intermediary like MTL.

Rising Population :

India ranks second in terms of population in the world. Only China is ahead of India in terms of population. India's population has risen nearly by 21.5% between 1991 and 2001. It is estimated that very soon India is going to overtake China in terms of population.

Household Savings :

It has been estimated that the India's total annual personal disposable income has grown to Rs. 36,059 bn. (about 52% being urban) and the annual savings have grown to Rs. 9,239 bn by 2008-09. Greater savings can be translated into good quality investments. (Source: indicus.net)

Demographic Transition :

Almost 54% of Indians are 25 years and below. Among the total population, 30% live in towns and more are expected to migrate from villages. On the basis of their living styles & consumption pattern, we expect that the young generations will be more keen to invest their savings in equity & other financial instruments.

Urbanisation :

The 50 per cent of India's population is expected to be urban-based by 2030. This projection takes into account an expected 8 to 9 per cent growth rate of the population over the next decade and anticipated shifts from agricultural to non-agricultural occupations and from rural to non-rural employment, according to a report. (Source: Urban Poverty Report 2009)

Rise in Per Capita Income :

The per capita income is expected to grow by 14.4 per cent during the current fiscal, the highest growth rate recorded in a single year in the last decade. However, after discounting for inflation (at 1999-2000 prices), per capita income is expected to rise to Rs. 25,661, representing an increase of 5.6 per cent.

Risk can be best defined as a probability of loss, while risk management constitutes a systematic approach in identifying, analysing and controlling them. Effective management reduces the risk to an acceptable level, encompassing risk planning, assessing risk areas, developing risk-handling options and monitoring risks through a structured framework.

DERISKING MECHANISM

Derisking at MTL

At MTL, the risk management framework is designed with the following objectives:

1. Identify the possible risks and assess the possible impact.
2. Look beyond mere mitigation and transform risks into opportunities.
3. Develop a culture where employees are enthused to respond to risks with appropriate actions.
4. Make the internal and external reporting structures more effective.

We prepare ourselves to effectively manage risks by converging them with their control processes. Risk convergence allows us to coordinate the various risks and control processes more effectively and pragmatically. The result is reduced redundancy, which drives down costs and most importantly, allows a more comprehensive, enterprise wide reporting to the senior management and the Board.

Industry Risk

Any slowdown in the country's economy or financial sector can potentially stagger growth.

Mitigation

The Company is affected by the prevailing industry environment. It progressively derisks its prospects through an increase in scale, increase in product offerings with stable revenue streams, brand differentiation, better customer convenience, cross-selling and better research.

Regulatory Risk

Firms in the financial service industry have to operate in a challenging regulatory environment, which can affect operational flexibility.

Mitigation

The Company sees these regulatory compliances as business enhancing. It complies with the following regulations laid down by regulatory bodies:

SEBI: For equity-broking transactions and merchant banking activities.

RBI: For the margin funding and forex businesses.

IRDA: For the insurance transactions.

NSDL and CDSL: For depository services to broking customers.

FMC: For commodity-broking transactions.

NSE, NSE-CDS, BSE, MCX, MCX-SX, NCDEX, NMCE and OTCEI

Market Risk

The Company's revenues can be affected if it is unable to keep pace with market growth.

Mitigation

The Company responded to this risk in the following ways:

1. Enhanced presence in North and West India & widened branch network across India.
2. Extended presence up to 19 states and 34 additional cities in 2008-09.
3. Strengthened the commodity-broking and margin funding business.
4. Aggressive development of the NSE & MCX introduced currency trading platform.

Competition Risk

An increasing number of brokerage houses could intensify competition.

Mitigation

The Company reinforced its presence through the following initiatives:

FINANCIAL HIGHLIGHTS

1. Efficient and customized services, backed by strong research leading to informed decision-making.
2. Complete range of services including equity, commodity and insurance-broking, MF/IPO distribution, margin funding, PMS, money changing and depository participant services among others, strengthening the Company's positioning as a one step solutions provider and increasing cross-sale opportunities.
3. Strengthening brand, reflected in an increasing client base. Cutting-edge IT in place to shorten market response and increase customer acquisitions.
4. Continued expansion through the 'asset lite' franchisee model, resulting in low capital investment, high operating leverage and rapid scalability.

Operational Risk

The Company's business is highly dependent on execution capabilities, any shortcomings in which could lead to business and client erosion.

Mitigation

The Company strengthened its execution capabilities through the following initiatives:

1. Investment in state-of-the-art IT infrastructure with zero downtime.
2. Strong franchisee network comprising 10-15 franchisees per branch and about 150 clients per franchisee.
3. Strong back-office to manage administrative responsibilities. Disaster recovery set up in progress in the current fiscal year.
4. Trading services and surveillance platform based on the ODIN software from Financial Technologies Ltd., a industry leader in the CTCL segment.
5. Implementation of Oracle-based software for near real-time information and improved response time between trading and accounts, upgrading back-office operations.
6. Investment in different connectivity modes (VSAT VPN, DSL VPN, PRI/ISDN/leased VPN, RF, VPN and internet-based trading platforms).

Attrition Risk

A stable and familiar workforce is an absolute must to sustain client relationships.

Mitigation

The Company's invigorating work environment and policies resulted in the following:

1. Negligible attrition at the senior and middle management levels in 15 years.
2. A policy of high incentives and low salaries to retain talent and maximize initiatives.
3. The proposed introduction of an employee stock option plan.
4. A low franchisee attrition.
5. Around 15% of the franchisee/sub-broker network has been with the Company for 10 years or more.

Liquidity Risk

The Company might face a cash crunch during unexpected market movements, affecting its ability to pay customers or grow the business.

Mitigation

The Company responded with the following initiatives to enhance liquidity:

1. The Company has over the past, maintained relatively low debt levels.
2. It maintained adequate cash and cash equivalents to address unforeseen cash requirements as on 31st March 2009.
3. The Company made a preferential issue of Rs. 549.4 mn, comprising 5,00,000 equity shares and 3.6 mn warrants, adding to its liquidity.

FINANCIAL HIGHLIGHTS

DIRECTORS' REPORT

To

The Members,

Your Company's Directors' are pleased to present the 24th Annual Report of the Company along with Audited Accounts for the financial year ended March 31, 2009.

1. Financial Results

(Rs.in mn)

Particulars	Financial Year ended			
	31 st March' 09	31 st March' 08	31 st March' 09	31 st March' 08
	Consolidated		Standalone	
Gross Income	553.45	654.76	53.76	50.14
Profit Before Depreciation, Interest & Tax	204.79	255.57	40.73	39.33
Less: Depreciation	12.16	9.26	0.40	0.32
Interest	85.72	78.24	23.87	21.75
Profit Before Tax	106.91	168.07	16.46	17.26
Provision for tax	18.16	24.45	2.88	2.15
Provision for fringe benefit tax	0.89	1.22	0.08	0.06
Profit after tax but before minority interest and share in associate companies	87.86	142.40	13.50	15.05
Less: Share of Minority Interest	0.01	0.60	-	-
Net Profit	87.85	141.80	13.50	15.05
Add: Profit brought forward from earlier years	311.22	173.19	35.00	23.05
Less: Adjustments as per AS 15 and others	(0.27)	0.20	-	-
Profit available for appropriation	399.34	314.79	48.50	38.10
Less: Appropriations	5.50	3.57	3.84	3.10
Balance carried to balance sheet	393.84	311.22	44.66	35.00

2. Operational review

The Company has fared well given the tumultuous business scenario in the last two quarters of the financial year under consideration. With the worst behind, the Company strives to scale new heights on a sustained basis year on year. On a consolidated basis, the Company's income posted a decline of 15.47% to reach Rs. 553.45 mn, while net profit after tax declined by 38.30% to Rs. 87.86 mn. Insurance business reported a premium income of Rs 56 mn. Income from distribution of mutual funds and IPO decline by 43% to Rs. 2.2 mn on account of the macro conditions not conducive to this line of business. The funding business reported an income of Rs. 10.00 mn, whereas income from DP services declined by 15% and stood at Rs. 21.6 mn. The Forex Division recorded transactions worth Rs. 600 bn (approx.) during the year, registering a growth of around 20%. The commodity broking business showed healthy growth of more than 100% in annual turnover. The Company continues to strengthen its network and by end of year it had branches spread across 153 (119 in previous year) cities and towns.

3. Financial highlights

The consolidated profit including minority interest and the share of profit/loss in associate companies/firms before tax for the financial year under review is Rs. 106.91mn, while profit after tax is Rs. 87.86 mn.

On standalone basis profit including the share of profit/loss in associate companies/firms before tax for the financial year under review is Rs. 16.46 mn, while profit after tax is Rs. 13.50 mn. The earning per equity share is Rs. 2.18 and the networth of the Company at the year end stands to Rs. 335.51 mn.

4. Dividend

To sustain the internal accruals for the future growth of the Company, your Directors are not recommending any dividend for the year under review

5. Key initiatives

We continued with branch expansion and client additions inspite of the poor market conditions during the last year. A cost cutting exercise was taken to rationalize various expenses. The risk systems were further strengthened to weather any market movements of greater magnitude than the ones faced in October and November. Currency trading on NSE and commodity trading on MCX & NCDEX were given marketing push through the existing branch network to counter the fall in equity and equity derivatives trading volumes. The website was upgraded and host of new systems put in place to improve client access to information through the website.

6. Outlook

The industry is still growing on overall basis. The volumes have again reached the highs of January 2008 and with new products such as currency derivatives being introduced and more to be seen, the industry is poised for strong growth. The fundamentals of the Indian economy remain strong and with easing of the global credit crunch, the Indian growth story remains intact which augurs well for the financial services industry.

7. Management Discussion and Analysis

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

8. Financial Resources

In order to part finance its proposed business plans and other corporate needs and to strengthen the financial position of the Company and to meet out the business objectives, the Board in its meeting held on 30th June 2008, has considered, approved and allotted 5,00,000 equity shares at a price of Rs 134/- per equity share (including a premium of Rs. 124/- per equity share) and 36,00,000 convertible warrants exercisable in trenches and having currency period of 18 months and each warrant providing the holder with the option to subscribe to one fully paid-up equity share of the Company for every warrant at a price of Rs. 134/- per warrant (including a premium of Rs. 124/- per warrant on preferential allotment basis in terms of SEBI Guidelines under Chapter XII of SEBI (Disclosure & Investor Protection) Guidelines, 2000 to the promoters/person(s)/Body corporate(s) in terms of the Special Resolution passed by the Shareholders in an Extra- Ordinary General Meeting held on 11th June 2008 at the registered Office of the Company.

9. Adequacy of Internal Control

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

10. Human Resource Development

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

11. Directors

In accordance with Article 103 of the Articles of Association of the Company read with the provisions of the Companies Act, 1956. Mrs. Hameesh Kaur Arora, Mr. G. S. Chawla and Mr. Pavan Chhabra, Director(s) retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

During the years under view Mr. Anil Malhotra has been inducted as an Additional Director of the Company with effect from 10.12.2008 and Mr. B. B. Sharma has resigned from the Directorship of the Company during the year under review. The Board placed on record its gratitude for the services rendered by Mr. B. B. Sharma as Director of the Company.

12. Fixed Deposits

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

13. Corporate Governance

The report on the compliance with the provisions of Section 49 of the Listing Agreement executed with concerned Stock Exchange(s) is given separately in the Annual Report. A certificate from Statutory Auditors confirming compliance with the conditions of the Clause 49 of the Listing Agreement is annexed hereto and forms part of the Directors Report. The CEO Certificate duly signed forming part of the Corporate Governance Report, has been submitted to the Board. All Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct for Financial Year 2008-09.

FINANCIAL HIGHLIGHTS

14. Directors' Responsibility Statement

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

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

15. Listing / De-listing of Shares

The Shares of your Company are presently listed on The Bombay Stock Exchange Limited, Mumbai (BSE) and the Annual Listing Fees for the year 2009-10 have already been paid to it. The Company after obtaining the approval from the shareholders in the Annual General Meeting held on 30.09.2005 has already applied to The Calcutta Stock Exchange Association Ltd. to de-list the securities of the company from the said Exchange and the de-listing application has been approved by the said Exchange.

16. Auditors

The retiring Auditors, namely, M/s Manjeet Singh & Co., Chartered Accountants, Ludhiana, hold office until the conclusion of forthcoming Annual General Meeting (AGM) and being eligible, seek their re-appointment. The Statutory Auditors have furnished a certificate to the effect that their re-appointment, if made, at the ensuing AGM, will be within the limits prescribed under sub-section (1B) of Section 224 of the Companies Act, 1956 and that they are not beneficially holding any security or interest in the Company as defined under Section 226(3) of the said Act. Members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration for the year 2009-10. Your Directors' recommend their re-appointment.

17. Auditors Report

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

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

As per Section 212 of the Companies Act, 1956; we are required to attach the Directors' Report, Balance Sheet and Profit and Loss Account of the Subsidiary Company(ies). Your Company had applied to the Ministry of Corporate Affairs, Government of India, New Delhi for an exemption from such attachment.

The Ministry of Corporate Affairs, Government of India, New Delhi, vide its letter No. 47/368/2009-CL-III dated 4th May, 2009 has granted exemption to your Company under Section 212(8) of the Companies Act, 1956 with regard to attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiaries for the year ended March 31, 2009. However, the Consolidated Financial Statement of the Subsidiaries namely;

1. Master Capital Services Limited
2. Master Insurance Brokers Limited
3. Master Commodity Services Limited
4. Master Infrastructure And Real estate Developers Limited

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

It is further informed that during the year under review, Master Portfolio Services Limited, has become subsidiary of Master Capital Services Limited and simultaneously it has become subsidiary of Master Trust Limited, the reason being Master Capital Services Limited is 100% wholly owned subsidiary of Company. Furthermore, the entire shareholding of Master Commodity Services Ltd. has been taken up by Master Capital Services Ltd., which is 100% wholly owned subsidiary of Master Trust Ltd.

It is further informed that during the year under review, Master Capital Services Limited, a subsidiary of Master Trust Limited has filed a petition under Section 391 of the Companies Act, 1956 before the Hon'ble High Court of Bombay at Bombay regarding the merger of MTL Share And Stock Brokers Limited with Master Capital Services Limited and the proceedings are going on as on date.

At present, the Company has five subsidiary company (ies) viz. Master Capital Services Ltd., Master Commodity Services Ltd., Master Insurance Brokers Ltd., Master Infrastructure and Real Estate Developers Ltd. and Master Portfolio Services Ltd. out of which Master Portfolio Services Ltd. and Master Commodity Services Ltd. are at present subsidiary of Master Capital Services Ltd..

19. Particulars of Employees

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

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

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

21. Acknowledgment

Your Directors are pleased to place on record their appreciation and express their gratitude to the Government of India, State Governments/Local Bodies, SEBI, NSE, RBI, Company's Bankers, Customers, Advisors and Business Associates for their continued and valuable co-operation and support to the Company from time to time.

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

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

For & on behalf of Board of Directors

Place: Ludhiana
Date: 29.08.2009

Sd/-
Harjeet S. Arora
Managing Director

Sd/-
R.K.Singhania
Director

FINANCIAL HIGHLIGHTS

REPORT ON CORPORATE GOVERNANCE

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

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

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

1. Company's Philosophy

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

2. Board of Directors

(A) Composition:

The Board of Directors of the Company consists of professionals drawn from diverse fields. The majority of the Directors of the Board are Non- Executive Directors. The day to day management of the Company is conducted by the Managing Director/ Whole Time Director of the company subject to the supervision and control of the Board of Directors. At present the Board of Directors of the Company consist of 10 Directors

1. Two Executive Directors in the whole time employment of the Company.
2. Five Non-Executive Independent Directors, drawn from amongst persons with experience in business, finance, technology and management.
3. Three Non-Executive Directors with considerable experience in their field representing the Company.

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

Name of the Director	Designation	Category	Attendance at the last AGM	No. of Board meetings attended	No. of Directorships in other companies
Mr. H.S. Arora	Managing Director	Executive Director	Present	18	13
Mr. R.K.Singhania	Director	Non Executive Director	Present	18	9
Mr. Pavan Chhabra	Director	Non Executive Director	Absent	4	8
Mr. Sanjay Sood	Whole Time Director	Executive Director	Absent	4	-
Mr. G.S.Chawla	Director	Non Executive Director	Present	5	4
Mr. B.B.Sharma (Resigned w.e.f. 10.12.2008)	Director	Non Executive Director	Absent	Nil	-
Mrs. H.K.Arora	Director	Non Executive Director	Present	18	6
Mr. Anil Kumar Bhatia	Director	Non Executive Director	Present	4	0

FINANCIAL HIGHLIGHTS

Mr.Sudhir Kumar	Director	Non Executive Director	Absent	4	1
Mr.Ashwani Kumar	Director	Non Executive Director	Present	5	9
Mr. Anil Kumar Malhotra (Appointed as an Additional Director w.e.f. 10.12.2008)	Additional Director	Non Executive Director	Present	2	5

Board Meeting(s) held from 1st April, 2008 to 31st March, 2009

15.04.2008	02.06.2008	30.07.2008	15.09.2008	10.12.2008
30.04.2008	15.06.2008	25.08.2008	15.10.2008	30.01.2009
10.05.2008	30.06.2008	30.08.2008	30.10.2008	15.02.2009
31.05.2008	29.07.2008	11.09.2008	15.11.2008	30.03.2009

3. Audit Committee :

To ensure the independence of the Committee, the Audit Committee is comprised of Non- Executive Directors viz. Mr. Ashwani Kumar, Mr. Sudhir Kumar and Mr. Anil Kumar Bhatia. All the Members of Audit Committee are qualified and having insight to interpret and understand financial statements. Mr. Ashwani Kumar is presently the Chairman of Audit Committee. The Company Secretary, the Secretary of the Committee, Statutory Auditors, Head of Accounts Department are permanent invitees to the Committee meetings. The terms of reference of the Audit Committee are specified on the pattern as contained in Section 292A of the Companies Act, 1956 and also clause 49 of the Listing Agreement. The Audit Committee met four times during the year on 30.04.2008, 29.07.2008, 30.08.2008, 30.10.2008 and 30.01.2009.

4. Director's Remuneration :

Managing/Whole-time Directors

The Company paid the remuneration to the Whole Time Director as approved by the members of the Company in the General Meeting. Detail of remuneration paid to the Managing Director/Whole Time Directors during the Financial Year 2008-09 is given below:

Name	Designation	Remuneration paid
1. Mr. Harjeet Singh Arora	Managing Director	Rs.826626/-
2. Mr. Sanjay Sood	Whole Time Director	Rs.675190/-

Non-Executive Directors

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

5. Shareholders/Investors Grievance Committee :

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

6. Remuneration Committee :

The Remuneration Committee of the Company comprises of three Directors, one is Independent Director and Non-Executive Director and one Director representing the parent company. The Committee met four times during the year.

7. Code of Conduct :

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. The Declaration signed by the Managing Director of the Company to this effect is enclosed and forms part of this report.

FINANCIAL HIGHLIGHTS

8. Risk Management :

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

9. General Body Meetings :

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

Financial Year	General Meeting	Location	Date	Time
2008	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	30.09.2008	11:30 A.M.
2007	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	29.09.2007	11:00 A.M.
2006	Annual General Meeting	Village Gobindgarh, Malout Road, Abohar	30.09.2006	10:00 A.M.

The company has passed a Postal Ballot during the Financial Year 2008-09 i.e to change the Registered Office of the Company within the State.

10. Disclosures :

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

1. There has been no instance of the non-compliance by the Company on any matter related to capital market during the last three years.
2. Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Paragraph No. 7 of the Notes to the Accounts attached with the Financial Statements for the year ended March 31, 2009. The details of the Related Party transactions are placed periodically before and reviewed by the Company's Audit Committee.
3. No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements. The Guidelines on Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the company.
4. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and has not followed the non mandatory requirements.

11. Means of Communication :

The Company communicates with the shareholders at large through its Annual Report, publication of financial results and by filing of various reports and returns with the statutory bodies like Stock Exchanges and Registrar of Companies. The quarterly results are published in newspapers. Further the shareholding pattern and financial results are also made available on the Electronic Data Information Filing and Retrieval (EDIFAR) website namely www.sebidifar.nic.in.

12. Audit Qualifications :

The company, at present, does not have any audit qualification pertaining to the financial results.

13. General Information for Shareholders :

i. Annual General Meeting:

The 24th Annual General Meeting of Master Trust Limited will be held on Wednesday, the 30th day of September, 2009 at 11.30 A.M. at Lions Club, near Tagore Nagar, Ludhiana.

FINANCIAL HIGHLIGHTS

ii. Financial Year: 1st April, 2008 to March 31, 2009

Tentative calendar of events for the Financial Year 2009-10 is

First Quarterly Results	July, 2009
Second Quarterly Results	October, 2009
Third Quarterly Results	January, 2010
Fourth Quarterly Results	April, 2010

iii. Date of Book Closure :

26.09.2009 to 30.09.2009 (both days inclusive)

iv. Information regarding dividend payment

The company has decided to conserve the resources for future growth of the Company and the Board has not recommended the dividend for the period ending on 31.03.2009.

v. Listing :

The securities of the Company is listed on the following Stock Exchanges:

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

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

An application for delisting of shares of Company from The Calcutta Stock Association Limited has been approved and the securities of the Company have been delisted from the Exchange.

vi. Stock Code

The Bombay Stock Exchange Ltd. : 511768

vii. Stock Market Data

The monthly high, low and closing price of equity shares etc. of MTL at The Bombay Stock Exchange Limited is given below:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover
April 2008	96.45	121.00	86.70	99.15	140697	1789	14961158
May 2008	102.00	189.70	88.00	185.10	695451	1553	78322245
June 2008	178.05	190.00	110.45	110.45	140814	1632	22624400
July 2008	115.00	115.75	86.75	99.05	73219	1040	7170510
Aug 2008	103.00	110.00	90.50	100.50	33177	498	3326731
Sept 2008	96.50	121.00	78.45	81.15	211971	1423	22323240
Oct 2008	73.20	87.00	31.80	31.80	38845	277	2043112
Nov 2008	30.25	30.25	20.85	20.95	125876	703	3428294
Dec 2008	19.95	31.95	19.05	29.75	72740	729	1946500
Jan2009	31.05	36.25	21.75	27.35	69693	593	2153195
Feb2009	27.35	29.70	22.70	24.20	52903	362	1411033
March 2009	23.70	25.00	19.00	22.75	117300	461	2442453

viii. Registrar and Share Transfer Agent:

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

Skyline Financial Services (P)Ltd.
246, Sant Nagar, Main Iscon Temple Road
East of Kailash,
New Delhi
Ph. 011-26292680-83, Fax: 91-011-26292681
Email: viren@skylinerta.com, admin@skylinerta.com

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ix. Share Transfer System

The shares of the Company are traded in the compulsory demat mode for all investors. Shares sent for transfer in physical form are registered within a fortnight (If in order and complete in all respect) and then returned the same to the respective shareholders duly transferred in their names. Your Company has appointed a SEBI registered Registrar & Transfer Agent viz Skyline Financial Services (P) Ltd. for looking after both physical and electronic share transfer work of the company.

The shareholders are requested to send all shares in physical form for transfer as well demat/remat requests to the Registered Office of the Company and/or to the Registrar & Share Transfer Agent of the Company i.e Skyline Financial Services (P) Ltd..The Company has constituted a Share Transfer Committee of its Directors. The Share Transfer Committee meets once in fortnight to consider transfer/ transmission/demat/remat cases and other allied matters.

x. Shareholding Pattern as on 31.03.2009

Sr. No.	Category	No. of Shares	% of Shares
1.	Promoters	2925215	47.18%
2.	Bodies Corporates	1381090	22.27%
3.	Other Indian Public	1291787	20.84%
4.	NRI	27993	0.45%
5.	FII's	574315	9.26%
	Total	6200400	100.00%

xi. Break-up of Equity /Dematerialization of Shares

	No. of Shares					
	Physical	%	Demat	%	Total	%
Promoters	Nil	Nil	2925215	47.18%	2925215	47.18%
Non-Promoters	668025	10.77%	2607160	42.05%	3275185	52.82%
Total	668025	10.77%	5532375	89.23%	6200400	100.00%

During the financial year ended on 31st March, 2009, the Company has not issued any GDRs / ADRs and has issued 36,00,000 warrants exercisable in tranches and having currency period of 18 months and each warrant providing the holder with the option to subscribe to one fully paid-up equity share of the Company for every warrant at a price of Rs. 134/- per warrant (including a premium of Rs. 124/- per warrant on preferential allotment basis in terms of SEBI Guidelines under Chapter XII of SEBI (Disclosure & Investor Protection) Guidelines, 2000 to the promoters/person(s)/body corporate(s) as per the Special Resolution passed by the Shareholders in an Extra- Ordinary General Meeting held on 11th June 2008 at the registered Office of the Company.

1. Registered & Head Office

Master Chambers, 3rd Floor
SCO 19, Feroze Gandhi Market,
Ludhiana 141 001 (Pb)

2. Chandigarh Office

SCO 22-23, Sector 9D,
Madhya Marg, Chandigarh.

3. Delhi Office

1001, Arunachal Building,
10th Floor, 19, Barakhamba Road,
New Delhi.

4. Mumbai Office

C-1, Jeevan Jyot, 18/20,
Cawasjee Patel Street, Mumbai.

xii. Address for Correspondence

Regd. & Head Office: Master Chambers, 3rd Floor
SCO 19, Feroze Gandhi Market,
Ludhiana 141 001 (Pb).

Tele. No. : 0161-2410557-58, 3911525, 3911504
Fax No. : 0161-2402963
E-mail : mtlldh@rediffmail.com

xiii. Compliance Officer: Mr. Divyesh Jani, Company Secretary

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

CEO CERTIFICATE

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

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

For Master Trust Limited

Place: Ludhiana
Date: 29.08.2009

Sd/-
Harjeet S. Arora
Managing Director

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY :

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

For Master Trust Limited

Place: Ludhiana
Date: 29.08.2009

Sd/-
Harjeet S. Arora
Managing Director

FINANCIAL HIGHLIGHTS

COMPLIANCE CERTIFICATE

Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To
The Members
Master Trust Limited

We have examined the compliance of conditions of Corporate Governance by Master Trust Limited for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s) in India.

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

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

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

For Sanjay Agarwal & Associates
Company Secretary

Place: Ludhiana
Date: 29.08.2009

Sd/-
Sanjay Kumar Agarwal
Proprietor
CP No. 7604

AUDITORS' REPORT

To
The Members
Master Trust Limited

We have audited the attached Balance Sheet of Master Trust Limited as at 31st March, 2009 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of subsection (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred in paragraph (1) above, we state that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of such books;
 - (iii) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion the Balance Sheet and Profit & Loss Account and Cash Flow Statement comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, in so far as they apply to Company.
 - (v) Based on representation made by the directors and taken on record by the Board, we report that none of the directors is disqualified as on 31.3.2009 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, read with the other note, the said statements of accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - (ii) in the case of Profit & Loss Account, of the profit for the year ended on that date;
 - (iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **Manjeet Singh & Co.**
Chartered Accountants

Place: Ludhiana
Date: 29.08.2009

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

FINANCIAL HIGHLIGHTS**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph (1) of our report of even date)

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

(b) As explained to us, the management has physically verified these fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of verification of fixed assets is reasonable. To the best of our knowledge, no material discrepancy have been noticed on verification.

(c) No substantial part of the fixed assets have been disposed off during the year.
2. (a) The inventory has been physically verified during the year by the management and in our opinion the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the company are reasonable and adequate commensurate with the size of company and the nature of its business.

(c) The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical inventory and book records were not material and the same have been properly dealt with the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
 - (a) The Company has granted loans to twelve parties aggregating to Rs. 24.7mn (Previous year to five party Rs. 95.33mn) including interest free loan of Rs. 4.9 mn (Previous year Rs. 9.74mn) granted to subsidiaries companies and Rs. 19.46mn (Previous year Rs. 0.05mn) to associates, all loans are due on demand and has taken loans from one party aggregating to Rs. 3.21mn (Previous year Rs. 31.50mn) at the end of the year.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - (c) In respect of loans granted by the Company to the subsidiaries, the loans are interest-free and are repayable on demand. In respect of loans granted to other party, the interest and loans are repayable on demand.
 - (d) In respect of loans granted by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further on the basis of our examination of books and records of the company and according to information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. (a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Act, have been so entered.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to rupees five lakhs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975. No order has been passed by the Company Law Board or National Company Law tribunal or Reserve Bank of India or any court or any other tribunal.
7. In our opinion, the company has an adequate system of internal audit which is commensurate with the size and nature of its business.
8. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company's products.

FINANCIAL HIGHLIGHTS

9. The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities as applicable, No amount was outstanding for more than six months as on the date of Balance Sheet from the date they become payable.
10. There are no accumulated losses of the Company at the end of the financial year. There are no cash losses during the current and immediately preceding financial year.
11. According to the information and explanations given to us and as per books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the Company has adequate documents and proper records were maintained wherever the company has granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company does not fall within the category of Chit Fund/ Nidhi/Mutual Benefit Fund/Society and hence the related reporting requirements are not applicable.
14. The Company is dealing or trading in shares, securities, debentures and other investments and maintaining proper records of transactions and contracts and also timely entries have been made therein. Shares, securities, debentures and other securities have been held by the Company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
15. The Company has given the corporate guarantees of Rs. 424.40 mn (Previous year Rs. 677.0 mn) for the facilities of bank guarantees taken by the subsidiaries and fellow subsidiaries and Rs. 3.10 mn (Previous year Rs. 7.10 mn) by associate company from banks or financial institutions, the terms and conditions whereof, in our opinion are not prima facies prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the Company has applied term loans for the purpose for which the loan was obtained.
17. According to the information and explanations given to us, and as per the books and records examined by us, as on the date of balance sheet, the fund raised by the Company on short term basis have not been applied for long term investments. Long term funds have been partly applied for financing core working capital in consonance with the principles of sound financial management.
18. The Company has made preferential allotment of warrants to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price which equity warrants have been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue(s) during the year.
21. To the best of our knowledge and belief and according to the informations and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Manjeet Singh & Co.**
Chartered Accountants

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS**BALANCE SHEET MASTER TRUST LIMITED**

As at 31st March 2009

(Amount in Rupees)

Particulars	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	A	61443750.00	56437750.00
Reserves & Surplus	B	225977062.00	154284878.00
Fully Convertible (Partly Paid) Warrants		48240000.00	-
		335660812.00	210722628.00
Loan Funds			
Secured Loans	C	8092645.00	3649077.00
Unsecured Loans	D	10000000.00	19500000.00
		18092645.00	23149077.00
Deferred Tax Liability		884069.00	867901.00
Total		354637526.00	234739606.00
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		29737697.00	20671171.00
Less: Depreciation		5016972.00	4909970.00
Net Block		24720725.00	15761201.00
Investments	F	124433596.00	169373456.00
Current Assets, Loans and Advances	G		
a) Closing Stock		29904463.00	29770815.00
b) Sundry Debtors		8635295.00	7404908.00
c) Cash & Bank Balances		27737125.00	18510047.00
d) Loans & Advances		461014060.00	409375721.00
		527290943.00	465061491.00
Less: Current Liabilities and Provisions	H		
a) Liabilities		316559924.00	412043170.00
b) Provisions		5397814.00	3613372.00
		321957738.00	415656542.00
Net Current Assets		205333205.00	49404949.00
Miscellaneous Expenditures	I	150000.00	200000.00
Total		354637526.00	234739606.00
Accounting Policies & Notes on Accounts	N		

As per our report of even date.
For **Manjeet Singh & Co.**
Chartered Accountants

For & on behalf of the Board.

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Sd/-
Kashmir Singh
Manager Accounts

Sd/-
Divyesh Jani
Company Secretary

Sd/-
R.K. Singhania
Director

Sd/-
Harjeet S. Arora
Managing Director

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS

PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2009

(Amount in Rupees)

Particulars	Schedule	For The Year Ended 31.03.2009	For The Year Ended 31.03.2008
INCOME			
Operative & Other Incomes	J	53760251.00	50140530.00
EXPENDITURE			
Personnel Expenses	K	7200864.00	5301846.00
Administrative & Other Expenses	L	5785543.00	5454023.00
Financial Expenses	M	23868576.00	21750376.00
Preliminary Expenses		50000.00	50000.00
Depreciation		397379.00	321433.00
Total		37302362.00	32877678.00
Profit before Taxation		16457889.00	17262852.00
Provision for Taxation			
- Current Year		2625000.00	1990000.00
- Deferred		16168.00	(31182.00)
- Fringe Benefit Tax		78500.00	56249.00
- Wealth Tax		235000.00	200000.00
Profit after Taxation		13503221.00	15047785.00
Balance brought forward from previous year		35001596.00	23050195.00
Profit available for Appropriation		48504817.00	38097980.00
APPROPRIATION			
Foreign Currencies Loss (Lost) in earlier years		3404420.00	-
Unutilized STT of previous year		866540.00	3096384.00
Provision for Diminution /Appreciation in value of investment		(398580.00)	-
Profit from partnership firm related to previous year		(37343.00)	-
Balance carried over to Balance Sheet		44669780.00	35001596.00
		48504817.00	38097980.00
Accounting Policies & Notes on Accounts	N		

As per our report of even date.
For **Manjeet Singh & Co.**
Chartered Accountants

For & on behalf of the Board.

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Sd/-
Kashmir Singh
Manager Accounts

Sd/-
Divyesh Jani
Company Secretary

Sd/-
R.K. Singhanian
Director

Sd/-
Harjeet S. Arora
Managing Director

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

Particulars	As at 31.03.2009	(Amount in Rupees)	
		As at 31.03.2008	
SCHEDULE A SHARE CAPITAL			
Authorized			
11000000 Equity Shares of Rs 10/- each	110000000.00		110000000.00
Issued, Subscribed & Paid Up			
6200400 (Previous year 5700400) Equity Shares of Rs. 10/- each	62004000.00		57004000.00
Less : Calls in Arrear (Other than Directors)	560250.00		566250.00
	61443750.00		56437750.00

SCHEDULE B RESERVES & SURPLUS				
General Reserves		10000000.00		10000000.00
Share Premium Account	173548282.00		111548282.00	
Less : Calls in arrears	2241000.00	171307282.00	2265000.00	109283282.00
Balance in Profit & Loss Account		44669780.00		35001596.00
Total		225977062.00		154284878.00

SCHEDULE C SECURED LOANS			
Term Loans (secured against hypothecation of car)		2302995.00	19915.00
Overdraft Facility (secured against Fixed Deposit)		5789650.00	3629162.00
Total		8092645.00	3649077.00

SCHEDULE D UNSECURED LOANS			
From Body Corporates		10000000.00	19500000.00
Total		10000000.00	19500000.00

GROSS BLOCK					DEPRECIATION				NET BLOCK	
Particulars at	As at 01.04.2008	Additions During the year	Sale/Discharge During the year	As at 31.03.2009	As at 01.04.2008	Written Back	For the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	12747351.00	11558620.00	5476603.00	18829368.00	-	-	-	-	18829368.00	12747351.00
Building	1396570.00	-	-	1396570.00	217677.00	-	17059.00	234736	1161834.00	1178893.00
Furniture & Fixtures	1508580.00	-	-	1508580.00	1289498.00	-	95493.00	1384991	123589.00	219082.00
Office Equipment	2249114.00	99100.00	-	2348214.00	1250525.00	-	110292.00	1360817	987397.00	998589.00
Computer	1394258.00	-	-	1394258.00	1072205.00	-	73737.00	1145942	248316.00	322053.00
Vehicles	1375298.00	3229428.00	344019.00	4260707.00	1080065.00	290377.00	100798.00	890486	3370221.00	295233.00
Grand Total	20671171.00	14887148.00	5820622.00	29737697.00	4909970.00	290377.00	397379.00	5016972.00	24720725.00	15761201.00
Previous year	22193334.00	5231875.00	6754038.00	20671171.00	4588537.00	-	321433.00	4909970.00	15761201.00	

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE F INVESTMENTS (At Cost)				
Long Term Investments				
A. (Quoted)				
1,468 Fully paid up equity shares of Rs 10/- each of Abhishek Industries Ltd.	14680.00		14680.00	
1688600 Fully paid up equity shares of Rs 10/- each of Prime Industries Ltd.	18034775.00		18034775.00	
- Fully paid up equity shares of Rs 10/- each (86800) of Bhagia Shree Leasing & Finance Ltd	-		890581.00	
5000 Fully paid up equity shares of Rs 10/- each of R.R.B. Securities Ltd.	500000.00		500000.00	
- Fully paid up equity shares of Rs 10/- each (224040) of SEL Manufacturing Co.Ltd	-		31739863.00	
49510 Fully paid up equity shares of Rs 10/- each of Swaraj Mazada Ltd.	12171548.00		12171548.00	
	30721003.00		63351447.00	
Less : Provision for diminution in value	495000.00	30226003.00	893580.00	62457867.00
B. (Unquoted)				
In subsidiary companies - fully paid up equity shares of Rs 10/- each				
5100000 Master Capital Services Limited	51000000.00		51000000.00	
50000 Master Infrastructure & Real Estate Development Limited	500000.00		500000.00	
- Master Commodity Services Limited (390000)	-		3904500.00	
89930 Master Insurance Brokers Limited (70000)	2899300.00	54399300.00	2700000.00	58104500.00
1400000 Fully paid up equity shares of Rs 10/- each of Shivalik Securities Ltd.	7000000.00		7000000.00	
- Fully paid up equity shares of Rs 10/- each (230000) of Master Portfolio Services Ltd.	-		2300000.00	
100000 Fully convertible (partly paid) Warrants of (-) Bhatinda Chemicals Ltd.	2500000.00		-	
1209 Deep Discount Bonds of Rs. 10000/- each of Master Capital Services Limited	12090000.00	21590000.00	12090000.00	21390000.00

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE F INVESTMENTS (At Cost) (Contd)				
C. Government Securities				
6.75% 2006 Govt. Securities	17674.00		17674.00	
6.75% 2007 Govt. Securities	23123.00	40797.00	23123.00	40797.00
D. Mutual Funds				
48899.756 Fidelity International Opportunity Fund	500000.00		500000.00	
20000.000 J.M Emerging Leaders Fund	200000.00		200000.00	
3000.000 Sundram BNP Energy Opportunity Fund	300000.00		300000.00	
19559.900 Fidelity Tax Advantage Fund	200000.00		200000.00	
25166.503 Reliance Pharma Fund Growth Plan	500000.00		500000.00	
7999.800 DSP Black Rock India Tiger Fund -Regular Plan Growth	200000.00		200000.00	
3715.257 HDFC Equity Fund Growth	450000.00		450000.00	
29339.853 Birla Sunlife Special Situation Fund	300000.00		300000.00	
20000.000 Tata Capital Builder Fund Growth	200000.00		200000.00	
590.678 SBI Magnum Equity Fund	17490.00		17490.00	
29325.593 Templeton India Equity Income Fund Growth	300000.00		300000.00	
20000.000 Sundram BNP Paribas Rural India Fund Growth	200000.00		200000.00	
20000.000 IDFC Enterprises Equity Fund Growth	200000.00		200000.00	
48899.756 Fidelity India Special Situation Fund Growth	500000.00		500000.00	
4635.488 Sundram BNP Paribas Select Midcap Div.	100000.00		100000.00	
536.501 HSBC Equity Fund Dividend	16452.00		16452.00	
1749.169 Reliance Growth Fund Retail Plan Dividend Plan	100000.00		100000.00	
20000.000 UTI Wealth Builder Fund Growth	200000.00		200000.00	
48889.756 DSP Black Rock Small and mid Cap-Reg Growth	500000.00		500000.00	
50000.000 LICMF Systematic Assets Allocation Fund Growth	500000.00		500000.00	
1354.068 ICICI Prudential Infrastructure Fund Div.	20189.00	5504131.00	20189.00	5504131.00
Capital in Partnership Firm's (As per note No.15)		12673365.00		21876161.00
Total		124433596.00		169373456.00

Market value of quoted shares is Rs. 5.92 mn (Previous year Rs.109.35 mn)

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

Particulars	As at 31.03.2009		As at 31.03.2008	
SCHEDULE G CURRENT ASSETS, LOANS AND ADVANCES				
A) Current Assets				
(a) Closing Stock (Cost or market price whichever is less)		29904463.00		29770815.00
(b) Sundry Debtors (Unsecured Considered good)				
Over six months old	2488358.00		2718318.00	
Others	6146937.00	8635295.00	4686590.00	7404908.00
(c) Cash & Bank Balances				
(i) Cash in hand		568501.00		298784.00
(ii) With Scheduled Banks in				
- Current Account		4043449.00		6129258.00
- Fixed Deposit (Pledged against overdraft facility)		23125175.00		12082005.00
		27737125.00		18510047.00
(B) Loans and Advances				
Advances recoverable in cash or in kind or for value to be received		438159200.00		344412185.00
Amount due from subsidiaries		493322.00		17976558.00
Security		6334542.00		6385009.00
Share Application Money		10796375.00		36346375.00
Advance Income Tax/T.D.S.		5230621.00		4255594.00
Total		461014060.00		409375721.00
		527290943.00		465061491.00

SCHEDULE H CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
Sundry Creditors	3533494.00	8375701.00
Amount due to Subsidiaries	2279518.00	3058163.00
Cheques Issued (Net)	31014622.00	2061037.00
Other Liabilities	279732290.00	398548269.00
	316559924.00	412043170.00
B) Provisions		
Provision for Non-Performing Assets	2459314.00	1367123.00
Provision for Taxation	2625000.00	1990000.00
Provision for Fringe Benefit Tax	78500.00	56249.00
Provision for Wealth Tax	235000.00	200000.00
Total	5397814.00	3613372.00
	321957738.00	415656542.00

SCHEDULE I MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	200000.00	250000.00
Less:- 1/5 Written off	50000.00	50000.00
Total	150000.00	200000.00

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

Particulars	For The Year Ended 31.03.2009		For The Year Ended 31.03.2008	
SCHEDULE J OPERATING AND OTHER INCOME				
Income from Forex Business		10506986.00		9469771.00
Interest		27001095.00		19836834.00
Profit/loss on sales of Investments (Long Term Net)		12096354.00		3589502.00
Profit /Loss on Trading of Securities				
Sale of Securities	291190552.00		379448570.00	
Closing Stock	16725473.00		18058198.00	
	307916025.00		397506768.00	
Less:				
Opening Stock	18058198.00		16276847.00	
Purchase of Securities	292925648.00	(3067821.00)	374998102.00	6231819.00
Dividend		701270.00		1423306.00
Profit from Partnership Firm		1398416.00		6442903.00
Other Income		5123951.00		3146395.00
Total		53760251.00		50140530.00

SCHEDULE K PERSONNEL EXPENSES				
Salaries and other Allowances (Includes P.F. Rs.118305/- Previous Year Rs.111538/- Gratuity Rs.462740/- Previous Year Rs. 156767/-)		5546624.00		4723930.00
Directors Remuneration		1501816.00		395830.00
Staff Welfare Expenses		152424.00		182086.00
Total		7200864.00		5301846.00

SCHEDULE L ADMINISTRATIVE AND OTHER EXPENSES				
Printing & Stationery		118443.00		177249.00
Postage, Telegram & Telephone		368990.00		496964.00
Rent		500429.00		525757.00
Fees & Taxes		251733.00		175640.00
Directors Travelling		184473.00		364973.00
Legal & Professional Charges		501130.00		505684.00
Travelling & Conveyance		409067.00		407243.00
Audit Fee		45000.00		45000.00
Tax Audit Fee		5000.00		5000.00
Office Maintenance		574028.00		702444.00
General Expenses		1621153.00		953181.00
Advertisement Expenses		113906.00		765436.00
Provision and others		1092191.00		329452.00
Total		5785543.00		5454023.00

SCHEDULE M FINANCIAL EXPENSES				
Interest on Overdraft		110239.00		71797.00
Interest Others		23328324.00		21536678.00
Bank Charges		430013.00		141901.00
Total		23868576.00		21750376.00

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS**SCHEDULE N ACCOUNTING POLICIES & NOTES ON ACCOUNTS****1. Accounting Convention :**

The financial statements are prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provision of the Companies Act, 1956 and on the basis of going concern.

2. Fixed Assets :

Fixed Assets are stated at original cost less accumulated depreciation/amortization. Cost of acquisition includes of freight, duties, taxes and other incidental expenses. The depreciation has been charged at Straight Line Method as per rates prescribed in schedule XIV of the Companies Act, 1956.

3. Investments :

Investments are valued at cost. The Company has not made provisions for diminution in the book value of the investments being in management's opinion, where there has been no permanent diminution in the value of the long term investments and no provision is required to be made at this stage.

4. Stock in Trade :

Closing Stock has been valued at cost or market price which ever is less. Encashed traveller cheques and traveller cheques sold but not settled are valued at inter bank rate.

5. Revenue Recognition :

The Company follows the mercantile system of accounting and recognised Profit & Loss Account on that basis. Income from Forex Business comprises of traveller cheques commissions and margins on foreign exchange transactions in the normal course of business as Full Fledged Money Changers. The income arising from buying and selling of foreign currencies and traveller cheques has been considered on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

6. Employee Benefits :

Defined Contribution Plans.

- a) Under the Provident Fund plan, the Company contributes to a government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.
- b) Leave encashment is payable to eligible employees, who have earned leaves, during the employment and/or on separation as per the Company's policy.
- c) The Company has provided the provision for the gratuity and charged to revenue.

7. Fringe Benefit Tax:

The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the income tax Act, 1961 and the guidance note on Accounting for fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

8. Impairment of Assets :

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

9. Provisions, Contingent Liabilities & Contingent Assets:

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

10. Borrowing Cost:

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

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE N ACCOUNTING POLICIES & NOTES ON ACCOUNTS

11. Prudential Norms:

The Company carries on two distinct business activities, viz. financing and money changing. For the purpose of identifying the assets as Non Performing Assets (NPA) or otherwise, the Company follows generally accepted accounting principles in case of its money changing activities and follows the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988 in case of finance activities.

B. Notes on Accounts

1. Share Capital

In terms of the approval of the Board of Directors of the company and as per the applicable statutory provisions including Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines 2000, the company on June 30th 2008 has issued and allotted 5,00,000 equity shares of Rs. 10/- each at a premium of Rs. 124/- each and 36,00,000 warrants on preferential basis to the members of the promoter group and others. Each warrant will convert into one equity share of Rs. 10/- each at a premium of Rs. 124/- per share at any time between eighteen months from the date of allotment of warrants (Rs. 13.40/- warrant being Rs. 10/- of the exercise price received).

2. Contingent Liabilities

- a) The Punjab State Industrial Development Corporation Limited (PSIDC) had contributed Rs. 8.85 mn (Previous year Rs. 8.85 mn) in the equity share capital of Prime Industries Ltd. @ Rs.10/- per share, as Direct Equity Participation in 1993. The Company as an associate promoter of Prime Industries Ltd., pledged 569300 shares (Previous year 569300 shares) of Prime Industries Ltd of Rs. 10/- each amounting to Rs. 5.69 mn (Previous Year Rs. 5.69 mn) to PSIDC along with irrevocable power of attorney. The company has also subscribed to the undertaking for buy back of the shares subscribed by PSIDC as referred above. As per the terms of undertaking for buy back of the shares, the promoters are to buy the said shares at the face value along with interest applicable to terms financing before the expiry of seven years from the date of commencement of commercial production i.e. 04.04.1994. As per the term of the above referred undertaking, in case the promoters/associates do not buy back the shares subscribed by PSIDC, then the PSIDC is entitled to sell the shares subscribed by it and also recovers the loss if any by sale of the above referred shares pledged to the PSIDC. The PSIDC had announced OTS Policy for equity disinvestment. The promoters / associates have applied for buy back of shares under OTS policy, subject to their rights under the law to adjudicate upon the amount due under the buy back agreement and a sum of Rs. 25.10 mn (previous year Rs. 1.79 mn) shown as loans and advances recoverable in cash and/or kind has been paid as per the amount demanded by the PSIDC in this respect.
 - b) Bank Guarantee of 50000 US\$ (previous year 50000 US\$) in favour of American Express Travel Related Services Company Inc. U.S.A. for traveller cheques stock limit.
 - c) The Company has given Corporate Guarantee to Banks for securing the Bank Guarantee limits of Rs. 401.40 mn (previous year Rs. 644.00 mn) on behalf of Master Capital Services Ltd. a wholly owned subsidiary company, Rs. Nil (previous year Rs. 33.00 mn) on behalf of Master Commodity Services Ltd., a subsidiary company, Rs. 23.00 mn (previous year Nil) on behalf of Master Commodity Services Ltd. a fellow subsidiary company and Rs. 31.00 mn (previous year Rs. 71.00 mn) on behalf of MTL Shares & Stock Brokers Ltd. a group company.
 - d) Claims against the Company not acknowledge as debts Rs. 0.90 mn (Previous Year Rs. Nil)
3. In the year 1998-99, the Company had lost foreign currencies amounting Rs. 3.40mn. The claim was repudiated by the Insurance Company. The Company had filed a petition against the Insurance Company in the Hon'ble Supreme Court which has decided against the Company as per order dated 29th July, 2009 and the amount has been debited to profit & loss appropriation account.
 4. The Company has received the inter-corporate loan payable on demand Rs. 254.29 mn (Previous year Rs. 314.67 mn), these corporate loan and interest accrued there on has been shown as current liability.
 5. In the opinion of Board of Directors other current assets, loans and advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business.
 6. Disclosure pursuant to Reserve Bank of India Notification No. DNBS 167/CGM (OPA)-2003 dated March 29, 2003.

S. No.	Particulars	Amt. Outstanding As at 31.03.2009	Amt. Outstanding As at 31.03.2008
1.	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not due:		
	a. Term Loans	2302995	19915
	b. Other Loans (Represents Cash Credit from Banks)	5789650	3629162
	c. Corporate Loans	10000000	19500000

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS
SCHEDULE N ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

Other Information Category	Related Parties	Other than related parties
(i) Gross Non-Performing Assets (Includes debtors of Rs Nil)	Nil	6121916 (329452)
(ii) Net Non-Performing Assets (Net of provisioning of Rs NIL/-) (previous year Rs. 329452)	Nil (Nil)	5029725 (Nil)
(iii) Assets acquired in satisfaction of debt	Nil	Nil

7. Related Party Disclosures

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

Subsidiaries	Associates/Enterprises owned Or significantly influenced by key Management Persons or their Relatives	Key Management Personnel
- Master Capital Services Ltd.	- Prime Industries Ltd.	- Mr. Harjeet S. Arora
- Punjab Industrial Gases Ltd.	- Master Share & Stock Brokers Ltd.	- Mr. R. K. Singhanian
- Master Commodity Services Ltd.	- MTL Share & Stock Brokers Ltd.	- Mr. G. S. Chawla
	- Arora Lease and Development Ltd.	- Mr. Sanjay Sood
	- Sanawar Investments	- Mr. Pavan Chhabra
	- PHDA Financial Services (P) Ltd.	- Mrs. Harneesh Kaur Arora
	- Master Commodity Services Ltd	- Mr. Ashwani Kumar
	- Master Portfolio Services Ltd.	- Mr. Anil Kumar Bhatia
	- Partnership Firms	- Mr. Sudhir Kumar

Transactions with related parties

	Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives	2008-09 Rupees Total
Purchases	6728449 (31725801)	16048729 (606968)	1000020 (-)	23777198 (32332769)
Sale	9530474 (36308720)	9784214 (215000)	- (-)	19314688 (36523720)
Interest Paid	1289225 (1799000)	1161744 (320953)	- (-)	2450969 (2119953)
Interest Received	- (-)	1067897 (2773080)	- (-)	1067897 (2773080)
Loan & Advances Given	493322 (17976558)	24208759 (77358840)	- (-)	24702081 (95335398)
Taken	2279518 (3058163)	936291 (28438947)	- (-)	3215809 (31497110)
Remuneration	- (-)	- (-)	1501816 (395830)	1501816 (395830)
Rent Paid	- (-)	25200 (25200)	13200 (13200)	38400 (38400)
Corporate Guarantees given	401400000 (677000000)	54000000 (71000000)	- (-)	455400000 (748000000)
Balance outstanding at the end of the year receivable	493322 (17976558)	16707994 (77699179)	4000 (-)	17205316 (95675737)
Payable	2279518 (3058163)	1098478 (28683147)	120 (-)	3378116 (31741310)

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE N ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

8. Segment Reporting

Information about business Segments

	2008-09	2007-08
(A) Segment Revenue		
(1) Total Segment Revenue		
(a) Forex Business	10506986	9469771
(b) Interest	27001095	19836834
(c) Share Trading and Others	16252170	20833925
Total	53760251	50140530
(2) Inter Segment Revenue	NIL	NIL
(3) External Revenue (1-2)		
(a) Forex Business	10506986	9469771
(b) Interest	27001095	19836834
(c) Share Trading and Others	16252170	20833925
Total	53760251	50140530
(B) Results		
(1) Segment Results:		
(a) Forex Business	2866891	2102770
(b) Interest	6163541	3475247
(c) Share Trading and Others	8165088	12219966
Total	17195520	17797983
(2) Unallocated Expenses	397379	321433
(3) Operating Profit	16798141	17476550
(4) Interest expenses	340252	213698
(5) Provision for tax	2954668	2215067
(6) Net Profit	13503221	15047785
Other Information		
(1) Segment Assets		
(a) Forex Business	26860926	31935984
(b) Interest	391454823	318682368
(c) Share Trading and Others	241837209	232185646
Total	660152958	582803998
(2) Unallocated Corporate Assets	16442306	67592150
(3) Total Assets	676595264	650396148
(4) Segment Liabilities		
(a) Forex Business	6313969	6402707
(b) Interest	274847643	258264130
(c) Share Trading and Others	50748739	111023760
Total	331910351	375690597
(5) Unallocated Liabilities	8140032	63115022
(6) Deferred Tax Liabilities	884069	867901
(7) Total Liabilities	340934452	439673520
(8) Shareholders Fund	335660812	210722628

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE N ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

9. Deferred Tax Liability as at 31.03.2009 is as follows:

(Amount in Rupees)

	2008-09	2007-08
Timing difference on account of		
Depreciation		
- Opening	867901	899083
- During the year	16168	(31182)
- Closing	884069	867901

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

	31.03.2009	31.03.2008
Net Profit in Rupees	13503221	15047785
Weighted average number of equity shares outstanding during the year (Nos.)	6200400	5700400
Nominal Value per share in (Rs)	10	10
Basic and diluted earning per share	2.18	2.64

11. Remuneration paid/payable during the year to the Whole Time Directors.

	2008-09	2007-08
- Salary	1031944	271380
- Other perquisites	469872	124450
	1501816	395830

12. Some of the Investments as on 31.03.2009 are not in the name of the Company, and the same are held with valid transfer deed.

13. Interest on calls in arrears on shares/debentures will be accounted for on receipt basis.

14. The amount paid to auditors are as under.

	2008-09	2007-08
- Audit Fees	45000	45000
- Tax Audit Fee	5000	5000

15. Capital in Partnership Firms.

Name of the Firms	Particulars of partners and their profit sharing	As at 31.03.2009	As at 31.03.2008
Master Insurance Brokers	The Company has (90%), Mr. Harjeet S. Arora (5%), Mr. R. K. Singhania (5%)	5380275	5318508
Prime Securities	The Company has (98%), Mrs. Palka Arora (2%)	3373500	6180520
Prime Investments	The Company has (75%), Mr. Deepak Singh Tanvar (25%)	635866	2982852
Regency Investments	The Company has (75%), Mr. Anurag Khettar Pal (25%)	1036807	3455090
Chandigarh Investments	The Company has (98%), Mr. Nitin Shahi (2%)	150479	40232
Master Investments	The Company has (98%), Mr. Puneet Singhania (2%)	1631650	3898959
Master Securities	The Company has (96%), Mr. Harjeet S. Arora (2%), Mr. R. K. Singhania (2%)	464788	-
Total		12673365	21876161

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE N ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

16. Miscellaneous expenditure have been written off to the extent of 20% p.a.

17. Additional information required to be disclosed as per clause 3.4 C and 4D of Schedule VI of the Companies Act, 1956.

Particulars in Respect of Opening Stock, Purchase, Sale and Closing Stock.

	Current Year		Previous Year	
	Quantity	Amount	Quantity	Amount
Opening Stock	1171858.9345	18058198	336990.1444	16276847
Purchases	23425377.8030	292925648*	3558397.5188	374998102
Sale	23185694.3530	291190552	34734896.7287	379448570*
Closing Stock	1411542.3845	16725473	1186490.9345	18058198

* includes speculative/derivative and short term profit

Closing Stock	As at 31.03.2009		As at 31.03.2008		As at 31.03.2007	
	Qty.	Value	Qty.	Value	Qty.	Value
RPG Life Science Ltd.	25	577	25	838	25	911
Emami Ltd.	4997	1021887	16911	4915182	-	-
1308 ING Treasury Advanatage Fund Regular Dividend	899.314	8995	840.368	8405	-	-
1314 ING Treasury Fund Institutional Daily Dividend	3825.667	38269	28312.267	2824054	-	-
1135 ING Liquid Fund Daily Dividend	2289.043	24686	2148.657	23172	-	-
Vardhman Textile Ltd	400	19000	400	82620	400	85209
Sainik Finance Ltd.	41684	127136	41684	127136	41684	127136
R R Financial Services Ltd.	12000	9000	12000	9000	12000	9000
Evinix Accessories Ltd.	200	358	200	16980	3475	295027
Fidelity Cash Fund Retail Division	-	-	-	-	469.2879	14692
Creative Intra Ltd.	-	-	27173	54346	27173	54346
Oswal Chemicals & Fert Ltd.	350	1659	350	1659	350	1659
ICICI Ltd.	291	13153	291	13153	291	13153
Rolta India Ltd.	250	12813	250	12813	250	12813
Rallis India Ltd.	83	4623	83	4623	83	4623
ONGC	25	19492	25	20427	25	20427
Abhishek Ind Ltd.	2197	12962	2197	12962	2197	12962
Nahar Exports Ltd.	1	9	1	23	1	32
Punjab Alkalies	1000	7900	1000	7900	1000	7900
DSP Merrill Lynch Capital Ltd.	5	10050	5	10050	5	10050
Fidelity Flexi Bond Fund Retail Dividend Option	179.8705	1799	179.8705	1799	179.8705	1799
Idea Cellular	152	7623	152	11400	152	11400
1221 ING Short Term Income Fund Divid	26497.0640	296521	24967.3740	278635	23660.822	263806
Kotak Flexi Debt Scheme Daily Div	-	-	-	-	14948.831	149330
Franklin India Opportunity Fund Growth	1	10	1	10	1	10
ING Vysya Liquid Fund	-	-	-	-	75310.667	754018
PTC India Ltd	200	9560	200	9560	200	9560
Padmalya Tele	100	519	100	1040	100	1040
JM Floater Fund Dividend Option 73	-	-	-	-	848.908	8538
RICOH India	1000	12290	1000	25550	1000	25550
159 ING Liquid Fund Institutional Daily Dividend	1609.229	16111	-	-	-	-
LICMF Saving Plus Fund Daily Dividend Plan	495687.065	4956871	-	-	-	-
Kotak Flexi Debt Scheme Growth	-	-	-	-	63001.395	708426

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE N ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

Closing Stock	As at 31.03.2009		As at 31.03.2008		As at 31.03.2007	
		Value	Qty.	Value	Qty.	Value
Kotak 30 Equity Scheme Growth	16994.04	941657	16994.04	1230970	7369.363	478987
Swaraj Mazda Industries Ltd.	-	-	-	-	49510	12171548
Power Finance Corporation Ltd.	219	18615	219	18615	219	18615
Redington (India) Ltd.	60	6546	60	6780	60	6780
Shyam Telecom	10000	456500	10000	711500	10000	997500
LIC MF Liquid Fund Daily Dividend Plan	777988.6700	8542393	2073.86	22771		-
LIC MF Liquid Fund Daily Dividend Plan	2082.422	20824	734397.493	7343975		-
NOCIL Ltd.	8,000	92240	8000	213200		-
South Indian Bank	250	12825	250	37050		-
Foreign Currency		13178990		11712617		6596858
Total		29904463		29770815		22873705

18. The General Expenses includes sub-brokerage etc. paid Rs. 1.02 mn (Previous year Rs. 0.63 mn).
19. The Company has incurred foreign exchange out go is Rs. 0.01 mn (Previous Year Rs. 0.12 mn) during the year.
20. Previous year figures have been regrouped & recasted wherever necessary to confirm to the Current Year classifications.

Signature to Schedules 'A' to 'N'
For **Manjeet Singh & Co.**
Chartered Accountants

For & on behalf of the Board.

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Sd/-
Kashmir Singh
Manager Accounts

Sd/-
Divyesh Jani
Company Secretary

Sd/-
R.K. Singhania
Director

Sd/-
Harjeet S. Arora
Managing Director

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS

BALANCE SHEET ABSTRACT

Balance Sheet Abstract and Company's General Business Profile as per part IV of Schedule VI to the Company's Act, 1956

I. Registration Details

Registration No.

6 4 1 4

Registration No.

1 6

Balance Sheet Date

3 1 - 0 3 - 2 0 0 9

II. Capital Raised during the year (Amount in Rs Thousand)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousand)

Total Liabilities

3 5 4 6 3 8

Total Assets

3 5 4 6 3 8

Source of Funds

Paid up Capital

6 1 4 4 4

Reserve & Surplus

2 2 5 9 7 7

Fully Convertible Warrants

4 8 2 4 0

Secured Loans

8 0 9 3

Unsecured Loans

1 0 0 0 0

Deffered Tax Liability

8 8 4

Application of Funds

Net Fixed Assets

2 4 7 2 1

Investment

1 2 4 4 3 4

Net Current Assets

2 0 5 3 3 3

Misc. Expenditure

1 5 0

Accumulated Losses

N I L

IV. Performance of Company (Amount in Rs Thousand)

Gross Receipts

5 3 7 6 0

Total Expenditure

3 7 3 0 2

Profit before Tax

1 6 4 5 8

Profit after Tax

1 3 5 0 3

Earning per Share

2 . 1 8

Dividend Rate %

N I L

V. Generic names of Three Principal Products/services of Company (As per monetary terms)

Item Code No.(ITC Code)

: Not applicable

Product Description

: Share Trading Investments

Item Code No.(ITC Code)

: Not applicable

Product Description

: Money Changers

FINANCIAL HIGHLIGHTS

CASH FLOW STATEMENT

For the year ended 31st March 2009

(Amount in Mn)

	31.03.2009	31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	16.46	17.26
Adjustment for:		
Interest Paid	23.44	21.61
Depreciation	0.40	0.32
Interest/Dividend	(27.70)	(21.26)
Operating profit before Working Capital Changes	12.60	17.93
Adjustment for		
Trade and other Receivables	(1.23)	3.51
Inventories	(0.13)	(6.70)
Trade Payable	(93.70)	196.98
Loans and advances	(51.64)	(178.78)
Miscellaneous Expenditure	0.05	(0.20)
Appropriations	(3.84)	(3.10)
Cash generated from operations	(137.89)	29.64
Direct Tax Paid	(2.94)	(2.25)
Cash flow before Extra ordinary items	(140.83)	27.39
Extra ordinary items		
Interest Paid	(23.44)	(21.61)
Interest/Dividend	27.70	21.26
Net Cash from operating activities	(136.57)	27.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(14.89)	(5.23)
Sale of fixed assets	5.53	6.75
Purchase of investments	(2.70)	(61.96)
Sale of Investments	47.64	6.35
Net Cash Used in Investing Activities	35.58	(54.09)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (Call money)	115.27	-
Proceeds from long term borrowing (Bridge Loan)	(5.05)	0.23
Net Cash Used In Financing Activities	110.22	0.23
Net Increase /(Decreases) In Cash and Cash Equivalents (A+B+C)	9.23	(26.82)
Net Increase In Cash and Cash Equivalent	9.23	(26.82)
Cash and Cash Equivalents as at 01.04.2008 (Opening Balance)	18.51	45.33
Cash and Cash Equivalents as at 31.03.2009 (Closing Balance)	27.74	18.51
Note: Figures in Brackets represent deductions and outflows		

For & on behalf of the Board.

Place: Ludhiana Date: 29.08.2009	Sd/- Kashmir Singh Manager Accounts	Sd/- Divyesh Jani Company Secretary	Sd/- R.K. Singhania Director	Sd/- Harjeet S. Arora Managing Director
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Auditors Certificate

We have verified the attached Cash Flow Statement of Master Trust Limited derived from the audited financial statements and the books and records maintained by the company for the year 31st March 2009 and found the same to be drawn in accordance therewith and requirements of clause 32 of the Listing Agreement with stock exchanges.

Place: Ludhiana Date: 29.08.2009	For Manjeet Singh & Co. Chartered Accountants	Sd/- Manjeet Singh Proprietor Membership No. 88759
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FINANCIAL HIGHLIGHTS

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Master Capital Services Ltd.	Master Infrastructure and Real Estate Developers Ltd.	Master Insurance Brokers Ltd.	Master Commodity Services Ltd.	Master Portfolio Services Ltd.
The Financial year of the Subsidiary Companies to end on	31st March 2009	31st March 2009	31st March 2009	31st March 2009	31st March 2009
Number of Shares held by Master Trust Ltd. with its nominees in the subsidiaries	5100000 Equity Shares of the face value of Rs 10/-each fully paid up	50,000 Equity Shares of the face value of Rs 10/-each fully paid up	89930 Equity Shares of the face value of Rs 10/-each fully paid up	490020 Equity Shares of the face value of Rs 10/-each fully paid up	465001 Equity Shares of the face value of Rs 10/-each fully paid up
Extent of interest of holding Company at the close of the year	100%	100%	89.93%	100%	91.17%
The net aggregate amount of the Company's profit not dealt within Company account.					
A. Not dealt with in the holding Company's Account					
(i) For Current Financial Year.	Rs. 699.30 lacs	Rs. 0.01 lacs	Rs. 0.12 lacs	Rs. 43.40 lacs	Rs. 0.81 lacs
(ii) For the previous financial years of the subsidiary companies since they became the holding Company's subsidiaries.	Rs.1244.00 lacs	Rs. 0.01 lacs	Rs. 0.03 lacs	Rs. 29.58 lacs	Rs. 0.14 lacs
B. Deal with the holding Company's Accounts:					
(i) For the previous Financial years of the subsidiary companies since they became the holding Company's subsidiaries					

For & on behalf of the Board.

Place :Ludhiana
Date :

Sd/-
Kashmir Singh
Manager Accounts

Sd/-
Divyesh Jani
Company Secretary

Sd/-
R.K. Singhania
Director

Sd/-
Harjeet S. Arora
Managing Director

Financial Information of the subsidiary companies for the year ended 31st March 2009 (Rs in Lacs).

Name of the Subsidiary	Paid up Capital	Reserves	Total assets including investments	Investments	Total Liabilities (a)	Turnover	Profit before tax	Provision for taxation	Profit (Loss) after tax	Dividend Proposed/ paid
Master Capital Services Ltd. (b)	510.00	3411.55	18568.01	290.41	14646.46	4739.03	840.10	140.80	699.30	Nil
Master Insurance Brokers Ltd. (c)	10.00	30.12	40.28	Nil	0.16	Nil	(0.12)	Nil	(0.12)	Nil
Master Infrastructure and Real Estate Developers Ltd. (b)	5.00	0.07	106.79	Nil	101.72	0.10	0.02	0.02	Nil	Nil
Master Commodity Services Limited (b)	49.00	81.30	753.09	Nil	622.79	242.76	63.34	19.94	43.40	Nil
Master Portfolio Services Limited (c)	51.00	1.77	60.28	Nil	7.51	15.00	1.21	0.25	0.96	Nil

Notes:

- Total liabilities excludes paid up capital and reserves & surplus
- Wholly owned subsidiary
- Subsidiary

DIRECTORS' REPORT MASTER PORTFOLIO SERVICES LIMITED

To

The Members,

Your Directors have pleasure in presenting the Annual Report together with the Audited Statements of the Accounts of the Company for the year ended 31st March 2009.

1. Financial Results

The Financial Results for the period 1st April, 2008 to 31st March, 2009 are as under:

Particulars	2008-09 (Figures in Rs.)	2007-08 (Figures in Rs.)
Operating Income	1500000.00	1700000.00
Total Expenditure	1379311.30	1618302.68
Profit before Tax (PBT)	120688.70	81697.32
Profit After Tax	95648.70	67657.32

2. Dividend

Due to inadequacy of profit, your Directors are unable to recommend the dividend for the year under review.

3. Directors

Mr. R.K. Singhania, Director retires by rotation and being eligible offers himself for re-appointment.

4. Directors' Responsibility Statement

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed ;
- Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the said year ended on 31st March, 2009;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- The annual accounts have been prepared on a going concern basis .

5. Fixed Deposits

During the period under review, the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

6. Subsidiary of Master Capital Services Limited

During the year under review, the company has become subsidiary of Master Capital Services Limited, which is itself 100% wholly owned subsidiary of Master Trust Limited and has obtained the approval from the relevant authorities to carry on its main business.

7. Auditors

M/s Manjeet Singh & Co., Chartered Accountants, Auditors of the Company ,retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Company has obtained necessary certificate u/s 224(1B) of the Act.

8. Auditors' Report

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

9. Particulars of Employees

During the period under review, no employee received salary in excess of the limits as prescribed under the Companies (Particulars of Employees) Rules, 1975 . hence, no particulars of employees are being given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956

FINANCIAL HIGHLIGHTS

10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988 is not applicable because there are no manufacturing activities in the Company. However the Company has taken every possible measure to conserve the energy in the offices. Further the Company has neither earned nor spent any foreign exchange during the year.

11. Acknowledgement

Your Directors are pleased to place on record their sincere gratitude to the Government, Bankers and business constituents for their continued and valuable co-operation and support to the Company. The Board also takes this opportunity to express their appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

For & on behalf of the Board.
For Master Portfolio Services Ltd.

Place: Ludhiana
Date: 29.08.2009

Sd/-
G. S. Chawla
Managing Director

Sd/-
Harjeet S. Arora
Director

COMPLIANCE CERTIFICATE MASTER PORTFOLIO SERVICES LIMITED

To,
The Members
Master Portfolio Services Limited
Master Chambers,
19, Feroze Gandhi Market,
Ludhiana.

I/We have examined the registers, records, books and papers of M/s Master Portfolio Services Limited having Registered Office at Master Chambers, 19, Feroze Gandhi Market, Ludhiana as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the concerned Registrar of Companies within the time prescribed under the Act and the rules made thereunder.
3. The Company being a limited company has the minimum prescribed paid-up capital.
4. The Board of Directors of the Company has duly met five times during the year in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the Financial Year ended on 31st March 2008 was held on 30th September 2008 after giving due notice to the Members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the financial year ended 31.03.2009.
8. The Company has not granted any loan to companies, firms and other parties and has not taken any loans at the end of the year.
9. As reported by the Management, the Company has duly complied with the provisions of Section 297 of the Companies Act, 1956 in respect of Contract(s) specified in that section wherever applicable and/or not entered into the contracts falling within the purview of Section 297 of the Act. No record was available for verification.
10. As reported by the management, the company has made necessary entries in the register maintained under Section 301 of the Act wherever applicable.
11. There were no instances falling within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has :
 - i. not made any allotment / transmission of securities during the financial year. During the year under review, the entire shareholding of the Company has been taken up by Master Capital Services Limited, which is itself 100% wholly owned subsidiary of Master Trust Limited. Thus the Company has become the subsidiary of Master Capital Services Limited.
 - ii. not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii. duly complied with the requirements of Section 217 of the Act.
 - iv. The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - v. The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

FINANCIAL HIGHLIGHTS

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional director(s), alternate director(s) and directors to fill casual vacancy during the financial year.
15. There was no appointment of Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act.
19. The Company has not issued any further shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As reported by the Management, the Company has not accepted any deposits falling within the purview of Section 58A during the financial year.
24. As reported by the Management, the Company has not made any borrowings during the financial year.
25. As reported by the Management, the Company has not made any loan given guarantees or provided securities to other bodies corporate but has made advances to Stock Exchange as security and margin money given and consequently entries have been made in the books of accounts kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. No prosecution has been initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. As reported by the Management, the Company has not received any money as security from its employees during the financial year.
33. As reported by the Management, the Company has not created any Provident Fund Trust of its own as no Provident Fund/ ESI was deducted during the year under review.

For Sanjay Aggarwal & Associates
Company Secretaries

Sd/-
(Sanjay Kumar Aggarwal)
Proprietor
C.P. No.: 7604

Place: Ludhiana
Date: 29.08.2009

AUDITORS' REPORT MASTER PORTFOLIO SERVICES LIMITED

To

The Members

Master Portfolio Services Limited

19, Feroze Gandhi Market,
Ludhiana-141001.

We have audited the attached Balance Sheet of Master Portfolio Services Ltd., 19, Feroze Gandhi Market, Ludhiana-141001 as at 31.03.2009 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Reports) Order 2003 issued by the Central Government in terms of sub-section, (4A) of section 227 of the Companies Act, 1956. We annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred in paragraph (1) above, we state that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of such books.
 - (iii) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (iv) In our opinion the Balance Sheet and Profit & Loss Account and Cash Flow Statement comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, in so far as they apply to the Company.
 - (v) Based on representation made by the directors and taken on record by the Board, we report that none of the directors is disqualified as on 31.3.2009 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, read with the other note, the said statements of accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009 ;
 - (ii) in the case of Profit & Loss Account, of the profit for the year ended on that date;
 - (iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For **Manjeet Singh & Co.**
Chartered Accountants

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 (b) As explained to us, the management has physically verified these fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of verification of fixed assets is reasonable. To the best of our knowledge, no material discrepancy have been noticed on verification.
 (c) No substantial part of the fixed assets have been disposed off during the year.
2. The Company doesn't have any inventory during the year hence related reporting requirements of clause (ii) specified in para 4 of the Companies(Auditor's Report) order 2003 are not applicable.
3. (a) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Company sect 1956.
 (b) Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount and interest thereon and overdue amount are not required.
4. In our opinion and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods as applicable. Further on the basis of our examination of books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. Based upon the audit procedures applied by us and according to the information and explanation given to us, we are of the opinion that no transaction was required to be entered into the register maintained under section 301 of the Act during the year under review.
6. The Company does not have any stock/investment of shares/securities and is not dealing in shares, securities, debentures and other investments, hence related reporting requirements are not applicable.
7. The Company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.
8. In our opinion, the Company has an adequate system of internal audit which is commensurate with the size and nature of its business.
9. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 in respect of the Company's product.
10. The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities wherever applicable. No amount was outstanding for more than six months as on the date of Balance Sheet from the date they became payable.
11. There are no accumulated losses of the Company at the end of the financial year. There are no cash losses during the current and immediately preceding financial year.
12. According to the information and explanations given to us and as per books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
13. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The Company does not fall within the category of Chit fund/Nidhi/Mutual Benefit fund/Society and hence the related reporting requirements are not applicable.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.

FINANCIAL HIGHLIGHTS

16. In our opinion, and according to the information and explanations given to us, the Company has not raised any term loan during the year and hence the related reporting requirements are not applicable.
17. According to the information and explanation given to us and as per the books and records examined by us, as on the date of balance sheet, the fund raised by the Company on short-term basis have not been applied for long term investments. Long term funds have been partly applied for financing core working capital in consonance with principles of sound financial management.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of books and records of the Company carried out in accordance with the generally accepted auditing practices in India we have neither come across any instance of fraud on or by the Company, nor have we been informed of such case by the management.

For **Manjeet Singh & Co.**
Chartered Accountants

Place: Ludhiana
Date: 29.08.2009

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

FINANCIAL HIGHLIGHTS**BALANCE SHEET MASTER PORTFOLIO SERVICES LIMITED**

As at 31st March 2009

(Amount in Rupees)

Particulars	Annexures	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	5100070.00	5100070.00
Reserves & Surplus	B	176975.48	81371.78
Total		5277045.48	5181441.78
APPLICATION OF FUNDS			
Fixed Assets	C		
Gross Block		222706.00	137706.00
Less: Depreciation		51870.00	19939.00
Net Block		170836.00	117767.00
Current Assets, Loans and Advances	D		
a) Sundry Debtors		-	2810646.25
b) Cash & Bank Balances		913423.23	1401499.53
c) Loans & Advances		4930012.00	6090188.00
		5843435.23	10302333.78
Less: Current Liabilities and Provisions	E	750631.75	5258767.00
Net Current Assets		5092803.48	5043566.78
Miscellaneous Expenditures	F	13406.00	20108.00
Total		5277045.48	5181441.78
Accounting Policies & Notes on Accounts	K		

The Annexures referred to above form an integral part of the Balance Sheet.

As per our report of even date attached.

For **Manjeet Singh & Co.**
Chartered Accountants

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Place: Ludhiana
Date: 29.08.2009

Sd/-
G. S. Chawla
Managing Director

For & on behalf of the Board.

Sd/-
Harjeet S. Arora
Director

FINANCIAL HIGHLIGHTS

PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2009

(Amount in Rupees)

Particulars	Annexures	For The Year Ended 31.03.2009	For The Year Ended 31.03.2008
INCOME			
Operative & Other Income	G	1500000.00	1700000.00
EXPENDITURE			
Personnel Expenses	H	1180356.00	1457046.00
Administrative & Other Expenses	I	158644.00	136286.00
Financial Expenses	J	1678.30	115.68
Preliminary Expenses		6702.00	6702.00
Depreciation		31931.00	18153.00
Total		1379311.30	1618302.68
Profit before Tax		120688.70	81697.32
Provision for Taxation			
- Current Year		25000.00	14000.00
- Fringe Benefit Tax		40.00	40.00
Profit after Tax		95648.70	67657.32
Add: Balance brought forward from previous year		81248.78	13591.46
Excess/Less Prov. of Previous Year		(45.00)	-
Profit available for Appropriation		176852.48	81248.78
Balance c/f to B/S		176852.48	81248.78
Accounting Policies & Notes on Accounts	K		

The Annexures referred to above form an integral part of the Balance Sheet.

As per our report of even date attached.

For **Manjeet Singh & Co.**
Chartered Accountants

For & on behalf of the Board.

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Sd/-
G. S. Chawla
Managing Director

Sd/-
Harjeet S. Arora
Director

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)*

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE A SHARE CAPITAL		
Authorized		
1000000 Equity Shares of Rs. 10/- Each	10000000.00	10000000.00
Issued, Subscribed & Paid Up		
510007 Equity Shares of Rs. 10/- Each	5100070.00	5100070.00
Total	5100070.00	5100070.00

SCHEDULE B RESERVES & SURPLUS		
General Reserves	123.00	123.00
Profit & Loss Account	176852.48	81248.78
Total	176975.48	81371.78

SCHEDULE C FIXED ASSETS	(Amount in Rupees)									
Particulars at	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2008	Additions During the year	Sale/Discharge During the year	As at 31.03.2009	As at 01.04.2008	Written Back During the year	For the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Furniture & Fixtures	42200.00	-	-	42200.00	4457.00	-	2671.00	7128.00	35072.00	37743.00
Computer Software	95506.00	85000.00	-	180506.00	15482.00	-	29260.00	44742.00	135764.00	80024.00
Grand Total	137706.00	85000.00	-	222706.00	19939.00	-	31931.00	51870.00	170836.00	117767.00
Previous year	42200.00	95506.00	-	137706.00	1786.00	-	18153.00	19939.00	117767.00	

SCHEDULE D CURRENT ASSETS, LOANS AND ADVANCES	As at 31.03.2009	As at 31.03.2008
A) Current Assets		
(a) Sundry Debtors (Unsecured Considered good)		
Over six months old		948707
Others		1861939.25
		2810646.25
(b) Cash & Bank Balances		
(i) Cash in Hand/Imprest	46426.57	55313.57
(ii) Balances with Schedule Banks in - Current Account	866996.66	1346185.96
	913423.23	1401499.53
B) Loans & Advances		
Advance recoverable in Cash or in kind or for value to be received	4930012.00	6090188.00
Total	4930012.00	6090188.00
Grand Total	5843435.23	10302333.78

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE E CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
Sundry Creditors	138135.00	5032265.00
Expenses Payable	102792.00	115042.00
Cheques Issued Liabilities (Net)	484664.75	97420.00
B) Provisions	725591.75	5244727.00
Provision for Taxation	25000.00	14000.00
Provision for Fringe Benefit Tax	40.00	40.00
	25040.00	14040.00
Total	750631.75	5258767.00

SCHEDULE F MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	20108.00	26810.00
Less:- 1/5 Written off	6702.00	6702.00
	13406.00	20108.00
Total	13406.00	20108.00

SCHEDULE G OPERATING & OTHER INCOME		
Professional Income	1500000.00	1700000.00
Total	1500000.00	1700000.00

SCHEDULE H PERSONNEL EXPENSES		
Salaries and Other Allowances	242026.00	518649.00
Director Remuneration	937500.00	937500.00
Staff Welfare Expenses	830.00	897.00
Total	1180356.00	1457046.00

SCHEDULE I ADMINISTRATIVE AND OTHER EXPENSES		
Printing and Stationery	657.00	490.00
Postage, Telegram and Telephone Expenses	65.00	45.00
Fees & Taxes	1694.00	1060.00
Insurance	3184.00	2157.00
Travelling & Conveyance	523.00	572.00
Audit Fee	2000.00	2000.00
General Expenses	628.00	962.00
Office Rent	138672.00	129000.00
Sebi Regn.fee	9406.00	-
Balance Written off	1815.00	-
Total	158644.00	136286.00

SCHEDULE J FINANCIAL EXPENSES		
Bank Charges	1394.30	115.68
Interest Paid	284.00	-
Total	1678.30	115.68

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE K ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Significant Accounting Policies

a. Fixed Assets

- i) The financial statements are prepared under historical cost convention in accordance with applicable accounting standards and relevant presentation requirement of the Companies Act, 1956 and on the basis of going concern.
- ii) a) Fixed assets owned are stated at original cost less accumulated depreciation. Cost of acquisition includes of freight, duties taxes and other incidental expenses, if any.
b) Depreciation on fixed assets has been charged at straight line method as per rates prescribed in schedule XIV of the Companies Act, 1956.

b. Accounting Concept

The Company follows the mercantile system of accounting and recognises profit & loss account on accrual basis. Accounting policies not specifically referred otherwise are consistent with generally accepted accounting principles followed as a going concern.

c. Preliminary Expenses

Preliminary expenses have been written off @ 20% during the year.

2. Contingent liability is Rs. NIL at the end of the Accounting Year.
3. Debit and credit balances other than bank balances are subject to confirmation, if any.
4. In the opinion of the Board, all the Current Assets, Loans & Advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.
5. The Previous Year figures have been regrouped or recasted wherever considered necessary.
6. Remuneration paid/payable during the year to the Director:

	2009	2008
- Salaries	600000.00	600000.00
- Other perquisites	337500.00	337500.00

7. Related Party Disclosures:

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

Holding/Fellow Companies	Associates/Enterprises owned Or significantly influenced by key Management Persons or their Relatives	Key Management Personnel
- Master Capital Services Ltd.		- Mr. Harjeet S. Arora - Mr. R K Sinhanian - Mr. Harinder Singh - Mr. G S Chawla

Transactions with related Parties:

Holding/Fellow Companies	Associates/Enterprises owned Or significantly influenced by key Management Persons or their Relatives	Key Management Personnel	2008-09 Rupees Total
- Professional Income	1500000.00	-	1700000.00
- Director Remuneration	-	937500.00	937500.00

SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS**SCHEDULE K ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

8. Additional information as required under para 3 and 4 of part II of Schedule III of the Companies Act, 1956 has been given to the extent it is applicable.
9. Earning in foreign exchange NIL
Expenditure in foreign exchange NIL
Value of Imports on CIF basis NIL
10. Schedules A to K form an integral part of the Profit and Loss Account and Balance Sheet as at 31st March, 2009.

As per our report of even date attached

For **Manjeet Singh & Co.**
Chartered Accountants

For & on behalf of the Board.

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Sd/-
G. S. Chawla
Manager Director

Sd/-
Harjeet S. Arora
Director

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS

BALANCE SHEET ABSTRACT

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

					1	5	3	3	1
3	1	-	0	3	-	2	0	0	9

Balance Sheet Date

State Code

1	6
---	---

II. Capital Raised during the year (Amount in Rs Thousand)

Public Issue

				N	I	L
				N	I	L

Bonus Issue

Right Issue

				N	I	L
				N	I	L

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousand)

Total Liabilities

			5	2	7	7
--	--	--	---	---	---	---

Total Assets

			5	2	7	7
--	--	--	---	---	---	---

Source of Funds

Paid up Capital

			5	1	0	0
				N	I	L

Secured Loans

Reserve & Surplus

				1	7	7
				N	I	L

Unsecured Loans

Application of Funds

Net Fixed Assets

				1	7	1
				N	I	L

Deferred Tax Assets

Accumulated Losses

Investments

				N	I	L
			5	0	9	3

Net Current Assets

Misc. Expenditure

				1	3
--	--	--	--	---	---

IV. Performance of Company (Amount in Rs Thousand)

Gross Receipts

			1	5	0	0
				1	2	1

Profit before Tax

Earning per Share

			0	.	1	9
--	--	--	---	---	---	---

Total Expenditure

Profit after Tax

Dividend Rate %

			1	3	7	9
					9	6

				N	I	L
--	--	--	--	---	---	---

V. Generic names of Three Principal Products/services of Company (As per monetary terms)

Item Code No.(ITC Code) : Not applicable

Product Description : Nil

Schedules A to K form integral part of Accounts and have been duly authenticated.

FINANCIAL HIGHLIGHTS

CASH FLOW STATEMENT For the year ended 31st March 2009

(Amount in Lacs)

	31.03.2009	31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	0.96	0.67
Adjustment for:		
Interest Paid	-	-
Depreciation	0.32	0.18
Interest/Dividend	-	-
Miscellaneous Expenditure Written Off	0.07	0.07
Profit on Sale of Fixed Assets	-	-
Operating profit before Working Capital Changes	1.35	0.92
Adjustment for		
Trade and other Receivables	28.10	-
Inventories	-	-
Trade Payable	(45.16)	12.54
Loans and advances	11.60	(1.12)
Cash generated from operations	(4.11)	12.34
Direct Tax Paid	(0.25)	(0.14)
Cash flow before Extra ordinary items	(4.36)	12.20
Extra ordinary items		
Interest Paid	-	-
Interest/Dividend	-	-
Net Cash from operating activities	(4.36)	12.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(0.53)	(0.78)
Sale of fixed assets	-	-
Purchase of investments	-	-
Sale of Investments	-	-
Net Cash Used in Investing Activities	(0.53)	(0.78)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (Call money)	-	-
Proceeds from long term borrowing (Bridge Loan)	-	-
Repayments of finance lease liabilities	-	-
Dividend paid	-	-
Reduction in transfer prices of investment in Shares to the Subsidiaries	-	-
Working Capital Loans	-	-
Net Cash Used In Financing Activities	-	-
Net Increase /(Decreases) In Cash and Cash Equivalents (A+B+C)	(4.89)	11.42
Net Increase In Cash and Cash Equivalent	(4.89)	11.42
Cash and Cash Equivalents as at 01.04.2008 (Opening Balance)	14.02	2.60
Cash and Cash Equivalents as at 31.03.2009 (Closing Balance)	9.13	14.02
Note: Figures in Brackets represent deductions and outflows		

For & on behalf of the Board.
For Master Portfolio Services Ltd.

Place: Ludhiana
Date: 29.08.2009

Sd/-
G. S. Chawla
Managing Director

Sd/-
Harjeet S. Arora
Director

AUDITORS' CERTIFICATE

We have verified the attached Cash Flow Statement of Master Portfolio Services Limited from the audited financial statement and the books and records maintained by the company for the year 31st March, 2009.

Place: Ludhiana
Date: 29.08.2009

For **Manjeet Singh & Co.**
Chartered Accountants

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

FINANCIAL HIGHLIGHTS

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Master Trust Limited

1. We have examined the attached Consolidated Balance Sheet of Master Trust Limited (The Company) and its subsidiaries as at 31.03.2009 and also the consolidated Profit and Loss Account and Cash Flow Statement, for the year ended on that date. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation, we believe that our audit provides a reasonable basis for our opinion.
3. We further report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard AS-21 Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the Company and its subsidiaries included in Consolidated Financial Statements.
4. On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said Consolidated Financial Statements, read together with notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2009;
 - b) in the case of Consolidated Profit & Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date;
 - c) in the case of Consolidated Cash Flow Statement, of the Consolidate Cash Flow for the year ended on that date.

For **Manjeet Singh & Co.**
Chartered Accountants

Place: Ludhiana
Date: 29.08.2009

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

FINANCIAL HIGHLIGHTS

BALANCE SHEET CONSOLIDATED

As at 31st March 2009

(Amount in Rupees)

	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	A	61443750.00	56437750.00
Reserves & Surplus	B	576334956.00	430656362.00
Fully convertible Warrants		48240000.00	-
		686018706.00	487094112.00
Minority Interest	C	669849.00	2362092.00
Loan Funds			
Secured Loans	D	53900782.00	19210522.00
Unsecured Loans	E	187828715.00	166668493.00
		241729497.00	185879015.00
Deferred Tax Liability		12148836.00	10253082.00
Total		940566888.00	685588301.00
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	F	137040224.00	107470897.00
Less: Depreciation		47519211.00	35625769.00
Net Block		89521013.00	71845128.00
Investments	G	88058418.00	164127823.00
Current Assets, Loans and Advances			
(a) Closing Stock	H	38409583.00	79515309.00
(b) Sundry Debtors		1098135964.00	1308555893.00
(c) Cash & Bank Balances		640976450.00	790015188.00
(d) Loans & Advances		559621990.00	522221136.00
		2337143987.00	2700307526.00
Less: Current Liabilities and Provisions			
(a) Liabilities	I	1554719162.00	2225527611.00
(b) Provisions		19619054.00	25388265.00
		1574338216.00	2250915876.00
Net Current Assets		762805771.00	449391650.00
Miscellaneous Expenditures	J	181686.00	223700.00
Total		940566888.00	685588301.00
Notes On Balance Sheet & Profit & Loss Accounts	O		

As per our report of even date.
For **Manjeet Singh & Co.**
Chartered Accountants

For & on behalf of the Board.

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Sd/-
Kashmir Singh
Manager Accounts

Sd/-
Divyesh Jani
Company Secretary

Sd/-
R.K. Singhania
Director

Sd/-
Harjeet S. Arora
Managing Director

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the year ended 31st March 2009

(Amount in Rupees)

	Schedule	Year Ended 31.03.2009	Year Ended 31.03.2008
INCOME			
Operative & Other Income	K	553449147.00	654767043.00
EXPENDITURE			
Personnel Expenses	L	60654667.00	58753740.00
Administrative & Other Expenses	M	287938886.00	340383812.00
Financial Expenses	N	85716882.00	78242222.00
Preliminary Expenses W/Off		62122.00	55420.00
Depreciation		12163880.00	9255966.00
Total		446536437.00	486691160.00
Profit before Taxation & Minority Interest		106912710.00	168075883.00
Provision for Tax			
- Current Year		16031150.00	22596350.00
- Deferred		1895754.00	1651924.00
- Fringe Benefit Tax		893590.00	1224792.00
- Wealth Tax		235000.00	200000.00
Profit after Taxation before minority interest		87857216.00	142402817.00
- Minority Interest		7227.00	602783.00
Profit after tax and minority interest		87849989.00	141800034.00
Balance brought forward from previous year		311222561.00	173186560.00
Excess/ less provision of previous years		271136.00	(192570.00)
Profit available for Appropriation		399343686.00	314794024.00
APPROPRIATION Foreign Currency Loss (Lost) in earlier year		3404420.00	-
Unutilized STT of previous year		2529566.00	3571463.00
Provision for Diminution/Appreciation in value of Investment		(398580.00)	-
Profit from partnership firm relatd to previous year		(37343.00)	-
Balance carried over to Balance Sheet		393845623.00	311222561.00
Total		399343686.00	314794024.00
Notes on Balance Sheet & Profit & Loss Accounts	O		

As per our report of even date.
For **Manjeet Singh & Co.**
Chartered Accountants

For & on behalf of the Board.

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Sd/-
Kashmir Singh
Manager Accounts

Sd/-
Divyesh Jani
Company Secretary

Sd/-
R.K. Singhania
Director

Sd/-
Harjeet S. Arora
Managing Director

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE A SHARE CAPITAL		
Authorized		
11000000 Equity Shares of Rs 10/- each	110000000.00	110000000.00
Issued, Subscribed & Paid Up		
6200400 (Previous year 5700400) Equity Shares of Rs 10/- each	62004000.00	57004000.00
Less : Calls in Arrear (Other than Directors)	560250.00	566250.00
Total	61443750.00	56437750.00

SCHEDULE B RESERVES & SURPLUS				
General Reserves		10000193.00		10000070.00
Capital Reserves		1181858.00		150449.00
Share Premium Account	173548282.00		111548282.00	
Less : Calls in arrears	2241000.00	171307282.00	2265000.00	109283282.00
Balance in Profit & Loss Account		393845623.00		311222561.00
Total		576334956.00		430656362.00

SCHEDULE C MINORITY INTEREST				
Share Capital		550760.00		1300070.00
Share of accumulated profit upto previous year		111862.00		459239.00
Profit for the year transferred from Profit & Loss A/c		7227.00		602783.00
Total		669849.00		2362092.00

SCHEDULE D SECURED LOANS				
Term Loans (secured against hypothecation of car)		4890537.00		3971328.00
Overdraft Facility (secured against Fixed Deposit)		49010245.00		15239194.00
Total		53900782.00		19210522.00

SCHEDULE E UNSECURED LOANS				
Deep Discount Bonds (18% quarterly cumulative redeemable)		27910000.00		27910000.00
From Body Corporates		10000000.00		19500000.00
Interest Accrued but not due		149918715.00		119258493.00
Total		187828715.00		166668493.00

SCHEDULE F FIXED ASSETS	(Amount in Rupees)									
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions During the year	Sale/Discarded During the year	As at 31.03.2009	As at 01.04.2008	Written Back during the year	For the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	12747351.00	11558620.00	5476603.00	18829368.00	-	-	-	-	18829368.00	12747351.00
Building	7194509.00	-	-	7194509.00	568553.00	-	111566.00	680119.00	6514390.00	6625956.00
Furniture & Fixture	6663022.00	4461989.00	-	11125011.00	2476817.00	-	557303.00	3034120.00	8090891.00	4186205.00
Office Equipment	8650302.00	3282661.00	-	11932963.00	2262060.00	-	511359.00	2773419.00	9159544.00	6388242.00
Computer V-sat	63958836.00	12288941.00	-	76247777.00	27203112.00	-	10191590.00	37394702.00	38853075.00	36755724.00
Vehicles	8394583.00	3660032.00	344019.00	11710596.00	3135166.00	290377.00	792062.00	3636851.00	8073745.00	5259417.00
Total	107608603.00	35252243.00	5820622.00	137040224.00	35645708.00	290377.00	12163880.00	47519211.00	89521013.00	71962895.00
Previous year	88334395.00	25890540.00	6754038.00	107470897.00	26369803.00	-	9255966.00	35625789.00	71845128.00	

FINANCIAL HIGHLIGHTS**CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS**

(Amount in Rupees)

		As at 31.03.2009		As at 31.03.2008	
SCHEDULE G INVESTMENTS (At Cost)					
Long Term Investments					
A. (Quoted)					
1468	Fully paid up equity shares of Rs 10/- each of Abhishek Industries Ltd.	14680.00		14,680.00	
2116600	Fully paid up equity shares of Rs 10/- each of Prime Industries Ltd.	28662295.00		28662295.00	
5000	Fully paid up equity shares of Rs 10/- each of R.R.B. Securities Ltd.	500000.00		500000.00	
- (386800)	Fully paid up equity shares of Rs 10/- each of Bhagia Shree Leasing & Finance Ltd.	-		2569384.00	
- (224040)	Fully paid up equity shares of Rs 10/- each of SEL Manuacturing Co. Ltd.	-		31739863.00	
49510	Fully paid up equity shares of Rs 10/- each of Swaraj Mazada Ltd.	12171548.00		12171548.00	
8250	Fully paid up equity shares of Rs 10/- each of Raguvanshi Mills Ltd.	90750.00		90750.00	
394	Fully paid up equity shares of Rs 10/- each of Varun Shipping Ltd.	7092.00		7092.00	
53	Fully paid up equity shares of Rs 10/- each of Tata Steel Ltd.	15900.00		15900.00	
325	Fully paid up equity shares of Rs 10/- each of GTL Infrastructure Ltd.	3250.00		3250.00	
		41465515.00		75774762.00	
Less: Provision for diminution in value		495000.00	40970515.00	893580.00	74881182.00

		As at 31.03.2009		As at 31.03.2008	
B. (Unquoted)					
100000 (-)	Fully Convertible (Partly paid) Warrants of Bathinda Chemicals Limited	2500000.00		-	
5,40,000	Fully paid up equity shares of Rs.10/- each of Shivalik Securities Limited	8400000.00		8400000.00	
(-) (230000)	Fully paid up equity shares of Rs.10/- each of Master Portfolio Services Limited			2300000.00	
100	Fully paid up equity shares of Rs.1/- each of Ludhiana Stock Exchange Association Limited	100.00		100.00	
100000	Fully paid up equity shares of Rs.10/- each of Stan Auto (P) Limited	5000000.00		5000000.00	
- (199820)	Fully paid up equity shares of Rs.10/- each of BSN Capital Services (P) Limited	-		4222385.00	
- (69960)	Fully paid up equity shares of Rs.10/- each of Lotus Capital Services Limited	-		1640440.00	
- (60000)	Fully paid up preference share of Rs.10/- each of Marshal Investment Co (P) Limited	-		6000000.00	
261	Fully paid up preference share of Rs. 100/- each of Tata Steel Limited	26100.00	15926200.00	26100.00	27589025.00

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

		As at 31.03.2009		As at 31.03.2008	
(Amount in Rupees)					
SCHEDULE C INVESTMENTS (At Cost) (Contd)					
C. Government Securities					
6.75% 2006 Govt. Securities		17674.00		17674.00	
6.75% 2007 Govt. Securities		23123.00	40797.00	23123.00	40797.00
D. Mutual Funds					
48899.756	Fidelity International Opportunity Fund	500000.00		500000.00	
20000.000	J.M Emerging Leaders Fund	200000.00		200000.00	
30000.000	Sundaram BNP Energy Opportunity Fund	300000.00		300000.00	
19559.900	Fidelity Tax Advantage Fund	200000.00		200000.00	
25166.503	Reliance Pharma Fund Growth Plan Growth Option	500000.00		500000.00	
7999.800	DSP Black Rock India Tiger Fund Regular Plan Growth	200000.00		200000.00	
3715.257	HDFC Equity Fund Growth	450000.00		450000.00	
29359.853	Birla Sunlife Special Situation Fund	300000.00		300000.00	
20000.000	Tata Capital Builder Fund Growth	200000.00		200000.00	
590.678	SBI Magnum Equity Fund	17490.00		17490.00	
29325.593	Templeton India Equity Income Fund	300000.00		300000.00	
20000.000	Sundaram BNP Paribas Rural India Fund Growth	200000.00		200000.00	
20000.000	IDFC Enterprises Equity Fund Growth	200000.00		200000.00	
48899.756	Fidelity India Special Situation Fund Growth	500000.00		500000.00	
4635.488	Sundaram BNP Paribas Select Midcap Div.	100000.00		100000.00	
536.501	HSBC Equity Fund Dividend	16452.00		16452.00	
1749.169	Reliance Growth Fund Retail Plan Dividend Plan	100000.00		100000.00	
20000.000	UTI Wealth Builder Fund Growth	200000.00		200000.00	
48889.756	DSP Black Rock Small and Mid Cap-Reg Growth	500000.00		500000.00	
39274.66 (31857.143)	Franklin India Flexi Cap	750000.00		600000.00	
50000.000	LICMF Systematic Asset Allocation Fund	500000.00		500000.00	
1354.068	ICICI Prudential Infrastructure Fund Div.	20189.00	6254131.00	20189.00	6104131.00
	Capital with Partnership Firms (As per Note No. 9)		24866775.00		55512688.00
	Total		88058418.00		164127823.00

Market value of quoted shares is Rs 6.84 mn (Previous year Rs. 137.34 mn)

FINANCIAL HIGHLIGHTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE H CURRENT ASSETS, LOANS AND ADVANCES		
(A) Current Assets		
(a) Closing Stock (Cost or market price whichever is less)	38409583.00	79515309.00
(b) Sundry Debtors (Unsecured Considered good)		
Over six months old	40345944.00	2718318.00
Others	1057790020.00	1305837575.00
(c) Cash & Bank Balances		
(i) Cash in hand	3049125.00	1683244.00
(ii) With Scheduled Banks in		
- Current Account	23522406.00	154442909.00
- Fixed Deposit (Pledged against Bank Guarantee & Overdraft facility)	614404919.00	621554890.00
- Cheques in hand (Net)		12334145.00
	640976450.00	790015188.00
(B) Loans and Advances		
Advances recoverable in cash or in kind or for value to be received	516279817.00	410328930.00
Security	6334542.00	68064576.00
Share Application Money	1121375.00	6671375.00
Advance Income Tax/T.D.S.	35886256.00	37156255.00
Total	559621990.00	522221136.00
	2337143987.00	2700307526.00

SCHEDULE I CURRENT LIABILITIES AND PROVISIONS		
(A) Current Liabilities		
Sundry Creditors	891930799.00	1318146259.00
Amount due to Subsidiaries	-	-
Cheques Issued (Net)	101978812.00	-
Other Liabilities	560809551.00	907381352.00
	1554719162.00	2225527611.00
(B) Provisions		
Provision for Non-Performing Assets	2459314.00	1367123.00
Provision for Taxation	16031150.00	22596350.00
Provision for Fringe Benefit Tax	893590.00	1224792.00
Provision for Wealth Tax	235000.00	200000.00
Total	19619054.00	25388265.00
	1574338216.00	2250915876.00

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

(Amount in Rupees)

	Year Ended 31.03.2009	Year Ended 31.03.2008
SCHEDULE J MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
(a) Preliminary expenses	243808.00	279120.00
Less: 1/10 written off	62122.00	55420.00
	181686.00	223700.00

	Year Ended 31.03.2009	Year Ended 31.03.2008
SCHEDULE K OPERATING AND OTHER INCOME		
Income from Forex Business	10506986.00	9469771.00
Interest	90715250.00	68436340.00
Profit on sales of Investments (Long Term Net)	38741365.00	3686402.00
Income from Brokerage, Sale/purchase of Shares & Securities and Commodities Trading	297471443.00	390579482.00
Dividend	23874986.00	73844451.00
Profit from Partnership Firm	1862658.00	28895406.00
Other Income	90276459.00	79855191.00
Total	553449147.00	654767043.00

SCHEDULE L PERSONNEL EXPENSES		
Salaries and other Allowances (Includes P.F. Rs.192722.00 Previous Year Rs.200643.00 Gratuity Rs.1871167.00 Previous Year Rs.691834.00)	54811211.00	55303543.00
Directors Remuneration	3401839.00	889823.00
Staff Welfare Expenses	2441617.00	2560374.00
Total	60654667.00	58753740.00

FINANCIAL HIGHLIGHTS**CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS**

(Amount in Rupees)

	Year Ended 31.03.2009	Year Ended 31.03.2008
SCHEDULE M ADMINISTRATIVE AND OTHER EXPENSES		
Printing & Stationery	6451688.00	14698771.00
Postage, Telegram & Telephone	15555194.00	20036527.00
Rent	11867643.00	11190451.00
Fees & Taxes	2936980.00	4344601.00
Legal & Professional Charges	8085114.00	9475235.00
Travelling & Conveyance	3732002.00	3795529.00
Directors Travelling	527929.00	815390.00
Office Maintenance	15059931.00	16945031.00
Audit Fee	174561.00	172561.00
Advertisement Expenses	113906.00	765436.00
Sub Brokerage	119785102.00	173754655.00
General Expenses	62682254.00	76801437.00
Demat Charges	2301795.00	1997861.00
Custodian Charges	2326948.00	1571977.00
VSAT/Leasline Charges	4540163.00	449320.00
Membership Fee	151542.00	130000.00
Bad debts Written off	30553943.00	3109578.00
Provision and other	1092191.00	329452.00
Total	287938886.00	340383812.00
SCHEDULE N FINANCIAL EXPENSES		
Interest on Overdraft	7137006.00	2796240.00
Interest Others	69953448.00	67456439.00
Bank Charges	8626428.00	7989543.00
Total	85716882.00	78242222.00

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE O ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1. Basis of Presentation of Consolidated Financial Statements

- i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India and generally accepted accounting principles in India.
- ii) The Consolidated Financial Statements of Master Trust Limited (The Company) for the year ended 31st March, 2009 and its following subsidiaries:

Subsidiaries:	Accounting Year Ended Date	Proportion of Ownership Interest as at 31.03.2009
Master Capital Services Ltd.	31 st March 2009	100%
Master Infrastructure and Real Estate Development Ltd.	31 st March 2009	100%
Master Commodity Services Ltd.	31 st March 2009	100%
Master Insurance Brokers Ltd.	31 st March 2009	89.93%
Master Portfolio Services Ltd.	31 st March 2009	91.17%

- (iii) The financial statements of the Company and its subsidiaries have been combined on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions.
- iv) The Company has disclosed only such policies and notes from the individual financial statements, which fairly cover the required disclosures.

2. Significant Accounting Policies

1. Accounting Convention :

The financial statements are prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) and applicable accounting standards issued by the Institute of Chartered Accountants of India and relevant provision of the Companies Act, 1956 and on the basis of going concern.

2. Fixed Assets :

Fixed Assets are stated at original cost less accumulated depreciation/amortization. Cost of acquisition includes of freight, duties, taxes and other incidental expenses. The depreciation has been charged at Straight Line Method as per rates prescribed in schedule XIV of the Companies Act, 1956.

3. Investments :

Investments are valued at cost. The Company has not made provisions for diminution in the book value of the investments being in management's opinion, where there has been no permanent diminution in the value of long term investments and no provision is required to be made at this stage.

4. Stock In Trade :

Closing Stock has been valued at cost or market price which ever is less. Encashed traveler cheques and traveler cheques sold but not settled are valued at inter bank rate.

5. Revenue Recognition :

- (a) The Company follows the mercantile system of accounting and recognises profit or loss on that basis except income from DP operations which is net of unrealized amount of demat accounts having NIL holding at the end of year and are being accounted for on receipt basis.
- (b) Misc. expenditure have been written off to the extent of 20% per annum.
- (c) SEBI Registration turnover fee and interest thereon are sub-judiced matters in the various courts. The same are accounted for on cash basis.

FINANCIAL HIGHLIGHTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE O ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

- (d) Income from forex business comprises of travelers cheques commissions and margins on foreign exchange transactions in the normal course of business as Full Fledged Money Changers. The income arising from buying and selling of foreign currencies and travellers cheques has been considered on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.
- (e) Profit on sale of securities comprises net of opening stock, purchase sale, closing stock and trading thereof.

6. Employee Benefits :

Defined Contribution Plans.

- a) Under the Provident Fund plan, the Company contributes to a government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.
- b) The company makes contribution to state plans namely Employee's state insurance fund and Employee's pension scheme 1995 and has no further obligation beyond making the payment to them. The Company's contributions to the above funds are charged to revenue every year.
- c) Leave encashment is payable to eligible employees, who have earned leaves, during the employment and/or on separation as per the Company's policy.
- d) The Company has provided the provision for the gratuity and charged to revenue.

7. Fringe Benefit Tax :

The Fringe Benefit Tax has been calculated and accounted for in accordance with the provisions of the Income Tax Act, 1961 and the guidance note on Accounting for fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

8. Impairment of Assets :

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

9. Provisions, Contingent Liabilities & Contingent Assets :

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

10. Borrowing Cost :

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

11. Prudential Norms :

The Company carries on two distinct business activities, viz. financing and money changing. For the purpose of identifying the assets as Non Performing Assets (NPA) or otherwise, the Company follows generally accepted accounting principles in case of its money changing activities and follows the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1988 in case of finance activities.

3. Notes on Accounts

1. Share Capital

In terms of the approval of the Board of Directors of the company and as per the applicable statutory provisions including Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines 2000, the company on June 30th 2008 has issued and allotted 5,00,000 equity shares of Rs. 10/- each at a premium of Rs. 124/- each and 36,00,000 warrants on preferential basis to the members of the promoter group and others. Each warrant will convert into one equity share of Rs. 10/- each at a premium of Rs. 124/- per share at any time between eighteen months from the date of allotment of warrants (Rs. 13.40/- warrant being Rs. 10/- of the exercise price received).

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS**SCHEDULE 0 ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)****2. Contingent Liabilities**

- a) The Punjab State Industrial Development Corporation Limited (PSIDC) had contributed Rs. 8.85 mn (Previous year Rs. 8.85 mn) in the equity share capital of Prime Industries Ltd @ Rs. 10/- per share, as Direct Equity Participation in 1993. The Company as an associate promoter of Prime Industries Ltd pledged 569300 shares (Previous year 569300 shares) of Prime Industries Ltd of Rs. 10/- each amounting to Rs. 5.69 mn (Previous year Rs. 5.69 mn) to PSIDC along with irrevocable power of attorney. The Company has also subscribed to the undertaking for buy back of the shares subscribed by PSIDC as referred above. As per the terms of the undertaking for buy back of the shares, the promoters are to buy the said shares at the face value along with interest applicable to terms financing before the expiry of seven years from the date of commencement of commercial production i.e. 04.04.1994. As per the terms of the above referred undertaking in case the promoters/associates do not buy back the shares subscribed by PSIDC, then the PSIDC is entitled to sell the shares subscribed by it and also recover the loss if any by sale of the above referred shares pledged to the PSIDC. The PSIDC had announced OTS Policy for equity disinvestment. The promoters/associates have applied for buy back of shares under OTS policy, subject to their rights under the law to adjudicate upon the amount due under the buy back agreement and a sum of Rs. 25.10 mn (previous year Rs. 1.79 mn) shown as loans and advances recoverable in cash and/or kind has been paid as per the amount demanded by PSIDC in this respect.
- b) Bank Guarantees of Rs. 76.50 mn (Previous year Rs. 100.0 mn) in favour of National Securities Clearing Corporation Ltd. as its Clearing Member for exposure with capital market segment.
- c) Bank Guarantees of Rs. 328.9 mn (Previous year Rs. 548.00 mn) in favour of Stock Holding Corporation of India Ltd. for its exposure as Trading Member with Derivative Segment of National Stock Exchange of India Ltd.
- d) Bank Guarantees of Rs. 1.5 mn (Previous year Rs. 15.5 mn) in favour of National Commodity and Derivative Exchange of India Ltd. as its Trading Member.
- e) Bank Guarantees of Rs. 21.5 mn (Previous year Rs. 71.5 mn) in favour of Multi Commodity Exchange Ltd. as its Trading Member.
- f) Corporate Bank Guarantees of Rs. 31.00 mn (Previous year Rs. 71.00 mn) on behalf of MTL Shares and Stock Brokers Ltd. a associate company.
- g) Bank Guarantee of 50000US\$ (Previous year 50000US\$) in favour of American Express Travel Related Services Company Inc. U.S.A. for traveller cheques stock limit.
- h) Claims against the Company not acknowledge as debts Rs. 1.44 mn (previous year Rs. Nil), mainly includes Rs. 0.90 mn being court case against the Company by J. B. S. Builders and Traders Private Ltd. and Rs. 0.54 mn being show cause notice to the Company by Central Excise Authority regarding service tax.
3. In the year 1998-99, the Company had lost foreign currencies amounting Rs. 3.40 mn. The claim was repudiated by the Insurance Company. The Company had filed a petition against the Insurance Company in the Hon'ble Supreme Court of India which has decided against the Company as per order dated 29th July 2009 and the amount has been debited to profit & loss appropriation account.
4. In the opinion of Board of Directors, other current assets, loans and advances, have the value at which they are stated in the Balance sheet, if realised in the ordinary course of business.

FINANCIAL HIGHLIGHTS**CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS****SCHEDULE O: ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)****5. Related Party Disclosures**

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

Associates/Enterprises Owned by or significantly influenced by Key Management Persons or their relatives.	Key Management Personnel	Relative of Key Managerial Persons
- Prime Industries Limited	- Mr. Harjeet S. Arora	- Mrs. Harneesh Kaur Arora
- Master Share and Stock Brokers Ltd.	- Mr. R.K. Singhania	- Mr. Jashanjot Singh
- MTL Share and Stock Brokers Ltd.	- Mr. G. S. Chawla	- Mrs. Palka A. Chopra
- Master Securities	- Mr. Pavan Chhabra	- Mr. Sobha Singh
- Arora Lease Development Ltd.	- Mr. Sanjay Sood	- Mrs. Charu Chhabra
- Pawan Capital Services Ltd.	- Mr. Harinder Singh	- Mrs. Guneet Chawla
- Sanawar Investments	- Mr. Ashwani Kumar	- Mr. Puneet Singhania
- PHDA Financial Services (P) Ltd.	- Mr. Anil Kumar Bhatia	
- Mr. R.K. Singhania HUF	- Mr. Sudhir Kumar	
- Mr. Pavan Chhabra HUF	- Mr. Harinder Singh	
- Mr. Sanjay Sood HUF		
- Santco India Pvt. Ltd.		
- Partnership Firms		

Transactions with related parties

	Associates/ Enterprises owned or significantly influenced by the key Management Persons or their Relatives Subsidiaries	Key Management Personnel	Relative of Key Managerial Persons	2008-09 Rupees Total
Purchase	807918185 (85091247889)	646668941 (6424503771)	30297383 (339523270)	1484884509 (91855274930)
Sale	789416067 (85805560336)	646254760 (6006448303)	32202564 (345612365)	1467873391 (92157621004)
Interest Paid	1161744 (320953)	- -	- -	1161744 (320953)
Interest Received	1068797 (2773080)	- -	- -	1068797 (2773080)
Remuneration	- -	3401839 (889823)	- -	3401839 (889823)
Rent Paid	77400 (75600)	101400 (163200)	75000 -	253800 (238800)
Loans & Advances given	24208757 (77358840)	- -	- -	24208757 (77358840)
Loans & Advances taken	936291 (28438947)	- -	- -	936291 (28438947)
Corporate Guarantees	31000000 (71000000)	- -	- -	31000000 (71000000)
Balance Outstanding at the end of year				
Receivables	155421879 (77831063)	759721 -	4000 -	156185600 (77831063)
Payables	1111668 (65077908)	150120 (270870)	5068125 (3473020)	6329913 (68821798)

FINANCIAL HIGHLIGHTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE 0 ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

6. Segment Reporting

Information about business Segments

(Amount in Rupees)

	2008-09	2007-08
(A) Segment Revenue		
(1) Total Segment Revenue		
(a) Brokerage & Allied	499688896	604626513
(b) Forex Business	10506986	9469771
(c) Interest	27001095	19836834
(d) Share Trading and Others	16252170	20833925
Total	553449147	654767043
(2) Inter Segment Revenue	Nil	Nil
(3) External Revenue (1-2)		
(a) Brokerage & Allied	499688896	604626513
(b) Forex Business	10506986	9469771
(c) Interest	27001095	19836834
(d) Share Trading and Others	16252170	20833925
Total	553449147	654767043
(B) Results		
(1) Segment Results:		
(a) Brokerage & Allied	90454821	150813031
(b) Forex Business	2866891	2102770
(c) Interest	6163541	3475247
(d) Share Trading and Others	8165088	12219966
Total	107650341	168611014
(2) Unallocated Expenses	397379	321433
(3) Operating Profit	107252962	168289581
(4) Interest expenses	340252	213698
(5) Provision	19055494	25673066
(6) Minority Interest	7227	602783
(7) Net Profit	87849989	141800034
Other Information		
(1) Segment Assets		
(a) Brokerage & Allied	1914967462	2406015124
(b) Forex Business	26860926	27689220
(c) Interest	390961501	304891938
(d) Share Trading and Others	165672909	184362460
Total	2498462798	2922958742
(2) Unallocated Corporate Assets	16442306	13545435
(3) Total Assets	2514905104	2936504177
(4) Segment Liabilities		
(a) Brokerage & Allied	1478296848	2003208472
(b) Forex Business	6313969	6181397
(c) Interest	274847643	314400342
(d) Share Trading and Others	48469221	69523425
Total	1807927681	2393313636

FINANCIAL HIGHLIGHTS

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE O ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

(5) Unallocated Liabilities	8140032	43481255
(6) Deferred Tax Liabilities	12148836	10253082
(7) Total Liabilities	1828216549	2447047973
(8) Minority Interest	669849	2362092
(9) Shareholders Fund	686018706	487094112

7. Deferred Tax Liability as at 31.03.2009 is as follows: (Amount in Rupees)

	2008-09	2007-08
Timing difference on account of		
Depreciation		
- Opening	10253082	8601158
- During the year	1895754	1651924
- Closing	12148836	10253082

8. Remuneration paid/payable during the year to the Whole Time Directors

	2008-09	2007-08
- Salary	2252644	581880
- Other perquisites	1149195	307943
	3401839	889823

9. Capital in Partnership Firms

Name of the firms	Particulars of partners and their profit sharing	As at 31.03.2009	As at 31.03.2008
1 Master Insurance Brokers	The Company has (90%), Mr. Harjeet S. Arora (5%), Mr. R. K. Singhania (5%)	5380275	5318508
2 Prime Securities	The Company has (98%), Mrs. Palka Arora (2%)	3373500	6180520
3 Prime Investments	The Company has (75%), Mr. Deepak Singh Tanvar (25%)	635866	2982852
4 Regency Investments	The Company has (75%), Mr. Anurag Khettar Pal (25%)	1036807	3455090
5 Chandigarh Investments	The Company has (98%), Mr. Nitin Shahi (2%)	150479	40232
6 Master Investments	The Company has (98%), Mr. Puneet Singhania (2%)	1631650	3898959
7 Master Securities	The Company has (96%), Mr. Harjeet S. Arora (2%), Mr. R. K. Singhania (2%)	464788	21946370
8 Doaba Investments	The Subsidiary has (98%), Mrs. Hameesh Kaur Arora (2%)	407851	452409
9 Fidelity Investments	The Subsidiary has (98%), Mrs. Parveen Singhania (2%)	100378	40826
10 Globe Investments	The Subsidiary has (98%), Mr. Kashmir Singh (2%)	33860	994
11 Ludhiana Investments	The Subsidiary has (98%), Mr. Shobha Singh (2%)	70540	40818
12 Ludhiana Securities	The Subsidiary has (98%), Mr. Chirag Singhania (2%)	674366	685340
13 Malwa Securities	The Subsidiary has (98%), Mr. Jashanjot Arora (2%)	101287	43383
14 Mountview Investments	The Subsidiary has (98%), Mrs. Harneesh Kaur Arora (2%)	665308	366714
15 Star Securities	The Subsidiary has (98%), Mr. Yogesh Jain (2%)	8638392	8597535
16 Surry Investments	The Subsidiary has (98%), Mr. Yogesh Jain (2%)	22105	15554
17 Surya Investments	The Subsidiary has (98%), Mr. Satish Kumar (2%)	1479323	1446584
Total		24866775	55512688

CONSOLIDATED SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS

SCHEDULE O ACCOUNTING POLICIES & NOTES ON ACCOUNTS (Contd.)

10. Additional information required to be disclosed as per clause 3, 4C and 4D of the Companies Act 1958 Particulars in respect of Opening Stock, Purchase, Sale and Closing Stock

	Current Year		Previous Year	
	Quantity Nos.	Amount Rs.	Quantity	Amount
Opening Stock	5004736.9345	67802693	4762528.1444	85720967
Purchases	172601330.8030	2634922562	254522760.5188	2942963680
Sale	175602699.3530	2645973176*	254265919.7287	2866081974*
Closing Stock	2003368.3845	25230593	5019368.9345	67802693

* includes speculative/derivative and short term profit

11. During the year under review, Master Capital Services Ltd. (the member of National Stock Exchange Ltd.), a subsidiary of Master Trust Ltd. has filed a petition under Section 391 of the Company Act, 1956 before the Hon'ble High Court of Bombay regarding the merger of MTL Share & Stock Brokers Ltd. (the member of Bombay Stock Exchange Ltd.) with Master Capital Service Ltd.
12. Some of the Investments as on 31.03.2008 are not in the name of the Company, and the same are held with valid transfer deed.
13. Interest on calls in arrears on shares/debentures will be accounted for on receipt basis.
14. Income from brokerage, sale/purchase of securities includes Rs. 328982678 (Previous year Rs. 484676063) income from brokerage and profit/(loss) on trading of securities (Rs. 31511235) (Previous year (Rs. 94096581)).
15. Previous year figures have been regrouped & recasted wherever necessary to confirm to the current year classifications.

Signature to Schedules 'A' to 'O'

For & on behalf of the Board.

For **Manjeet Singh & Co.**
Chartered Accountants

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

Sd/-
Kashmir Singh
Manager Accounts

Sd/-
Divyesh Jani
Company Secretary

Sd/-
R.K. Singhania
Director

Sd/-
Harjeet S. Arora
Managing Director

Place: Ludhiana
Date: 29.08.2009

FINANCIAL HIGHLIGHTS**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2009**

(Amount in mn)

	31.03.2009	31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	106.91	168.07
Adjustment for:		
Interest Paid	77.09	70.25
Depreciation	12.17	9.26
Interest/Dividend	(114.59)	(142.28)
Miscellaneous Expenditure		
Operating profit before Working Capital Changes	81.58	105.30
Adjustment for:		
Trade and other Receivables	210.42	(491.04)
Inventories	41.11	12.80
Trade Payable	(676.58)	712.51
Loans and advances	(37.40)	(140.31)
Miscellaneous Expenditure	0.04	(0.20)
Appropriations	(5.50)	(3.57)
Cash generated from operations	(386.33)	195.49
Direct Tax Paid	(16.89)	(24.21)
Cash flow before Extra ordinary items	(403.22)	171.28
Extra ordinary items		
Interest Paid	(77.09)	(70.25)
Interest/Dividend	114.59	142.28
Net Cash from operating activities	(365.72)	243.31
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(35.37)	(25.89)
Sale of fixed assets	5.53	6.75
Purchase of investments	(2.65)	(86.14)
Sale of Investments	78.72	5.56
Net Cash Used in Investing Activities	46.23	(99.72)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (Call money)	114.60	0.20
Proceeds from long term borrowing (Bridge Loan)	55.85	37.63
Net Cash Used In Financing Activities	170.45	37.83
Net Increase /(Decreases) In Cash and Cash Equivalents (A+B+C)	(149.04)	181.42
Net Increase In Cash and Cash Equivalent	(149.04)	181.42
Cash and Cash Equivalents as at 01.04.2008 (Opening Balance)	790.02	608.60
Cash and Cash Equivalents as at 31.03.2009 (Closing Balance)	640.98	790.02
Note : Figures in Brackets represent deductions and outflows		

For & on behalf of the Board

Place: Ludhiana
Date: 29.08.2009

Sd/-
Kashmir Singh
Manager Accounts

Sd/-
Divyesh Jani
Company Secretary

Sd/-
R.K. Singhania
Director

Sd/-
Harjeet S. Arora
Managing Director

Auditors Certificate

We have verified the attached Cash Flow Statement of Master Trust Limited derived from the audited financial statements and the books and records maintained by the Company for the year 31st March 2009 and found the same to be drawn in accordance therewith and requirements of clause 32 of the Listing Agreement with stock exchanges.

Place: Ludhiana
Date: 29.08.2009

For **Manjeet Singh & Co.**
Chartered Accountants

Sd/-
Manjeet Singh
Proprietor
Membership No. 88759

BOARD OF DIRECTORS

Managing Director

Mr. Harjeet S. Arora

Directors

Mr. R.K. Singhania

Mr. Pavan Chhabra

Mr. Sanjay Sood,
Executive Director

Mr. G.S. Chawla

Mrs. Harmeesh Kaur Arora

Mr. Anil Kumar Bhatia

Mr. Sudhir Kumar

Mr. Ashwani Kumar

Mr. Anil Kumar Malhotra
Additional Director

Company Secretary

Mr. Divyesh Jani

Regd. & Head Office

Master Chambers
19, Feroze Gandhi Market
Ludhiana - 141001.

Chandigarh Office

SCO 22-23 Sector 9 D
Chandigarh

Delhi Office

1001, 10th Floor, Arunachal Building
19, Barakhamba Road, New Delhi.

Mumbai Office

C-1 Jeevan Jyot Building
18/20, Cawasji Patel Street, Fort
Mumbai - 400001

Auditors

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

Bankers

ING Vysya Bank Ltd.
HDFC Bank Ltd.
Bank of Baroda Ltd.
Oriental Bank of Commerce Ltd.
Karnataka Bank Ltd.
UCO Bank Ltd.
Dena Bank Ltd.
Canara Bank Ltd.

The Vision Ahead

Take a Close Look

We expect to strengthen our business model through the following initiatives:

1. We will apply for credit rating from an approved credit-rating agency, float bonds and mobilise resources to strengthen our margin-funding business.
2. We will extend our portfolio to fee-based products like portfolio management, strengthen the existing insurance, mutual fund and IPO distribution businesses, strengthen investment banking and forex business.
3. We will increase our penetration in markets where we are firmly entrenched, besides venturing further into Tier-II and Tier-III cities. We will widen our branch network to newer geographies to capitalise on the market rebound including global presence in select centres with large NRI population.



Master Minds Trusted Hands


mastermarts
MY FIN MART