

Ref.: **MTL/SEC/2021-22/24**

Date: 02.09.2021

To,  
The Secretary,  
Bombay Stock Exchange Limited,  
Floor 25, P. J. Towers  
Dalal Street  
Mumbai- 400001 (MH)

Dear Sir/Madam,

**SCRIP Code No.: 511768 (MASTERTR)**

Subject: **Submission of Annual Report for the Financial Year 2020-21**

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are submitting herewith the Annual Report of the Company for the financial year ended 31st March, 2020 together with AGM notice dated 26<sup>th</sup> August, 2021 convening of 36<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Wednesday, 29<sup>th</sup> day of September, 2021 at 10:30 A.M. at Master Chambers, 19, Feroze Gandhi Market, Ludhiana – 141001, Punjab.

The above is also uploaded on the website of the Company i.e. **[www.mastertrust.co.in](http://www.mastertrust.co.in)**

Thanking You

Yours Faithfully  
**For Master Trust Limited**

  
**(VIKAS GUPTA)**

Company Secretary & Compliance Officer

**MASTER TRUST LTD**

CIN: L65991PB1985PLC006414

Regd. Office: Master Chambers, 19 Feroze Gandhi Market, Ludhiana-141001 • Tel.: 0161-3911500 • Fax: 0161-2402963

Corporate Office: 1012, 10th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi-110001 • Tel.: 011-42111000 • Fax: 011-42111040

Email: [secretarial@mastertrust.co.in](mailto:secretarial@mastertrust.co.in) • Website: [www.mastertrust.co.in](http://www.mastertrust.co.in)



# ANNUAL REPORT

Growth and Business

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2020-21

36

YEARS OF  
CREATING WEALTH

Master Trust Limited

# BOARD OF DIRECTORS

## Mr. Harjeet Singh Arora

Managing Director

### NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Mr. Rajinder Kumar Singhania

Mrs. Harneesh Kaur Arora

Mr. Gurmeet Singh Chawla

### NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr. Pavan Kumar Chhabra

Mr. Anil Bhatia

Mr. Ashwani Kumar

Mr. Rajiv Kalra (W.E.F 30.06.2020)

### Company Secretary

Mr. Vikas Gupta

### Statutory Auditors

M/s C.S. Arora & Associates  
734, Phase-II, Urban Estate  
Dugri, Ludhiana-141013  
Punjab

### Registrar & Share Transfer Agent

Skyline Financial Services (P) Ltd.  
D-153/A, First Floor, Okhla Industrial Area,  
Phase-1, New Delhi  
Ph: 011-26812682/83/84, Fax: 01126812681  
Email: admin@skylinerta.com

### Chief Financial Officer

Mr. Sunil Kumar

### Secretarial Auditors

M/s Rajeev Bhambri & Associates  
Company Secretaries  
SCO No 9. Jandu Tower.  
Miller Ganj, Ludhiana

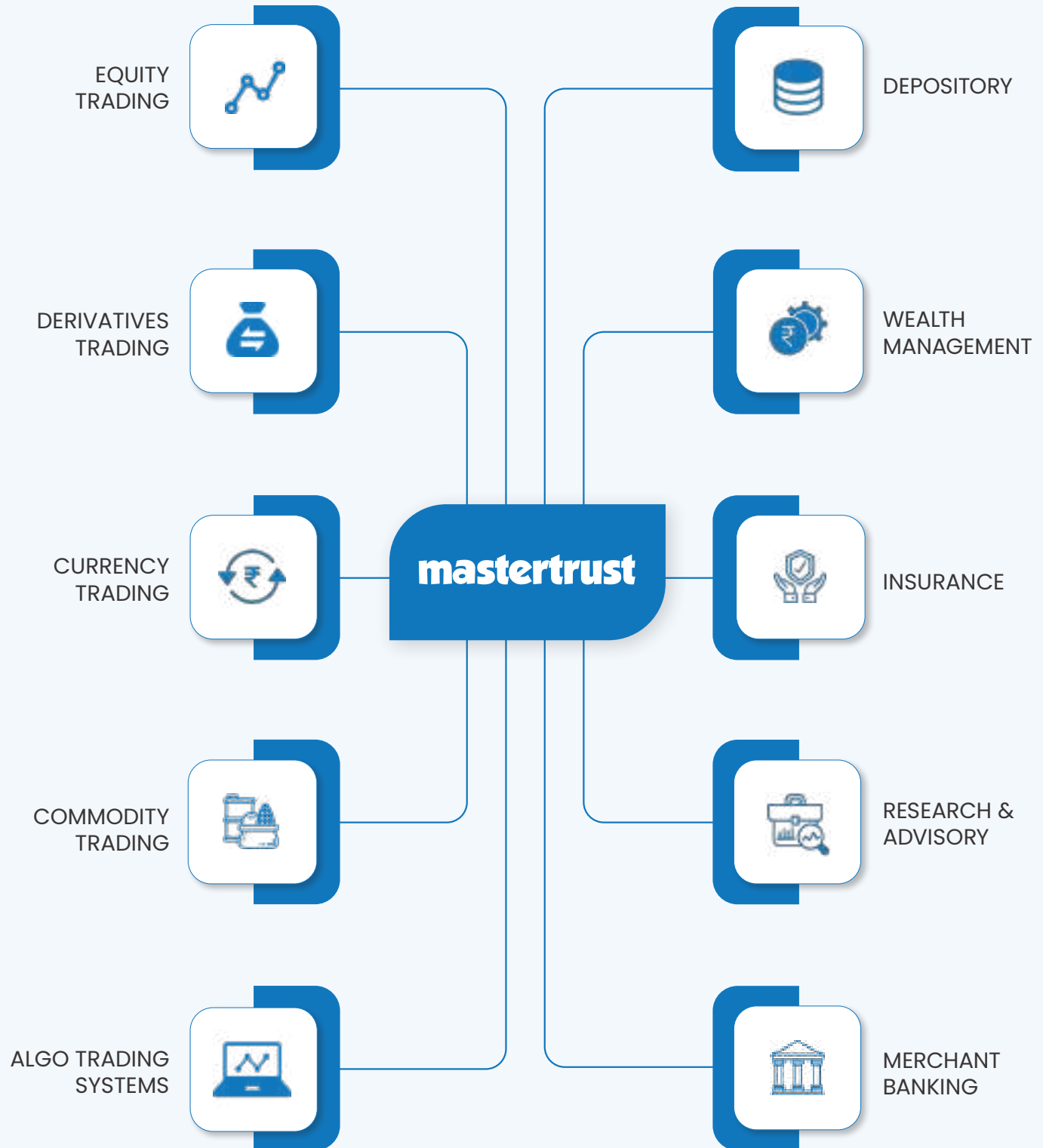
### Bankers

HDFC Bank Limited  
Punjab National Bank  
ICICI Bank Limited  
Axis Bank Limited

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# SERVICES



# OUR APPROACH



## VISION

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

## MISSION

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



## CORPORATE PHILOSOPHY

Becoming an expert at anything takes a strong will, unyielding determination and pure ability.

# MANAGING DIRECTOR'S SPEECH

MR. HARJEET SINGH ARORA



## Dear Shareholders,

I am very happy to present to you, your company's annual report and to share its performance for FY 2020-21. I hope all of you and your families are keeping safe and well in these testing times.

The financial year 2020-21 witnessed unparalleled crisis with COVID - 19 virus and the resultant pandemic emerged as the biggest threat to mankind & also economic growth of the country. However, India managed the health crisis well with the available infrastructure. To support the economy, the RBI and the Indian government undertook a range of measures early on, aimed at providing the requisite support through injection of liquidity into the system and relief to businesses. Some of the measures included cheap credit to the poor and MSMEs, deferment of loan repayments, production-linked incentive schemes to boost local manufacturing, labour/land reforms and higher budgetary allocations for capital expenditure. Even after all the measures taken by the Government, the Indian economy still contracted for the first time in over three decades as the world faced the most serious economic crisis since the Great Depression. The Indian economy contracted sharply in FY 2020-21 in the wake of the global pandemic, with GDP contracting by 7.3% as compared to a 4.0% growth in FY 2019-20. However, the vaccine rollout along with a reduced case load has spurred optimism of the pandemic's end and a rebound in global and Indian economy.

Indian equity market made a sharp V-shaped recovery in sync with global markets on the back of massive fiscal and monetary stimulus and gradual easing in COVID-induced restrictions. Domestic equities scaled all-time peak in February 2021 backed by record foreign portfolio investment (FPI) inflows, better than expected corporate earnings, pick-up in economic activity and roll-out of vaccines in the country and abroad. The Nifty reported a growth of approximately 70.87% in FY21 to close at 14690.70 after in declined by 26.03% in FY20 while the S&P BSE Sensex rose 68.01% in FY21 to close at 49509.15 levels. Further, following years of underperformance, the small cap and mid-cap indices outperformed the large cap index. The year saw the S&P BSE Small-cap index and the S&P BSE Midcap index rose 114.90% and 90.93% respectively in FY21. This growth was supported by the liquidity in the capital markets, due to increased domestic money flow into Indian equities. The Average daily turnover (ADTO) increased to Rs. 27.91 trillion from Rs. 14.35 trillion during the same period, registering a growth of 94.53%.

The relentless commitment and dedication of every member of the mastertrust family helped the business overcome many challenges in the past year. As a result, we have been able to bring down the curtains on the financial year 2020-21 with a robust set of numbers. In FY2020-21, your Company's top line (consolidated) increased

by 65% to Rs. 2248 Million as compared to Rs. 1359 Million in the previous year. The net worth (consolidated) of the Company has increased by 19% to Rs. 2556 Million as compared to Rs. 2142 Million in the previous year. Net Profit after Tax (consolidated) increased by 179% to Rs. 344 Million as compared to Rs.123 Million in the previous year.

For our asset-based businesses, comprising of Portfolio Management Services, our Net Asset Under Management increased by 151% to Rs. 5466.8 million as compared to Rs. 2180 million in the previous year. Driven by an upward trend in revenue, assets under management and improving profitability, reflecting our continuous efforts of scaling business operations, and has helped us gain market share in the financial services sector. Our flagship Portfolio Management Services (PMS) - MPSL Vallum India Discovery Investment Approach has delivered a CAGR of 27% (since inception) beating the benchmark (BSE Midcap) which gave a return of 14% and has consistently outperformed the benchmark across market cycles over the last nine years. Our PMS business augurs well for the Company's sustained growth in the years ahead, as justified by its growing assets under management and consistent out performance of its benchmark.

During FY 2020-2021, your company has launched new Portfolio Management Services Product under the name - MPSL iRage Absolute Return Investment Approach. The primary objectives of the investment approach will be to generate absolute returns over the short term while maintaining low monthly volatility in returns by doing an arbitrage between Index futures and its constituent stock futures.

Master Trust Ltd completes 36 glorious years of creating wealth in the industry and has been enabling a diverse set of investors to make the most of exciting investing opportunities in the Indian market. Our experience spans to a wide range of asset classes to offer our clients a one-stop solution for all their investment needs. We have strengthened our business over the last few years and have been dedicated to understanding the needs of our customers through in-depth research and analysis to achieve seamless and excellent customer satisfaction. We are also looking forward to growing businesses with our partners and clients with lots of technical upgrades and user-friendly products that we plan to bring in soon.

At mastertrust we believe strength and growth comes from perseverance and hard work. As a group, we are strongly focused on value investing and nurturing a healthy investment culture. Our purpose is to help investors take informed decisions with timely knowledge and guidance.

In the end I would like to acknowledge all the hard work that our board puts in day in and day out, our associated partners who help us build this business from strength to strength, our investors who show the trust in us for their investments and faith that they continue to repose in the company. Your directors also wish to express their gratitude to our staff members/ for whom this year has been the most challenging, by moving to and from between working from home and working from office. Further I extend my gratitude to all for making this company an exemplary example of success.



**MR. HARJEET SINGH ARORA**  
Managing Director



# MANAGEMENT TEAM



**MR. HARJEET SINGH ARORA**  
(F.C.A, F.C.S)

He founded the Master Trust group in 1985 under the name of Arora Financial Consultants Private Ltd and has over 40 years of experience in corporate finance, capital markets and financial advisory services. A Chartered Accountant and a Company Secretary by qualification, his vision of bringing all financial services under one roof is what has made the group achieve so much in the last 35 years. As avid cricket fan, he also enjoys yoga in his free time.



**MR. R.K. SINGHANIA**  
(F.C.A)

He is the co-founder of the group having over 40 years of rich experience in finance, M&A and taxation. A Chartered Accountant by qualification, he is a calculated risk-taker with deep industry knowledge and heads the Corporate Strategy, Finance and Risk verticals of the Group. He is an avid reader and loves to watch movies to unwind.



**MR. HARINDER SINGH**  
(B.com, I.C.W.A (Inter))

He heads the secondary market operations for the group. He has spent over 30 years with organization embracing the core values of integrity, growth, and innovation and has ensured streamlined processes and increased performance for the business. He believes mindfulness in the workplace is key to success- a tenet he lives out through his interest in yoga, meditation, nature traits and reading.



**MR. G.S. CHAWLA**  
(B.E., M.B.A., D.B.F)

An engineer and an MBA, he has over 30 years of experience in capital markets & corporate finance and runs the Portfolio Management and Merchant Banking verticals for the Group. His expertise includes general business management and IT systems and solutions. An angel investor, he is a philanthropist and is attached to a lot of NGOs.



**MR. PAVAN CHHABRA**  
(F.C.A)

He is a veteran in the investment Banking and Institutional Broking business. A qualified Chartered Accountant, he has over 30 years of rich experience in financial markets. His eye for detail comes from his interests in delving deep into data and forensic audit. His other interests lie in traveling and in his coffee tasting sessions.



**MR. PUNEET SINGHANIA**  
(M.B.A., C.F.A)

He is a seasoned MBA and CFA charter holder looking after the strategic initiative of the Group. He has prior experience in equity research and in proprietary trading desk. He brings abundant energy and dedication to work. He is a foodie, loves Italian food and history buff.



**MR. JASHAN ARORA**  
(F.C.A)

He is involved in key decision making for the organization. He takes care of the Sales vertical and was instrumental in developing prop desk for the Group. Nothing satisfies him more than meeting new people, developing relationships and solving problems. In addition to being a positioning Chartered Accountant, he is also a bundle of energy, an avid football fan, his team loves him as he does the proxy workout for them too.

# MILESTONES

1985

Company was incorporated by the name of Arora Financial Consultants (P) Limited

1990

Acquired status of SEBI accredited Category-1 Merchant Bankers under the name Master Trust Limited

1994

Master Capital Services Ltd. acquired membership of NSE

1995

Master Trust Ltd. came out with an IPO

1999

Launched Depository Services as a Depository participant of NSDL

2001

Launched Depository Services as a Depository participant of CDSL

2002

Entered into insurance business as advisor for Life & General Insurance

2004

- Became member of NCDEX and MCX
- Became Insurance Broker under the name of M/S Master Insurance Brokers Limited

**2005**

- Acquired the membership of Bombay Stock Exchange Limited
- Commenced Internet Trading

**2007**

- Set up regional offices at Baroda, Kolkata, Hyderabad, Allahabad, Hissar, Bhubaneshwar & Ahmedabad

**2010**

- Trading turnover peaks US\$1billion/day of group companies
- Re-branding exercise of retail services

**2011**

- Launched its flagship PMS product named Master Quant 10
- Started algorithmic trading solution - Master Trader
- Opened branches in Jaipur and Mumbai

**2012**

- Launched Integrated Amibroker and Metatrader charting platform for clients
- Declared as India's best Derivatives Broker by BSE
- Crossed 10,000 clients in currency segment on NSE
- Acquired membership of MCX-SX India's new stock exchange in equity & derivatives segment
- Activated SLB segment on NSE as a new asset class

**2013**

- Launched dedicated support desk for automated trading clients
- Launched discount brokerage model - My Value Trade
- Received award for Best Account Growth Rate from NSDL

**2014**

- Launched mobile trading app "Master Mobile"
- Started distribution of loans to retail clients
- Mutual Funds assets cross 100 Crores
- My Value Trade - the discount broking vertical daily turnover peaks to 7100 Crores
- Client numbers on ATS platform post a rise of 50%

**2015**

- Portfolio Management Services assets cross 57 Crores as on March 2016, a rise of 90% YoY
- User base for discount broking vertical platform increases over 250% YoY
- Turnover on mobile trading platform increases 600% YOY

2016

- Master Commodity Services Limited awarded Regional Broker of the year 2016/2017
- Our flagship Portfolio Management Services assets under management rise by 81% YOY as on 31 March 2017
- Mutual Fund assets under management grew by 26% YOY as on 31 March 2017
- Master Capital Services Limited received Order-Of-Merit award in Skoch BSE Awards 2017 for innovation in automated portfolio analysis using artificial intelligence.
- Unique clients traded on mobile application increased by over 57% YOY

2017

- Started Private Wealth Management vertical
- PMS AUM crossed 300 crores
- Mutual Funds AUM crossed 375 crores
- NSDL accredited us with the 2nd highest number of accounts opened award

2018

- Launched in-house AIF- Master Trust iRage Absolute Return Fund in August 2018
- MF AUM – 421 Cr
- PMS asset under management – 218.004

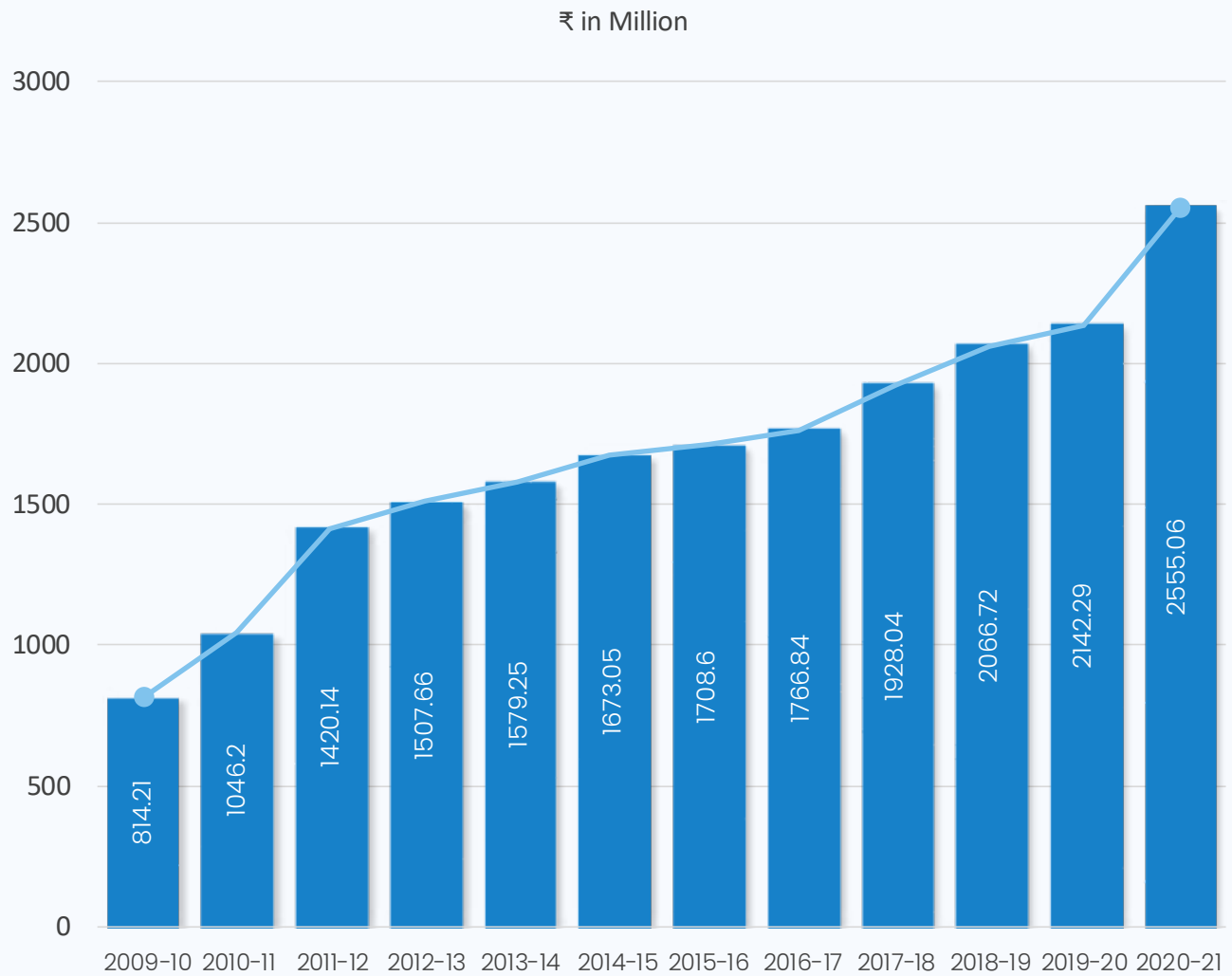
2019

- Came up with the new re-vamped website [www.mastertrust.co.in](http://www.mastertrust.co.in)
- Introduced state of the art trading App mastermobile
- Introduced paperless eKYC Account Opening

2020

- Total revenue crossed Rs 220 Cr
- Online Broking Share rose to 33%

# NET WORTH



# POINT OF PRESENCE



TOTAL POINTS OF PRESENCE : 642

11 Jammu & Kashmir  
14 Himachal Pradesh  
82 Punjab  
24 Rajasthan  
43 Chandigarh  
70 Haryana

87 Delhi  
47 Gujarat  
22 Maharashtra  
02 Karnataka  
10 Madhya Pradesh  
06 Uttarakhand

13 Bihar  
55 Uttar Pradesh  
02 Assam  
03 Jharkhand  
22 West Bengal  
09 Odisha

02 Chhattisgarh  
02 Andhra Pradesh  
02 Tamil Nadu  
14 Telangana

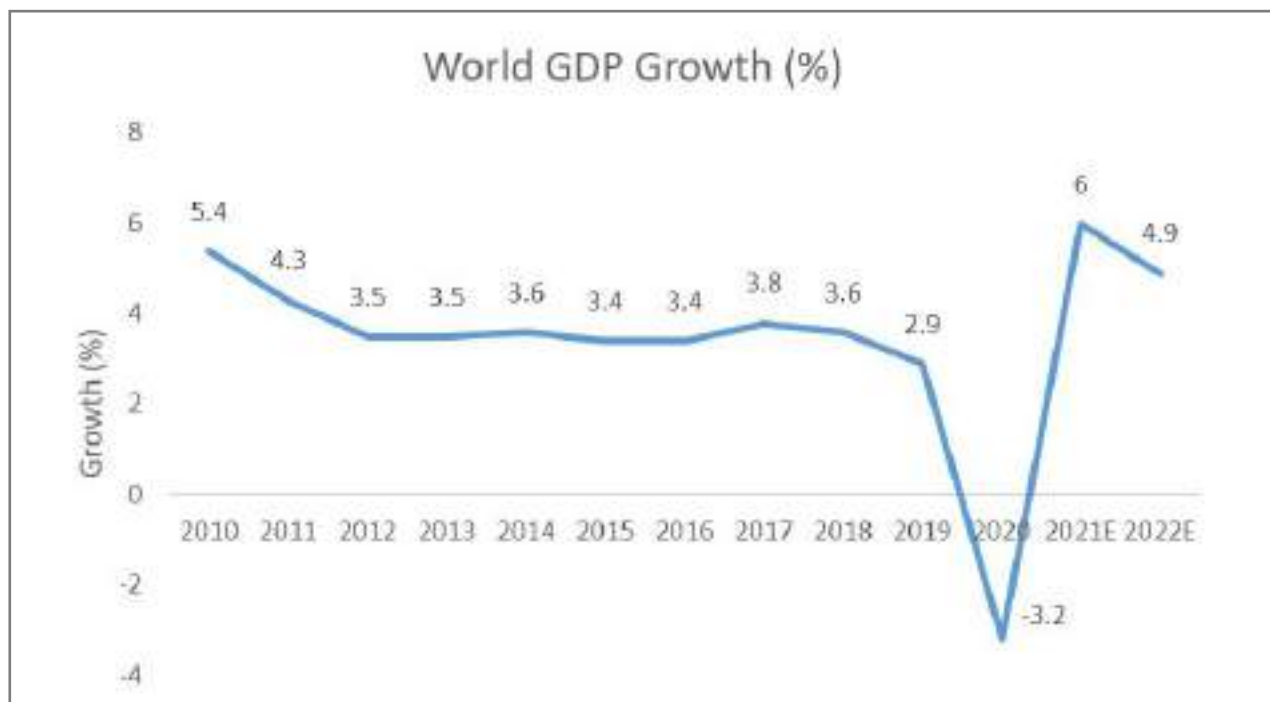
# MANAGEMENT DISCUSSION & ANALYSIS

## GLOBAL ECONOMY

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 World Economic Outlook (WEO), but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

Multilateral action has a vital role to play in diminishing divergences and strengthening global prospects. The immediate priority is to deploy vaccines equitably worldwide. A \$50 billion IMF staff proposal, jointly endorsed by the World Health Organization, World Trade Organization, and World Bank, provides clear targets and pragmatic actions at a feasible cost to end the pandemic. Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery. Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines—as many struggle with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups.

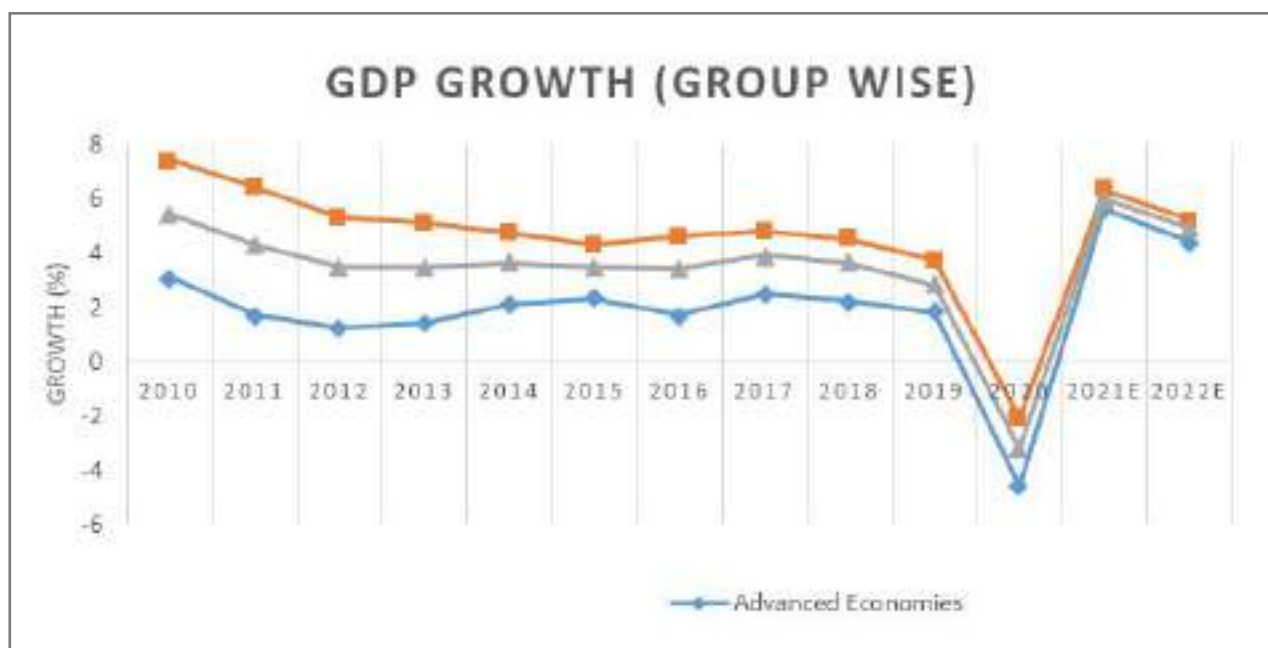


Source: IMF, E=Estimated



## EMERGING ECONOMIES

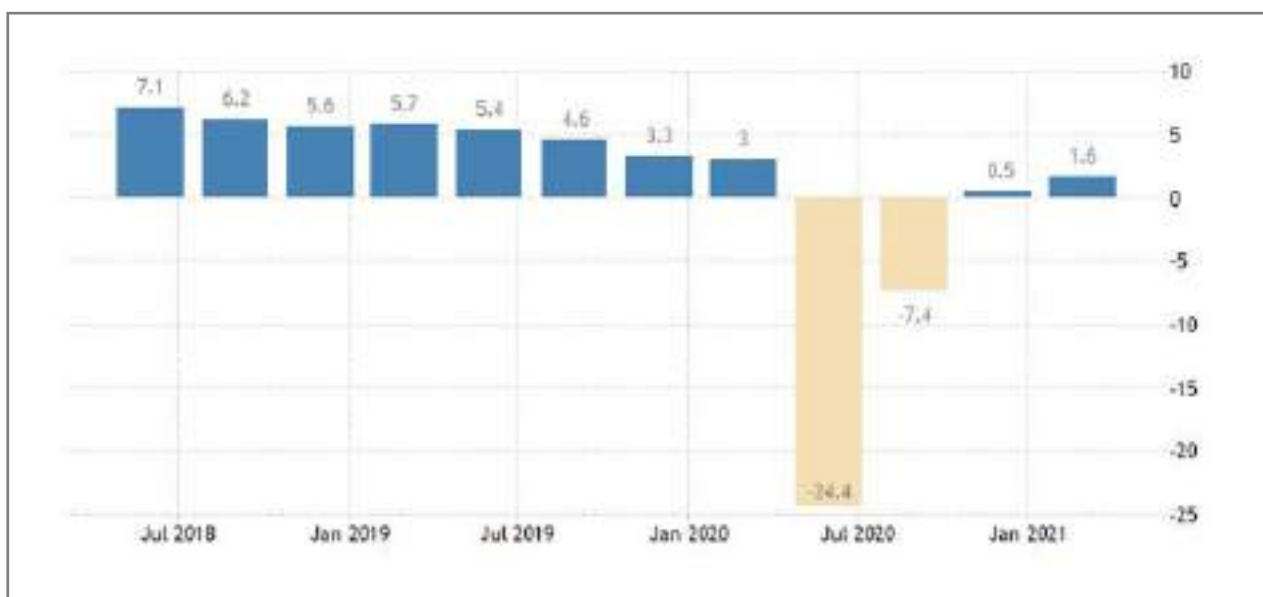
Emerging market and developing economies: The forecast for the group is revised down 0.4 percentage point in 2021 compared with the April WEO, largely because of growth markdowns for emerging Asian economies. Growth prospects in India have been downgraded following the severe second COVID wave during March–May and expected slow recovery in confidence from that setback. Similar dynamics are at work in the ASEAN-5 group (Indonesia, Malaysia, Philippines, Thailand, Vietnam), where recent infection waves are causing a drag on activity. Meanwhile, China’s 2021 forecast is revised down 0.3 percentage point on a scaling back of public investment and overall fiscal support. Growth forecasts for other regions have generally been revised up for 2021, largely reflecting the stronger-than anticipated outturns in the first quarter. The forecast upgrade for Latin America and the Caribbean results mostly from upward revisions in Brazil and Mexico, reflecting better-than expected first quarter outturns, favorable spillovers to Mexico from the improved outlook for the United States, and booming terms of trade in Brazil. Projections are revised up for the Middle East and Central Asia due to robust activity in some countries (such as Morocco and Pakistan), partially offset by downgrades of some others. In Saudi Arabia, the non-oil growth projection has been revised up, but the overall GDP forecast has been downgraded relative to the April WEO on account of subdued oil production below the OPEC+ (Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) quota earlier in the year. The 2021 forecast for sub-Saharan Africa is unchanged relative to the April WEO, with an upgrade for South Africa following a strong positive surprise in the first quarter offset by downward revisions in other countries. The worsening pandemic developments in sub-Saharan Africa are expected to weigh on the region’s recovery.



Source: IMF, E=Estimated

## THE INDIAN GROWTH STORY

The Indian economy expanded 1.6% year-on-year in Q1 2021, accelerating from an upwardly revised 0.5% growth in Q4 and beating market forecasts of 1%. It was the 2nd straight quarter of growth since the country exit a pandemic-induced recession. On the expenditure side, both private (2.7% vs -2.8% in Q4) and public (28.3% vs -1%) spending rebounded while gross fixed capital formation rose faster (10.9% vs 2.6%). Meantime, net trade contributed negatively to growth as exports climbed 8.8% (vs -3.5% in Q4) but imports jumped at a faster 12.3% (vs -5% in Q4). On the production side, output rose for manufacturing (6.9%); construction (14.5%) and utilities (9.1%). In the last fiscal year that ended on March 31st, the economy contracted a record 7.3%, less than earlier estimates of an 8% drop. Asia’s 3rd largest economy is expected to grow at the world’s fastest rate this year despite projections for the current quarter being more pessimistic amid the 2nd flare-up of infections in April.



## OUTLOOK

The International Monetary Fund (IMF) projected the global economy to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Growth prospects for advanced economies this year have improved by 0.5 percentage point, but this is offset exactly by a downward revision for emerging market and developing economies driven by a significant downgrade for emerging Asia. For 2022, it project global growth of 4.9 percent, up from previous forecast of 4.4 percent. But again, underlying this is a sizeable upgrade for advanced economies, and a more modest one for emerging market and developing economies.

The pandemic has taken a turn for the worse in some parts of the world since the release of the April 2021 WEO. Meanwhile, a speedy vaccine rollout has helped bring down caseloads quickly in other regions. Economies are diverging even further, influenced by differences in the pace of vaccine rollout and policy support. However, smooth and durable recoveries are not assured even in places where infections are seemingly under control.

Multilateral action has a vital role to play in diminishing divergences and strengthening global prospects. The immediate priority is to deploy vaccines equitably worldwide. Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions.

## 2020-2021

### INDIAN FINANCIAL SECTOR HIGHLIGHTS

- On balance of payments basis (i.e., excluding valuation effects), the foreign exchange reserves increased by US\$ 87.3 billion during 2020-21 as compared to an increase of US\$ 59.5 billion during 2019-20. The current account balance recorded a surplus of 0.9% of GDP in 2020-21 as against a deficit of 0.9% in 2019-20 on the back of a sharp contraction in the trade deficit to US\$ 102.2 billion from US\$ 157.5 billion in 2019-20. Net FDI inflows at US\$ 44.0 billion in 2020-21 were higher than US\$ 43.0 billion in 2019-20 and Net FPI increased by US\$ 36.1 billion in 2020-21 as compared to US\$ 1.4 billion a year ago. External commercial borrowings to India recorded inflow of US\$ 0.2 billion as compared with US\$ 21.7 billion in 2019-20.
- Association of Mutual Funds in India (AMFI) reported that Average Assets Under Management (AAUMs) of the Mutual Fund (MF) industry in FY21 touched a historic high of Rs 32.17 lakh Cr as on March 31, rising 30% over the previous year's Rs 24.70 lakh cr. Investor interest, based on

long-term opportunities in the market, in open-ended equity funds in the last month of the fiscal translated to net inflows of Rs 9,115 Cr following net outflows in the previous 8 months. Equity funds also benefitted from continued inflows through systematic investment plans, getting net flows of Rs 96,080 Cr in FY21 compared to Rs 1 lakh Cr of inflows in the previous fiscal. In fiscal 2021, sectoral/ thematic funds recorded the highest net inflows of Rs 9,801 Cr, aided by new theme launches in the category, while large cap funds recorded the highest net outflows of Rs 10,587 Cr, as investors fretted about costly valuation after the recent sharp run-up in the market. During FY21, equity ETF inflows were Rs 39,820 Cr and gold ETF inflows Rs 6,919 Cr. The two categories' AUM rose 88% and 78%, respectively, over the one year ended March.

- Life Insurance sector reported a modest increase of 7.5% in first year premium to Rs 278,278 Cr in FY21 from Rs 258,896.5 Cr in FY20 (compared to an increase of 20.6% reported in FY20). LIC's first year premium increased by 3.5% in FY21 compared to growth of 25.2% in FY20. On the other hand, private companies reported a growth of 16.3% in FY21 versus growth of 11.6% in FY20. Interestingly, LIC grew at a CAGR of 13.8% between FY19 and FY21 compared to industry's growth of 13.9% and private sector growth of 13.9% for the same period. LIC continues to maintain its dominant share in the first-year premium for FY21 (LIC share of 66.2% vs. 33.8% share of private companies). Under the Union Budget 2021, Finance Minister Nirmala Sitharaman announced that the initial public offering (IPO) of LIC will be implemented in FY22, as part of the consolidation in the banking and insurance sector. Despite the manifold challenges present in the current scenario, the life industry ended FY21 on a positive note. The pandemic has created a rise in the demand for protection plans, even as the market volatility continued to affect the demand for linked plans.
- Gross premium underwritten by non-life insurers for the FY21 recorded a 5.2% growth in premiums at Rs 198734 Cr over Rs 188917 Cr in FY20. It was a peculiar year for the general insurers as the motor segment, which is the biggest portfolio in a general insurance companies' book, saw a huge contraction in the initial months of the pandemic due to the strict lockdown in place but has since slowly recovered as the economy opened up. On the other hand, health insurance premiums have seen a huge uptick as demand for health products, especially retail ones, surged since the onset of the pandemic. In Union Budget for FY2022 government announced increase in FDI limit for the insurance sector from 49% to 74%. The Insurance (Amendment) Bill, 2021, to this effect was passed by Parliament in March 2021 that amended the Insurance Act, 1938. The amendment is expected to provide capital to smaller players and thus increase competitive intensity in the sector marginally.
- Micro Units Development and Refinance Agency Bank is a public sector financial institution in India. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs. These loans are classified as MUDRA loans under PMMY. Under the aegis of PMMY, MUDRA has created three products namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth. In Financial Year 2020-2021, number of PMMY loans sanctioned was 50735046 and amount disbursed was Rs 311754.47 Cr as against sanctioned Rs 321759.25 Cr.
- The Assets Under Management ('AUM') of combined National Pension Scheme (NPS) and Atal Pension Yojana (APY) touched Rs 5.78 lakh Cr with a subscriber base of 424 lakh as of March 31, 2021. As of March 2021, more than 11 lakh corporate employees and 16.47 lakh non-government subscribers have enrolled in NPS voluntarily. During FY21, the total pension assets under management has shown a Y-o-Y growth of 38%.

## INDIAN FINANCIAL SERVICES INDUSTRY

- Indian equity market indices rose to record highs in February 2021 backed by record foreign portfolio investment (FPI) inflows, better than expected corporate earnings, pick-up in economic activity and roll-out of vaccines in the country and abroad.
- During 2020-21, the primary securities market recorded a total number of issues of 75, from which Rs 113352 Cr were raised as compared to Rs 91949 Cr raised through 110 issues during

2019-20. The Nifty reported a growth of approximately 70.87% in FY 2021 to close at 14690.70 after crashed by 26.03% in FY2020 while the S&P BSE Sensex rose 68.01% in FY2021 to close at 49509.15 levels. Further, following years of underperformance, the small cap and mid-cap indices outperformed the large cap. The year saw the S&P BSE Small-cap index and the S&P BSE Midcap index rose 114.90% and 90.93% respectively in FY21. During 2020-21, the Small and Medium Enterprises (SME) market recorded a total number of issues of 20, from which Rs 119 Cr were raised as compared to Rs 495.4 Cr raised through 46 issues during 2019-20. Foreign portfolio investors (FPIs) net investment of Rs 267100 Cr in FY21 as compared to outflow of Rs 27529 Cr in FY 20. Unlike FPIs, Domestic Institutional Investors (DIIs) were sellers of Indian equities in FY 2020-21. while the Nifty50 on the National Stock Exchange crashed by 26.03 per cent during same period. Both indices registered the highest yearly loss in FY20 in percentage terms since March-ending financial year 2008-09 (the period of the global financial crisis when the Sensex was down 38 percent and the Nifty 36 percent. It was a dismal year for midcap and small cap stocks, BSE Midcap and Small cap indices saw a fall of 31.72% and 36.06%, respectively in FY20. During 2019-20, the Small and Medium Enterprises (SME) market recorded a total number of issues of 46, from which Rs. 495 crore were raised as compared to Rs. 1844 crore raised through 110 issues during 2018-19. Foreign portfolio investors (FPIs) negative net investment of (Rs.-29058 )crore in FY20 as compared to negative net investment of ( Rs. -38931 ) crore in FY 19 to Global and domestic causes alike have prompted the flows of funds in 2019-20 from the markets and both the equity and debt segments have witnessed outflow.

## INDIAN BROKING INDUSTRY

- At the industry level, equity turnover at the exchanges increased to Rs 6,951 trillion in FY2021 from Rs 3,544 trillion in FY2020, registering a growth of 96.11%. The Average daily turnover (ADTO) increased to Rs 27.91 trillion from Rs 14.35 trillion during the same period, registering a growth of 94.53%. The total cash turnover reported growth in FY2021, with a total traded volume of Rs 164 trillion (Rs.96 trillion in FY2020) registering a YoY growth of 70.22%. The cash segment ADTO increased to Rs 0.66 trillion from Rs 0.39 trillion in the same period. The assets of the FPIs in India, as reported by the custodians, at the end of March 2021 was Rs 44,06,706 Cr, out of which the Notional value of ODIs on Equity & Debt excluding Derivatives was Rs 91,658 Cr (or 2.1 % of total assets of FPIs).
- The derivatives or futures and options (F&O) segment, which witnessed a 95% growth in ADTO in FY2021 as compared to growth of 46% in FY2020. The total turnover for the derivatives segment increased to Rs 6786.78 trillion in FY2021 (ADTO of 27.25 trillion) from Rs 3447.95 trillion (ADTO of 13.95 trillion) in FY2020, registering a growth of 96.84%. The options (ADTO) growth rate remained healthy in FY2021, registering a year-on-year (YoY) growth of 99.95%, as against 24.88% and 68.85% for the futures and cash segments respectively. The options segment remains the most active in the derivatives market accounting for 96% of the derivatives turnover in FY2021 (94% in FY 2020), with index options accounting for 92% of the derivatives turnover (90% in FY2020).
- Exchange Traded Funds in India have witnessed a net inflow of Rs 46739 Cr during FY21. For the fifth consecutive month in March 2021, equity exchange-traded funds (ETFs) added Rs 3,632 Cr to the asset base, while gold ETFs added just about Rs 662 cr. Heightened risk and uncertainty sparked by the COVID-19 pandemic elicited investors to rush to gold as safe haven as they infused Rs 6919 Cr in gold exchange-traded funds (ETFs) in 2020-21, more than four times from the preceding fiscal
- India's commodity market the total turnover for the derivatives future segment decreased to Rs. 83.55 trillion in FY2021 from Rs 89.33 trillion in FY2020, registering a de-grew of 6.46%. The Multi Commodity Exchange (MCX) achieved a record market share of 96.04% in FY21. The Future segment ADTO of MCX decreased to Rs 0.31 trillion in FY21 from Rs. 0.32 trillion in FY20 de-grew of 2.94%.

## OUTLOOK

Indian economy contracted sharply in FY 2020-21 in the wake of the global pandemic, with GDP contracting by 7.3% in FY 2020-21 as compared to a 4.0% growth in FY 2019-20. However, the vaccine rollout along with a reduced case load has spurred optimism of the pandemic's end and a rebound in Indian economy. It is expected to be one of the fastest growing economies in the world in FY 2021-22. Growth is likely to be supported by higher capex, spending by the Government, recovery in domestic demand and continued monetary policy support from the RBI. Broking industry has seen lot of changes and evolution in past decade, led by disruptions from discount brokers, buoyancy in equity markets and digitalization. Indian brokerage industry posted a record performance in FY21 driven by steady increase in trading volumes and increasing in retail participations. The outlook for the brokerage industry is cautiously stable in the FY22 with gradual moderation in transaction volumes. India's stock market penetration, in terms of investors, is substantially lower at 1-2% of the population as compared to 20% in developed market, leaving lot of room for growth. Further, digitalization, mobile trading apps and relative underperformance of mutual funds has indirectly attracted interest in direct investment in capital markets. Distribution of financial products would help offset the impact on profitability to some extent.

# 2020-2021



**DIRECTOR'S  
REPORT**

## DIRECTORS' REPORT

### Dear Members,

The Board of Directors of your Company "Master Trust Limited" (MTL) are pleased to present their thirty sixth (36th) Annual Report of the company along with the annual audited consolidated and standalone financial statement for the financial year ended 31st March, 2021.

This was an unprecedented year, with the Covid-19 pandemic affecting countries, businesses and individuals in India and across the world. Lockdown and restrictions imposed on various activities due to the pandemic called for extraordinary changes in the way operations were managed at the Company. Our technological investments and timely and decisive steps towards remote working ensured business continuity even as the pandemic unfolded across locations of our presence.

### 1. Financial Highlights

The summary of the consolidated and standalone financial results of the Company for the financial year ended 31st March, 2021 and the previous financial year ended 31st March, 2020 is given below:

(₹ In Millions)

Particulars	For the Year Ended			
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	Consolidated		Standalone	
<b>Gross Income</b>	<b>2247.96</b>	<b>1358.62</b>	<b>139.55</b>	<b>76.99</b>
Profit Before Depreciation, finance cost& Tax	633.79	328.31	47.24	62.86
Less: Depreciation	13.15	16.03	0.10	0.17
Finance cost	191.60	177.90	28.53	53.30
<b>Profit Before Tax</b>	<b>429.04</b>	<b>134.38</b>	<b>18.61</b>	<b>9.39</b>
Less: Provision for Tax (Tax Expenses)	85.33	11.28	1.69	1.33
<b>Profit for the year (A)</b>	<b>343.71</b>	<b>123.10</b>	<b>16.92</b>	<b>8.06</b>
Profit for the year attributable to:				
- Owners of the Company (i)	347.71	123.09	16.92	8.06
- Non-controlling interests (ii)	-	0.01	-	-
<b>Other comprehensive income ('OCI') (B)</b>	<b>72.62</b>	<b>(47.53)</b>	<b>331.60</b>	<b>53.99</b>
<b>Total Comprehensive income/Profit for the year (A+B) =(C)</b>	<b>416.33</b>	<b>75.58</b>	<b>348.52</b>	<b>62.05</b>
<b>Balance of Profit brought forward from previous year (D)</b>	<b>1463.36</b>	<b>1342.32</b>	<b>134.10</b>	<b>127.93</b>
<b>Profit Available for Appropriations (A(i)+D)</b>	<b>1807.07</b>	<b>1465.41</b>	<b>151.02</b>	<b>135.99</b>
<b>Appropriations</b>				
Transfer to Statutory Reserve	(3.15)	(2.09)	(3.38)	(1.85)
Transfers to Standard Assets	0.07	0.04	(0.07)	0.04
Adjustment during the year	(2.75)	0.00	0.00	0.00
<b>Balance Profit carried forward to balance sheet (Retained Earning)</b>	<b>1801.24</b>	<b>1463.36</b>	<b>147.57</b>	<b>134.10</b>

### 2. Performance Highlights

The Company's consolidated gross revenue from operations for FY 2020-21 was Rs. 2247.96 million compared to Rs. 1358.62 million in the previous year, increased by 65.46% over the previous year. The Company earned a consolidated net profit after tax of Rs. 343.71 million, increased by 179.21% as against a net profit after tax of Rs. 123.10 million in the previous year.

The Company's standalone gross revenue for FY 2020-21 was Rs. 139.55 million, increased by 81.26% over the previous year's revenue of Rs. 76.99 million. The Company earned a net profit after tax of Rs. 16.92 million, increased by 109.93%, as against a net profit after tax of Rs. 8.06 million in the previous year.

The consolidated basic and diluted earnings per share for the current year increased to Rs. 15.80 per

share as compared to Rs. 5.66 per share in the previous year and the standalone basic and diluted earnings per share for the current year increased to Rs. 0.78 per share as compared to Rs. 0.37 per share in the previous year. The face value of the shares of the company is Rs. 5/- per equity shares.

### **3. Dividend**

The Board of Directors has not recommended a dividend for the financial year ended 31.03.2021.

### **4. Outlook**

The International Monetary Fund (IMF) projected the global economy to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Growth prospects for advanced economies this year have improved by 0.5 percentage point, but this is offset exactly by a downward revision for emerging market and developing economies driven by a significant downgrade for emerging Asia. For 2022, it project global growth of 4.9 percent, up from previous forecast of 4.4 percent. But again, underlying this is a sizeable upgrade for advanced economies, and a more modest one for emerging market and developing economies.

The pandemic has taken a turn for the worse in some parts of the world since the release of the April 2021 WEO. Meanwhile, a speedy vaccine rollout has helped bring down case loads quickly in other regions. Economies are diverging even further, influenced by differences in the pace of vaccine rollout and policy support. However, smooth and durable recoveries are not assured even in places where infections are seemingly under control.

Multilateral action has a vital role to play in diminishing divergences and strengthening global prospects. The immediate priority is to deploy vaccines equitably worldwide. Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions.

### **5. Reserves**

During the period under review there was a net transfer of Rs. 3.38 million to Statutory Reserves.

### **6. Management Discussion and Analysis Report**

The Management Discussion and Analysis Report for the year under review as required under Regulation 34 of SEBI (LODR) Regulations, 2015 is given as a separate statement forming part of the Annual Report.

### **7. Human Resource Development**

The Company 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.

### **8. Board Committee**

Details of all the following Committees constituted by the Board along with their composition, terms of reference and meeting held during the year are provided in the Report on Corporate Governance which forms part of this Report:

#### **(i) Audit Committee**

The Audit Committee of the Board of Directors of the Company consists of 3 Non- Executive Independent Directors viz. Mr. Ashwani Kumar, Mr. Anil Bhatia and Mr. Rajiv Kalra. All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements.

No recommendation of the Audit Committee has been rejected by the Board of Directors of the Company during the period under review.

Mr. Anil Bhatia is the Chairman of the Committee.



**(ii) Nomination & Remuneration Committee**

The Nomination & Remuneration Committee of the Board of Directors of the Company consists of 1 Non-Executive Director and 2 Non-Executive independent Directors viz. Mr. Rajinder Kumar Singhania (Non-Executive Director), Mr. Pavan Kumar Chhabra and Mr. Anil Bhatia, Non-Executive independent Directors, who are free from any business or other relationships.

Mr. Anil Bhatia is the Chairman of the Committee.

**(iii) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee of the Board of Directors of the Company consists of 3 Non-Executive Directors viz. Mr. Rajinder Kumar Singhania, Mrs. Harneesh Kaur Arora and Mr. Anil Bhatia, out of which Mr. Anil Bhatia is Non-Executive independent Director.

Mr. Rajinder Kumar Singhania is the Chairman of the Committee.

**9. Board of Directors/Key Management Personnel (KMPs)**

**(A) Board of Directors**

**(i) Retirement by Rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in accordance with the Articles of Association of the Company, Mrs. Harneesh Kaur Arora, Director of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer herself for re-appointment. Notice convening the Annual General Meeting includes the proposal for her re-appointment as the Director.

**(ii) Board of Directors**

As on the date of this report, the Company's Board consists of the following Directors:-

Managing Director	Mr. Harjeet Singh Arora
Non-Executive Directors	Mrs. Harneesh Kaur Arora (Women Director) Mr. Rajinder Kumar Singhania Mr. Gurmeet Singh Chawla
Independent Directors	Mr. Anil Bhatia Mr. Ashwani Kumar Mr. Pavan Kumar Chhabra Mr. Rajiv Kalra

During the period under review, Mr. Rajiv Kalra was appointed as the non-executive independent director of the company w.e.f. 30.06.2020.

**(B) KMP's**

There is no change in the KMPs during the year under review and in terms of the provisions of Section 203 of Companies Act, 2013, Mr. Harjeet Singh Arora, Managing Director, Mr. Vikas Gupta, Company Secretary and Mr. Sunil Kumar, CFO are the KMPs of the Company.

**10. Statement on Declaration by Independent Directors under Section 149(6)**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**Familiarization Programme for Independent Director**

The Board Members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <https://www.mastertrust.co.in/invester.aspx>.

**11. Number of meetings of the Board of Directors**

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. During the year five (5) meetings of Board of Directors were held viz. on 30.06.2020, 28.08.2020, 28.09.2020, 13.11.2020 and 12.02.2021.

The Company passed a resolution by circulation dated 28.05.2020 with the approval of majority directors of the Company and the same has taken note in board meeting held on 30.06.2020.

The separate meeting of the Independent Directors of the Company was also held on 12.02.2021 other than the Board Meetings mentioned.

**12. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no SEBI/CFD/ CMD/CIR/P/2017/004 dated January 05, 2017, the Board of Directors have carried out an annual performance evaluation of its own performance, its Committees, the Directors individually including Independent Directors (wherein the concerned Director being evaluated did not participate) based out of the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by Nomination and Remuneration Committee ("NRC"). The evaluation process, manner and performance criteria for independent directors in which the evaluation has been carried out by is explained in the Corporate Governance Report which forms a part of this report. The Board is responsible to monitor and review the evaluation framework. The Board considered and discussed the inputs received from the Directors. Also, the Independent Directors at their meeting held on 12.02.2021 reviewed the following:

- Performance of Non-Independent Directors and the Board and the Committee as a whole.
- Performance of the Chairperson/Managing Director of the Company.
- Assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions. The evaluation process endorsed the Board Members confidence in the ethical standards of the Company, the cohesiveness that exists amongst the Board Members, the two-way candid communication between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

**13. Deposits**

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 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.

**14. Material Changes and Commitments affecting the financial position Of the Company**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31st, 2021 to which the financial statements relate and the date of this Report.

**15. Significant and Material Orders passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future**

There are no Significant and Material Orders passed by the Regulators or Courts or Tribunals that Impact the Going Concern Status and Company's Operations in Future for the year ended March 31st, 2021.

**16. Report on Corporate Governance**

The Company has a strong legacy of following fair, transparent and ethical governance practices

and is committed to maintain the highest standards of Corporate Governance and strictly adheres to the Corporate Governance requirements set out by SEBI. The Company's Corporate Governance policy is based on the belief that good governance is an essential element of business, which helps the Company to fulfill its responsibilities towards all its stakeholders. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") forms an integral part of this Report.

The requisite Certificate from the Auditors of the Company confirming the compliance with the regulations of Corporate Governance as stipulated under PART E of the SEBI (LODR) Regulations, 2015, as amended from time to time, forms part of this Report.

## 17. Directors' Responsibility Statement

Pursuant to the provisions of Section 134 of the Companies Act 2013 with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and are operating effectively;
- e) The Directors had prepared the annual accounts on a going concern basis; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 18. Listing / De-listing of Shares

The Shares of your Company are presently listed on the Bombay Stock Exchange Limited (BSE), Mumbai and the Annual Listing Fees for the year 2021-2022 has already been paid to it.

## 19. Share Capital

The paid-up Equity Share Capital as on March 31, 2021 was Rs. 108.76 Millions. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights.

## 20. Audit and Auditors

### I. Statutory Auditors and Auditors Report

In terms of Section 139 of the Act, M/s C. S. Arora & Associates, Chartered Accountants, were appointed as statutory auditors of the Company for a period of five (5) years in the AGM held on 29.09.2017 from the conclusion of the Thirty Second Annual General Meeting until the conclusion of the Thirty Seventh Annual General Meeting be held for the year 2021-22.

The Audit Report of M/s C. S. Arora & Associates on the Financial Statements of the Company for FY 2020-21 is a part of the Annual Report. There are No qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their Audit Report for the financial year 2020-21, Except DIN of Directors, Mr. Gurmeet Singh Chawla and Mr. Rajiv Kalra has been Deactivated due to non-filing of DIR-3 KYC as shown in the MCA records.

We have received a reply from the company that Due to issue of OTP at the Mobile No. and E-mail id because of technical reason, The company was not able to do a KYC. Further, company doing the needful and complying the same for the KYC of said directors.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2020-2021. The Auditors' Report on the Accounts of the Company for the period under review is self-explanatory and no comments are required.

## **II. Secretarial Auditors**

Pursuant to the requirements of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Company had appointed M/s. Rajeev Bhambri & Associates, Company Secretaries in Practice, Ludhiana, for conducting Secretarial Audit for the year 2020-2021. The Secretarial Audit Report of the company and of the 3 Material Subsidiaries of the company for the financial year ended March 31, 2021 are part of this Annual Report. There are some qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Audit Report for the company and our remarks as below:

<b>No.</b>	<b>Qualification/ Adverse Remarks</b>	<b>Our Remarks</b>
1	Report in Form MGT 15 for AGM held in 2020 was not filed.	The Company has filed the form MGT-15 with late fees and we have complied the same.
2	Secretarial Audit Report of Subsidiaries not attached in Annual report of 2019-20 as required under 24A of SEBI (LODR) Regulations.	The Company has uploaded the Secretarial Audit Report of Subsidiaries at the website of the company for the stakeholders and we have complied the same.
3	DIN of Directors, Mr. Gurmeet Singh Chawla and Mr. Rajiv Kalra has been Deactivated due to non-filing of DIR-3 KYC as shown in the MCA records.	Due to issue of OTP at the Mobile No. and E-mail id because of technical reason, we were not able to do a KYC. Further, company doing the needful and complying the same for the KYC of said directors.
4	The intimation of the appointment of Sh. Rajiv Kalra was not provided within scheduled time to Stock Exchange.	The intimation of the appointment of Sh. Rajiv Kalra as independent director, was provided under outcome of Board Meeting within 30 minutes to Stock Exchange and we have complied the provision of intimation to BSE within 24 hours. Further, we also sent separate intimation of appointment to BSE within 48 hours.
5	Certificate under 74(5) of SEBI (Depositories and Participants) Regulations, 2018 not filed by the company for the quarters ended 30.06.2020 and 30.09.2020.	The Company was not able to file the Certificate due to Non updation of DN Database and the RTA failed to provide the requisite report.
6	The Listing Fee was not paid by the company within scheduled time.	The invoice was received on 22.04.2021 which led to the delay on the part of the Company and the office was closed due to covid-19 and this fact was duly intimated to the BSE by the Company.

Pursuant to circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, issued by Securities and Exchange Board of India (SEBI), the company has obtained Annual Secretarial Compliance Report, from Practicing Company Secretaries on compliance of all applicable SEBI Regulations and circulars / guidelines issued there under and the copy of the same has submitted with the Stock Exchanges within the prescribed due date.

## **III. Internal Auditors**

Mr. Amit Sharma-Assistant Manager, of the Company was appointed by the Board of Directors as Internal Auditor of the Company to assist in internal audit with the audit processes and internal audit reviews for the Company for FY 2020-21.

## **IV. Cost Auditors and Maintenance of Cost Records**

The Company is NBFC Company and is not required to maintain cost records as specified by the Central Government as per Section 148(1) of the Companies Act, 2013 and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

**21. Corporate Social Responsibility (CSR)**

The provisions of Section 135 of Companies Act, 2013 are not applicable on the Company.

**22. Financial Control Systems and its Adequacy**

The Board has adopted accounting policies which are in line with Section 133 of the Act rules made there under. 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-authorized use or disposition and those transactions are authorized and recorded by the concerned departments properly and reported to the Audit Committee/Board correctly.

The Company has also in place adequate internal financial controls with reference to financial statements. Such controls are tested from time to time and no reportable material weakness in the design or operation has been observed so far.

**23. Details of Subsidiary/Joint Ventures/Associate Companies**

The Company has the following six (5) subsidiary/Step-down Subsidiary companies and 1 Associate Company as on 31.03.2021:

- |   |                        |
|---|------------------------|
| 1) Master Infrastructure and Real Estate Developers Limited | (Subsidiary)           |
| 2) Master Capital Services Limited                          | (Subsidiary)           |
| 3) Master Insurance Brokers Limited                         | (Subsidiary)           |
| 4) Master Commodity Services Limited                        | (Step down Subsidiary) |
| 5) Master Portfolio Services Limited                        | (Step down Subsidiary) |
| 6) H. A. Shares & Stock Brokers Limited                     | (Associate)            |

The Company however does not have any Joint Venture or any other Associate Company.

**24. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.**

The summary of performance of the subsidiaries of the Company is provided below:

**i. MASTER CAPITAL SERVICES LIMITED (MCSL)**

In the current year of operations FY 2020-21, MCSL posted increase in total revenues. MCSL's total revenue during the year under review increased by 76.19% to Rs. 1925.67 million from Rs. 1092.97 million in the previous year FY 2019-20.

MCSL's net profit, during the current year, increased by 466.47% to Rs. 210.16 million from Rs. 37.10 million in previous year.

**ii. MASTER COMMODITY SERVICES LIMITED (MCOMSL)**

In the current year of operations FY 2020-21, MCOMSL's total revenue during the year under review decreased by 55.86% to Rs. 41.09 million from Rs. 93.10 million in the previous year FY 2019-20.

MCOMSL net profit, during the current year, increased by 250.78% to Rs. 18.03 million as compared to Rs. 5.14 million in previous year.

**iii. MASTER INFRASTRUCTURE AND REAL ESTATE DEVELOPERS LIMITED (MIREDL)**

MIREDL's total revenue during the year under review decreased by 26.60% to Rs. 82.05 million from Rs. 111.78 million in the previous year FY 2019-20.

MIREDL's net profit, during the current year also increased by 170.49% to Rs. 39.87 million from Rs. 14.74 million in previous year.

**iv. MASTER INSURANCE BROKERS LIMITED (MIBL)**

In the current year of operations FY 2020-21, MIBL posted increase in total revenues. MIBL's total revenue during the year under review increased by 3.95% to Rs. 27.11 million from Rs. 26.08 million in the previous year FY 2019-20.

MIBL's net profit during the current year also increased to Rs. 9.68 million from Rs. 8.62 million, registering an increase by 12.30%.

**v. MASTER PORTFOLIO SERVICES LIMITED (MPSL)**

In the current year of operations FY 2020-21, MPSL's revenue during the year under review increased by 43.44% to Rs. 56.07 million from Rs. 39.09 million in the previous year FY 2019-20.

MPSL's net profit, during the current year, increased to Rs. 2.45 million from Rs. 0.051 million in previous year.

**vi. H.A. SHARES & STOCK BROKERS PRIVATE LIMITED (HASSBPL)**

In the current year of operations FY 2020-21, HASSBPL's total revenue during the year under review decreased by 29.30% to Rs. 5.02 from Rs. 7.10 million in the previous year FY 2019-20.

HASSBPL net profit, during the current year also increased to Rs. 0.45 million from Rs. 0.025 million in previous year.

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013 and rules made there under, a statement containing salient features of financial statements of subsidiaries/associates in Form AOC-1 is attached to the Accounts. The separate audited financial statements in respect of each of the subsidiary companies, step down subsidiaries and associate company, shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of each of the subsidiary companies are also available on the website of your Company at <https://www.mastertrust.co.in/investor.aspx>.

**25. Particulars of Employees and Related Information**

During the period under review, no employee of the Company received salary in excess of the limits as prescribed under the Act.

Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, form part of this Board's Report.

As per the provisions of Section 136(1) of the Act, the reports and accounts are being sent to the Members of the Company excluding the information regarding employee remuneration as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The same is available for inspection by Members at the Registered Office of the Company on all working days and through electronic means up to the date of the Thirty Sixth (36th) Annual General Meeting. Any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on such request and such particulars shall be made available by the company within three days from the date of receipt of such request from shareholders.

**26. Particulars of Loans, Guarantees or Investments**

Pursuant to Section 186(11) of the Companies Act, 2013 the investment and lending activities of a Non Banking Financial Company in the ordinary course of its business are exempted. Particulars, if any, of investments made, loans and guarantees given and securities provided are given in the notes to the standalone financial statements.

**27. Related Party Transactions (Particulars of Contracts or Arrangements with Related Parties)**

All Related Party Transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the

Act and the Listing Regulations, majority of which were with wholly owned subsidiaries of the Company. All related party transactions as required under AS-18 are reported in Notes to the Standalone Financial Statements and Notes to the Consolidated Financial Statements of the Company.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act and no material Related Party Transactions were entered into during the financial year by the Company.

Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company.

The Company has a policy on Related Party Transactions in place which is in line with the Act and the Listing Regulations and the same is also available on the Company's website at <https://www.mastertrust.co.in/investor.aspx>.

## **28. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The Company being engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.

During the financial year ended 31.03.2021, there is no Foreign Exchange Earnings and Outgo.

## **29. Annual Return**

Pursuant to the requirements under Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in prescribed Form MGT-9 is uploaded on the website of the Company can be accessed at <https://www.mastertrust.co.in/investor.aspx>.

## **30. Vigil Mechanism/Whistle Blower Policy**

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 and Schedule V of SEBI (LODR) Regulations, 2015, The Company has established a vigil mechanism to provide appropriate avenues to the directors and employees to bring to the attention of the Management, their genuine concerns about behavior of employees. Details of Vigil Mechanism/Whistle Blower are included in the report on Corporate Governance.

Your Company investigates such complaints speedily, confidentially and in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always maintained. During the financial year 2020-21, no cases under this mechanism were reported to the Company and/or to any of its subsidiaries.

A copy of the Vigil Mechanism/Whistle Blower as approved by the board may be accessed at <https://www.mastertrust.co.in/investor.aspx>.

## **31. Policy on Material Subsidiaries**

The Policy for determining material subsidiaries as approved by the Board of Directors can be accessed on the Company's website at <https://www.mastertrust.co.in/investor.aspx>.

## **32. Insider Trading Regulations**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") and the Code of Conduct to regulate, monitor and report trading by insiders for designated persons and their immediate relatives ("Code of Conduct") as approved by the Board are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated employees and Specified Persons. The Company also adopts the concept of Trading Window Closure, to prevent it for designated persons and their immediate relatives from trading in the

securities of the Company (Insider Trading) at the time when there is unpublished price sensitive information.

**33. Nomination and Remuneration Policy**

The Company's Nomination and Remuneration Policy formulated by the Nomination and Remuneration Committee deals with the appointment and remuneration of Directors and KMPs of the Company. The policy also covers the criteria for determining qualifications, positive attributes, independence of a Director and KMP. In terms of Section 134(3) (e) of Companies Act, 2013 the Nomination and Remuneration Policy of the Company is annexed herewith and forms part of this Annual Report.

**34. Risk Management**

Risk Management plays a key role in business strategy and planning discussions. The Company has implemented a comprehensive risk management framework to identify, understand and manage risks associated with the business. The Company's risk management framework helps in conducting business in a well-controlled environment. It has in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business. In addition to this, the Company has in place a Board constituted Risk Management Committee that periodically assesses the expected and unexpected events, under which it is imperative to make effective strategies for exploiting opportunities. Accordingly, the Company has identified key risks and developed plans for managing the same. The risk management committee also reviews various processes in the business and takes required corrective decisions to protect the value for its stakeholders. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report. The Board of Directors has adopted a 'Risk Management Policy' which integrates various elements of risk management. The risk management policy is a comprehensive manual that establishes the framework in assessing risk in a structured and well-defined manner. The risk management policy is also reviewed periodically to ensure that the policy remains relevant to the prevailing internal and external risk.

**35. Prevention of Sexual Harassment at Workplace**

The Company has Zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working in the Company.

During the year under review, no complaints were received from any of the employees and no complaints were pending at the beginning of the year.

**36. Managing Director (MD) and Chief Financial Officer (CFO) Certificate**

In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from the Chief Financial Officer and Managing Director of the Company, for the financial year 2020-21 with regard to the financial statements and other matters. The said certificate forms part of this Annual Report.

**37. Dividend Distribution Policy**

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is not applicable on the Company.

**38. Secretarial Standards of ICSI**

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and that such systems were adequate and operating effectively.

**39. Covid-19's impact on operations, outlook & opportunities:**

- a. The Financial Year 2021 ended in a positive note even though the second wave of Covid-19 pandemic started hitting some parts of the country from mid / late March, 2021.
- b. From the 2nd week of April, 2020, one by one the State Governments have started announcing lockdowns to control the spread of second wave of Covid-19 pandemic.



- c. But by early May, 2020 almost all States Governments have imposed lockdown of varying degrees to control the spread of second wave of Covid-19.
- d. Corporate offices which were functioning with 50% strength and remaining 50% working from home until April, 2020 have moved to almost 100% working from home from May, 2020.
- e. Company continues to pay all its employees without any pay cuts and discharged all its statutory obligations and payments to all vendors/authorities within the due dates as it did during April / May 2020 lockdown.
- f. From the experience of the previous lockdown the company has been adequately geared up to ensure that the lockdowns do not severely affect the operations that are possible during this period as well as post lockdown period.
- g. Your Company is confident that the initiatives taken will help the Company to bounce back to normalcy once the situation improves and the lockdown restriction eases.
- h. Your Company has put in place a host of healthcare measures to take care of its employees during this pandemic situation.

#### **40. Fixed Deposits**

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2021.

#### **41. Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

#### **42. Annual Evaluation of Board Performance and Performance of its Committees and of Directors:**

Pursuant to the applicable provisions of the Act, Listing Regulations and Governance Guidelines, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members.

The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee meetings, etc.

The above criteria for evaluation were based on the Guidance Note issued by Securities and Exchange Board of India ('SEBI'). In a separate Meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Managing Director taking into account the views of Non-Executive Directors. The Nomination and Remuneration Committee reviewed the performance of the Board, its Committees and of the Directors.

The same was discussed in the Board Meeting that followed the Meeting of the Independent Directors and Nomination and Remuneration Committee, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

Significant highlights, learning and action points with respect to the evaluation were discussed by the Board.

**43. Appreciation**

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the Government, Regulators, Stock Exchanges, Depositories, other statutory bodies and Company's Bankers for the assistance, cooperation and encouragement extended to the Company

Your Directors also gratefully acknowledge all stakeholders of the Company viz. clients, advisors, members, banks and other business associates for the excellent support received from them during the year. Our employees are instrumental in the Company to scale new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as members is also greatly valued. Your Directors look forward to your continuing support in the Master Trust Group.

**For and on behalf of the Board Director**

Sd/-

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

Sd/-

**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Place : Ludhiana  
Date : 26.08.2021

## Policy for Director's Appointment and Criteria for determining Independence of a Director

### Background

Master Trust Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the stakeholders.

### Brief Overview under Companies Act, 2013

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.

### Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors in its meeting held on 30th day of May 2014, amended time to time.

### Definitions

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**"Key Managerial Personnel" means":**

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Company Secretary;
- iii) Chief Financial Officer; and
- iv) Such other officer as may be prescribed.

**"Senior Managerial Personnel"** means the personnel of the company who are members of its core management team excluding Board of Directors Normally, this would comprise all members of management of rank equivalent to General Manager and above, including all functional heads.

### Objective

The objective of the policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **Role of the Committee**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors, KMP and Senior Management.
- To devise a policy on Board diversity, composition and size.
- Succession planning for replacing Key Executives and overseeing their orientation and successful alignment with the philosophy of the Company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Interview and Selection procedure.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as the M.D or Whole-time Director or a manager who has attained the age of seventy years Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

#### **Term and Tenure**

##### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**Rotation:** Non-Executive Directors of the Company shall be liable to retire by rotation subject to the employment agreement, if any signed between the company and such Directors of the Company at the time of appointment.

##### **b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

**Rotation:** An Independent Director shall not be liable to retire by rotation pursuant to the provisions of sub-sections (6) and (7) of section 152 of the Companies Act, 2013.

**EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly.

**REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations.

**RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **1. Remuneration to Managing Director /Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director /Whole-time Directors.

### **2. Remuneration to Non-Executive/Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

### **3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's HR Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually.

### **IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- a) The ratio of the remuneration of the Managing Director to the median remuneration of the employees of the company for the financial year was 10.36:1. No other Director of the Company is being paid any remuneration.
- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

<b>S. No.</b>	<b>Name of Director /KMP and Designation</b>	<b>% increase in Remuneration in the Financial Year 2020-21</b>
1	Mr. Harjeet Singh Arora (Managing Director)	Nil
2	Mr. Sunil Kumar (CFO)	Nil
3	Mr. Vikas Gupta (Company Secretary)	3.30%

- c) There was an increase of 23.93% in the median remuneration of employees in the financial year 2020-2021 vis-a-vis financial year 2019-2020.
- d) The Company had 10 permanent employees on the rolls of the Company.
- e) Average percentage increase (Decrease) made in the salaries of employees other than the managerial personnel in financial year 2020-21 was (28.24%) due to resignation of employees and transfer of employees to subsidiary company. Whereas the increase in the managerial remuneration for the same financial year was nil.
- f) Affirmed that the remuneration is as per the remuneration policy of the company.

**Certificate of Compliance of the Code of Conduct of the Company**

I, **Harjeet Singh Arora**, Managing Director of "Master Trust Limited" hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2021.

Place: Ludhiana  
Date: 26.08.2021

Sd/-  
**(Harjeet Singh Arora)**  
Managing Director  
DIN- 00063176

## CEO/CFO Certificate

Pursuant to regulation 17 (8) of SEBI (LODR) regulations, 2015, 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, if any, in internal control over financial reporting during the year;
  - II. Significant changes in accounting policies during the year, if any, 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 and on behalf of the Board of Master Trust Limited**

Sd/-  
**(Sunil Kumar)**  
Chief Financial Officer

Sd/-  
**(Harjeet Singh Arora)**  
Managing Director  
DIN- 00063176

Place : Ludhiana  
Date : 26.08.2021



## Practicing Company Secretary's Certificate

Practicing Company Secretary's Certificate on compliance with the conditions of Corporate Governance under Schedule V of the SEBI (LODR) regulations, 2015.

To  
The Members of  
**Master Trust Limited**

I have examined the compliance of conditions of Corporate Governance by **MASTER TRUST LIMITED** ('the Company'), for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015" as amended from time to time).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) regulations, 2015 for the year ended on March 31, 2021 except that the intimation of the appointment of Sh. Rajiv Kalra as Director was not provided within scheduled time to Stock Exchange.

I further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Rajeev Bhambri & Associates**  
Practicing Company Secretaries

Sd/-  
**(Rajeev Bhambri)**  
Proprietor  
CP No. 9491

Place: Ludhiana

Date: 11.08.2021

**UDIN: F004327C000768541**

**CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
**Master Trust Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **"Master Trust Limited"** having CIN L65991PB1985PLC006414 and having registered office at Master Chambers, SCO 19, Feroze Gandhi Market, Ludhiana-141001 (PB) (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, except as detail below:

***DIN of Mr. Gurmeet Singh Chawla & Mr. Rajiv Kalra has been Deactivated as shown in the MCA records.***

Sr. No.	Name of Director	DIN	Date of appointment in Co.
1	HARJEET SINGH ARORA	00063176	30/12/1998
2	RAJINDER KUMAR SINGHANIA	00077540	01/04/1992
3	GURMEET SINGH CHAWLA	00087449	27/11/1998
4	HARNEESH KAUR ARORA	00089451	27/11/1998
5	PAVAN KUMAR CHHABRA	00104957	05/01/1994
6	ASHWANI KUMAR	00030307	31/12/2005
7	ANIL BHATIA	00254117	30/09/2006
8	RAJIV KALRA	07143336	30/06/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rajeev Bhambri & Associates**  
Practicing Company Secretaries

Sd/-  
**(Rajeev Bhambri)**  
Proprietor  
CP No. 9491

Place: Ludhiana

Date: 11.08.2021

**UDIN: F004327C000768552**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
**Master Trust Limited,**  
 SCO 19, Master Chambers,  
 Feroze Gandhi Market,  
 Ludhiana - 141001.

(CIN: L65991PB1985PLC006414)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Master Trust Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:

- All labour laws;
- Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Rules, 1992;
- Reserve Bank of India Act, 1934

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- (ii) The Listing Agreement entered into by the Company with the BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except as detailed below:

- 1. Report in Form MGT 15 for AGM held in 2020 was not filed.**
- 2. Secretarial Audit Report of Subsidiaries not attached in Annual report of 2019-20 as required under 24A of SEBI (LODR) Regulations.**
- 3. DIN of Director, Mr. Gurmeet Singh Chawla & Rajiv Kalra has been Deactivated due to known-filling of DIR-3 KYC as shown in the NCA records.**
- 4. The intimation of the appointment of Sh. Rajiv Kalra was not provided within scheduled time to Stock Exchange.**
- 5. Certificate under 74(5) of SEBI (Depositories and Participants) Regulations, 2018 not filed by the company for the quarters ended 30.06.2020 and 30.09.2020.**
- 6. The Listing Fee was not paid by the company within scheduled time.**

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**Sd/-**

**Rajeev Bhambri & Associates**

Company Secretary in whole time practice

C.P. No. 9491

Place:Ludhiana

Dated: 06.08.2021

UDIN: **F004327C000745848**

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.**

**'ANNEXURE A'**

To,

The Members,  
**Master Trust Limited,**  
SCO 19, Master Chambers,  
Feroze Gandhi Market,  
Ludhiana - 141001.

Our report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Sd/-**

**Rajeev Bhambri & Associates**

Company Secretary in whole time practice

C.P. No. 9491

Place: Ludhiana

Dated: 06.08.2021

## Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015").

### 1. CORPORATE GOVERNANCE

Corporate Governance is about promoting the fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting the business. It represents the value framework, principles, rules, practices by which a company conducts its business activities. Corporate Governance essentially involves balancing the interests of many stakeholders in a company which include its shareholders, management, customers, suppliers, financiers, government and the community.

### 2. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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. Master Trust Limited has always believed in such a "Sound" Code of Corporate Governance, as a tool for highest standards of management and business integrity.

### 3. BOARD OF DIRECTORS

#### A. Composition:

The present strength of the Board consists of 8 Directors who are professionals and are 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 of the company subject to the supervision and control of the Board of Directors.

Four Non-Executive Independent Directors, drawn from amongst persons with experience in business, finance, technology and management.

Three Non-Executive Directors with considerable experience in their field representing the Company.

#### B. The names of Directors and their Directorship / Committee Chairmanship / Committee membership in other public limited companies as on 31.03.2021.

The composition and categories of Directors as on March 31, 2021 as also the number of Directorships/Chairpersonships and Committee positions held by them in other public limited companies and the names of the listed entities where they hold Directorship and the category of such Directorship are given below:

Name of the Director & DIN	Category of Directorship in the Company	No. of Directorships held in Other public Ltd. Companies*	No of Directorship in other listed entities	No. of Board Committees' memberships held in Other Listed Co. **	No of post of Chairperson in other Listed Co.**
Mr. Harjeet Singh Arora (DIN: 00063176)	Managing Director	6	1	2	1
Mr. Rajinder Kumar Singhanian (DIN: 00077540)	Non Executive Director	6	1	0	0
Mrs. Harneesh Kaur Arora (DIN: 00089451)	Non Executive Women Director	0	0	0	0
Mr. Gurmeet Singh Chawla (DIN: 00087449)	Non Executive Director	4	0	0	0
Mr. Pavan Kumar Chhabra (DIN:000104957)	Independent Non Executive Director	5	0	0	0
Mr. Ashwani Kumar (DIN: 00030307)	Independent Non Executive Director	2	1	1	0

Mr. Anil Bhatia (DIN: 0025417)	Independent Non Executive Director	1	1	1	0
Mr. Rajiv Kalra (DIN: 07143336) (w.e.f 30.06.2020)	Independent Non-Executive Director	1	1	2	1

\*Excludes Directorships/Chairpersonships in Associations, Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships.

\*\*Represents Chairpersonships / Memberships of Audit and Stakeholders Relationship Committees in all listed companies as required under Regulation 26(1)(b) of the Listing Regulations.

**Note:**

- 1) Mrs. Harneesh Kaur Arora, Non-Executive Director is the spouse of Mr. Harjeet Singh Arora, Managing Director.
- 2) For the purpose of SEBI (LODR) Regulations, 2015, the Committees considered are only the Audit Committee and the Shareholders/ Investors Grievance Committee of Public Limited Companies.

Details of Directorship held by the Directors in other Companies:

Sr. No.	Name	Directorships/controlling Shareholding in other Companies*
1	Mr. Harjeet Singh Arora	PRIME INDUSTRIES LIMITED MASTER CAPITAL SERVICES LIMITED MASTER INSURANCE BROKERS LIMITED MASTER INFRASTRUCTURE AND REAL ESTATED EVELOPERS LIMITED MASTER COMMODITY SERVICES LIMITED MASTER PORTFOLIO SERVICES LIMITED
2	Mr. Rajinder Kumar Singhanian	PRIME INDUSTRIES LIMITED MASTER CAPITAL SERVICES LIMITED MASTER INSURANCE BROKERS LIMITED MASTER INFRASTRUCTURE AND REAL ESTATED EVELOPERS LIMITED MASTER COMMODITY SERVICES LIMITED MASTER PORTFOLIO SERVICES LIMITED
3	Mr. Pavan Kumar Chhabra	MASTER CAPITAL SERVICES LIMITED MASTER INSURANCE BROKERS LIMITED MASTER INFRASTRUCTURE AND REAL ESTATED EVELOPERS LIMITED MASTER COMMODITY SERVICES LIMITED PAAWAN CAPITAL SERVICES LIMITED
4	Mr. Gurmeet Singh Chawla	MASTER CAPITAL SERVICES LIMITED MASTER INSURANCE BROKERS LIMITED MASTER COMMODITY SERVICES LIMITED MASTER PORTFOLIO SERVICES LIMITED
5	Mrs. Harneesh Kaur Arora	-
6	Mr. Ashwani Kumar	PRIME INDUSTRIES LIMITED DANDM COMPONENTS LIMITED
7	Mr. Anil Bhatia	PRIME INDUSTRIES LIMITED
8	Mr. Rajiv Kalra	PRIME INDUSTRIES LIMITED

\* Excludes Directorships in Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships.

**C. Board Meeting**

During the year five (5) meetings of Board of Directors were held viz. on 30.06.2020, 28.08.2020, 28.09.2020, 13.11.2020 and 12.02.2021. The necessary quorum was present for all the meetings.

**Attendance of Directors in Board Meeting:**

Name of the Director & DIN Category	Category of Directorship	No. of Meeting Held	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Harjeet Singh Arora (DIN: 00063176)	Managing Director	5	5	Absent
Mr. Rajinder K. Singhanian (DIN: 00077540)	Non Executive Director	5	5	Present
Mrs. Harneesh Kaur Arora (DIN: 00089451)	Non Executive Women Director	5	4	Absent
Mr. Gurmeet Singh Chawla (DIN: 00087449)	Non Executive Director	5	1	Absent
Mr. Pavan Kumar Chhabra (DIN:000104957)	Independent Non Executive Director	5	2	Absent
Mr. Ashwani Kumar (DIN: 00030307)	Independent Non Executive Director	5	1	Absent
Mr. Anil Bhatia (DIN: 00254117)	Independent Non Executive Director	5	5	Present
Mr. Rajiv Kalra (DIN: 07143336)	Independent Non-Executive Director	4	4	Present

**D. Declaration of Independence of Board:**

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive Independent Directors are Independent in terms of the Provisions of section 149(6) of Companies Act, 2013 and Regulation of SEBI (LODR) Regulation, 2015.

**E. Separate Meeting of Independent Directors**

Separate meeting of the Independent Directors of the Company was held on 12th February, 2021 without the presence of the Non-Executive Directors, the Managing Director and the management team of the Company. The meeting was attended by three Independent Directors out of 4 independent directors. The matters considered and discussed thereat, inter alia, included those prescribed under Schedule IV to the Act and Regulation 25 of SEBI (LODR) Regulation, 2015.

**F. Familiarization Program for Independent Directors**

The Company has in place the familiarization program for the Independent Directors appointed from time to time. The program aims to familiarize the Independent Directors with various aspects of the Company including the nature of the financial services industry, operations and performance of the Company's subsidiaries; developments within group companies; roles, rights, responsibilities of Independent Directors; and other relevant information required by Independent Directors to discharge their functions.

The Managing Directors and business heads of the Company and its subsidiaries make business presentations at the Board meetings to update the Independent Directors with the strategy, functions, operations and performance of the Company and its subsidiaries.

The Company's Policy of conducting the familiarization program and details of such familiarization program imparted to independent is placed on the website viz., [www.mastertrust.co.in](http://www.mastertrust.co.in).

**G. Code of Conduct**

The Company has adopted the Code of Conduct ("Code") which applies to all the Board members and the Senior Management Personnel. It is the responsibility of all the Board members and Senior Management Personnel to familiarize themselves with the Code and comply with its provisions. The Code has been circulated to all the members of the Board and



Senior Management Personnel and they have confirmed compliance with the Code. The Code of Conduct has framed and formulated by the Company for members of the Board and Senior Management Personnel and placed on the website viz., [www.mastertrust.co.in](http://www.mastertrust.co.in).

#### 4. COMMITTEES OF THE BOARD

The Board has constituted the following Committees to take informed decisions in the best interests of the Company. These Committees monitor the activities falling within their terms of reference. Specific terms of reference have been laid out for each of these Committees and reviewed annually:

- Audit Committee.
- Nomination and Remuneration Committee.
- Stakeholders' Relationship Committee.

#### 5. AUDIT COMMITTEE

##### Composition

The terms of reference of the Audit Committee are, as contained in section 177(4) of the Companies Act, 2013, and also as contained in SEBI (LODR) Regulations, 2015.

To ensure the composition & independence of the Committee as per the Companies Act, 2013, the Audit Committee consists of 3 Non-Executive Independent Directors viz. Mr. Ashwani Kumar, Mr. Rajiv Kalra and Mr. Anil Bhatia. All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. Mr. Anil Bhatia is the Chairman of the Audit Committee.

The Audit Committee meetings are held at the Registered Office of the Company and Statutory Auditor, Company Secretary and Head of Accounts Department are permanent invitees to the meetings. The terms of reference of the Audit Committee are specified on the pattern as contained in Section 177 of the Companies Act, 2013 and also in the SEBI (LODR) Regulations, 2015. The Company Secretary of the Company acts as the secretary of the Committee.

##### Meetings and Attendance

The Audit Committee met four (4) times during the financial year 2020-2021 on 30.06.2020, 28.08.2020, 13.11.2020 and 12.02.2021. The required quorum was present for all the Audit Committee meetings. The gap between two meetings did not exceed 120 days.

The attendance at the Meetings was as under:

Name of the Member	Position	No. of Meetings Eligible to Attend	No. of Meetings attended
Mr. Anil Bhatia	Chairman	4	4
Mr. Ashwani Kumar	Member	4	1
Mr. Rajiv Kalra	Member	3	3

#### 6. NOMINATION & REMUNERATION COMMITTEE

##### Composition and Meeting

The Nomination and Remuneration Committee ("the NRC") is constituted in accordance with Section 178 of the Act and applicable rules thereto and in accordance with Regulation 19 of the Listing Regulations. The members of the NRC consists of three (3) Non-executive Directors viz. Mr. Rajinder Kumar Singhania, Mr. Pavan Kumar Chhabra & Mr. Anil Bhatia and of which two (2) are independent directors who are free from any business or other relationships. The Committee is chaired by Mr. Anil Bhatia, an Independent Director.

The terms of reference includes Scope and Functions of the Nomination & Remuneration Committee are, as contained in section 178 of the Companies Act, 2013 and also as contained in SEBI (LODR) Regulations, 2015.

The Committee met 1 (One) time during the financial year 2020-2021 on 12.02.2021 and attended by 2 Directors.

## **7. STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **Composition**

The Stakeholders' Relationship Committee (SRC) constituted in accordance with Section 178 of the Companies Act, 2013 and applicable rules thereto and Regulation 20 of the Listing Regulations comprises three Non-executive Director. The Committee is chaired by Mr. Rajinder Kumar Singhania, Non-Executive Director and other Members are Mrs. Harneesh Kaur Arora, Non-Executive Director and Mr. Anil Bhatia, Non-Executive Independent Director. The Chairman of the Committee Mr. Rajinder Kumar Singhania was present at the last Annual General Meeting held in September, 2020. The Company Secretary of the Company acts as the Secretary to the Committee.

### **Meetings and Attendance**

The Committee met one time during the financial year 2020-2021, to deal with the investor related matters etc. The terms of reference of the Stakeholders Relationship Committee are in accordance with the SEBI (LODR) Regulations, 2015 as amended from time to time. During the year, no stakeholder's complaints were received. There were no outstanding investor complaints as on 31st March 2021.

The Committee met one time during the financial year 2020-2021 on 12.02.2021 and attended by 2 Directors.

## **8. Director's Remuneration**

### **Managing Director**

The Company paid remuneration to the Managing Director as recommended by the Nomination and Remuneration Committee and as approved by the members of the Company. Detail of remuneration paid to the Managing Director during the Financial Year 2020-2021 is given below:-

<b>Name of Director</b>	<b>Designation</b>	<b>Salary</b>	<b>Perquisites</b>	<b>Total</b>
Mr. Harjeet Singh Arora	Managing Director	4.80	0.00	4.80
<b>Total</b>		<b>4.80</b>	<b>0.00</b>	<b>4.80</b>

### **Non-Executive Directors**

Non Executive Directors do not have any pecuniary relationship or transactions with the Company. Non Executive Directors have not been paid any remuneration during the financial year.

### **Shares held by the Non- Executive Directors**

Details of Equity Shares of the Company held by the Non-Executive Directors as on 31st March, 2021.

<b>Name of the Director</b>	<b>Category</b>	<b>No. of Equity Shares held</b>
Mr. Rajinder Kumar Singhania	Non Executive Director	51,60,714 (23.72%)
Mrs. Harneesh Kaur Arora	Non Executive Women Director	24,30,020 (11.17%)
Mr. Gurmeet Singh Chawla	Non Executive Director	Nil
Mr. Pavan Kumar Chhabra	Independent Non Executive Director	Nil
Mr. Ashwani Kumar	Independent Non Executive Director	Nil
Mr. Anil Bhatia	Independent Non Executive Director	Nil
Mr. Rajiv Kalra	Independent Non-Executive Director	Nil

## **9. 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 form part of this report. The Code has been posted on the Company's website [www.mastertrust.co.in](http://www.mastertrust.co.in).

## 10. 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.

## 11. General Body Meetings

The details of last three Annual General Meetings and the Special Resolutions passed there at are given below:

Financial Year	Meeting	Date & Venue	Time	Whether Special Resolutions passed	Summary of Special Resolutions passed
2019-2020	Annual General Meeting	29.09.2020 Master Chambers, SCO 19, Feroze Gandhi Market, Ludhiana – 141001, Punjab	11.00 A.M.	No	Nil
2018-2019	Annual General Meeting	30.09.2019 1st Floor, Building of Ludhiana Stock & Capital Ltd. (formerly Ludhiana Stock Exchange Ltd.) Feroze Gandhi Market, Ludhiana – 141001, Punjab	11.00 A.M.	Yes	Re-Appointment of Mr. Anil Bhatia, Mr. Ashwani Kumar, Mr. Pavan Kumar Chhabra, Mr. Sudhir Kumar and Mr. Anil Kumar Malhotra as an independent directors for second term of five consecutive years.
2017-2018	Annual General Meeting	29.09.2018 Hotel Silver Stone, D-Block, SCO 14-15, Dugri Road, Model Town Extention, Model Town, Ludhiana – 141002	11.00 A.M.	No	Nil

All the resolutions were passed with required majority for passing them as a special resolution.

During the period under review, the Company has not proposed/passed any special resolution to be conducted through postal ballot.

## 12. 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.

- Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Note No. 31 of the Notes to the Accounts attached with the Financial Statements for the year ended 31st March, 2021. All related party transactions are negotiated on an arms' length basis, and are intended to further the Company's interests.
- No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements. Indian Accounting Standards (ind AS) prescribed under section 133 of the act read with the rules of Indian Accounting Standards, as amended from time to time have been followed in preparation of the financial statements of the company.
- The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015

and has not followed the non mandatory requirements.

- The Policy on dealing with related party transactions and the Policy for determining material subsidiaries as approved by the Board of Directors may be accessed on the Company's website at <http://mastertrust.co.in/invester.aspx>.
- The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of listing regulations. The Company has submitted quarterly compliance report on Corporate Governance with Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the SEBI(LODR) Regulations,2015
- Corporate Governance Report for the whole of financial year is given in table below :

**I. Disclosure on website in terms of Listing Regulations:**

<b>Item</b>	<b>Compliance Status (Yes / No / NA)</b>
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	NA
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
E-mail address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	NA
New name and the old name of the listed entity	NA
Advertisements as per regulation 47 (1)	Yes
Credit rating or revision in credit rating obtained	NA
Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes
Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
Materiality Policy as per Regulation 30	Yes
Dividend Distribution policy as per Regulation 43A (as applicable)	NA

It is certified that these contents on the website of the listed entity are correct Yes

**II. Annual Affirmations:**

Item	Regulation Number	Compliance status (Yes / No / NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1), 17(1A) & 17(1B)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of Board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
Meeting of Nomination and Remuneration Committee	19(3A)	Yes
Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
Meeting of Stakeholders Relationship Committee	20(3A)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	NA
Meeting of Risk Management Committee	21(3A)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes

Alternate Director to Independent Director	25(1)	NA
Maximum Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	NA
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

### **13. Whistle Blower policy**

The Company has a Vigil mechanism/Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct of the Company.

All disclosures should be addressed to the Chairman of the Audit Committee of the Company. The Chairman of the Audit Committee discuss the disclosure with Members of the Audit Committee and if deemed fit, forward the disclosure to an Investigator for investigation. During the year under review, no employee was denied access to the Audit Committee. A copy of the Vigil mechanism/Whistle blower policy as approved by the board may be accessed at <https://www.mastertrust.co.in/investor.aspx>

### **14. 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 Exchange and Registrar of Companies. The quarterly results are published in DeshSewak (Punjabi) and Financial Express(English) and are displayed on the website of the Company at <https://www.mastertrust.co.in/investor.aspx>

### **15. Audit Qualifications**

The Audit qualifications pertaining to the financial results are self – explanatory and require no comments.

### **16. General Information for Shareholders**

**a. Corporate Identification No.(CIN)** : L65991PB1985PLC006414

**b. Annual General Meeting :**

The 36th Annual General Meeting of Master Trust Limited will be held on Wednesday the 29th day of September 2021, at 10:30 A.M. at the Registered Office of the Company at Master Chambers, SCO 19, Feroze Gandhi Market, Ludhiana-141001 (PB)

**C. Date of Book Closure** : 25th September, 2021 -  
29th September, 2021 (both days inclusive)

**d. Financial Year(Tentative)** : 1st April, 2021 to 31st March, 2022

Tentative calendar of events for the Financial Year 2021-22are:

First Quarterly Results : On or Before 14thAugust,2021.

Second Quarterly Results : On or Before 14th November,2021.

Third Quarterly Results : On or Before 14th February, 2022.  
Audited Results for theyear2020-21 : On or Before 30th May,2022.

**e. Information regarding dividend payment date:**

The Board of Directors of the Company has not recommended a dividend for the Current Year.

f. **Listing:** The securities of the Company is listed at Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The listing fee has been paid to the said Stock Exchange for the year 2021-2022.

**g. Stock Code/ ISIN No.:**

The Bombay Stock Exchange Ltd. : **MASTERTR | 511768**

Demat International Security Identification Number (ISIN) : INE677D01029

**h. Stock Market Data:**

The monthly high, low and closing price of Equity Shares etc. of Master Trust Limited at The Bombay Stock Exchange Limited and BSE Sensex during the financial year 2020-21 is given below:

Month	Master Trust Limited			BSE SENSEX		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-20	13.75	11.24	13.05	33887.25	27500.79	33717.62
May-20	15.8	11.35	12	32845.48	29968.45	32424.1
Jun-20	16.46	11.4	15.11	35706.55	32348.1	34915.8
Jul-20	17.95	14.45	16.1	38617.03	34927.2	37606.89
Aug-20	20.25	15.35	17.5	40010.17	36911.23	38628.29
Sep-20	18.85	15.55	17.25	39359.51	36495.98	38067.93
Oct-20	18.3	15.45	16.15	41048.05	38410.2	39614.07
Nov-20	17.75	15.25	15.35	44825.37	39334.92	44149.72
Dec-20	27.3	14.95	25.6	47896.97	44118.1	47751.33
Jan-21	26.25	20.25	20.35	50184.01	46160.46	46285.77
Feb-21	29.75	19.25	27.95	52516.76	46433.65	49099.99
Mar-21	51.6	27.5	47.4	51821.84	48236.35	49509.15

**i. Registrar and Share Transfer Agent**

Pursuant to the circular issued by the Securities & Exchange Board of India, the Company has assigned the physical and electronic share transfer work to M/s Skyline Financial Services Ltd. 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.,**

D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi  
Ph: 011-26812682/83/84, Fax: 011-26812681, Email: admin@skylinerta.com

**j. 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 Company has constituted a Share Transfer Committee of its Directors. The Share Transfer

Committee meets once in a month to consider transmission/demat/remat cases and other allied matters.

As per SEBI (LODR) 2015,w.e.f. 01.04.2019 except in case of transmission or transposition of securities requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with depository.

k. Distribution of Shareholding Pattern of the Company as on 31.03.2021:

Sr. No.	Category	No. of Shares	% of Shares
1	Promoters	16279340	74.84 %
2	Bodies Corporate	3439654	15.81 %
3	Other Indian Public	1876966	8.63 %
4	NRI	54414	0.25 %
5	IEPF	102826	0.47 %
	<b>Total</b>	<b>21753200</b>	<b>100.00 %</b>

**I. Break-up of Equity /Dematerialization of Shares**

Category	No. of Shares					
	Physical	% age	Demat	% age	Total	% age
Promoters	0	0	16279340	74.84 %	16279340	74.84 %
Non-Promoters	330250	1.52 %	5143610	23.64 %	5473860	25.16 %
Total	330250	1.52 %	21422950	98.48 %	21753200	100.00 %

m. Duringthefinancialyearendedon31stMarch, 2021, the Company has not issued any GDRs/ADRs.

**n. Address for Correspondence:**

Regd. Office : Master Chambers, 3rd Floor, SCO 19, Feroze Gandhi Market, Ludhiana-141001

Tele. No. : 0161-5043500, 5043513

Designated E-mail : secretarial@mastertrust.co.in

**o. the company is also having office(s) in the following cities:**

Chandigarh Ahmadabad

Delhi Lucknow

Mumbai –Fort Kolkata

Mumbai-Vashi Hyderabad

Jaipur Noida

Mohali Indore

**p. Compliance Officer : Mr. Vikas Gupta, Company Secretary**

q. Credit ratings and revisions - N.A.

r. Details of utilization of funds raised through preferential allotment or QIP - N.A.

s. Recommendations of committee not accepted by board, which is mandatory - N.A.

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



**MATERIAL SUBSIDIARIES OF THE COMPANY AS MENTIONED BELOW:**

The Company have three Material Subsidiaries as on 31.03.2021 as mentioned below:

- 1. MASTER CAPITAL SERVICES LIMITED**
- 2. MASTER COMMODITY SERVICES LIMITED**
- 3. MASTER INFRASTRUCTURE AND REAL ESTATE DEVELOPERS LIMITED**

Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified as per the Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the requirements of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Company had appointed M/s. Rajeev Bhambri & Associates, Company Secretaries in Practice, Ludhiana, for conducting Secretarial Audit for the year 2020-2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is part of this Annual Report.

There are some qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Audit Report and our remarks as below:

**1. MASTER CAPITAL SERVICES LIMITED**

No.	Qualification/ Adverse Remarks	Our Remarks
1	The Company received a Show Cause Notice dated August 24, 2020  (Ref: EAD-9/ADJ/VKV/NK/OW/P/2408/1/2020) from Securities and Exchange Board of India (SEBI) in the matter of the complaint of Ms. Neerja Ahluwalia and others wherein a monetary penalty of Rs. 2,00,000/- (Rupees Two Lakhs only) on the Company under section 15HB of the SEBI Act for the violation of SEBI Circular No. MIRSD/DR-1/CIR-16/09 dated November 6, 2009.	We have filed our submissions along with necessary supporting documents within the extended date 02-11-2020 as permitted by SEBI. The penalty is imposed by SEBI vide order dated 29.01.2021. We have filed an appeal against the said SEBI Order before SAT within the stipulated time. SAT vide its interim order dated 12.05.2021, directed us to deposit the amount of penalty imposed by SEBI within four weeks' time which will be subject to the result of the appeal. The penalty was deposited by us on dated 03.06.2021. The next date of hearing is 30-08-2021.
2	In terms of provisions of section 197(9), remuneration was paid in the Financial Year 2019-20 in excess of the limits prescribed under the Act without approval of shareholders.	Remuneration has been paid as per the schedule V of the Companies Act, 2013 and the company took an approval of shareholder to increase the overall limit of managerial remuneration in AGM of the company held in 2020.

3	As per the provisions of second proviso of section 197(1), the approval of the shareholders was required for payment of the Remuneration to the Managing Director(s) and Whole time Director(s) in the Financial Year 2020-21 paid in excess of the limit of 5 % / 10 % of the net profit, however, the said approval was not taken.	Shareholders' approval has taken in AGM held in 2020 to paid managerial remuneration in excess of overall limit to 40% of the net profit of the company.
4	DIN of Director, Mr. Gurmeet Singh Chawla has been deactivated as per the MCA records.	Due to issue of OTP at the Mobile No. and E-mail id because of technical reason, we were not able to do a KYC. Further, company has done the KYC of Mr. Gurmeet Singh Chawla.

**2. MASTER COMMODITY SERVICES LIMITED**

No.	Qualification/ Adverse Remarks	Our Remarks
1	DIN of Director, Mr. Gurmeet Singh Chawla has been deactivated as per the MCA records.	Due to issue of OTP at the Mobile No. and E-mail id because of technical reason, we were not able to do a KYC. Further, company has done the KYC of Mr. Gurmeet Singh Chawla.

**3. MASTER INFRASTRUCTURE AND REAL ESTATE DEVELOPERS LIMITED**

There is no any qualifications, reservations, adverse remarks or disclaimers made by Secretarial Auditors, in their Audit Report for the Master Infrastructure and Real Estate Developers Limited in Secretarial Audit Report for the financial year ended March 31, 2021.

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
MASTER CAPITAL SERVICES LIMITED  
A-852-A, Basement, SushantLok,  
Phase-I Gurugram Gurgaon-122002  
CIN: U67190HR1994PLC076366**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MASTER CAPITAL SERVICES LIMITED** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:

All Labour & Industrial laws;

SEBI stock broker and sub-brokers regulations 1992;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.

The Listing Agreement read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable, being an un-listed company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except:

- 1. The Company received a Show Cause Notice dated August 24, 2020 (Ref: EAD-9/ADJ/VKV/NK/OW/P/2408/1/2020) from Securities and Exchange Board of India (SEBI) in the matter of the complaint of Ms. Neerja Ahluwalia and others wherein a monetary penalty of Rs. 2,00,000/- (Rupees Two Lakhs only) on the Company under section 15HB of the SEBI Act for the violation of SEBI Circular No. MIRSD/DR-1/CIR-16/09 dated November 6, 2009.**
- .2. In terms of provisions of section 197(9), remuneration was paid in the Financial Year 2019-20 in excess of the limits prescribed under the Act without approval of shareholders.**
- 3. As per the provisions of second proviso of section 197(1), the approval of the shareholders was required for payment of the Remuneration to the Managing Director(s) and Whole time Director(s) in the Financial Year 2020-21 paid in excess of the limit of 5 %/ 10 % of the net profit, however, the said approval was not taken.**
- 4. DIN of Director, Mr. Gurmeet Singh Chawla has been deactivated as per the MCA records.**

#### **WE FURTHER REPORT THAT**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**Place: Ludhiana  
Dated: 12.08.2021**

**(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 22626**

**UDIN: A060218C000772149**

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE' and forms an integral part of this Report.**

**'ANNEXURE'**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
MASTER CAPITAL SERVICES LIMITED  
A-852-A, Basement, SushantLok,  
Phase-I Gurugram Gurgaon-122002  
CIN: U67190HR1994PLC076366**

Our Report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Place: Ludhiana  
Dated: 12.08.2021**

**(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 22626**

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
MASTER COMMODITY SERVICES LIMITED  
MASTER CHAMBER 19  
FEROZE GANDHI MARKET LUDHIANA 141001  
CIN: U67120PB1991PLC011574**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MASTER COMMODITY SERVICES LIMITED** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:

All Labour & Industrial laws;

SEBI stock broker and sub-brokers regulations 1992

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.

The Listing Agreement read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable, being an un-listed company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc except:

**1. DIN of Director, Mr. Gurmeet Singh Chawla has been deactivated as per the MCA records.**

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**Place: Ludhiana  
Dated: 12.08.2021**

**(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice**

**UDIN: A060218C000772908**

**C.P. No. 22626**

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE' and forms an integral part of this Report.**

**'ANNEXURE'**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
MASTER COMMODITY SERVICES LIMITED  
MASTER CHAMBER 19  
FEROZE GANDHI MARKET LUDHIANA 141001  
CIN: U67120PB1991PLC011574**

Our Report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Place: Ludhiana  
Dated: 12.08.2021**

**(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 22626**



**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
MASTER INFRASTRUCTURE AND REAL ESTATE DEVELOPERS LIMITED  
MASTER CHAMBERS19  
FEROZE GANDHI MARKET LUDHIANA  
CIN: U65100PB1991PLC011630**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MASTER INFRASTRUCTURE AND REAL ESTATE DEVELOPERS LIMITED** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2021** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:

All Labour & Industrial laws;

SEBI stock broker and sub-brokers regulations 1992

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.

The Listing Agreement read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable, being an un-listed company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**Place: Ludhiana**

**Dated: 12.08.2021**

**(Ansh Bhambri)**

**Bhambri & Associates**

**Company Secretary in whole time practice**

**UDIN: A060218C000772974**

**C.P. No. 22626**

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE' and forms an integral part of this Report.**

**'ANNEXURE'**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,  
MASTER INFRASTRUCTURE AND REAL ESTATE DEVELOPERS LIMITED  
MASTER CHAMBERS19  
FEROZE GANDHI MARKET LUDHIANA  
CIN: U65100PB1991PLC011630**

Our Report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Place: Ludhiana  
Dated: 12.08.2021**

**(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 22626**

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# AUDITOR'S REPORT 2020-2021



**STANDALONE**



**C.S.ARORA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

734, Phase-II, Urban Estate,  
Dugri, Ludhiana-141013  
Mobile : 098159-00077

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## INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

**To**

**The Members of  
Master Trust Limited**

### **Report on the audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **Master Trust Limited** ("the Company") which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit including other comprehensive income, the changes in equity and cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year ended 31st March 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there is no key audit matter to communicate in our report.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### **Responsibilities of Management and those charged with governance for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

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

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

Those charged with governance are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of standalone financial statement**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31st March 2021, as applicable and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure Aa statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including statement of other comprehensive income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,

## STANDALONE AUDITOR'S REPORT 2020-2021

2021 from being appointed as a director in terms of Section 164 (2) of the Act except DIN of Mr. Gurmeet Singh Chawla and Mr. Rajiv Kalra has been Deactivated as shown in the MCA records due to non KYC.

- f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) read with Schedule V of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts as at 31 March, 2021 for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For **C.S.Arora & Associates**  
Chartered Accountants  
FRN: 015130N

Sd/-  
**Chanchal Singh**  
Partner  
Membership No.: 090835

Place : Ludhiana  
Date : 29 June, 2021





**C.S.ARORA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

734, Phase-II, Urban Estate,  
Dugri, Ludhiana-141013  
Mobile : 098159-00077

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory, which are held in dematerialized/ physical form, has been verified at reasonable intervals by the management and no material discrepancies were identified on such verification.
3. The Company has granted unsecured loans to the parties covered in the register maintained under section 189 of the Act.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties covered in the register maintained under section 189 of the Act were not prima facie, prejudicial to the interest of the Company.
  - b) In the case of the loan granted to the parties covered in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of the principal amount.
  - c) There are no overdue amounts in respect of the loans granted to the parties covered in the register maintained under section 189 of the Act.
4. The Company is registered Non-Banking Finance Company to which the provisions of Section 185 and 186 of the Act are not applicable. Accordingly paragraph 3(iv) of the Order is not applicable.
5. The company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other Tribunal.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. a) a) According to the information and explanations given to us and on the basis of our examination of the record of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Service tax, cess and any other statutory dues applicable to it. We are informed that the provisions of Sales Tax, service tax, Value Added Tax, duty of Custom and duty of Excise are not applicable to the Company.

- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it were in arrears as at 31 March, 2021 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, Goods and Service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company did not have any outstanding loans or borrowing dues in respect of a government or dues to debenture holders during the year.
  9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
  10. According to the information and explanations given to us, no material fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
  11. According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
  12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable.
  13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
  14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year.
  15. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
  16. According to the information and explanations given to us and based on our examination of the records of the company, the company is required and duly registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **C.S.Arora & Associates**  
Chartered Accountants  
FRN: 015130N

Sd/-  
**Chanchal Singh**  
Partner  
Membership No.: 090835

Place : Ludhiana  
Date : 29 June, 2021



**C.S.ARORA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

734, Phase-II, Urban Estate,  
Dugri, Ludhiana-141013  
Mobile : 098159-00077

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Master Trust Ltd ('the Company') as of 31 March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **C.S.Arora & Associates**  
Chartered Accountants  
FRN: 015130N

Sd/-  
**Chanchal Singh**  
Partner  
Membership No.: 090835

Place : Ludhiana  
Date : 29 June, 2021

# BALANCE SHEET

# 2020-2021



**STANDALONE**

STANDALONE BALANCE SHEET 2020-2021



MASTER TRUST LIMITED

Balance Sheet as at 31st March, 2021

(₹ In Millions)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I ASSETS</b>			
<b>Financial Assets</b>			
a) Cash and cash equivalents	3	20.51	23.17
b) Bank balances other than above	4	0.55	0.80
c) Loans and Advances	5	820.52	745.99
d) Investments	6	2,043.54	1,712.75
e) Other financial assets	7	0.76	1.20
<b>Total financial assets</b>		<b>2,885.88</b>	<b>2,483.91</b>
<b>Non financial Assets</b>			
a) Inventories	8	13.22	49.48
b) Property, Plant and Equipment	9	1.55	1.65
c) Investment Property	10	17.75	12.70
d) Other non-financial assets	11	7.21	10.61
<b>Total non financial assets</b>		<b>39.73</b>	<b>74.44</b>
<b>Total Assets</b>		<b>2,925.61</b>	<b>2,558.35</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
a) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
b) Borrowings	12	405.25	312.19
c) Other financial liabilities	13	7.00	80.01
<b>Total financial liabilities</b>		<b>412.25</b>	<b>392.20</b>
<b>Non Financial liabilities</b>			
a) Provisions	14	3.71	97.17
b) Deferred tax liabilities	15	314.46	222.75
c) Other non-financial liabilities	16	8.68	8.24
<b>Total non financial liabilities</b>		<b>326.85</b>	<b>328.16</b>
<b>Equity</b>			
a) Equity share capital	17	109.22	109.22
b) Other equity	18	2,077.29	1,728.77
<b>Total equity</b>		<b>2,186.51</b>	<b>1,837.99</b>
<b>Total Liabilities and Equity</b>		<b>2,925.61</b>	<b>2,558.35</b>

The accompanying notes are an integral part of the financial statements  
As per our Report of even date

**For C.S.Arora & Associates**  
Chartered Accountants  
FRN 015130N

Sd/-  
**Chanchal Singh**  
Partner

Membership Number 090835  
Ludhiana, 29 June, 2021

**For and on behalf of the Board**

Sd/-  
**R. K. Singhania**  
Director  
DIN-00077540

Sd/-  
**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-  
**Sunil Kumar**  
Chief Financial Officer

Sd/-  
**Vikas Gupta**  
Company Secretary



## MASTER TRUST LIMITED

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

(` In Millions)

Particulars	Note No.	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
<b>Revenue from operations</b>			
Interest Income	19	39.95	55.76
Dividend Income	20	20.25	0.69
Income From Dealing In Securities/Land	21	79.00	20.06
Rental Income	22	0.34	0.32
Other Income	23	0.01	0.16
<b>Total Revenue</b>		<b>139.55</b>	<b>76.99</b>
<b>EXPENSES:</b>			
Employee benefits expense	24	9.71	10.85
Finance Costs	25	28.53	53.30
Depreciation and amortization expense	9	0.10	0.17
Other expenses	26	82.60	3.28
<b>Total Expenses</b>		<b>120.94</b>	<b>67.60</b>
<b>Profit before exceptional Items and Tax</b>		<b>18.61</b>	<b>9.39</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>18.61</b>	<b>9.39</b>
<b>Tax Expenses</b>			
- Current tax expense for current year		1.50	1.33
- Deferred tax		0.12	(0.04)
- Current tax expense relating to prior years		0.07	0.04
<b>Profit for the year</b>		<b>16.92</b>	<b>8.06</b>
<b>Other Comprehensive Income/(Loss)</b>			
(A) (i) Items that will not be reclassified to profit or loss		320.92	56.92
(ii) Income tax relating to items that will not be reclassified to profit or loss		(65.31)	(11.84)
<b>Subtotal(A)</b>		<b>255.61</b>	<b>45.08</b>
(B) (i) Items that will be reclassified to profit or loss		102.28	15.08
(ii) Income tax relating to items that will be reclassified to profit or loss		(26.29)	(6.17)
<b>Subtotal(B)</b>		<b>75.99</b>	<b>8.91</b>
<b>Other Comprehensive Income (A+B)</b>		<b>331.60</b>	<b>53.99</b>
<b>Total Comprehensive Income for the year</b>		<b>348.52</b>	<b>62.05</b>
<b>Earnings per equity share (face value Rs. 5 each)</b>			
- Basic		0.78	0.37
- Diluted		0.78	0.37
Weighted average number of shares outstanding		21,753,200	21,753,200
The accompanying notes are an integral part of the financial statements			

As per our Report of even date

**For C.S.Arora & Associates**Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**

Partner

Membership Number 090835  
Ludhiana, 29 June, 2021**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**

Chief Financial Officer

Sd/-

**Harjeet Singh Arora**Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**

Company Secretary



## MASTER TRUST LIMITED

Cash Flow Statement for the year ended 31 March, 2021

(₹ In Millions)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>A. Cash flow from operating activities</b>				
Net Profit before tax and extraordinary items		18.61		9.39
<i>Adjustments for:</i>				
Depreciation and amortisation	0.10		0.17	
Provision for Gratuity	0.40		0.41	
Profit on sale of Fixed Asset	-		(0.16)	
Profit on sale of Investment	(19.99)		(60.45)	
Provision for Non Performing Assets	(9.45)		-	
		(28.94)		(60.03)
Operating profit/(loss) before working capital changes		(10.33)		(50.64)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	33.50		38.47	
Loans and Advances	(74.53)		134.90	
Other Non Financial Asset	3.40		(1.80)	
Other Financial Asset	0.44		(0.75)	
Bank balances other than Cash and cash equivalent	0.25		0.32	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Other Financial liabilities	(73.01)		(83.91)	
Other Non Financial liabilities	0.44		(3.64)	
Borrowings	93.06		(56.35)	
		(16.45)		27.24
Operating profit/(loss) before extraordinary items		(26.78)		(23.40)
Cash flow from extraordinary items		-		-
Cash generated from operations		(26.78)		(23.40)
Net income tax (paid)/ Refund		(1.57)		(1.36)
<b>Net cash flow from/ (used in) operating activities (A)</b>		<b>(28.35)</b>		<b>(24.76)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets		-		-
Sale of fixed assets		-		0.23
Purchase of Investment		(46.46)		(76.00)
Purchase of Investment Property		(5.06)		(8.78)
Sale of Investment		77.21		109.41
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>25.69</b>		<b>24.86</b>
<b>C. Cash flow from financing activities</b>				
Dividends paid		-		-
<b>Net cash flow (used in) financing activities (C)</b>		<b>-</b>		<b>-</b>
Net Increase/ (decrease) in Cash and cash equivalents (A+B+C)		(2.66)		0.10
Cash and cash equivalents at the beginning of the year		23.17		23.07
Cash and cash equivalents at the end of the year		20.51		23.17

As per our Report of even date

**For C.S.Arora & Associates**Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**  
PartnerMembership Number 090835  
Ludhiana, 29 June, 2021**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**  
Chief Financial Officer

Sd/-

**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**  
Company Secretary





## MASTER TRUST LIMITED

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

**A. Equity Share Capital**

(₹ In Millions)

Particulars	Amount
Balance as at 1 April 2019	109.22
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2020	109.22
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2021	109.22

**B. Other Equity**

(₹ In Millions)

Particulars	Reserves & Surplus						Items of other comprehensive income	Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital Reserve	Securities Premium	Contingent Provision Against Standard Assets	General Reserve	Retained Earning	Other Comprehensive Income	
<b>Balance as at 1 April 2019</b>	35.47	48.24	448.38	1.66	10.00	127.93	995.04	1,666.72
Profit/(loss) for the year	-	-	-	-	-	8.06	-	8.06
Other Comprehensive Income / (loss)	-	-	-	-	-	-	53.99	53.99
<b>Total</b>	<b>35.47</b>	<b>48.24</b>	<b>448.38</b>	<b>1.66</b>	<b>10.00</b>	<b>135.99</b>	<b>1,049.03</b>	<b>1,728.77</b>
Transfers to Statutory reserves	1.85	-	-	-	-	(1.85)	-	-
Transfers to Standard Assets	-	-	-	0.04	-	(0.04)	-	-
Balance as at 31 March 2020	37.32	48.24	448.38	1.70	10.00	134.10	1,049.03	1,728.77
Profit/(loss) for the year	-	-	-	-	-	16.92	-	16.92
Other Comprehensive Income / (loss)	-	-	-	-	-	-	331.60	331.60
<b>Total</b>	<b>37.32</b>	<b>48.24</b>	<b>448.38</b>	<b>1.70</b>	<b>10.00</b>	<b>151.02</b>	<b>1,380.63</b>	<b>2,077.29</b>
Transfers to Statutory reserves	3.38	-	-	-	-	(3.38)	-	-
Transfers to Standard Assets	-	-	-	0.07	-	(0.07)	-	-
<b>Balance as at 31 March 2021</b>	<b>40.70</b>	<b>48.24</b>	<b>448.38</b>	<b>1.77</b>	<b>10.00</b>	<b>147.57</b>	<b>1,380.63</b>	<b>2,077.29</b>

As per our Report of even date

**For C.S.Arora & Associates**Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**  
PartnerMembership Number 090835  
Ludhiana, 29 June, 2021**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**  
Chief Financial Officer

Sd/-

**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**  
Company Secretary

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

### 1 Corporate Information

Master Trust Limited ('the Company') is a public limited company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as a non-deposit accepting Non Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI'). Its shares are listed on Bombay Stock Exchange (BSE) in India.

The company is mainly in the business of lending, sales/purchases of Securities and lands.

### 2 Significant Accounting Policies

#### a. Statement of compliance

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

Effective April 1, 2019, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

#### b. Revenue Recognition

##### "Recognition of interest income on loans"

The Company follows the mercantile system of accounting and recognized Profit/Loss on that basis. Interest income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms."

##### Rental Income:

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

##### Fee and commission income:

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

**Dividend and interest income on investments:**

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- Interest income from investments is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**c. Property, Plant and Equipments (PPE)**

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

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

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

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

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

**d. Inventories**

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

**e. Investments in subsidiaries and associates**

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

**f. Financial instruments****Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. The company subsequently measures all financial investments at fair value through other comprehensive income.

**Financial assets**

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

- Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL."

- Investments in equity instruments measured at fair value through other comprehensive income (FVTOCI) On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for equity instruments through other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if it has been acquired principally for the purpose of selling it in the near term. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

- Derecognition of financial assets The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if: a. it has been incurred principally for the purpose of repurchasing it in the near term; or b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or c. it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit and loss.

- Financial liabilities subsequently measured at amortised cost Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

- g. Employee benefits

#### **Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### **Contribution to provident fund and ESIC -**

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

#### **Gratuity -**

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

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

#### **h. Finance costs**

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

#### **i. Taxation - Current and deferred tax:**

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

##### **Current tax :**

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

##### **Deferred tax :**

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

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

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

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

#### **j. Provisions and contingent liabilities**

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

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

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

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

**k. Leases :**

Where the Company is the lessee -

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

**Where the Company is the lessor -**

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

**l. Cash and cash equivalents:**

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

**m. Earnings Per Share:**

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

**n. Significant accounting judgements, estimates and assumptions**

In the application of the Company's accounting policies, which are described as stated above, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

## - Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

## a. Useful lives of depreciable tangible assets

Management reviews the useful lives of depreciable/amortisable assets at each reporting date.

b. Fair Value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company approves the fair values determined by the Chief Financial Officer of the Company including determining the appropriate valuation techniques and inputs for fair value measurements.

c. Contingent Liability

In ordinary course of business, the Company faces claims by various parties. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 3 - CASH AND CASH EQUIVALENT

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	0.02	0.02
Balances with banks		
-In current accounts	0.35	0.49
-In deposit accounts	20.14	22.66
<b>Total</b>	<b>20.51</b>	<b>23.17</b>

### NOTE 4 - BANK BALANCES OTHER THAN ABOVE

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In earmarked accounts		
- Unpaid dividend accounts	0.55	0.80
<b>Total</b>	<b>0.55</b>	<b>0.80</b>

### NOTE 5 - LOANS AND ADVANCES

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans and advances to related parties	203.74	8.61
Loans and advances to others	616.78	737.38
<b>Total</b>	<b>820.52</b>	<b>745.99</b>



STANDALONE BALANCE SHEET 2020-2021

NOTE 6 – Investments (₹ In Millions)

Investments	As at 31st March, 2021		As at 31st March, 2020		Total
	At Fair value through Profit or Loss / OCI	Others (at cost)	At Fair value through Profit or Loss / OCI	Others (at cost)	
<b>Equity instruments</b>					
<b>(a) Subsidiaries</b>					
59,00,000 (As at 31 March, 2020: 59,00,000) shares of ₹10 each fully paid up in Master Capital Services Ltd.	1,397.07	-	1,397.07	-	1,175.70
2,00,000 (As at 31 March, 2020: 2,00,000) shares of ₹10 each fully paid up in Master Infrastructure & Real Estate Developers Ltd.	306.72	-	306.72	-	236.77
7,50,000 (As at 31 March, 2020: 7,50,000) shares of ₹10 each fully paid up in Master Insurance Brokers Ltd.	32.77	-	32.77	-	23.11
<b>(b) Associates</b>					
12,000 (As at 31 March, 2020: 12,500) shares of ₹100 each fully paid up in H A Share & Stock Brokers Pvt. Ltd.	12.76	-	12.76	-	13.02
<b>(c) Other group Companies</b>					
1,09,600 (As at 31 March, 2020: 1,09,600) shares of ₹5 each fully paid up in Prime Industries Ltd.	0.45	-	0.45	-	0.07
4 (As at 31 March, 2020: 4) shares of ₹5,000 each fully paid in Mastet Projects Pvt. Ltd.	-	1.42	1.42	1.42	1.42
<b>(d) Others</b>					
23,600 (As at 31 March 2020: 23,600) shares of ₹10 each fully paid up in R R Financial Consultants Ltd.	0.50	-	0.50	-	0.14
22,289 (As at 31 March 2020: 26,328) Shares of ₹10 each fully paid up in Sainik Finance Ltd.	0.44	-	0.44	-	0.66
17,500 (As at 31 March 2020: 17,500) Shares of ₹10 each fully paid up in PTC India Financial Services Ltd.	0.32	-	0.32	-	0.14
3,200 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Deepak Fertilisers & Petrochemicals Corporation Ltd.	0.73	-	0.73	-	-
5,500 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Prism Johnson Ltd.	0.72	-	0.72	-	-
75 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Vardhman Textiles Ltd.	0.10	-	0.10	-	-
1,735 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Surya Roshni Ltd.	0.60	-	0.60	-	-
380 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Tata Elxsi Ltd.	1.02	-	1.02	-	-
26,070 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Central Depository Services (India) Limited	17.10	-	17.10	-	-
21,263 (As at 31 March 2020: NIL) Shares of ₹5 each fully paid up in Puravankara Ltd.	1.50	-	1.50	-	-
NIL (As at 31 March 2020: 16,630) Shares of ₹2 each fully paid up in Bse Ltd.	-	-	-	-	4.94
800 (As at 31 March 2020: NIL) Shares of ₹2 each fully paid up in Balaji Amines Ltd.	1.41	-	1.41	-	-
1,240 (As at 31 March 2020: NIL) Shares of ₹2 each fully paid up in IICI Bank Ltd.	0.72	-	0.72	-	-
7,250 (As at 31 March 2020: NIL) Shares of ₹2 each fully paid up in Jindal Saw Ltd.	0.54	-	0.54	-	-
2,250 (As at 31 March 2020: NIL) Shares of ₹1 each fully paid up in Balrampur Chini Mills Ltd.	0.48	-	0.48	-	-
<b>Compulsory Convertible Cumulative Preference Shares</b>					
60 (As at 31 March 2020: 60) Shares of ₹10 each fully paid up in Quantinsti Quantitative Learning Private Ltd.	-	2.57	2.57	2.57	2.57
<b>Investment in Mutual Funds</b>					
14,77,352 (As at 31 March 2020: 14,77,352) units of IDFC Mutual Fund Corp Bond FD	22.56	-	22.56	-	20.63
<b>Debentures or bonds</b>					
<b>(a) Subsidiaries</b>					
638 (As at 31st March, 2020: 718) Deep Discount Bonds of ₹10,000 each fully paid up in Master Capital Services Ltd.	240.03	-	240.03	-	233.58
<b>(b) Others</b>					
1,000 (As at 31 March, 2020: NIL) Debentures of ₹1,000 each fully paid up in Wepay Finance Pvt Ltd	1.01	-	1.01	-	-
<b>TOTAL-GROSS (A)</b>	<b>2,039.55</b>	<b>3.99</b>	<b>2,043.54</b>	<b>3.99</b>	<b>1,712.75</b>
i) Investments outside India	-	-	-	-	-
ii) Investments in India	2,039.55	3.99	2,043.54	3.99	1,712.75
<b>TOTAL-GROSS (B)</b>	<b>2,039.55</b>	<b>3.99</b>	<b>2,043.54</b>	<b>3.99</b>	<b>1,712.75</b>
Less: Allowance for impairment loss (c)	-	-	-	-	-
<b>Total-Net D (A-C)</b>	<b>2,039.55</b>	<b>3.99</b>	<b>2,043.54</b>	<b>3.99</b>	<b>1,712.75</b>

## STANDALONE BALANCE SHEET 2020-2021

### NOTE 7 – OTHER FINANCIAL ASSETS

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security deposits	0.11	0.23
Others	0.65	0.97
<b>Total</b>	<b>0.76</b>	<b>1.20</b>

### NOTE 8 – INVENTORIES

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Acquired For Trading	13.22	49.48
<b>Total</b>	<b>13.22</b>	<b>49.48</b>

### NOTE 9 – Property, Plant and Equipment

(₹ In Millions)

Particulars	Buildings	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total
<b>GROSS CARRYING AMOUNT</b>						
Balance as at 1 April 2019	1.80	1.88	3.82	1.70	4.30	13.50
Additions during the year	-	-	-	-	-	-
Disposals / deductions during the year	-	-	-	-	1.53	1.53
<b>Balance as at 31 March 2020</b>	<b>1.80</b>	<b>1.88</b>	<b>3.82</b>	<b>1.70</b>	<b>2.77</b>	<b>11.97</b>
Additions during the year	-	-	-	-	-	-
Disposals / deductions during the year	-	-	-	-	-	-
Balance as at 31 March 2021	1.80	1.88	3.82	1.70	2.77	11.97
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>						
Balance as at 1 April 2019	0.49	1.80	3.57	1.67	4.07	11.60
Additions during the year	0.03	0.04	0.05	0.01	0.04	0.17
Disposals / deductions during the year	-	-	-	-	1.45	1.45
Balance as at 31 March 2020	0.52	1.84	3.62	1.68	2.66	10.32
Additions during the year	0.03	0.03	0.04	-	-	0.10
Disposals / deductions during the year	-	-	-	-	-	-
Balance as at 31 March 2021	0.55	1.87	3.66	1.68	2.66	10.42
<b>NET CARRYING AMOUNT</b>						
<b>As at 31 March 2020</b>	<b>1.28</b>	<b>0.04</b>	<b>0.20</b>	<b>0.02</b>	<b>0.11</b>	<b>1.65</b>
<b>As at 31 March 2021</b>	<b>1.25</b>	<b>0.01</b>	<b>0.16</b>	<b>0.02</b>	<b>0.11</b>	<b>1.55</b>

### NOTE 10 – INVESTMENT PROPERTY

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Property	17.75	12.70
<b>Total</b>	<b>17.75</b>	<b>12.70</b>

**STANDALONE BALANCE SHEET 2020-2021**

**NOTE 11 - OTHER NON FINANCIAL ASSETS**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance income tax (net of provision for tax)	6.79	10.28
Others	0.42	0.33
<b>Total</b>	<b>7.21</b>	<b>10.61</b>

**NOTE 12 - BORROWINGS**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Loans repayable on demand</b>		
From banks		
Secured	16.81	17.26
<b>Loans and advances from related parties</b>		
Unsecured	289.67	214.53
<b>Other loans and advances</b>		
Unsecured	98.77	80.40
<b>Total</b>	<b>405.25</b>	<b>312.19</b>

**NOTE 13 - OTHER FINANCIAL LIABILITIES**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unclaimed dividends	0.55	0.80
Cheque Issued	5.08	78.67
Others	1.37	0.54
<b>Total</b>	<b>7.00</b>	<b>80.01</b>

**NOTE 14 - PROVISIONS**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for gratuity	3.71	3.93
Provision for Non Performing Assets	-	93.24
<b>Total</b>	<b>3.71</b>	<b>97.17</b>

**NOTE 15 - DEFERRED TAX LIABILITIES**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Deferred tax Liabilities</b>		
Investment in Equity/Debt/Mutual Fund	351.06	282.03
Others	0.35	0.19
	351.41	282.22
<b>Deferred tax Assets</b>		
Related to fixed assets	0.01	0.11
Brought Forward Losses	36.94	35.89
Provision for doubtful debts/advances	-	23.47
	36.95	59.47
<b>Net Total</b>	<b>314.46</b>	<b>222.75</b>

## STANDALONE BALANCE SHEET 2020-2021

### NOTE 16 - OTHER NON FINANCIAL LIABILITIES

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory dues	2.45	1.53
Others	6.23	6.71
<b>Total</b>	<b>8.68</b>	<b>8.24</b>

### NOTE 17 - EQUITY SHARE CAPITAL

(₹ In Millions)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Authorised</b>				
Equity shares of Rs.5/- each	22,000,000	110.00	22,000,000	110.00
	<b>22,000,000</b>	<b>110.00</b>	<b>22,000,000</b>	<b>110.00</b>
<b>Issued</b>				
Equity shares of Rs.5/- each	21,950,800	109.75	21,950,800	109.75
	<b>21,950,800</b>	<b>109.75</b>	<b>21,950,800</b>	<b>109.75</b>
<b>Subscribed and fully paid up</b>				
Equity shares of Rs.5/- each	21,753,200	108.76	21,753,200	108.76
Forfeited Shares	-	0.46	-	0.46
	<b>21,753,200</b>	<b>109.22</b>	<b>21,753,200</b>	<b>109.22</b>

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

Particulars	Share Capital		Share Capital	
	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
i) <b>Issued, Subscribed and paid up equity shares</b>				
Outstanding at the beginning of the year	21,753,200	108.76	21,753,200	108.76
Additions: Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>21,753,200</b>	<b>108.76</b>	<b>21,753,200</b>	<b>108.76</b>

#### (b) Terms/rights attached to equity shares

The company has one class of shares referred to as Equity Shares having a par value of Rs. 5/- each. Each holder of equity shares is entitled to one vote per share.

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

There is no holding or ultimate holding company of the Company.

**STANDALONE BALANCE SHEET 2020-2021**

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

Particulars	Equity Share Capital		Equity Share Capital	
	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Harjeet Singh Arora	3,173,696	14.59	3,173,696	14.59
Harneesh Kaur Arora	2,430,020	11.17	2,430,020	11.17
Rajinder Kumar Singhania	5,160,714	23.72	5,160,714	23.72
Jashanjyot Singh Arora	1,440,000	6.62	1,440,000	6.62
Parveen Singhania	1,981,000	9.11	1,981,000	9.11
Prime Industries Ltd	1,187,916	5.46	1,187,916	5.46
G S Auto Leasing Ltd	3,185,698	14.64	3,162,865	14.54

**NOTE 18 - OTHER EQUITY**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory reserves as per Section 45-IC of the RBI Act, 1934	40.70	37.32
Capital Reserve	48.24	48.24
Securities Premium	448.38	448.38
Contingent Provision Against Standard Assets	1.77	1.70
General Reserve	10.00	10.00
Retained Earning	147.57	134.10
Other Comprehensive Income	1,380.63	1,049.03
<b>Total</b>	<b>2,077.29</b>	<b>1,728.77</b>

**B. Other Equity**

Particulars	Reserves & Surplus							Items of other comprehensive income	Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital Reserve	Securities Premium	Contingent Provision Against Standard Assets	General Reserve	Retained Earning	Other Comprehensive Income		
<b>Balance as at 1 April 2019</b>	35.47	48.24	448.38	1.66	10.00	127.93	995.04	1,666.72	
Profit/(loss) for the year	-	-	-	-	-	8.06	-	8.06	
Other Comprehensive Income / (loss)	-	-	-	-	-	-	53.99	53.99	
<b>Total</b>	<b>35.47</b>	<b>48.24</b>	<b>448.38</b>	<b>1.66</b>	<b>10.00</b>	<b>135.99</b>	<b>1,049.03</b>	<b>1,728.77</b>	
Transfers to Statutory reserves	1.85	-	-	-	-	(1.85)	-	-	
Transfers to Standard Assets	-	-	-	0.04	-	(0.04)	-	-	
<b>Balance as at 31 March 2020</b>	<b>37.32</b>	<b>48.24</b>	<b>448.38</b>	<b>1.70</b>	<b>10.00</b>	<b>134.10</b>	<b>1,049.03</b>	<b>1,728.77</b>	
Profit/(loss) for the year	-	-	-	-	-	16.92	-	16.92	
Other Comprehensive Income / (loss)	-	-	-	-	-	-	331.60	331.60	
<b>Total</b>	<b>37.32</b>	<b>48.24</b>	<b>448.38</b>	<b>1.70</b>	<b>10.00</b>	<b>151.02</b>	<b>1,380.63</b>	<b>2,077.29</b>	
Transfers to Statutory reserves	3.38	-	-	-	-	(3.38)	-	-	
Transfers to Standard Assets	-	-	-	0.07	-	(0.07)	-	-	
<b>Balance as at 31 March 2021</b>	<b>40.70</b>	<b>48.24</b>	<b>448.38</b>	<b>1.77</b>	<b>10.00</b>	<b>147.57</b>	<b>1,380.63</b>	<b>2,077.29</b>	

## STANDALONE BALANCE SHEET 2020-2021

### NOTE 19 - INTEREST INCOME

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Interest</b>		
Interest on Loans and Advances	38.57	54.39
Interest on Fixed Deposits	1.38	1.37
<b>Total</b>	<b>39.95</b>	<b>55.76</b>

### NOTE 20 - DIVIDEND INCOME

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Dividend Income	20.25	0.69
<b>Total</b>	<b>20.25</b>	<b>0.69</b>

### NOTE 21 - INCOME FROM DEALING IN SECURITIES/LAND

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit from dealing in securities/Land	79.00	20.06
<b>Total</b>	<b>79.00</b>	<b>20.06</b>

### NOTE 22 - RENTAL INCOME

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rent Income	0.34	0.32
<b>Total</b>	<b>0.34</b>	<b>0.32</b>

### NOTE 23 - OTHER INCOME

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Other Income	0.01	0.16
<b>Total</b>	<b>0.01</b>	<b>0.16</b>

### NOTE 24 - EMPLOYEE BENEFITS EXPENSE

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	9.57	10.66
Contribution to provident and other funds	0.05	0.08
Staff welfare expenses	0.09	0.11
<b>Total</b>	<b>9.71</b>	<b>10.85</b>

\* Includes Gratuity amounting to ₹0.40 Mn ( Year ended March 31st, 2020 : ₹0.41 Mn)

### NOTE 25 - FINANCE COSTS

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest expense	28.52	53.29
Bank charges	0.01	0.02
<b>Total</b>	<b>28.53</b>	<b>53.30</b>

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**NOTE 26 – OTHER EXPENSES**

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Printing & Stationery	0.04	0.06
Postage, Telegram & Telephone	0.08	0.10
Rent	0.01	0.01
Fees & Taxes	0.61	0.81
Directors Travelling	-	0.01
Legal & Professional Charges	0.13	0.16
Travelling & Conveyance	0.05	0.08
Payments to auditors		
As auditors – statutory audit	0.04	0.05
For Tax Audit	0.01	0.01
Office Maintenance	0.36	0.46
General Expenses	0.09	0.16
Advertisement Expenses	0.04	0.06
Bad Debt	90.59	1.31
Provision for Non Performing Assets	(9.45)	-
<b>Total</b>	<b>82.60</b>	<b>3.28</b>

**Note 27 Computation of Earnings Per Share (EPS)**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources (if any). For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A) Basic</b>		
(i) Net Profit attributable to shareholders (₹ In Millions)	16.92	8.06
(ii) Adjusted weighted average equity shares	21,753,200	21,753,200
Basic EPS (₹)	0.78	0.37
<b>B) Diluted</b>		
(i) Net Profit attributable to shareholders (₹ In Millions)	16.92	8.06
(ii) Adjusted weighted average equity shares	21,753,200	21,753,200
Diluted EPS (₹)	0.78	0.37

**Note 28**

Disclosures, relating to amounts unpaid as at the year end together with interest required under the Micro, Small and Medium Enterprises Development Act, 2006 have been given to the extent company has received intimation from "Suppliers" regarding their status under the said Act.

**Note 29 Disclosure as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"**

**a) Operating Segments**

Management currently identifies the Company's two service lines as its Operating Segments as follows:-

- (i) Segment – Interest
- (ii) Segment– Investment/Trading in Securities & others

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### b) Segment Revenue & Expenses

Revenue & Expenses directly attributable to the segment is considered as "Segment Revenue & "Segment Expenses"

### c) Segment Assets & Liabilities

Segment Assets & Liabilities include the respective directly identifiable to each of the segments.

These Operating Segments are monitored by the Company's chief operating decision maker and strategic decisions are made on the basis of segment Operating Results. Segment performance is evaluated based on the profit of each segment.

The following tables present Revenue and Profit Information and certain Assets and Liabilities information regarding the Company's reportable segments for the years ended March 31, 2021 and March 31, 2020.

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>1. Segment Revenue</b>		
(net sale/income from each segment should be disclosed under this head)		
(a) Segment – Interest	39.95	55.76
(b) Segment– Investment/Trading in Securities & others	99.61	21.23
<b>Total</b>	<b>139.56</b>	<b>76.99</b>
Less: Inter Segment Revenue	-	-
Net sales/Income From Operations	139.56	76.99
<b>2. Segment Results (Profit)(+)/ Loss (-) before tax from Each segment)</b>		
(a) Segment – Interest	-74.96	2.74
(b) Segment– Investment/Trading in Securities & others	93.68	6.83
<b>Total</b>	<b>18.72</b>	<b>9.57</b>
Less: (i) Other Un-allocable Expenditure net off	0.11	0.18
(ii) Un-allocable income	-	-
Total Profit Before Tax	18.61	9.39
<b>3. Capital Employed</b>		
1) Segment Assets		
(a) Segment – Interest	517.09	699.793
(b) Segment– Investment/Trading in Securities & others	2399.64	1844.29
<b>Total</b>	<b>2916.73</b>	<b>2544.08</b>
2) Unallocated Corporate Assets	8.88	14.27
3) Deferred Tax Assets	-	-
4) Total Assets	2925.61	2558.35
5) Segment Liabilities		
(a) Segment – Interest	241.43	431.81
(b) Segment– Investment/Trading in Securities & others	182.66	65.00
<b>Total</b>	<b>424.09</b>	<b>496.81</b>
6) Unallocated Liabilities	0.55	0.80
7) Deferred Tax Liabilities	314.46	222.75
8) Total Liabilities	739.10	720.36
9) Share Holder's Fund	2186.51	1837.99



**Note 30 Contingent liabilities**

- a. The Company has given Corporate Guarantee to Banks for securing the sanctioned Bank Guarantees limits of ₹1000.00 Million out of which availed ₹998.00 Million (As at 31 March, 2020: ₹500.00 Million out of which availed ₹452.00 Million) on behalf of Master Capital Services Limited a wholly owned subsidiary company and NIL (As at 31 March, 2020: ₹200.00 Million out of which availed ₹0.75 Million) on behalf of Master Commodity Services Limited a subsidiary company.
- b. The Company has other small litigations which have arisen in ordinary course of business with the clients. The Company has reviewed the impact of all such litigations on Financial Position. In view of the management and the legal advice sought, no provision is required to be made in case of litigation against/by the company. Therefore, provision for the same has not been provided in books of accounts.

**Note 31 Related Party Transactions**

(₹ In Millions)

Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives
<b>Subsidiaries:-</b>	H.A. Share & Stock Brokers Private Limited	KMP
Master Capital Services Limited	Prime Industries Limited	Mr. Harjeet Singh Arora
Master Infrastructure & Real Estate Developers Ltd.	Master Share & Stock Brokers Private Limited	Mr. R K Singhania
Master Insurance Brokers Limited	H.K Arora Real Estate Service Private Limited	
	Big Build Real Estate Private Limited	
<b>Step down subsidiaries:-</b>	Amni Real Estate Private Limited	
Master Commodity Services Limited	Matria Estate Developers Private Limited	<b>Relatives of KMP</b>
Master Portfolio Services Limited	Gold Touch Agri Private Limited	Mrs. Harneesh Kaur Arora
	Master Trust Wealth Private Limited	Mrs. Parveen Singhania
	Arora Financial Services Private Limited	Mr. Puneet Singhania
	Saintco India Private Limited	Mr. Chirag Singhania
	Sanawar Agri Private Limited	Mrs. Palka A Chopra
	Eminent Buildwell Private Limited	Mr. Jashanjyot Singh Arora
	Master Projects Private Limited	Mrs. Priyanka Thukral
	Singhania Properties	Mrs. Rohila Singhania
	Sanawar Investments	Mrs. Isha Singhania
	BlueCircle Investments	
	Crescent Investments	
	R.K. Singhania HUF	
	Harjeet Singh Arora HUF	
	Puneet Singhania HUF	
	Irage Mastertrust Investment Managers LLP	

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**Transactions with related parties**
**(₹ In Millions)**

Transactions with related parties		Subsidiaries	Associates/ Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Realtives	Total
Purchases	Year ended 31st March, 2021	36.88	-	-	36.88
	Year ended 31st March, 2020	109.80	-	-	109.80
Sale	Year ended 31st March, 2021	-	48.82	-	48.82
	Year ended 31st March, 2020	-	107.05	-	107.05
Brokerage Paid	Year ended 31st March, 2021	3.91	-	-	3.91
	Year ended 31st March, 2020	1.88	-	-	1.88
Interest Paid	Year ended 31st March, 2021	12.64	3.38	1.80	17.82
	Year ended 31st March, 2020	35.15	4.84	1.83	41.82
Interest Received	Year ended 31st March, 2021	3.94	0.14	-	4.09
	Year ended 31st March, 2020	18.80	0.47	2.29	21.55
Rent Paid / Other Charges	Year ended 31st March, 2021	-	0.01	0.01	0.02
	Year ended 31st March, 2020	-	0.01	0.01	0.02
Remuneration	Year ended 31st March, 2021	-	-	4.84	4.84
	Year ended 31st March, 2020	-	-	4.84	4.84
Loan & Advances Given	As at 31st March, 2021	202.85	0.89	-	203.74
	As at 31st March, 2020	3.70	4.91	-	8.61
Loan & Advances Taken	As at 31st March, 2021	205.69	43.14	40.83	289.68
	As at 31st March, 2020	166.77	17.82	29.95	214.53
Corporate Guarantees given	As at 31st March, 2021	1,000.00	-	-	1,000.00
	As at 31st March, 2020	700.00	-	-	700.00
Balance outstanding at the end of the year Receivable	As at 31st March, 2021	202.85	0.89	-	203.74
	As at 31st March, 2020	3.70	4.91	-	8.61
Payable	As at 31st March, 2021	205.69	43.14	40.83	289.68
	As at 31st March, 2020	166.77	17.82	29.95	214.53

**Note 32 Employee Benefits**

The Company provides for the gratuity, covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972.

Details of defined benefit plans as per actuarial valuation are as follows:

**Expense recognized in the statement of Profit and Loss:**

(₹ In Millions)

Period	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest cost	0.28	0.28
Current service cost	0.12	0.13
Past Service Cost	-	-
Expected return on plan asset	-	-
Expenses to be recognized in P&L	0.40	0.41

**Other comprehensive (income) / expenses (Remeasurement)**

(₹ In Millions)

Period	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(0.77)	(0.34)
Actuarial (gain)/loss - obligation	(0.62)	(0.43)
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(0.62)	(0.43)
Cumulative total actuarial (gain)/loss. C/F	(1.39)	(0.77)

**The amount to be recognized in the Balance Sheet:**

(₹ In Millions)

Period	As at 31st March, 2021	As at 31st March, 2020
Present value of the obligation at the end of the period	3.71	3.93
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	3.71	3.93
Funded Status - Surplus/ (Deficit)	(3.71)	(3.93)

**Table Showing Changes in Present Value of Obligations:**

(₹ In Millions)

Period	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Present value of the obligation at the beginning of the period	3.93	3.95
Interest cost	0.28	0.28
Current service cost	0.12	0.13
Past Service Cost	-	-
Benefits paid (if any)	-	-
Actuarial (gain)/loss	(0.62)	(0.43)
Present value of the obligation at the end of the period	3.71	3.93

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

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Period	As at 31st March, 2021
Defined Benefit Obligation (Base)	37,11,044 @ Salary Increase Rate : 7%, and discount rate :7%
Liability with x% increase in Discount Rate	36,26,456; x=1.00% [Change (2)% ]
Liability with x% decrease in Discount Rate	38,07,159; x=1.00% [Change 3% ]
Liability with x% increase in Salary Growth Rate	36,06,186; x=1.00% [Change 3% ]
Liability with x% decrease in Salary Growth Rate	36,25,673; x=1.00% [Change (2)% ]
Liability with x% increase in Withdrawal Rate	37,10,077; x=1.00% [Change 0% ]
Liability with x% decrease in Withdrawal Rate	37,12,032; x=1.00% [Change 0% ]

**Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.**

(₹ In Millions)

01 Apr 2021 to 31 Mar 2022	25.20
01 Apr 2022 to 31 Mar 2023	0.04
01 Apr 2023 to 31 Mar 2024	0.30
01 Apr 2024 to 31 Mar 2025	0.02
01 Apr 2025 to 31 Mar 2026	0.02
01 Apr 2026 Onwards	0.78

**Note 33**

As required in terms of paragraph 19 of Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

(₹ In Millions)

Particulars	Amount outstanding	Amount overdue
Liabilities side :		
<b>(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	NIL	NIL
: Unsecured	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	388.44	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits *	NIL	NIL
(g) Other Loans		
Bank overdraft (secured against Fixed Deposits)	16.81	NIL
* Please see Note 1 below		
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>		
(a) In the form of Unsecured debentures		
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
(c) Other public deposits		
* Please see Note 1 below		

**STANDALONE BALANCE SHEET 2020-2021**

<b>Assets side :</b>	<b>Amount Outstanding</b>
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	
(a) Secured	17.38
(b) Unsecured	803.14
<b>(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	NIL
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL
<b>(5) Break-up of Investments:</b>	
Current Investments :	
1. Quoted	
(i) Shares	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others	NIL
2. Unquoted	
(i) Shares	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others	NIL
Long Term investments:	
1. Quoted:	
(i) Shares:	
(a) Equity	26.63
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others	NIL
2. Unquoted :	
(i) Shares :	
(a) Equity	1750.74
(b) Preference	2.57
(ii) Debentures and Bonds	241.04
(iii) Units of mutual funds	22.56
(iv) Government Securities	NIL
(v) Others	
Investment in Property	17.75
<b>TOTAL</b>	<b>2061.29</b>

**STANDALONE BALANCE SHEET 2020-2021**

**Amount net of provisions**

<b>(6) Borrower group-wise classification of assets financed as in (3) and (4) above :</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
Please see Note 2 below			
<b>Category</b>			
1. Related Parties			
(a) Subsidiaries	NIL	202.85	202.85
(b) Companies in the same group	NIL	0.89	0.89
(c) Other related parties	NIL	-	-
2. Other than related parties	17.38	599.40	616.78
<b>Total</b>	<b>17.38</b>	<b>803.14</b>	<b>820.52</b>
<b>(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>	<b>Market Value/Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>	
Please see note 3 below			
<b>Category</b>			
1. Related Parties			
(a) Subsidiaries	1976.59	1976.59	
(b) Companies in the same group	14.63	14.63	
(c) Other related parties	-	-	
2. Other than related parties	52.32	52.32	
<b>Total</b>	<b>2043.54</b>	<b>2043.54</b>	
<b>(8) Other information</b>			<b>Amount</b>
<b>Particulars</b>			
(i) Gross Non-Performing Assets			
(a) Related parties			NIL
(b) Other than related parties			NIL
(ii) Net Non-Performing Assets			
(a) Related parties			NIL
(b) Other than related parties			NIL
(iii) Assets acquired in satisfaction of debt			NIL

**Notes:**

- As defined in paragraph 3(xv) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 2016.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments are disclosed irrespective of whether they are classified as long term or current in (5) above.

**Note 34**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For C.S.Arora & Associates**

Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**  
Partner

Membership Number 090835  
Ludhiana, 29 June, 2021

**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**  
Chief Financial Officer

Sd/-

**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**  
Company Secretary

# AUDITOR'S REPORT 2020-2021

**CONSOLIDATED**



**C.S.ARORA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

734, Phase-II, Urban Estate,  
Dugri, Ludhiana-141013  
Mobile : 098159-00077

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## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**To**

**The Members of  
Master Trust Limited**

### **Report on the audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Master Trust Limited (hereinafter referred to as the "Holding Company"), subsidiaries and its associate companies (Holding Company, subsidiaries and its associate companies together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated statement of Profit and Loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit, total comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31st March 2021. These matters were



addressed in the context of our audit of the consolidated financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there is no key audit matter to communicate in our report.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Responsibilities of Management and those charged with governance for the consolidated financial statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

**Auditor's Responsibilities for the Audit of the consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31st March 2021, as applicable and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of five subsidiaries & one associate, whose financial statements reflect total assets of Rs.7,763.86mn (before consolidation adjustments) as at 31st March, 2021, total revenues of Rs.2,131.99mn (before consolidation adjustments) and net cash flows amounting to Rs.2,485.54mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act except DIN of Mr. Gurmeet Singh Chawla and Mr. Rajiv Kalra has been Deactivated as shown in the MCA records due to non KYC.
- f. With respect to the adequacy of Internal Financial Control with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 30 to the consolidated financial statements.
- b. The Group, did not have any material foreseeable losses as at 31st March, 2021 on long-term contracts including derivative contracts.
- c. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies.

For **C.S.Arora & Associates**  
Chartered Accountants  
FRN: 015130N  
sd/-  
**Chanchal Singh**  
Partner  
Membership No.: 090835

Place : Ludhiana  
Date : 29 June, 2021



**C.S. ARORA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

734, Phase-II, Urban Estate,  
Dugri, Ludhiana-141013  
Mobile : 098159-00077

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Master Trust Limited ("the Holding Company"), its subsidiary companies and its associate companies which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company and its subsidiaries companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021 based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **C.S.Arora & Associates**  
Chartered Accountants  
FRN: 015130N

Sd/-  
**Chanchal Singh**  
Partner  
Membership No.: 090835

Place : Ludhiana  
Date : 29 June, 2021

# **BALANCE SHEET** **2020-2021**



**CONSOLIDATED**

CONSOLIDATED BALANCE SHEET 2020-2021



MASTER TRUST LIMITED

Consolidated Balance Sheet as at 31st March, 2021

(₹ In Millions)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I ASSETS</b>			
<b>Financial Assets</b>			
a) Cash and cash equivalents	3	5,762.15	3,281.45
b) Bank balances other than above	4	0.55	0.80
c) Trade receivables	5	659.25	351.35
d) Loans and Advances	6	695.03	749.73
e) Investments	7	148.09	187.21
f) Other financial assets	8	270.27	551.32
<b>Total financial assets</b>		<b>7,535.34</b>	<b>5,121.86</b>
<b>Non-financial Assets</b>			
a) Inventories	9	120.64	194.56
b) Deferred tax assets	18	-	19.66
c) Property, Plant and Equipment	10	99.48	102.22
d) Investment Property	11	78.67	80.58
e) Other non financial assets	12	22.23	55.53
<b>Total non-financial assets</b>		<b>321.02</b>	<b>452.55</b>
<b>Total Assets</b>		<b>7,856.36</b>	<b>5,574.41</b>
<b>II LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
a) Payable	13		
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4,006.72	1,969.59
b) Borrowings	14	950.61	1,035.84
c) Other financial liabilities	15	268.04	198.22
<b>Total financial liabilities</b>		<b>5,225.37</b>	<b>3,203.65</b>
<b>Non Financial liabilities</b>			
a) Provisions	16	27.40	107.89
b) Other non-financial liabilities	17	30.83	108.11
c) Deferred tax liabilities	18	17.16	-
<b>Total Non Financial liabilities</b>		<b>75.39</b>	<b>216.00</b>
<b>Equity</b>			
a) Equity share capital	19	109.22	109.22
b) Other equity	20	2,446.38	2,033.07
<b>Equity attributable to owners of the Company</b>		<b>2,555.60</b>	<b>2,142.29</b>
<b>Non-controlling interests</b>		-	<b>12.47</b>
<b>Total Liabilities and Equity</b>		<b>7,856.36</b>	<b>5,574.41</b>

The accompanying notes are an integral part of the financial statements

As per our Report of even date

**For C.S.Arora & Associates**

Chartered Accountants

FRN 015130N

Sd/-

**Chanchal Singh**

Partner

Membership Number 090835

Ludhiana, 29 June, 2021

**For and on behalf of the Board**

Sd/-

**R. K. Singhania**

Director

DIN-00077540

Sd/-

**Sunil Kumar**

Chief Financial Officer

Sd/-

**Harjeet Singh Arora**

Managing Director

DIN-00063176

Sd/-

**Vikas Gupta**

Company Secretary





MASTER TRUST LIMITED

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

(₹ In Millions)

Particulars	Note No.	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
<b>Revenue from operations</b>			
Interest Income	21	384.66	333.59
Dividend Income	22	68.60	2.01
Income from dealing in Securities/Land	23	680.64	146.73
Rental Income	24	1.14	0.32
Fees and commission Income	25	1,112.92	875.97
<b>Total Revenue</b>		<b>2,247.96</b>	<b>1,358.62</b>
<b>EXPENSES:</b>			
Employee benefits expense	26	533.10	373.18
Finance Costs	27	191.60	177.90
Depreciation and amortization expense	10	13.15	16.03
Other expenses	28	1,081.07	657.13
<b>Total Expenses</b>		<b>1,818.92</b>	<b>1,224.24</b>
<b>Profit before tax</b>		<b>429.04</b>	<b>134.38</b>
<b>Tax Expenses</b>			
- Current tax expense for current year		84.54	12.26
- Deferred tax		3.53	(1.34)
- Current tax expense relating to prior years		(2.74)	0.36
<b>Profit for the year before adjustment for Minority Interest</b>		<b>343.71</b>	<b>123.10</b>
<b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss		22.97	(8.51)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.34)	1.42
<b>Subtotal(A)</b>		<b>19.63</b>	<b>(7.09)</b>
(B) (i) Items that will be reclassified to profit or loss		83.71	(31.46)
(ii) Income tax relating to items that will be reclassified to profit or loss		(30.72)	(8.97)
<b>Subtotal(B)</b>		<b>52.99</b>	<b>(40.43)</b>
<b>Other Comprehensive Income (A+B)</b>		<b>72.62</b>	<b>(47.52)</b>
<b>Total Comprehensive Income for the year</b>		<b>416.33</b>	<b>75.58</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		343.71	123.09
Non-controlling interests		-	0.01
		<b>343.71</b>	<b>123.10</b>
<b>Other Comprehensive Income for the year attributable to:</b>			
Owners of the Company		72.62	(47.52)
Non-controlling interests		-	-
		<b>72.62</b>	<b>(47.52)</b>
<b>Total Comprehensive Income for the year attributable to:</b>			
Owners of the Company		416.33	75.57
Non-controlling interests		-	0.01
		<b>416.33</b>	<b>75.58</b>
<b>Earnings per equity share (face value Rs. 5 each)</b>			
- Basic		15.80	5.66
- Diluted		15.80	5.66
Weighted average number of shares outstanding		21,753,200	21,753,200

The accompanying notes are an integral part of the financial statements

As per our Report of even date

**For C.S.Arora & Associates**

Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**  
Partner

Membership Number 090835  
Ludhiana, 29 June, 2021

**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**  
Chief Financial Officer

Sd/-

**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**  
Company Secretary

CONSOLIDATED BALANCE SHEET 2020-2021



MASTER TRUST LIMITED

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

(₹ In Millions)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit before tax</b>		<b>429.04</b>		<b>134.38</b>
Adjustment for:				
Depreciation/amortization	13.15		16.03	
Profit on sale of Fixed Asset	-		(0.16)	
Provision for Gratuity	(8.58)		4.34	
Profit on sale of Investment	(62.80)		(88.30)	
Provision for Non Performing Assets	(9.45)			
		(67.68)		(68.09)
<b>Operating profit before working capital changes</b>		<b>361.36</b>		<b>66.29</b>
Adjustments for (Increase)/decrease in operating assets				
Trade receivables	(307.90)		563.02	
Loans and advances	54.70		51.33	
Other financial assets	281.05		(308.39)	
Other Non financial assets	33.29		(17.78)	
Inventories	57.49		74.58	
Bank balances other than Cash and cash equivalent	0.25		0.32	
<b>Total</b>	<b>118.88</b>		<b>363.08</b>	
Adjustments for Increase/(decrease) in operating liabilities				
Trade payables	2,037.13		(531.30)	
Borrowings	(85.23)		287.33	
Other financial liabilities	69.82		(38.04)	
Other Non financial liabilities	(77.28)		6.09	
<b>Total</b>	<b>1,944.44</b>	<b>2,063.32</b>	<b>(275.92)</b>	<b>87.16</b>
<b>Cash generated from operations</b>		<b>2,424.69</b>		<b>153.45</b>
Income Tax Paid (Net)		(61.14)		(12.26)
<b>Net cash from Operating activities</b>		<b>2,363.55</b>		<b>141.19</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	(16.30)		(15.51)	
Sale of fixed assets	5.90		0.89	
Purchase of Investment	(304.17)		(80.50)	
Sale of Investment	429.81		293.63	
Purchase of Investment Property	(5.06)		(8.82)	
Sale of Investment Property	6.97		-	
Net cash from/ (used) in Investing activities		<b>117.15</b>		<b>189.69</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	-		-	
<b>Net cash from / (used) in financing activities</b>		<b>-</b>		<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,480.70</b>		<b>330.88</b>
<b>Opening Balance Cash and cash equivalents</b>		<b>3,281.45</b>		<b>2,950.57</b>
<b>Closing Balance Cash and cash equivalents</b>		<b>5,762.15</b>		<b>3,281.45</b>

As per our Report of even date

**For C.S.Arora & Associates**

Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**  
Partner

Membership Number 090835  
Ludhiana, 29 June, 2021

**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**  
Chief Financial Officer

Sd/-

**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**  
Company Secretary



MASTER TRUST LIMITED

Consolidated Statement of Changes in Equity for the year ended 31st March, 2021

**A. Equity Share Capital**

(₹ In Millions)

Particulars	Amount
<b>Issued, Subscribed and fully paid up:</b>	
Balance as at 1 April 2019	109.22
Changes during the year:	-
Balance as at 31 March 2020	109.22
Changes during the year:	-
<b>Balance as at 31 March 2021</b>	<b>109.22</b>

**B. Other Equity**

(₹ In Millions)

Particulars	Reserves & Surplus						Items of other comprehensive income	Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital Reserve	Securities Premium	Contingent Provision Against Standard Assets	General Reserve	Retained Earning	Other Comprehensive Income	
<b>Balance as at 1 April 2019</b>	<b>35.48</b>	<b>49.41</b>	<b>460.38</b>	<b>1.65</b>	<b>21.97</b>	<b>1,342.32</b>	<b>46.29</b>	<b>1,957.50</b>
Profit/(loss) for the year	-	-	-	-	-	123.09	-	123.09
Other Comprehensive Income / (loss)	-	-	-	-	-	-	(47.52)	(47.52)
Total	35.48	49.41	460.38	1.65	21.97	1,465.41	(1.23)	2,033.07
Transfers to Statutory reserves	2.09	-	-	-	-	(2.09)	-	-
Transfers to Standard Assets	-	-	-	(0.04)	-	0.04	-	-
<b>Balance as at 31 March 2020</b>	<b>37.57</b>	<b>49.41</b>	<b>460.38</b>	<b>1.61</b>	<b>21.97</b>	<b>1,463.36</b>	<b>(1.23)</b>	<b>2,033.07</b>
Profit/(loss) for the year	-	-	-	-	-	343.71	-	343.71
Other Comprehensive Income / (loss)	-	-	-	-	-	-	72.62	72.62
Total	37.57	49.41	460.38	1.61	21.97	1,807.07	71.39	2,449.40
Transfers to Statutory reserves	3.15	-	-	-	-	(3.15)	-	-
Transfers to Standard Assets	-	-	-	(0.07)	-	0.07	-	-
Adjustment during the year	-	(0.27)	-	-	-	(2.75)	-	(3.02)
<b>Balance as at 31 March 2021</b>	<b>40.72</b>	<b>49.14</b>	<b>460.38</b>	<b>1.54</b>	<b>21.97</b>	<b>1,801.24</b>	<b>71.39</b>	<b>2,446.38</b>

As per our Report of even date

**For C.S.Arora & Associates**

Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**  
Partner

Membership Number 090835  
Ludhiana, 29 June, 2021

**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**  
Chief Financial Officer

Sd/-

**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**  
Company Secretary

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

### 1 Corporate Information -

Master Trust Limited ('the Company') is a public limited company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as a non-deposit accepting Non Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI'). Its shares are listed on Bombay Stock Exchange (BSE) in India.

The company is mainly in the business of lending, sales/purchases of Securities and lands.

### 2 Significant Accounting Policies

#### a. Statement of compliance

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

#### b. Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

Effective April 1, 2019, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

#### c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns."

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings."

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the noncontrolling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation."

**d. Investment in associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases. The Company discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. "

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds

from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with an associate or a joint venture of the Company, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Company's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Company.

**e. Inventories**

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

**f. Revenue Recognition**

**Recognition of interest income on loans'**

The Company follows the mercantile system of accounting and recognized Profit/Loss on that basis. Interest income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms.

**Rental Income:**

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

**Fee and commission income:**

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

**Dividend and interest income on investments:-**

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- Interest income from investments is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable."

**g. Property, Plant and Equipments (PPE)**

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

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

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

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

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

#### **h. Financial instruments**

##### **Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. On initial recognition, a financial asset is classified as measured at FVOCI. The company subsequently measures all financial investments at fair value through other comprehensive income.

##### **Financial assets**

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

- Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL."

- Investments in equity instruments measured at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Reserve for equity instruments through other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments."

A financial asset is held for trading if it has been acquired principally for the purpose of selling it in the near term.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably

- Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards

of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received."

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL."

A financial liability is classified as held for trading if:

- a. it has been incurred principally for the purpose of repurchasing it in the near term; or
- b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- c. it is a derivative that is not designated and effective as a hedging instrument."

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit and loss.

- Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item."

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- Derecognition of financial liabilities



The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss."

**i. Employee benefits**

Short-term and other long-term employee benefits

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

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

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

**Contribution to provident fund and ESIC -**

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

**Gratuity -**

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

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

Remeasurement gains/losses -

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

**j. Finance costs**

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

**k. Taxation - Current and deferred tax:**

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

**Current tax :**

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

**Deferred tax :**

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

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

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

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

**i. Provisions and contingent liabilities**

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

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

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

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

**m. Leases :**

**Where the Company is the lessee -**

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

**Where the Company is the lessor -**

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

**n. Cash and cash equivalents:**

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

**o. Earnings Per Share :**

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

**p. Significant accounting judgements, estimates and assumptions**

In the application of the Company's accounting policies, which are described as stated above, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

- Key sources of uncertainty

In the application of the Company accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:"

a. Useful lives of depreciable tangible assets

Management reviews the useful lives of depreciable/amortisable assets at each reporting date.

b. Fair Value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company approves the fair values determined by the Chief Financial Officer of the Company including determining the appropriate valuation techniques and inputs for fair value measurements.

c. Contingent Liability

In ordinary course of business, the Company faces claims by various parties. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 - CASH AND CASH EQUIVALENTS

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	1.11	0.83
Balances with banks		
- In current accounts	119.56	283.85
- In deposit accounts	5,602.63	2,996.77
- Cheques in hand	38.85	-
<b>Total</b>	<b>5,762.15</b>	<b>3,281.45</b>

NOTE 4 - BANK BALANCES OTHER THAN ABOVE

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In earmarked accounts		
- Unpaid dividend accounts	0.55	0.80
<b>Total</b>	<b>0.55</b>	<b>0.80</b>

NOTE 5 - RECEIVABLES

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	14.14	20.26
Trade receivables outstanding for a period for and less than six months from the date they were due for payment Unsecured, considered good	645.11	331.09
<b>Total</b>	<b>659.25</b>	<b>351.35</b>

NOTE 6 - LOANS AND ADVANCES

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Loans and advances to related parties	1.81	4.91
Loans and advances to others	693.22	744.82
<b>Total</b>	<b>695.03</b>	<b>749.73</b>

**NOTE 7 – Investments** (₹ In Millions)

Investments	As at 31st March, 2021		As at 31st March, 2020	
	At Fair value through Profit or Loss / OCI	Others (at cost)	Total	Total
<b>Equity instruments</b>				
<b>(a) Associates</b>				
12,000 (As at 31 March, 2020: 12,500) shares of ₹100 each fully paid up in H A Share & Stock Brokers Pvt Ltd.*	12.76	-	12.76	-
<b>(b) Other Group Entities</b>				
1,09,600 (As at 31 March, 2020: 1,09,600) shares of ₹5 each fully paid up in Prime Industries Ltd.	0.45	-	0.45	0.07
4 (As at 31 March, 2020: 4) shares of ₹5,000 each fully paid in Master Projects Pvt. Ltd.	-	1.42	1.42	1.42
<b>(c) Others</b>				
23,600 (As at 31 March 2020: 23,600) Shares of ₹10 each fully paid up in R R Financial Consultants Ltd.	0.50	-	0.50	0.14
22,289 (As at 31 March 2020: 26,328 ) Shares of ₹10 each fully paid up in Sainik Finance Ltd.	0.44	-	0.44	0.66
17,500 (As at 31 March 2020: 17,500) Shares of ₹10 each fully paid up in PTC India Financial Services Ltd.	0.32	-	0.32	0.14
3,200 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Deepak Fertilisers & Petrochemicals Corporation Ltd.	0.73	-	0.73	-
5,500 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Prism Johnson Ltd.	0.72	-	0.72	-
75 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Vardhman Textiles Ltd.	0.10	-	0.10	-
1,735 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Surya Roshni Ltd.	0.60	-	0.60	-
380 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Tata Elxsi Ltd.	1.02	-	1.02	-
26,070 (As at 31 March 2020: NIL) Shares of ₹10 each fully paid up in Central Depository Services (India) Ltd.	17.10	-	17.10	-
21,263 (As at 31 March 2020: NIL) Shares of ₹5 each fully paid up in Puravankara Ltd.	1.50	-	1.50	-
NIL (As at 31 March, 2020: 56) shares of ₹10 each fully paid up in Tata Power Limited and	0.40	-	0.40	0.40
100 (As at 31 March, 2020) 100 shares of ₹1 each fully paid up in Ludhiana Stock Exchange Limited	0.24	-	0.24	0.24
shares of ₹1 each fully paid up in Ludhiana Stock Exchange Limited	1.02	-	1.02	0.24
8,500 (As at 31 March 2020: 8,500) Shares of ₹10/- each fully paid up in LSC Securities Ltd.	-	-	-	9.14
12,870 (As at 31 March, 2020: 12,870) shares of ₹10 each fully paid up in NCC Limited	53.19	-	53.19	-
NIL (As at 31 March 2020: 31,50,000) 6% PR Shares of Zee Entertainment Ltd	-	-	-	5.01
10,20,000 (As at 31 March, 2020: NIL) shares of ₹10 each fully paid up in Tata Steel Bsl Ltd	-	-	-	-
NIL (As at 31 March 2020: 16,874) Shares of ₹2 each fully paid up in Bse Ltd.	1.41	-	1.41	-
800 (As at 31 March 2020: NIL) Shares of ₹2 each fully paid up in Balaji Amines Ltd.	0.72	-	0.72	-
1,240 (As at 31 March 2020: NIL) Shares of ₹2 each fully paid up in IICI Bank Ltd.	0.54	-	0.54	-
7,250 (As at 31 March 2020: NIL) Shares of ₹2 each fully paid up in Jindal Saw Ltd.	0.48	-	0.48	-
2,250 (As at 31 March 2020: NIL) Shares of ₹1 each fully paid up in Bairampur Chini Mills Ltd.	0.95	-	0.95	-
36,037 (As at 31 March, 2020: 36,037) shares of ₹1 each fully paid up in Delhi Stock Exchange Limited	1.01	-	1.01	0.95
<b>Investment in debentures or bonds</b>				
1,000 (As at 31 March, 2020: NIL) Debentures of ₹1,000 each fully paid up in Wepay Finance Pvt Ltd	-	-	-	-
<b>Compulsory Convertible Cumulative Preference Shares</b>				
60 (As at 31 March 2020: 60) Shares of ₹10 each fully paid up in Quantinsti Quantitative Learning Private Ltd.	-	2.57	2.57	2.57
<b>Investment in partnership firms</b>				
	-	0.06	0.06	0.06

**NOTE 7 - Investments**

(₹ In Millions)

Investments	As at 31st March, 2021		As at 31st March, 2020	
	At Fair value through Profit or Loss / OCI	Others (at cost)	Total	Total
<b>Mutual Funds/Return Fund</b>				
14,77,352 (As at 31 March 2020:14,77,352) units of ₹10 each of IDFC Mutual Fund Corp Bond FD	22.56	-	22.56	20.63
20,00,000 (As at 31 March 2020:40,00,000) units of ₹10 each of Reliance Mutual Fund	25.28	-	25.28	45.97
NIL (As at 31 March 2020:20,00,000) units of ₹10 each of HDFC Mutual Fund	-	-	-	24.74
NIL (As at 31 March, 2020: 16,12,757) units of ₹10 each of L And T Mutual Fund	-	-	-	24.83
NIL (As at 31 March 2020:6,583.082 ) units of ₹1,000 each of Nippon India Liquid Fund	-	-	-	50.00
<b>TOTAL-GROSS (A)</b>	<b>144.04</b>	<b>4.05</b>	<b>148.09</b>	<b>183.16</b>
i) Investments outside India	-	-	-	-
ii) Investments in India	144.04	4.05	148.09	183.16
<b>TOTAL-GROSS (B)</b>	<b>144.04</b>	<b>4.05</b>	<b>148.09</b>	<b>183.16</b>
Less: Allowance for Impairment loss (c)	-	-	-	-
<b>Total-Net D (A-C)</b>	<b>144.04</b>	<b>4.05</b>	<b>148.09</b>	<b>183.16</b>

\*During the year, the company has transferred its 2.04% equity share holding of its subsidiary H.A. Share & Stock Brokers Pvt. Ltd. Consequently H.A. Share & Stock Brokers Pvt. Ltd ceases to be the subsidiary company and became an associate.

**CONSOLIDATED BALANCE SHEET 2020-2021**

**NOTE 8 – OTHER FINANCIAL ASSETS**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security deposits	78.72	64.89
Others	191.55	486.43
<b>Total</b>	<b>270.27</b>	<b>551.32</b>

**NOTE 9 – INVENTORIES**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Acquired For Trading	120.64	194.56
<b>Total</b>	<b>120.64</b>	<b>194.56</b>

**NOTE 10 – Property, Plant and Equipment**

(₹ In Millions)

Particulars	Buildings	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total
<b>GROSS CARRYING AMOUNT</b>						
Balance as at 1 April 2019	70.93	28.53	38.73	163.45	41.54	343.18
Additions during the year	-	0.24	1.37	9.28	4.62	15.51
Disposals / deductions during the year	-	-	0.03	0.60	3.60	4.23
<b>Balance as at 31 March 2020</b>	<b>70.93</b>	<b>28.77</b>	<b>40.07</b>	<b>172.13</b>	<b>42.56</b>	<b>354.46</b>
Additions during the year	2.44	0.27	1.00	12.60	-	16.31
Disposals / deductions during the year	7.20	1.80	2.01	2.63	0.17	13.81
<b>Balance as at 31 March 2021</b>	<b>66.17</b>	<b>27.24</b>	<b>39.06</b>	<b>182.10</b>	<b>42.39</b>	<b>356.96</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>						
Balance as at 1 April 2019	11.78	20.64	33.93	149.35	24.11	239.81
Additions during the year	0.63	1.52	1.41	8.55	3.92	16.03
Disposals / deductions during the year	-	-	0.03	0.05	3.52	3.60
Balance as at 31 March 2020	12.41	22.16	35.31	157.85	24.51	252.24
Additions during the year	0.51	1.12	0.97	7.40	3.15	13.15
Disposals / deductions during the year	1.34	1.80	1.97	2.63	0.17	7.91
Balance as at 31 March 2021	11.58	21.48	34.31	162.62	27.49	257.48
<b>NET CARRYING AMOUNT</b>						
<b>As at 31 March 2020</b>	<b>58.52</b>	<b>6.61</b>	<b>4.76</b>	<b>14.28</b>	<b>18.05</b>	<b>102.22</b>
<b>As at 31 March 2021</b>	<b>54.59</b>	<b>5.76</b>	<b>4.75</b>	<b>19.48</b>	<b>14.90</b>	<b>99.48</b>

**NOTE 11 – INVESTMENT PROPERTY**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment in Property	78.67	80.58
<b>Total</b>	<b>78.67</b>	<b>80.58</b>

## CONSOLIDATED BALANCE SHEET 2020-2021

### NOTE 12 - OTHER NON FINANCIAL ASSETS

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance income tax (net of provision for tax)	12.24	47.11
Prepaid expenses	9.13	6.78
Other	0.86	1.64
<b>Total</b>	<b>22.23</b>	<b>55.53</b>

### NOTE 13 - PAYABLES

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,006.72	1,969.59
<b>Total</b>	<b>4,006.72</b>	<b>1,969.59</b>

### NOTE 14 - Borrowings

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 1st April, 2020
<b>Deep Discount Bonds</b>		
Unsecured	15.08	15.14
Interest on Deep Discount Bond accrued but not due.	543.54	457.67
	558.62	472.81
<b>Term Loans</b>		
From Banks - Secured	6.30	9.24
<b>Loans repayable on demand</b>		
<b>From banks</b>		
Secured	131.47	413.70
<b>Loans and advances from related parties</b>		
Unsecured	154.40	58.02
<b>Other loans and advances</b>		
Unsecured	99.82	82.07
<b>Total</b>	<b>950.61</b>	<b>1,035.84</b>

### NOTE 15 - OTHER FINANCIAL LIABILITIES

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unclaimed dividends	0.55	0.80
Cheque Issued Net	-	79.30
Others	267.49	118.12
<b>Total</b>	<b>268.04</b>	<b>198.22</b>



**CONSOLIDATED BALANCE SHEET 2020-2021**

**NOTE 16 - PROVISIONS**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for gratuity	6.07	14.65
Provision for tax	21.33	-
Provision for Non Performing Assets	-	93.24
<b>Total</b>	<b>27.40</b>	<b>107.89</b>

**NOTE 17 - OTHER NON FINANCIAL LIABILITIES**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory dues	24.59	15.51
Others	6.24	92.60
<b>Total</b>	<b>30.83</b>	<b>108.11</b>

**NOTE 18 - DEFERRED TAX LIABILITIES/ASSETS**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Deferred tax Liabilities</b>		
Investment in Equity/Debt/Mutual Fund	53.24	41.76
Others	0.36	0.57
	53.60	42.33
<b>Deferred tax Assets</b>		
Brought Forward Losses	35.86	35.89
On account of Gratuity	0.58	2.63
Provision for doubtful debts/advances	-	23.47
	36.44	61.99
<b>NET DEFERRED TAX LIABILITIES/ (ASSETS)</b>	<b>17.16</b>	<b>(19.66)</b>

**NOTE 19 - EQUITY SHARE CAPITAL**

(₹ In Millions)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Authorised</b>				
Equity shares of Rs.5/- each (Par value)	22,000,000	110.00	22,000,000	110.00
	<b>22,000,000</b>	<b>110.00</b>	<b>22,000,000</b>	<b>110.00</b>
<b>Issued</b>				
Equity shares of Rs.5/- each (Par value)	21,950,800	109.75	21,950,800	109.75
	<b>21,950,800</b>	<b>109.75</b>	<b>21,950,800</b>	<b>109.75</b>
<b>Subscribed and fully paid up</b>				
Equity shares of Rs.5/- each (Par value)	21,753,200	108.76	21,753,200	108.76
Forfeited Shares	-	0.46	-	0.46
	<b>21,753,200</b>	<b>109.22</b>	<b>21,753,200</b>	<b>109.22</b>

## CONSOLIDATED BALANCE SHEET 2020-2021

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

Particulars	Share Capital		Share Capital	
	As at 31st March, 2021		As at 31st March, 2020	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>i) Issued, Subscribed and paid up equity shares</b>				
Outstanding at the beginning of the year	21,753,200	108.76	21,753,200	108.76
Additions: Shares Split during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>21,753,200</b>	<b>108.76</b>	<b>21,753,200</b>	<b>108.76</b>

**(b) Terms/rights attached to equity shares**

The company has one class of shares referred to as Equity Shares having a par value of Rs. 5/- each. Each holder of equity shares is entitled to one vote per share.

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

There is no holding or ultimate holding company of the Company.

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

Particulars	Equity Share Capital		Equity Share Capital	
	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Harjeet Singh Arora	3,173,696	14.59	3,173,696	14.59
Harneesh Kaur Arora	2,430,020	11.17	2,430,020	11.17
Rajinder Kumar Singhania	5,160,714	23.72	5,160,714	23.72
Jashanjyot Singh Arora	1,440,000	6.62	1,440,000	6.62
Parveen Singhania	1,981,000	9.11	1,981,000	9.11
Prime Industries Ltd	1,187,916	5.46	1,187,916	5.46
G S Auto Leasing Ltd	3,185,698	14.64	3,162,865	14.54

**NOTE 20 - OTHER EQUITY**

(₹ In Millions)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory reserves as per Section 45-IC of the RBI Act, 1934	40.72	37.57
Capital Reserve	49.14	49.41
Securities Premium	460.38	460.38
Contingent Provision Against Standard Assets	1.54	1.61
General Reserve	21.97	21.97
Retained Earning	1,801.24	1,463.36
Other Comprehensive Income	71.39	(1.23)
<b>Total</b>	<b>2,446.38</b>	<b>2,033.07</b>

**CONSOLIDATED BALANCE SHEET 2020-2021**

**B. Other Equity**

(₹ In Millions)

Particulars	Reserves & Surplus						Items of other comprehensive income	Total
	Statutory reserves as per Section 45-1C of the RBI Act, 1934	Capital Reserve	Securities Premium	Contingent Provision Against Standard Assets	General Reserve	Retained Earning	Other Comprehensive Income	
<b>Balance as at 1 April 2019</b>	35.48	49.41	460.38	1.65	21.97	1,342.32	46.29	1,957.50
Profit/(loss) for the year	-	-	-	-	-	123.09	-	123.09
Other Comprehensive Income / (loss)	-	-	-	-	-	-	(47.52)	(47.52)
<b>Total</b>	<b>35.48</b>	<b>49.41</b>	<b>460.38</b>	<b>1.65</b>	<b>21.97</b>	<b>1,465.41</b>	<b>(1.23)</b>	<b>2,033.07</b>
Transfers to Statutory reserves	2.09	-	-	-	-	(2.09)	-	-
Transfers to Standard Assets	-	-	-	(0.04)	-	0.04	-	-
<b>Balance as at 31 March 2020</b>	<b>37.57</b>	<b>49.41</b>	<b>460.38</b>	<b>1.61</b>	<b>21.97</b>	<b>1,463.36</b>	<b>(1.23)</b>	<b>2,033.07</b>
Profit/(loss) for the year	-	-	-	-	-	343.71	-	343.71
Other Comprehensive Income / (loss)	-	-	-	-	-	-	72.62	72.62
<b>Total</b>	<b>37.57</b>	<b>49.41</b>	<b>460.38</b>	<b>1.61</b>	<b>21.97</b>	<b>1,807.07</b>	<b>71.39</b>	<b>2,449.40</b>
Transfers to Statutory reserves	3.15	-	-	-	-	(3.15)	-	-
Transfers to Standard Assets	-	-	-	(0.07)	-	0.07	-	-
Adjustment during the year	-	(0.27)	-	-	-	(2.75)	-	(3.02)
<b>Balance as at 31 March 2021</b>	<b>40.72</b>	<b>49.14</b>	<b>460.38</b>	<b>1.54</b>	<b>21.97</b>	<b>1,801.24</b>	<b>71.39</b>	<b>2,446.38</b>

**NOTE 21 - INTEREST INCOME**

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Interest</b>		
Interest on Loans and Advances	112.63	220.97
Interest on Fixed Deposits	272.03	112.62
<b>Total</b>	<b>384.66</b>	<b>333.59</b>

**NOTE 22 - DIVIDEND INCOME**

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Dividend Income	68.60	2.01
<b>Total</b>	<b>68.60</b>	<b>2.01</b>

**NOTE 23 - INCOME FROM DEALING IN SECURITIES/LAND**

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit from dealing in securities/Land	680.64	146.73
<b>Total</b>	<b>680.64</b>	<b>146.73</b>

## CONSOLIDATED BALANCE SHEET 2020-2021

### NOTE 24- RENTAL INCOME

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rent Income	1.14	0.32
<b>Total</b>	<b>1.14</b>	<b>0.32</b>

### NOTE 25 - FEES AND COMMISSION INCOME

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income from Brokerage	1,039.94	826.45
Income from PMS	42.31	34.49
DP Income	30.67	15.03
<b>Total</b>	<b>1,112.92</b>	<b>875.97</b>

### NOTE 26 - EMPLOYEE BENEFITS EXPENSES

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	529.13	366.09
Contribution to provident and other funds	1.69	1.96
Staff welfare expenses	2.28	5.13
<b>Total</b>	<b>533.10</b>	<b>373.18</b>

### NOTE 27 - FINANCE COSTS

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest expense	185.18	174.67
Bank charges	6.42	3.23
<b>Total</b>	<b>191.60</b>	<b>177.90</b>

### NOTE 28 - OTHER EXPENSES

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Printing & Stationery	3.60	4.12
Postage, Telegram & Telephone	36.23	30.86
Rent	26.57	28.75
Fees & Taxes	8.40	7.83
Directors Travelling	-	0.01
Demat/ Remat Charges	10.17	6.26
Legal & Professional Charges	64.74	39.78
Travelling & Conveyance	4.77	10.97
Payments to auditors		
As auditors - statutory audit	0.86	0.60
For Tax Audit	0.17	0.15
Office Maintenance	19.32	20.97
General Expenses	15.96	24.68
Advertisement Expenses	0.01	0.06
Computer & Software Expenses	75.43	51.97
Sub Brokerage	363.90	250.04
Turnover Charges	347.70	171.05
VSAT Charges	2.26	3.33
Provision for Non Performing Assets written back	(9.45)	-
Bad Debts writtten off	110.43	5.70
<b>Total</b>	<b>1,081.07</b>	<b>657.13</b>

**Note 29 Computation of Earnings Per Share (EPS)**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources(if any). For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A) Basic</b>		
(i) Net Profit attributable to shareholders (₹ In Millions)	343.71	123.09
(ii) Adjusted weighted average equity shares	21,753,200	21,753,200
Basic EPS (₹)	15.80	5.66
<b>B) Diluted</b>		
(i) Net Profit attributable to shareholders (₹ In Millions)	343.71	123.09
(ii) Adjusted weighted average equity shares	21,753,200	21,753,200
Diluted EPS (₹)	15.80	5.66

**Note 30 Contingent liabilities**

- a) a) Master Capital Services Limited has given/availed a Bank Guarantee amounting to ₹60.50 Millions (As at 31 March, 2020: ₹2.50 Millions) in favour of NSE Clearing Ltd, ₹928.00 Millions (As at 31 March, 2020: ₹140.00 Millions) in favour of SHCIL, ₹6.25 Millions (As at 31 March, 2020: ₹6.25 Millions) in favour of Multi Commodity Exchange of India Limited, ₹3.25 Millions (As at 31 March, 2020: ₹3.25 Millions) in favour of National Commodity & Derivatives Exchange Limited.
- Master Commodity Services Limited has given/availed a Bank Guarantee amounting to ₹NIL (As at 31 March, 2020: ₹0.75 Millions) in favour of National Commodity & Derivatives Exchange Limited.
- Master Infrastructure and Real Estate Developers Limited has given/availed Bank Guarantee of ₹0.05 Million (As at 31 March, 2020: ₹0.05 Million) in favour of Greater Ludhiana Area Development Authority.
- b) The Group has other small litigations which have arisen in ordinary course of business with the clients. The Group has reviewed the impact of all such litigations on Financial Position. In view of the management and the legal advice sought, no provision is required to be made in case of litigation against/by the company. Therefore, provision for the same has not been provided in books of accounts.

**Note 31**

Disclosures, relating to amounts unpaid as at the year end together with interest required under the Micro, Small and Medium Enterprises Development Act, 2006 have been given to the extent company has received intimation from "Suppliers" regarding their status under the said Act.

**Note 32**

Master Capital Services Limited had issued 4000 Deep Discount Bonds (DDB) in the previous years, outstanding Face Value at the end of the year amounting to ₹25.56 Millions (As at 31 March, 2020: ₹27.37 Millions), to augment the working capital and other requirements. Interest expense is accounted for on mercantile basis. However, as per the provisions of Income Tax Act, the tax will be deducted at source at the time of maturity/redemption.

**Note 33 Disclosure as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"**

**a) Operating Segments**

Management currently identifies the Group's five service lines as its Operating Segments as follows:-

- (i) Segment – Broking
- (ii) Segment – Interest
- (iii) Segment – Portfolio Management Services
- (iv) Segment – Insurance Broking
- (v) Segment – Investment/Trading in Securities & others

## CONSOLIDATED BALANCE SHEET 2020-2021

### b) Segment Revenue & Expenses

Revenue & Expenses directly attributable to the segment is considered as "Segment Revenue & "Segment Expenses"

### c) Segment Assets & Liabilities

Segment Assets & Liabilities include the respective directly identifiable to each of the segments.

These Operating Segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment Operating Results. Segment performance is evaluated based on the profit of each segment.

The following tables present Revenue and Profit Information and certain Assets and Liabilities information regarding the Group's reportable segments for the years ended March 31, 2021 and March 31, 2020.

#### (a) Information about business Segments

(₹ In Millions)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>A) Segment Revenue</b>		
1) Total Segment Revenue		
(a) Segment – Broking	1950.86	1127.06
(b) Segment – Interest	36.01	36.96
(c) Segment – Portfolio Management Services	52.32	34.53
(d) Segment – Insurance Broking	27.11	26.08
(e) Segment – Investment/Trading in Securities & others	181.66	133.99
<b>Total</b>	<b>2247.96</b>	<b>1358.62</b>
2) Inter Segment Revenue	-	-
3) External Revenue (1-2)		
(a) Segment – Broking	1950.86	1127.06
(b) Segment – Interest	36.01	36.96
(c) Segment – Portfolio Management Services	52.32	34.53
(d) Segment – Insurance Broking	27.11	26.08
(e) Segment – Investment/Trading in Securities & others	181.66	133.99
<b>Total</b>	<b>2247.96</b>	<b>1358.62</b>
<b>B) Results</b>		
1) Segment Results:		
(a) Segment – Broking	332.45	56.69
(b) Segment – Interest	(66.26)	19.16
(c) Segment – Portfolio Management Services	1.73	(4.49)
(d) Segment – Insurance Broking	13.84	12.24
(e) Segment – Investment/Trading in Securities & others	147.39	50.96
<b>Total</b>	<b>429.15</b>	<b>134.56</b>
2) Unallocated Expenses	0.11	0.18
3) Operating Profit	429.04	134.38
4) Provision	85.32	11.28
5) Minority Interest	-	0.01
6) Net Profit	343.71	123.09
<b>Other Information</b>		
1) Segment Assets		
(a) Segment – Broking	6544.47	3963.03
(b) Segment – Interest	517.09	699.79
(c) Segment – Portfolio Management Services	41.21	34.36
(d) Segment – Insurance Broking	35.51	25.42
(e) Segment – Investment/Trading in Securities & others	709.20	817.88
<b>Total</b>	<b>7847.48</b>	<b>5540.48</b>
2) Unallocated Corporate Assets	8.88	14.27
3) Deferred Tax Assets	-	19.66
4) Total Assets	7856.36	5574.41
5) Segment Liabilities		
(a) Segment – Broking	4735.14	2776.15
(b) Segment – Interest	241.43	431.81

**CONSOLIDATED BALANCE SHEET 2020-2021**

(c) Segment – Portfolio Management Services	9.81	5.47
(d) Segment – Insurance Broking	3.16	2.80
(e) Segment – Investment/Trading in Securities & others	293.51	202.62
<b>Total</b>	<b>5283.05</b>	<b>3418.85</b>
6) Unallocated Liabilities	0.55	0.80
7) Deferred Tax Liabilities	17.16	-
8) Total Liabilities	5300.76	3419.65
9) Minority Interest	-	12.47
10) Share Holder's Fund	2555.60	2142.29

(b) Information about Geographical Segments

The company caters mainly to the needs of Indian market so there are no reportable geographical segments.

**Note 34 Disclosure of Interest in Subsidiaries/Associates**

The consolidated financial statements include the financial statements of Company and its subsidiaries/associate. Group does not have any joint venture.

Master Trust Limited is the ultimate parent company of the Group.

**Significant subsidiaries/associate of Group are:**

Name of the Entity	Place of business/country of incorporation	As at 31st March, 2021	As at 31st March, 2020
Master Infrastructure & Real Estate Developers Limited	India	100.00%	100.00%
Master Capital Services Limited	India	100.00%	100.00%
Master Commodity Services limited	India	100.00%	100.00%
Master Portfolio Services Limited	India	100.00%	100.00%
Master Insurance Brokers Limited	India	100.00%	100.00%
H.A. Share & Stock Brokers Private Limited	India	49.04%	51.08%

**NOTE 35**

Additional information pursuant to requirement of Schedule III to the Companies Act, 2013 under general instructions for preparation of Consolidated Financial Statements.

**a. Net Assets**

(₹ In Millions)

Name of the Entity	As at 31st March, 2021		As at 31st March, 2020	
	% of Consolidated net assets	Amount	% of Consolidated net assets	Amount
<b>Holding Company</b>				
Master Trust Limited	35.90%	917.35	38.00%	818.90
<b>Subsidiaries/Associate</b>				
Master Infrastructure & Real Estate Developers Limited	8.50%	217.22	6.83%	147.28
Master Capital Services Limited	45.73%	1,168.59	44.72%	963.62
Master Commodity Services limited	7.85%	200.52	8.47%	182.50
Master Portfolio Services Limited	0.44%	11.37	0.41%	8.86
Master Insurance Brokers Limited	1.09%	27.78	0.84%	18.11
H.A. Share & Stock Brokers Private Limited	0.50%	12.76	0.72%	15.50
<b>Total</b>	<b>100.00%</b>	<b>2,555.60</b>	<b>100.00%</b>	<b>2,154.76</b>

**CONSOLIDATED BALANCE SHEET 2020-2021**

**b. Share in Profit and loss**

**(₹ In Millions)**

Name of the Entity	As at 31st March, 2021		As at 31st March, 2020	
	% of Consolidated Net Profit/(Loss)	Amount	% of Consolidated Net Profit/(Loss)	Amount
<b>Holding Company</b>				
Master Trust Limited	13.23%	45.47	25.00%	30.78
<b>Subsidiaries/Associate</b>				
Master Infrastructure & Real Estate Developers Limited	16.78%	57.67	33.62%	41.39
Master Capital Services Limited	61.14%	210.16	30.14%	37.10
Master Commodity Services limited	5.24%	18.02	4.17%	5.14
Master Portfolio Services Limited	0.73%	2.51	0.04%	0.05
Master Insurance Brokers Limited	2.81%	9.66	7.00%	8.62
H.A. Share & Stock Brokers Private Limited	0.06%	0.22	0.00	0.03
<b>Total</b>	<b>100.00%</b>	<b>343.71</b>	<b>100.00%</b>	<b>123.10</b>

**c. Share in Other Comprehensive Income**

**(₹ In Millions)**

Name of the Entity	As at 31st March, 2021		As at 31st March, 2020	
	% of Consolidated OCI	Amount	% of Consolidated OCI	Amount
<b>Holding Company</b>				
Master Trust Limited	90.23%	65.52	54.95%	(26.11)
<b>Subsidiaries/Associate</b>				
Master Infrastructure & Real Estate Developers Limited	16.91%	12.28	21.92%	(10.42)
Master Capital Services Limited	(7.14%)	(5.18)	23.13%	(10.99)
Master Commodity Services limited	-	-	-	-
Master Portfolio Services Limited	-	-	-	-
Master Insurance Brokers Limited	-	-	-	-
H.A. Share & Stock Brokers Private Limited	-	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>72.62</b>	<b>100.00%</b>	<b>(47.52)</b>

**d. Share in Total Comprehensive Income**

**(₹ In Millions)**

Name of the Entity	As at 31st March, 2021		As at 31st March, 2020	
	% of Consolidated TCI	Amount	% of Consolidated TCI	Amount
<b>Holding Company</b>				
Master Trust Limited	26.71%	111.21	6.16%	4.67
<b>Subsidiaries/Associate</b>				
Master Infrastructure & Real Estate Developers Limited	16.80%	69.95	41.00%	30.98



**CONSOLIDATED BALANCE SHEET 2020-2021**

Master Capital Services Limited	49.23%	204.97	34.56%	26.11
Master Commodity Services limited	4.33%	18.02	6.80%	5.14
Master Portfolio Services Limited	0.60%	2.51	0.07%	0.05
Master Insurance Brokers Limited	2.32%	9.66	11.41%	8.62
H.A. Share & Stock Brokers Private Limited	-	-	0.02%	0.02
<b>Total</b>	<b>100.00%</b>	<b>416.33</b>	<b>100.00%</b>	<b>75.58</b>

**Note 36 Related Party Transactions**

(₹ In Millions)

Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives
H.A. Share & Stock Brokers Private Limited Prime Industries Limited Master Share & Stock Brokers Private Limited H.K Arora Real Estate Service Private Limited Big Build Real Estate Private Limited Amni Real Estate Private Limited Matria Estate Developers Private Limited Gold Touch Agri Private Limited Master Trust Wealth Private Limited Arora Financial Services Private Limited Saintco India Private Limited Sanawar Agri Private Limited Eminent Buildwell Private Limited Master Projects Private Limited Singhania Properties Sanawar Investments Bluecircle Investments Crescent Investments KAG Investment and Advisors Private Limited Chandi Angel Investors Forum PHDA Financial Services Private Limited R. K. Singhania HUF Harjeet Singh Arora HUF Harinder Singh HUF Puneet Singhania HUF Irage Mastertrust Investment Managers LLP Vision Investments	<p><b>KMP</b>                      Mr. Harjeet Singh Arora                      Mr. R. K. Singhania                      Mr. Gurmeet Singh Chawla                      Mr. Harinder Singh                      Mr. Puneet Singhania                      Mr. Jashanjyot Singh Arora</p> <p><b>Relatives of KMP</b>                      Mrs. Harneesh Kaur Arora                      Mrs. Parveen Singhania                      Mr. Chirag Singhania                      Mrs. Palka A Chopra                      Mrs. Priyanka Thukral                      Mrs. Rohila Singhania                      Mrs. Isha Singhania                      Mr. Amandeep Singh Chawla                      Ms. Guneet Chawla                      Mr. Maninder Singh</p>

**Transactions with related parties**

(₹ In Millions)

Transactions with related parties	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives	Total
Purchases	Year ended 31st March, 2021	-	-
	Year ended 31st March, 2020	110.11	110.11
Sale	Year ended 31st March, 2021	48.82	48.82
	Year ended 31st March, 2020	107.05	107.05
Brokerage Received	Year ended 31st March, 2021	1.10	1.11
	Year ended 31st March, 2020	0.29	0.52
Brokerage Paid	Year ended 31st March, 2021	-	6.68
	Year ended 31st March, 2020	-	3.13

## CONSOLIDATED BALANCE SHEET 2020-2021

Interest Paid	Year ended 31st March, 2021 Year ended 31st March, 2020	3.93 5.33	2.15 2.67	6.08 8.00
Interest Received	Year ended 31st March, 2021 Year ended 31st March, 2020	0.14 0.47	- 2.29	0.14 2.76
Professional Charges	Year ended 31st March, 2021 Year ended 31st March, 2020	0.20 0.60	- -	0.20 0.60
Rent Paid / Other Charges	Year ended 31st March, 2021 Year ended 31st March, 2020	1.02 2.71	1.95 1.75	2.97 4.46
Remuneration	Year ended 31st March, 2021 Year ended 31st March, 2020	- -	27.32 27.24	27.32 27.24
Loan & Advances Given	As at 31st March, 2021 As at 31st March, 2020	0.89 4.91	- -	0.89 4.91
Loan & Advances Taken	As at 31st March, 2021 As at 31st March, 2020	43.14 17.82	40.83 29.95	83.97 47.77
Balance outstanding at the end of the year Payable	As at 31st March, 2021 As at 31st March, 2020	44.14 17.97	51.25 51.23	95.39 69.20
Balance outstanding at the end of the year Receivable	As at 31st March, 2021 As at 31st March, 2020	0.89 4.91	3.29 3.00	4.18 7.91

### Note 37 Employee Benefits

The Company provides for the gratuity, covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972.

Details of defined benefit plans as per actuarial valuation are as follows:

#### Expense recognized in the statement of Profit and Loss:

(₹ In Millions)

Period	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest cost	3.27	3.26
Current service cost	14.09	6.01
Past Service Cost	-	-
Expected return on plan asset	(2.15)	(3.17)
Expenses to be recognized in P&L	15.21	6.10

#### Other comprehensive (income) / expenses (Remeasurement)

(₹ In Millions)

Period	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(0.77)	(0.34)
Actuarial (gain)/loss - obligation	(3.29)	(0.43)
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(3.29)	(0.43)
Cumulative total actuarial (gain)/loss. C/F	(4.06)	(0.77)

#### The amount to be recognized in the Balance Sheet:

(₹ In Millions)

Period	As at 31st March, 2021	As at 31st March, 2020
Present value of the obligation at the end of the period	63.89	52.87
Fair value of plan assets at end of period	57.87	38.22
Net liability/(asset) recognized in Balance Sheet and related analysis	6.02	14.65
Funded Status - Surplus/ (Deficit)	(6.02)	(14.65)

## CONSOLIDATED BALANCE SHEET 2020-2021

**Table Showing Changes in Present Value of Obligations:**

(₹ In Millions)

Period	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Present value of the obligation at the beginning of the period	52.87	45.90
Interest cost	14.09	6.01
Current service cost	3.27	3.26
Past Service Cost	-	-
Benefits paid (if any)	(3.05)	(1.87)
Actuarial (gain)/loss	(3.29)	(0.43)
Present value of the obligation at the end of the period	63.89	52.87

**Note 38**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date

**For C.S.Arora & Associates**

Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**  
Partner

Membership Number 090835  
Ludhiana, 29 June, 2021

**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**  
Chief Financial Officer

Sd/-

**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**  
Company Secretary

**FORM AOC-1**

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A" : Subsidiaries**

(₹ In Millions)

Name of the Subsidiary Company	Master Infrastructure and Real Estate Developers Limited	Master Capital Services Limited	Master Commodity Services Limited	Master Portfolio Services Limited	Master Insurance Brokers Limited
Reporting period	1 April, 2020 to 31 March, 2021	1 April, 2020 to 31 March, 2021	1 April, 2020 to 31 March, 2021	1 April, 2020 to 31 March, 2021	1 April, 2020 to 31 March, 2021
Reporting currency	INR	INR	INR	INR	INR
Share Capital	2.00	59.00	5.50	8.10	7.50
Reserves & Surplus	304.72	1,338.07	229.92	23.37	25.28
Total Assets	445.75	7,003.49	237.41	41.28	35.94
Total Liabilities	139.02	5,606.42	1.99	9.81	3.16
Investments	212.85	294.74	-	-	-
Turnover & Other Income	82.05	1,925.67	41.09	56.07	27.11
Profit before taxation	46.05	276.26	23.99	3.36	12.88
Provision for taxation	6.18	66.10	5.96	0.85	3.21
Profit after tax	39.87	210.16	18.03	2.51	9.67
Proposed Dividend	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%

1 Names of subsidiaries which are yet to commence operations: None

2 Names of subsidiaries which have been liquidated or sold during the year: None

\*Master Portfolio Services Limited (MPSL) and Master Commodity Services Limited (MCOML) are the subsidiaries of Master Capital Services Limited. Since, Master Capital Services Limited is a subsidiary of the Company, therefore, MPSL and MCOML are being reported as subsidiaries of the Company.

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures\*

Sr.	Name of the Associate Company	H.A. Share & Stock Brokers Pvt. Ltd.
1.	Latest audited Balance Sheet date	31.03.2021
2.	Date on which the Associate was associated or acquired	10.02.2014
3.	Shares of Associate held by the company on the year end -Number	12000
	Amount of Investment in Associate Company	9.6
	Extend of Holding %	49.04%
4.	Description of how there is significant influence	More than 20% shares are held.
5.	Reason why the associate not consolidated	Consolidated
6.	Netwoth attributable to Shareholding as per latest audited Balance Sheet	12.76
7.	Profit/loss for the year	0.53
	i. Considered in Consolidation	0.26
	ii Not Considered in Consolidation	0.27

\* There were no joint Ventures during the financial year 2020-21.

**For C.S.Arora & Associates**

Chartered Accountants  
FRN 015130N

Sd/-

**Chanchal Singh**  
Partner

Membership Number 090835  
Ludhiana, 29 June, 2021

**For and on behalf of the Board**

Sd/-

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

Sd/-

**Sunil Kumar**  
Chief Financial Officer

Sd/-



**Harjeet Singh Arora**  
Managing Director  
DIN-00063176

Sd/-

**Vikas Gupta**  
Company Secretary



www.mastertrust.co.in

 **0120-6223333**  
 **helpdesk@mastertrust.co.in**

#### GURGAON

A-852-A, Basement, Sushant Lok, Phase-I, Gurugram, Haryana-122002.  
Phone : +91-120-6223333

#### LUDHIANA

SCO 19, Master Chambers, Feroze Gandhi Market, Ludhiana - 141001  
Phone : +91-161-3911500, 3013411-13 Fax : +91-161-2402963

#### NEW DELHI

1012, Arunachal Building, 19, Barakhamba Road, New Delhi-110001  
Phone : +91-11-42111000, 42111088 Fax : +91-11-42111040

#### MUMBAI

C-1, Jeevan Jyot Building, 18/20, Cawasjee Patel Street, Fort, Mumbai - 400001  
Phone : +91-22-22846052/53 Fax : +91-22-22026067

427, Arenja Corner, Sector-17, Vashi, Navi Mumbai - 400703  
Phone : 022-40675302-03 Fax:022-66733121

#### CHANDIGARH

SCO 22-23, Sector 9D, Chandigarh - 160009  
Phone : +91-172-4848000, 3025800 Fax : +91-172-2745865

#### KOLKATA

46 C, J.L. Nehru Road, Everest House, 19th Floor, Room No. 19/A/1, Kolkata - 700071  
Phone No.: 033-40594200,203, 208 - 11



# MASTER TRUST LIMITED

(CIN: L65991PB1985PLC006414)

Regd. Office: SCO 19, Master Chambers, 3<sup>rd</sup> Floor, Feroze Gandhi Market, Ludhiana-141001, Punjab

E-mail id: [secretarial@mastertrust.co.in](mailto:secretarial@mastertrust.co.in), website: [www.mastertrust.co.in](http://www.mastertrust.co.in), Phone: 0161-5043500

## NOTICE

**NOTICE** is hereby given that the 36<sup>th</sup> Annual General Meeting of Members of the Company will be held on Wednesday, 29<sup>th</sup> day of September 2021, at 10.30 A.M. at Master Chambers, SCO 19, Feroze Gandhi Market, Ludhiana – 141001, Punjab, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the reports of the Board of Directors and the Auditors' thereon.
2. To appoint a director in place of Mrs. Harneesh Kaur Arora (DIN: 00089451), who retires by rotation and being eligible, offers herself for Re-appointment.

### SPECIAL BUSINESS

#### 3. APPROVAL FOR RELATED PARTIES TRANSACTIONS (RPT)

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 and of the Rules made thereunder (including any statutory modifications, or re-enactment thereof for the time being in force), the approval of the members of the Company be and is hereby given to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties (as per details mentioned in the Statement annexed to the notice) for availing and/or rendering of any services for the financial year 2021-2022, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and further authorised to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising- out of or incidental to the proposed transactions and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

Place : Ludhiana  
Date : 26.08.2021

By Order of the Board  
For Master Trust Limited

Regd. Office: SCO 19, Master Chambers, Feroze Gandhi  
Market, Ludhiana-141001, Punjab.

(Harjeet Singh Arora)  
Managing Director  
DIN : 00063176

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business under item no. 3 to be transacted at the Meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from, 25<sup>th</sup> September, 2021 to 29<sup>th</sup> September, 2021 (both days inclusive).
4. Since the Company's shares are in compulsory demat trading, to ensure better services and elimination of risk of holding shares in physical form, we request our shareholders holding shares in physical form to dematerialize their shares at the earliest.
5. Members holding shares in dematerialized form are requested to notify change in address/bank account, if any, to their respective Depository Participants (DPs). Members must quote their Folio Number/ De-mat Account No. (Client Id) in all correspondence with the Company and/or R&T Agent. The Company, in case of dematerialized shares, will not entertain any direct request from such members for change of address, transportation of names, deletion of name of deceased joint holder and change in the bank account details.
6. Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of the meeting.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days during office hours up to the date of the Annual General Meeting.
8. Nomination facility is available to the members in respect of shares held by them. Members holding Shares in physical form may obtain the nomination forms from the Company's Registrar and Share Transfer Agent. Members holding Shares in electronic form may obtain the nomination form from their respective Depository Participants.
9. Electronic copy of the notice along with the Annual Report is being sent to all members who's E-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not been registered their email address, physical copies of the Annual Report are being sent to them.
10. Pursuant to Section 124 of the Companies Act, 2013, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. Accordingly, Unclaimed final dividend for the Financial Year 2013-14 which remain unpaid/unclaimed for a period of seven years will be transferred to the IEPF by the end of September, 2021 pursuant to the provisions of Section 125 of Companies Act, 2013 or Section 124 of Companies Act, 2013. It may be noted that any person claiming to be entitled to the amount of dividend may apply to the concerned authority constituted by Central Government in this regard after the aforesaid period respectively. Members who have not claimed their dividend for the financial year 2013-14 are requested to make their claim to the Company immediately.

11. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on Saturday, September 25, 2021 at 10:00 A.M. and ends on Tuesday, September 28, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 21, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 21, 2021.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDEAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDEAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 50px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5.

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
4. Upon confirmation, the message "Vote cast successfully" will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rajiv.bhambri@gamil.com](mailto:rajiv.bhambri@gamil.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **12. Members who do not have access to e-voting facility**

Those members who do not have access to the E-voting Facility may send duly completed Ballot Form (enclosed with the Notice) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, **Mr. Rajeev**

**Bhambri**, Practicing Company Secretary, Proprietor of M/s Rajeev Bhambri & Associates (C.P. No. 9491) at SCO No. 9, Jandu Tower, Miller Ganj, Ludhiana, Punjab – 141003 not later than 28.09.2021 (5.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

13. Members are requested to carefully read the instructions and in case of any queries, you may refer to the Q & A on e-Voting for Members and User Manual for Shareholders to cast their votes available in the Help section of [www.evotingindia.com](http://www.evotingindia.com).
14. Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically or through enclosed Ballot Form, may cast their vote at the Annual General Meeting.
15. The Scrutinizer, appointed by the Board of Directors to scrutinize the e-voting process in a fair and transparent manner, shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
16. The Results shall be declared within 3 days of Annual General Meeting of the Company. The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.mastertrust.co.in](http://www.mastertrust.co.in) and communicated to the BSE Limited.
17. Pursuant to Rule 18 of the Companies (Management and Administration) Rules, 2014, your Company is allowed to send the Notice of General Meetings through electronic mode to their Members. The Members are requested to support this initiative of paperless compliance by registering/updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialised form) or with Registrar & Transfer Agent- Skyline Financial Services (P) Ltd, New Delhi by sending an E-mail to [admin@skylinerta.com](mailto:admin@skylinerta.com) or with the Company at [secretarial@mastertrust.co.in](mailto:secretarial@mastertrust.co.in) (in case of shares held in physical form).
18. The Notice & Annual Report of the Company circulated to the members, will also be made available on the Company's website at [www.mastertrust.co.in](http://www.mastertrust.co.in)
19. Information required to be provided under the Regulation 26(4) and 36(3) of the SEBI (LODR) Regulations, 2015, regarding the Directors who are proposed to be appointed/ re-appointed is as below as on date:-

<b>Name of the Director</b>	<b>Harneesh Kaur Arora</b>
<b>Age (years)</b>	62 years
<b>Qualification</b>	M.A.
<b>Expertise</b>	Mrs. Harneesh Kaur Arora is a postgraduate in Arts and has over 34 years of experience in investment and securities market.
<b>Directorship held in other Companies</b>	1. H K Arora Real Estate Services Private Limited 2. Master Share and Stock Brokers Private Limited 3. Eminent Buildwell Private Limited 4. Saintco India Private Limited 5. H.A. Share and Stock Brokers Private Limited 6. Arora Financial Services Private Limited
<b>Chairmanships / Memberships of Committees of other public companies</b>	Nil
<b>Shares held in the Company</b>	2430020 shares (11.17%)
<b>Relationship with other Director(s)</b>	Spouse of Mr. Harjeet Singh Arora who is the Managing Director of the Company.



**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT TO THE NOTICE**

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement regarding Special Business:

**Item No. 3**

Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 dated 14.08.14 and MCA Notification No. GSR 971(E) dated 14.12.2015 requires the approval of the members by way of a prior resolution for specified transactions beyond threshold limits with Related Parties.

Further, Regulation 23 of SEBI (LODR) Regulations, 2015 prescribes that all material related party transactions to require approval of the shareholders through a resolution. SEBI (LODR) Regulations, 2015 defines a transaction with a related party to be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Your Company from time to time renders and avails various services which may include credit facilities from / to such Related Parties. Since, the transaction value for such services may exceed the prescribed threshold limits as prescribed under Sec 188 of the Act and the Rules made there under, therefore, as a matter of abundant precaution, the proposal is being put before the members of the Company for their approval.

The disclosures required to be provided under the provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 are given herein below for perusal of the members.

Sr. No.	Name of the related party of the Co.	Name of the director or key managerial personnel of the Company who is related to related parties co., if any.	Nature of relationship
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**Subsidiaries/Wholly Owned Subsidiaries.**

1.	Master Capital Services Limited	None of the Directors or Key managerial personnel is related except to the extent of their directorship in the wholly owned subsidiary company.	Wholly Owned Subsidiary of the Company.
2.	Master Insurance Brokers Limited	Mr. Harjeet Singh Arora and Mr. Rajinder Kumar Singhania and their relatives hold shares in the Subsidiary Company.  None of the other Directors or Key managerial personnel is related except to the extent of their directorship in the Subsidiary company.	Wholly Owned Subsidiary of the Company.
3.	Master Infrastructure and Real Estate Developers Limited	None of the Directors or Key managerial personnel is related except to the extent of their directorship in the wholly owned subsidiary company.	Wholly Owned Subsidiary of the Company.
2.	Master Commodity Services Limited	None of the Directors or Key managerial personnel is related except to the extent of their directorship in the wholly owned subsidiary company.	Wholly Owned Subsidiary of the Company. (Step Down)
3.	Master Portfolio Services Limited	None of the Directors or Key managerial personnel is related except to the extent of their directorship in the wholly owned subsidiary company.	Wholly Owned Subsidiary of the Company (Step Down).
6.	Prime Industries Limited	Mr. Harjeet Singh Arora, Mrs. Harneesh Kaur Arora and Mr. Rajinder Kumar Singhania hold shares in Prime Industries Limited.  None of the Directors or Key managerial personnel is related except to the extent of their directorship in the wholly owned subsidiary company.	Directors of the Company are Directors and Shareholders in Prime Industries Ltd.

7.	H. A. Shares & Stock Brokers Private Limited	Mrs. Harneesh Kaur Arora, being the Director and Shareholder, and Mr. Harjeet Singh Arora being shareholders, none of the other Directors or Key managerial personnel is related to the Subsidiary Company.  Other Names of Related parties that is owned and or significantly influenced by the key Management Persons or their Relatives, is mentioned under Note of Related Party in Financial Statement of the Company.	Associate Company.
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Nature, material terms, monetary value and particulars of the contract or arrangement	As may be decided by the Board of Directors at relevant time.
Any other information relevant or important for the members to take a decision on the proposed resolution	Nil.

The Board considers that the existing arrangements with above related parties are in the ordinary course of business and at arm's length basis.

None of the Directors and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution, except those directors having common directorship in above said companies (related parties).

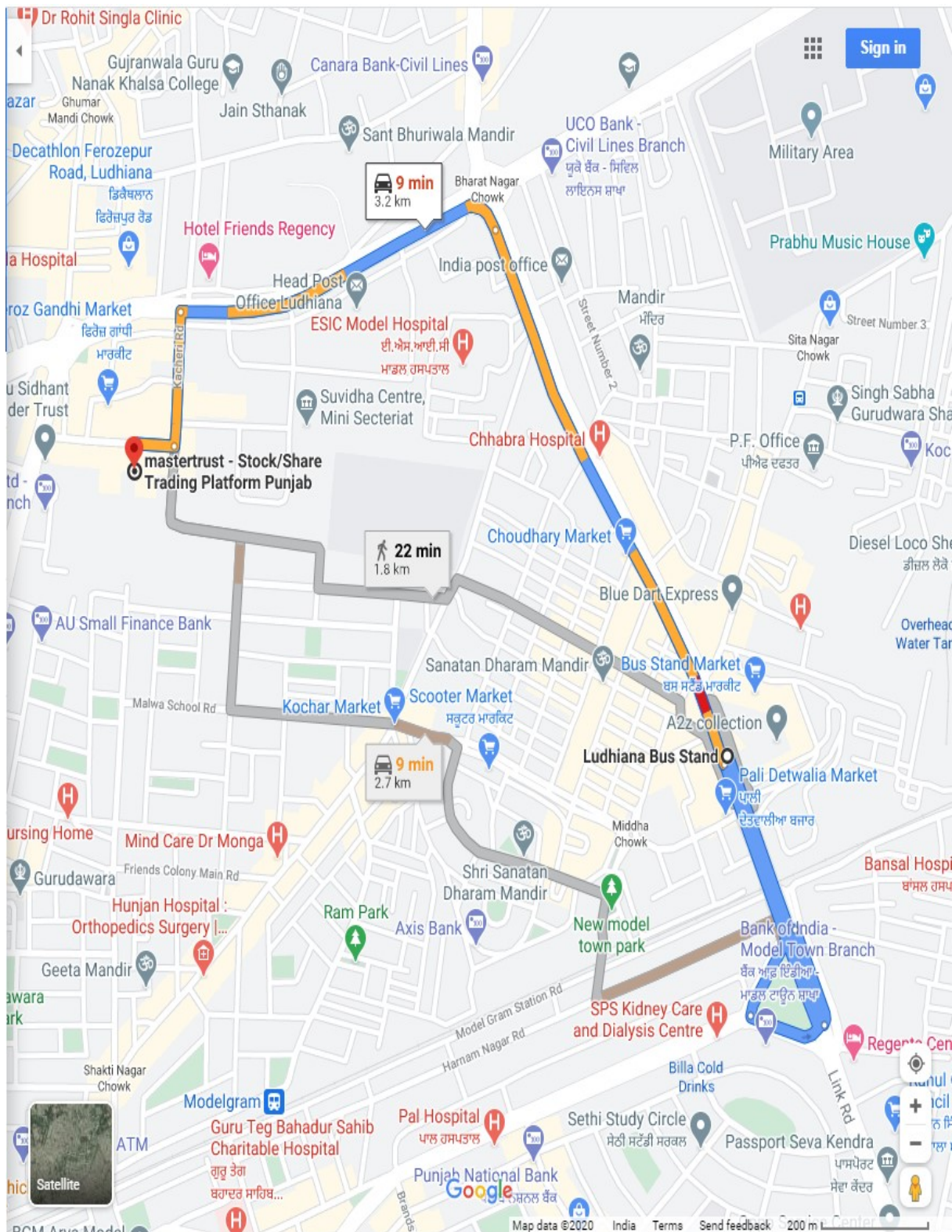
The Board recommends the Ordinary Resolution as set out in Item No.3 of this Notice for approval of the Members.

By Order of the Board  
**For Master Trust Limited**

**(Harjeet Singh Arora)**  
**Managing Director**  
**DIN: 00063176**

**Place : Ludhiana**  
**Date : 26.08.2021**

**Route map for reaching Building of the Place of AGM i.e. Master Chambers, SCO 19, 3<sup>rd</sup> Floor, Feroze Gandhi Market, Ludhiana – 141001, Punjab from ISBT, Ludhiana**



# MASTER TRUST LIMITED

(CIN: L65991PB1985PLC006414)

Regd. Office: SCO 19, Master Chambers, 3<sup>rd</sup> Floor, Feroze Gandhi Market, Ludhiana-141001, Punjab

E-mail id: [secretarial@mastertrust.co.in](mailto:secretarial@mastertrust.co.in), website: [www.mastertrust.co.in](http://www.mastertrust.co.in), Phone: 0161-5043500

## Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : Registered address :		E-mail Id : Folio No/ Client Id : DP ID :	
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I/We, being the member (s) of ..... shares of Master Trust Limited, hereby appoint

1. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the company, to be held on the 29.09.2021 at Master Chambers, SCO 19, Feroze Gandhi Market, Ludhiana – 141001, Punjab, in respect of such resolutions as are indicated below:

Item No.	Description	I / We assent to the resolution (For)	I / We dissent to the resolution (Against)
1.	ADOPTION OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2021 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.		
2.	APPOINT A DIRECTOR IN PLACE OF MRS. HARNEESH KAUR ARORA (DIN: 00089451), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT.		
3.	APPROVAL OF RELATED PARTY TRANSACTIONS.		

Signed this ..... day of..... 2021

Signature of shareholder

Signature of Proxy holder(s)

Revenue Stamp

### Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. A Proxy need not be a member of the Company.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not**



**act as a proxy for any other person or shareholder.**

3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
4. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. The member has the option of indicating the manner in which the vote be cast. This is only optional. If the member leaves the 'For' or 'Against' column blank against any or all the resolutions, the Proxy will be entitled to vote in the manner as he/she thinks appropriate.

# MASTER TRUST LIMITED

(CIN: L65991PB1985PLC006414)

Regd. Office: SCO 19, Master Chambers, 3<sup>rd</sup> Floor, Feroze Gandhi Market, Ludhiana-141001, Punjab

E-mail id: [secretarial@mastertrust.co.in](mailto:secretarial@mastertrust.co.in), website: [www.mastertrust.co.in](http://www.mastertrust.co.in), Phone: 0161-5043500

## ATTENDANCE SLIP

(Please complete and hand it over at the entrance of the meeting hall.)  
(Only Members or their Proxies are entitled to be present at the Meeting)

Folio No. \_\_\_\_\_

Client ID/DP ID\* \_\_\_\_\_

Name of Shareholder/Joint Shareholder/Proxy \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

No. of Shares held \_\_\_\_\_

I/We hereby record my/our presence at the 36<sup>th</sup> Annual General Meeting held on 29th September 2021, at 10.30 A.M. at Master Chambers, SCO 19, Feroze Gandhi Market, Ludhiana – 141001, Punjab.

SIGNATURE OF THE MEMBER(S)/PROXY(S) PRESENT \_\_\_\_\_

\*Applicable to investors holding shares in electronic form only

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# MASTER TRUST LIMITED

(CIN: L65991PB1985PLC006414)

Regd. Office: SCO 19, Master Chambers, 3<sup>rd</sup> Floor, Feroze Gandhi Market, Ludhiana-141001, Punjab

E-mail id: [secretarial@mastertrust.co.in](mailto:secretarial@mastertrust.co.in), website: [www.mastertrust.co.in](http://www.mastertrust.co.in), Phone: 0161-5043500

## BALLOT FORM

(To be returned to Scrutinizer appointed by Master Trust Limited)

1. Name(s) of Member(s) :

(including joint-holders, if any)

2. Registered Folio No. / :

DPID No. / Client ID No.\*

(\*Applicable to Members holding shares  
in dematerialized form)

I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) / Special Resolution(s) as specified in the Notice dated 26.08.2021 to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

Item No.	Description	Type of resolution (Ordinary/Special)	I / We assent to the resolution (For)	I / We dissent to the resolution (Against)
1.	ADOPTION OF THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2021 AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.	Ordinary		
2.	APPOINT A DIRECTOR IN PLACE OF MRS. HARNEESH KAUR ARORA (DIN: 00089451), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT.	Ordinary		
3.	APPROVAL OF RELATED PARTY TRANSACTIONS.	Ordinary		

Place :

Date :

\_\_\_\_\_

Signature of Member / Beneficial Owner

E-Mail \_\_\_\_\_

Tel. No. \_\_\_\_\_