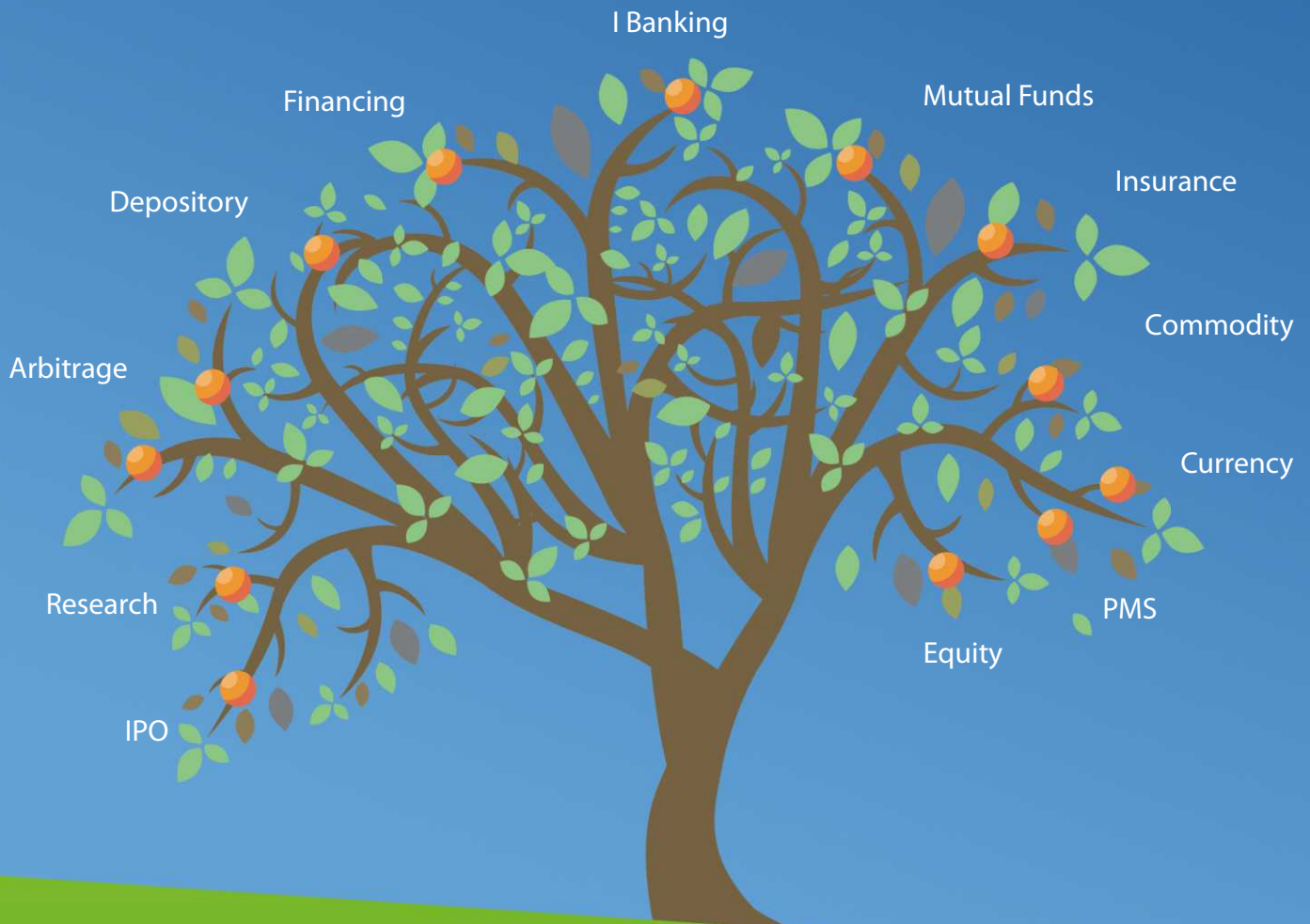






BOARD OF DIRECTORS

Mr. Harjeet Singh Arora – Managing Director

Mr. R.K. Singhania

Mr. Pavan Chhabra

Mr. Sanjay Sood- Executive Director

Mr. G.S. Chawla

Mrs. H.K. Arora

Mr. Anil Kumar Bhatia

Mr. Sudhir Kumar

Mr. Ashwani Kumar

Mr. Anil Kumar Malhotra

COMPANY SECRETARY

Mr. Honey Ahuja

REGISTERED OFFICE

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

Chandigarh

SCO 22-23, Sector 9D,
Madhya Marg,
Chandigarh - 160 009.

Delhi

1012, Arunachal Building,
19, Barakhamba Road,
New Delhi - 110 001.

Mumbai

C-1, Jeevan Jyot, 18/20,
Cawasjee Patel Street, Fort
Mumbai - 400 001.

Kolkatta

6th Floor, Sabarwal house,
55 B, Mirza Galib Street,
Kolkatta -700 016.

AUDITORS

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

REGISTRAR AND SHARE TRANSFER AGENT

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

BANKERS

HDFC Bank Limited
ING Vysya Bank Ltd.
Oriental Bank of Commerce Ltd.
Karnataka Bank Ltd.
Dena Bank Ltd.
Punjab National Bank Ltd.



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NURTURING GROWTH

 MISSION

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

 VISION

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

 CORPORATE PHILOSOPHY

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



Dear Shareholder,

During the financial year, your Company has reported improved results on the back of superior performance from core businesses. On the Consolidated basis, MasterTrust delivered solid financial performance for fiscal year 2011-12. We increased gross income by 15.74 percent to ₹869.02 million and profit before tax by 8.93 percent to more than ₹156million. I'm proud that we returned a record ₹6.09 million to shareholders through dividends and this year also, the Board of Directors has recommended a dividend of 10%.

Our vision is 'To be a well diversified financial shop for wealth creation and be an ideal service provider in our domain of business'. We can remain true to our vision by being the ideal service provider and not necessarily the biggest or the fastest. Many-a-times, expectations of employees, customers, shareholders and society seem conflicting, but a deeper insight reveals that they complement one another and in fact, can be achieved only together.

With focus on financial services, we endeavour to excel in six key areas, which can be summarized as our 'MASTER' edge comprising Maximum, Advice, Service, Technology, Excellence and Reach.

Our key to success is giving maximum to employees, sub brokers and maximum services to our clients. The Company has initiated a rewards program under the banner "Master Rewards" for rewarding the performance of sub brokers and employees and giving them maximum. The first of such promotions was for sub brokers titled "Record Broking" focusing on the broking product.

Our endeavour is to put in place a robust system with appropriate building blocks glued together by values and culture that gives maximum services to our clients and your Company has taken various initiatives in this regard. After implementing the CRM practice successfully last year, the Company has started to integrate the core sales processes with the CRM practice through Sales Force Automation to improve the ROE of the Company indirectly.

On the product side, the company has started offering trading on ACE Derivatives & Commodity Exchange Limited and National Spot Exchange of India Limited. On the diversification side, the Company has expanded arbitrage desk from exchange traded commodities to the spot market commodities. The Company's subsidiary, Master Portfolio Services Limited, has renewed its PMS license and intends to launch three products in the current fiscal through the distribution business along with strengthening the distribution of other products like Mutual Funds, IPO, Life insurance, bonds etc. The Company has also been appointed as Enrollment Agency for AADHAAR - UIDAI (Unique Identification Authority of India, Govt. of India) by NSDL.

Our key service offering is financial advice. As an intermediary in the financial services industry, customers rely on us for advising them and executing their transactions. With technology, the relative cost of execution will decline continuously and therefore advice will make all the difference. Historically, the broking industry has built its business model around efficient execution. The mode to disseminate the advice has to be such that the information reaches to the ones in need, keeping this in

view, we have added few more channels for advice i.e. customer awareness programs through investor camps, electronic media and training programs for both customers and employees.

For our people with 'owner mindset', service comes from the heart and not from manuals or training alone. Traditionally 'service' has been understood to fix an issue or information gap and encompass activities like quick resolution of queries, making available information asked for and fixing a quality issue, among others. We endeavor to redefine 'service' by not only being proactive, but also being educative and incessantly striving to enhance and enrich customer experience. For this, the Company has started a training program called "Master Connect" to connect to its sub brokers, distributors and employees.

Technology is the backbone of our business. Our entire technology, right from the front office i.e. customer trading interface to mid office which is the risk management and back office that takes care of accounting, contracts and statements, are all best in class technology. As a strategy, we continue to invest in core technology and applications and have created infrastructure for the same. We believe that technology is not a product that you buy one time, plug and play, but requires continuous investments to upgrade with changes in business and environment on one hand.

A unified company vision and purpose combined with a commitment to excellence will create an environment where ordinary people can accomplish the extraordinary. This philosophy is the basis of all our relationships with clients, sub-brokers, employees and shareholders.

To be competitive, you have to reach out to the customer wherever he or she is. Our Pan-India expansion is on track with over 700+ branches

(including sub brokers), 100,000 trading clients & 125,000 depository clients and 650+ strong employee organization. This makes our reach amongst the widest in financial services companies. Besides, we reach our customers through internet and mobile.

None of the above or even all of the above do not guarantee that we can achieve and retain our supremacy forever. The above success drivers will keep changing and will also vary based on the perception and strategy of the incumbent management team. The key to be the best in your Company's business is simple- to have the best people work for you. It is also important that people fit into the culture and are aligned to the organization. Our mantra in the journey of being the ideal service provider can be achieved by hiring the best of human resources. Our culture is to attract smart people who are humble and hard working and give them a trusting and empowering environment. They may commit mistakes but they have the humility to change and correct themselves. They understand the importance of quality work so, they also hire similar people to work for them who can quickly adapt to the changing business environment and continuously learn from the competition as well as smartly and efficiently as they themselves can do.

In the last, I would like to express my gratitude to our Board of Directors for their support and guidance. I am also grateful to all our stakeholders - customers, business associates, employees, vendors and shareholders, who have reposed their trust in us and given us constant support.



Harjeet Singh Arora
Managing Director



THE INDIAN RUPEE ... GOING GLOBAL!



VALUE INVESTING

The philosophy of “Master Trust” has its seeds embedded in the group's belief in nurturing the investment culture towards value investing. For the last twenty five years, the company has built its reputation on the strong foundations of enduring relationships and inculcating this very strong approach towards value investing. Its constant endeavour to understand the client's needs and meeting them with the right financial solutions has helped it emerge as one of the leading financial services house in the country.

As a one stop shop catering to all kinds of investment needs, Master Trust focuses on the retail investors who are looking for value added financial solutions. No surprise, Master Trust has today grown to a family of 650 plus employees and 1,00,000 clients.

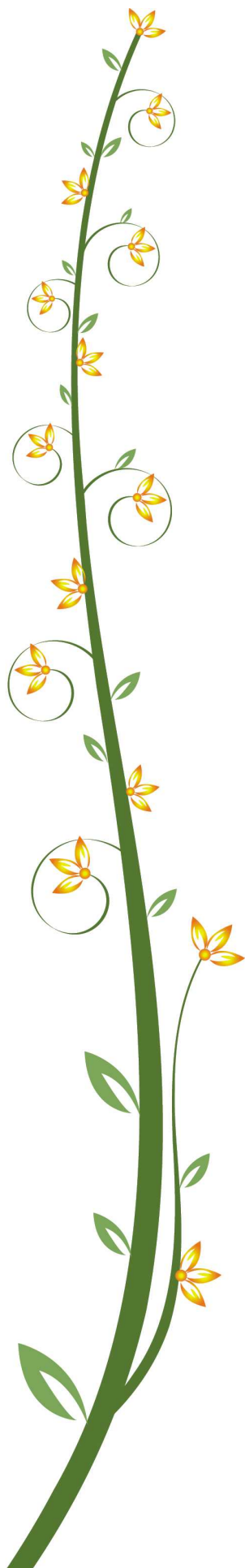
A SILVER LINING IN OUR JOURNEY



We at MasterTrust Limited proudly trace our history way back to 1985 when the roots of the entire Master Group were firmly placed with the incorporation of Arora Financial Consultants (P) Ltd. This was later on converted into a Public Limited Company in March 1992 and was named Master Trust Ltd. With dynamically changing capital markets due to liberalisation, Master Trust Ltd. actively pursued merchant banking activities and provided merchant banking / corporate services to various clients with great success. We promoted Master Capital Services Ltd (MCSL) as 100% wholly owned subsidiary (involved in stock broking at NSE) in 1994 to leverage on our relationships and offer equity broking services to clients and the growing retail market. We went public in February 1995 to augment our working capital.

Over the next 15 years we strengthened our product portfolio by offering depository services, derivatives broking, insurance broking, commodity derivatives broking, internet trading, portfolio management services, currency derivatives and commodity (spot) broking. Over the last 26 years, we have built a legacy of astounding growth across various verticals in the retail financial services space which now acts as a launch pad for capitalising the massive opportunity which India has to offer.

MILESTONES



- 1985 - Company was incorporated by the name of Arora Financial Consultants Limited
- 1993 - Acquired status of SEBI accredited Category-I 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
- 1997 - Became RBI approved Full Fledged Money Changers
- 1999 - Launched Depository Services as a Depository participant of NSDL
- 2001 - Launched Depository Services as depository participant of CDSL
- 2002 - Entered into insurance business as advisor for Life & General Insurance
- 2004 - Became members of NCDEX and MCX
Became Insurance Broker under the name of M/s Master Insurance Brokers
- 2005 - Acquired the membership of Bombay Stock Exchange Limited
Commenced Internet Trading
Became SEBI Registered Portfolio Manager
- 2007 - Set up regional offices at Baroda, Kolkata, Hyderabad, Allahabad, Hissar, Bhubneshwar & Ahmedabad
- 2008 - Introduced Currency Derivatives trading through MCX-SX & NSE
- 2009 - Established an arbitrage desk
Implemented Master Swift
Established CRM
- 2010 - Trading turnover peaks US\$1billion/day of group companies
Became members of NSEL and ACE
Arbitrage desk activated in spot commodity
Rebranding exercise of retail services

BOARD OF DIRECTORS



Mr. Harinder Singh

(B.Com, I.C.W.A.-Inter) has been monitoring the Secondary Market operations of the group for more than 15 years.



Mr. Pavan Chhabra

(F.C.A.) is having a rich experience of more than 20 years in Primary and Secondary Capital Market, Institutional Broking Business and other Merchant Banking activities.



Mr. R.K. Singhania

(F.C.A.) is another co-promoter of the group. He had over 10 years experience as Director(Finance) with a top Corporate before joining the group. He is having more than 30 years experience in Corporate Strategy, Tax Planning, Financial Engineering and M & A space.



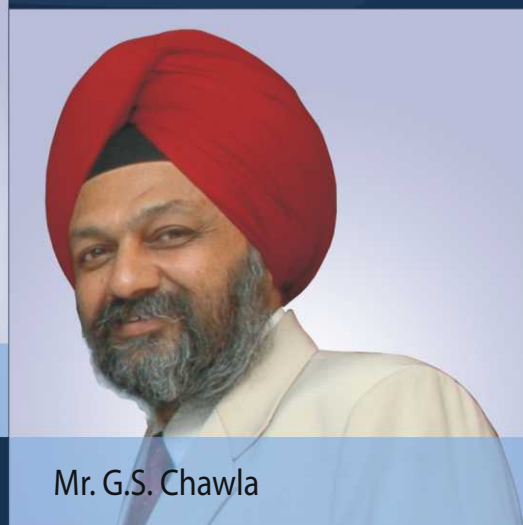
Mr. Harjeet Singh Arora

(FCA, FCS) As a founder entrepreneur, he has been instrumental in making Master Group one of the leading Financial Services players in India. He laid the foundation of the group in 1985 under the name of Arora Financials (P) Ltd. He has handled more than 150 public issues and has been involved in many other merchant banking & investment banking mandates of top corporates of India. He has over 30 years of experience in Corporate Finance, Capital Market and Financial Advisory Services.



Mr. Sanjay Sood

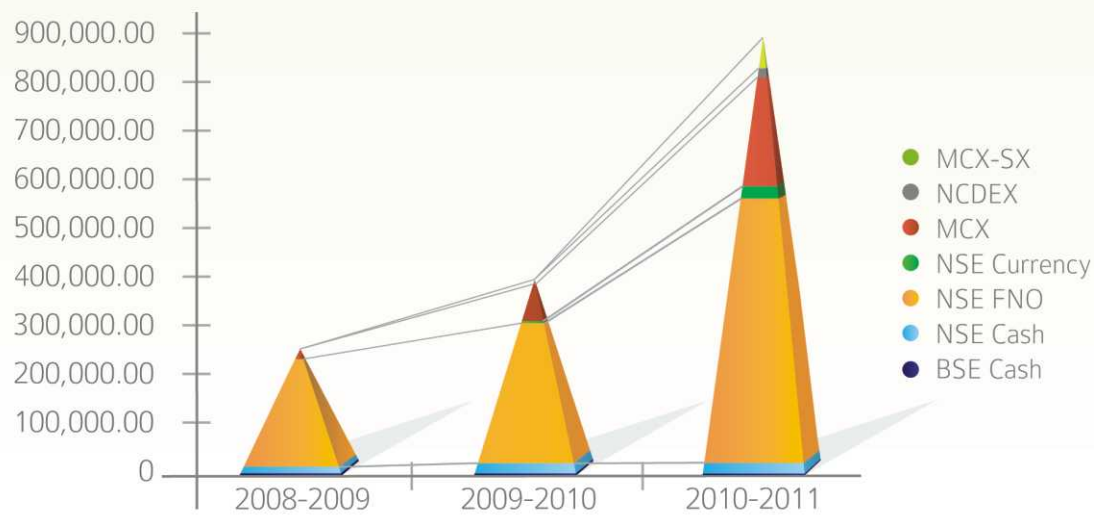
(F.C.A.) is having more than 15 years of experience in Merchant Banking, Foreign Exchange Management, Financial and Retail services.



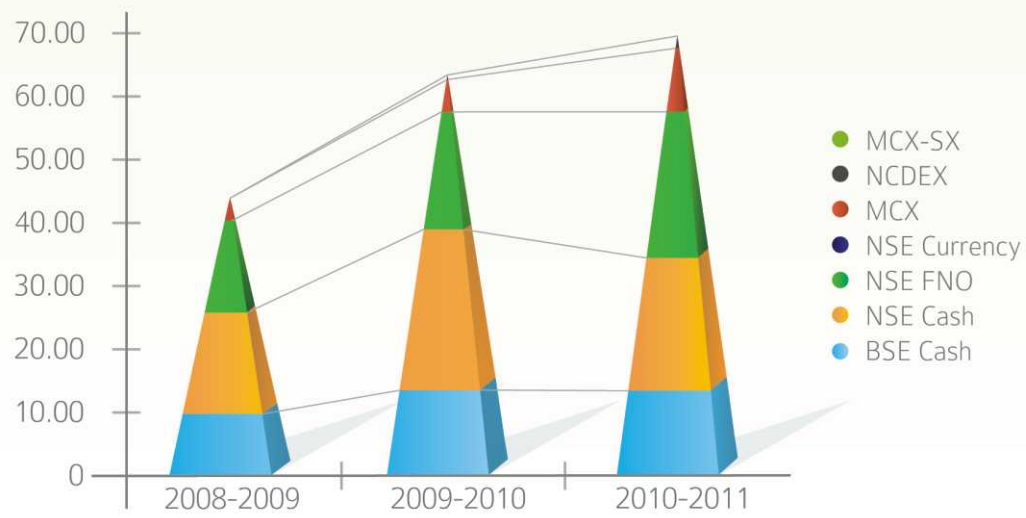
Mr. G.S. Chawla

(B.E., M.B.A., D.B.F.) has worked with Public Financial Institutions & Corporates for more than 12 years. He also has 15 years rich experience of Capital Market, Finance, Merchant Banking, Research, IT and other related activities with group.

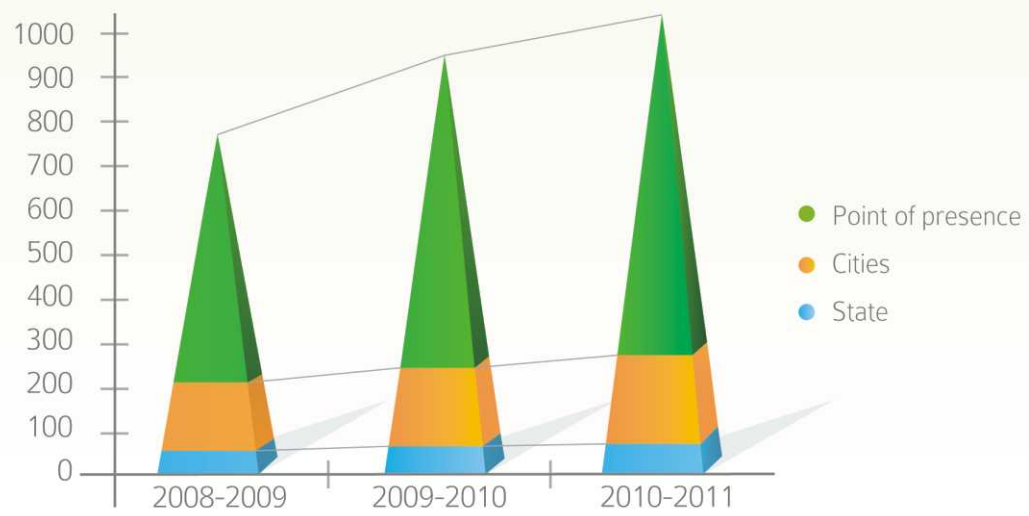
TURNOVER ANALYSIS



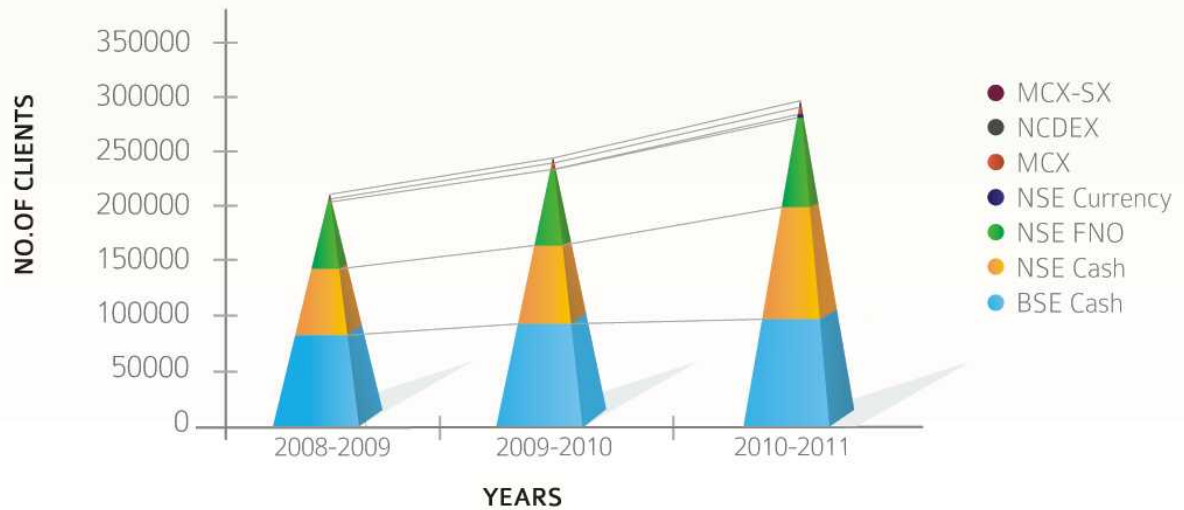
BROKERAGE ANALYSIS



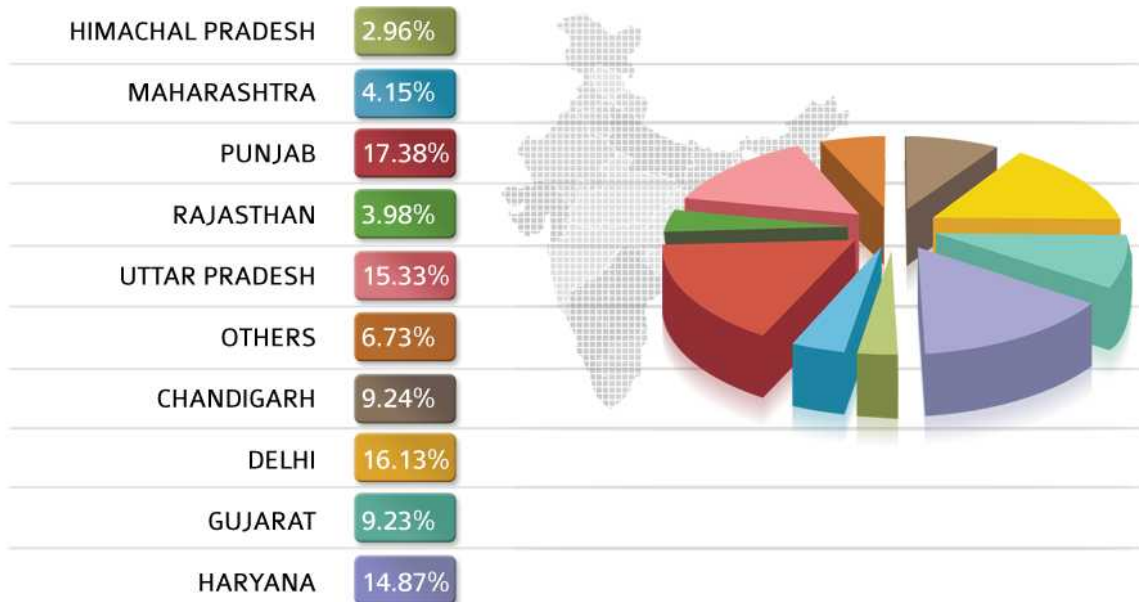
POINT OF PRESENCE ANALYSIS



ACTIVE CLIENT GROWTH



CLIENT GEOGRAPHICAL SPREAD





SOARING HIGH



THE JOURNEY AHEAD

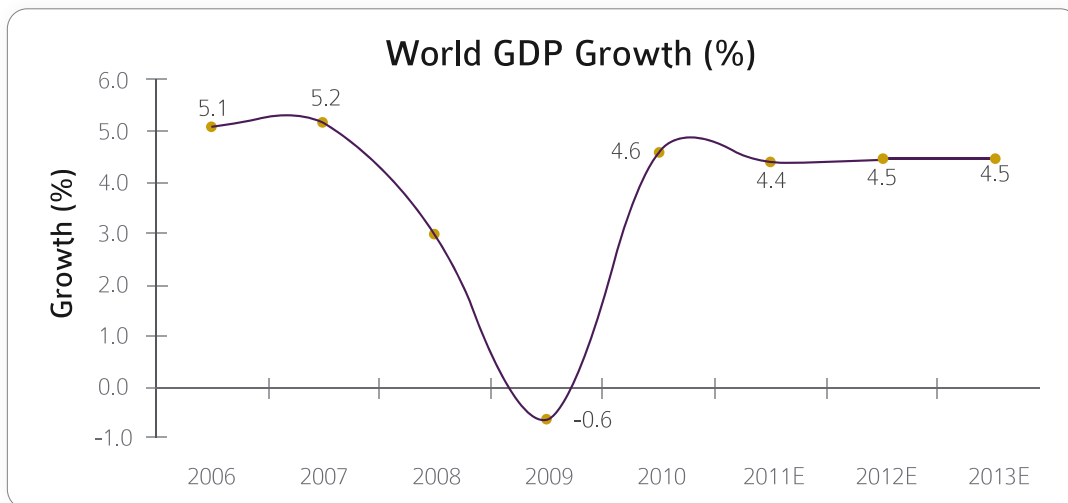
“A beginning is only the start of a journey to another beginning.”

With the wisdom and knowledge gained through experience of 26 years, we have defined our path for the future ahead in line with our mission **to always earn the right to be our clients' first choice through personal & social wealth maximization.** We believe that the journey ahead would be a beginning to a new era of technology and innovation for us, so as to provide our clients best of the products and services. We will be concentrating on providing innovative products like mobile trading, retail IPO funding and strengthening of distribution business. We have planned to keep an ongoing high focus on the retail financial services through brand building and organic & inorganic growth of retail network on pan India basis in near future which contributes to our main revenue stream. Reaching maximum number of clients and being able to meet their requirements forms the basis to growth for a growing organisation so, we would continue to pursue aggressive marketing and distribution strategies across India through our expansion plan to reach 1000+ points of presence. We will be specifically focusing on e-broking channel to reach out to maximum number of clients. The endeavour is to have 100,000 e-broking clients through www.mastertrust.co.in over the next 5 years. We will be scaling up the arbitrage desk which was added in our product gamut in FY10-11 through high frequency algorithmic trading on commodity & currency segments & other sophisticated system driven strategies in the near future. We look forward to newer service offerings which will strengthen distribution business by earning fee based income and still not be open to commission volatility which hits the revenue model. We plan to expand our business by activating more branches, sub brokers, distributors and clients on domestic level as well as globally along with focus on trading on international exchanges in coming future.

MANAGEMENT DISCUSSION & ANALYSIS

Global economic recovery is ongoing

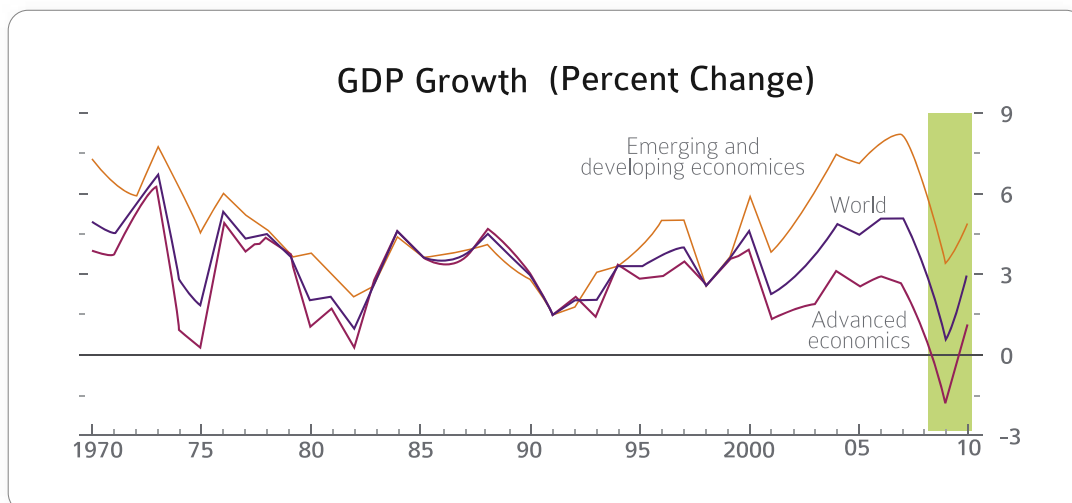
After a strong recovery of the World GDP Growth (5%) in the FY2010, it is expected to continue growing in the FY2011. The IMF projections through the World Economic Outlook expect the GDP Growth rate to remain above 4.4% in 2011. Although the recovery has solidified since the huge contraction of the World GDP in 2009, fears about inflation, unemployment and the euro zone crisis continue to worry investors and government's world over. Despite such concerns, advanced economies, which had suffered the most during the recession, have sustained a positive growth at about 3 %. Emerging markets such as that of Asia, which had previously contributed to the economic recovery after 2009, have continued to show robust growth reaching more than 7 % in 2010, and are projected to remain above 6.5% in 2011. Therefore, the overall trend of the economy despite the existence of the obstacles such as unemployment, inflation and the euro-crisis is moving towards the pre-crisis level of growth.



Source : CSO

Emerging Economies lead the growth

In many of the emerging/ developing economies in Asia, Latin America and Sub-Saharan Africa recovery has reached pre-crisis level. Economic activity in these economies has been boosted by accommodative macroeconomic policies, rising exports and commodity prices and capital inflows. Amidst the political change and unrest, the growth in sub-Saharan Africa is projected to stay high, reflecting a sustained strength in domestic demand and rising global demand for commodities. Rising inflationary pressure, especially on the Asian economies, is proving to be worrisome. This reflects mainly the behavior of food and energy prices and the fact that these components have a higher weight in the consumer price index (CPI) in the lower-income countries. WEO forecast sees headline inflation at close to 7% in 2011 and receding to below 5 % in 2011.



Source : CSO

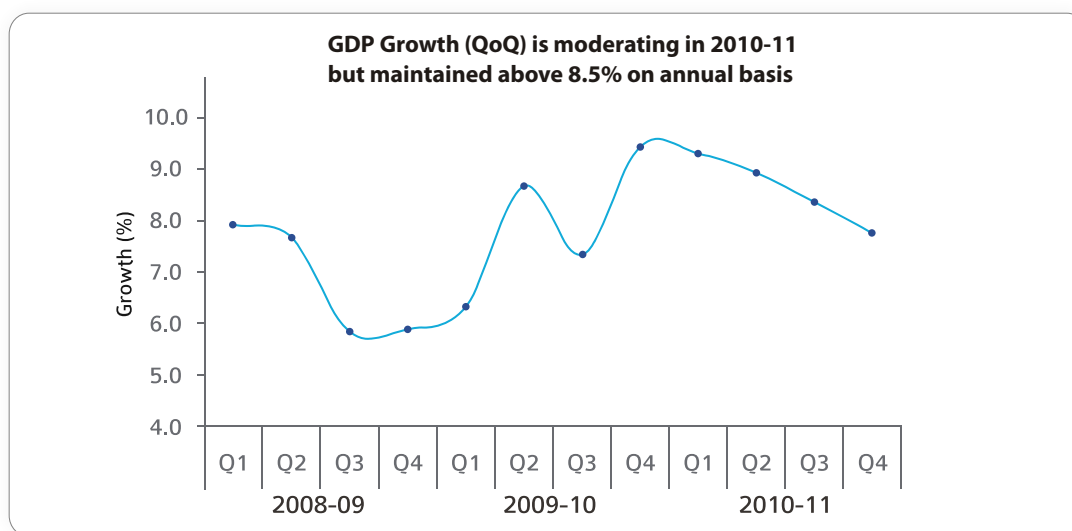
The Indian growth story

The Indian economy is on a robust growth trajectory and boasts of a stable annual growth rate, rising foreign exchange reserves and booming capital markets among others.

Indian economy has shown growth of 8.6 percent in 2010-11 as compared to the growth rate of 8.0 percent in 2009-10. These GDP figures are based at factor cost at constant (2004-05) prices in the year 2010-11. The growth rate of 8.6 per cent in GDP during 2010-11 has been due to the robust growth rates of over 8 per cent in the sectors of manufacturing, construction, trade, hotels, transport and communication, financing, insurance, and, real estate and business services. Agriculture sector registered a growth rate of 5.4 percent in 2009-10.

Q-o-Q Growth is Moderating, but maintained above 8%.

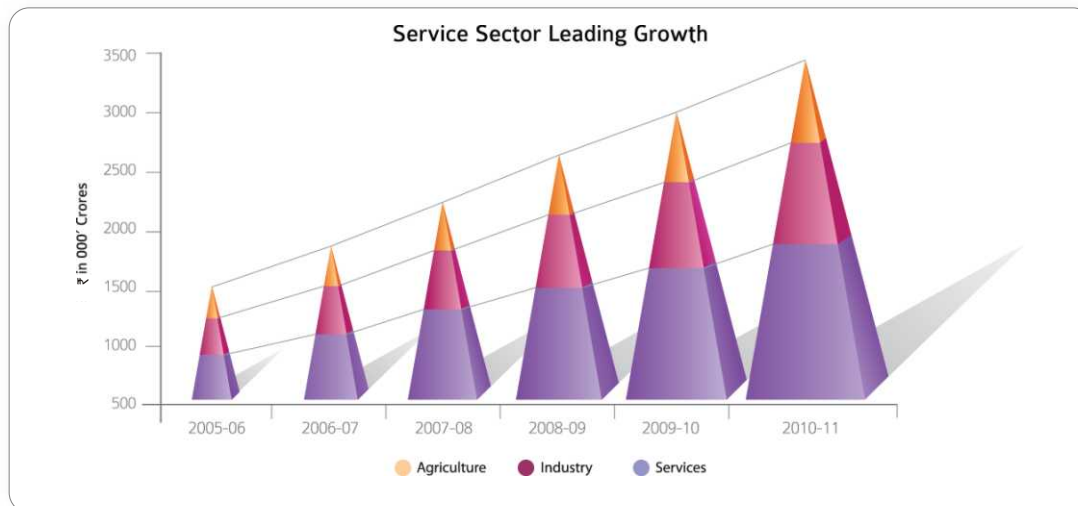
India has witnessed slight moderation in Q-o-Q growth rate in 2010-11, but it has maintained above 8.5% on annual basis. The moderation in growth has mainly accounted for subdued growth in industrial production and due to higher base effect as well. High interest rates and high inflation level on the economy is now starting to show its effect in Indian GDP Growth. But, rising interest rates and inflation cycle expected to peak by 2nd quarter of this financial year. In nutshell, overall growth rate of Indian GDP is expected to be above 8% in coming years if inflation comes in control in near future.



Source : CSO

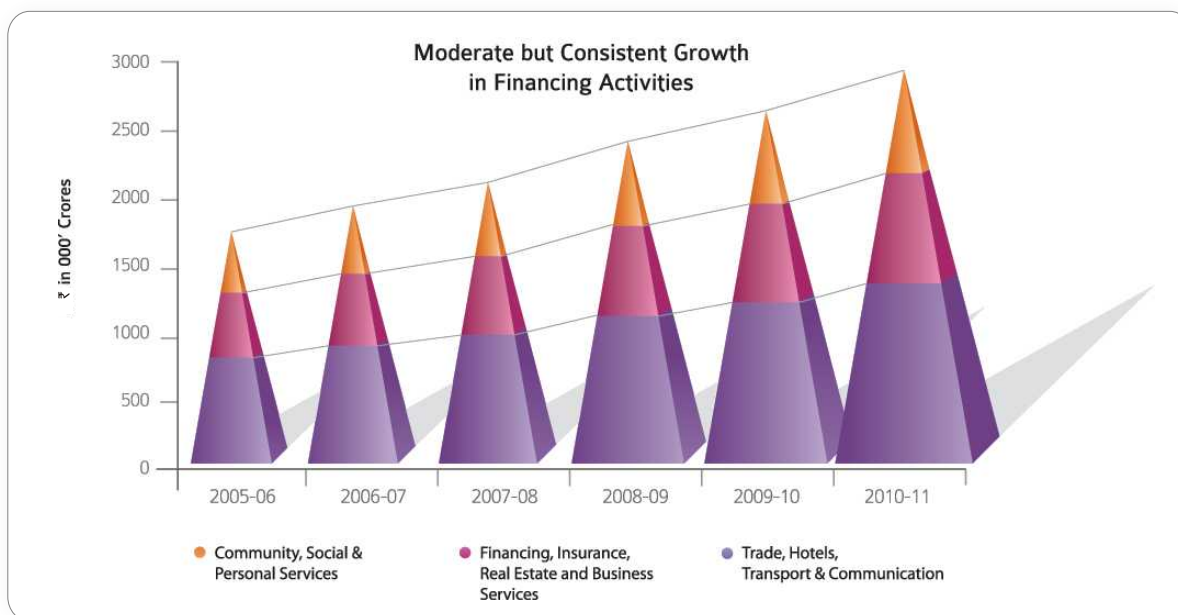
Outperforming growth of Service Sector Segment

Services Sector registered a consistent growth over 10% during 2005-06 to 2009-10. Although, in the year 2010-11, it has seen a slight moderation in growth around 9.38% but overall growth pace seems to be quite significant. Industry and agriculture sector growth has witnessed fluctuating and subdued growth since 2008-09 but these sectors are also recovering to normal till the end of 2010-11.



Source : CSO

Key services sector is contributing around 58% of GDP and financing activities including insurance, real estate and business services contributes around 17% of GDP currently. Although, the growth in financing and business activities has been moderated in last two years but the segment has shown a consistence growth unlike other segment with 5 year average growth has registered around 11.69%. This 5 year average growth is the highest among other services sector viz. Trade, Hotels, Transport & Communication (10.38%) and Community, Social & Personal services (8.04%). Thus, in the coming future, financial services segment will show a robust growth.



Source : CSO

Outlook

As the growth story of India seems to be intact with economy expected to grow around 8-9%, the biggest problems that may hinder this economic growth ahead is inflation. Since October 2008, the Indian economy has been experiencing very high inflation in food prices. Initially this high inflation was confined to only food articles – both primary and manufactured. However as economic recovery began to stabilize it has, not unexpectedly, manifested itself in the prices of manufactured goods.

The behavior of inflation will be a major concern for monetary authorities in India. Against the background of inflation rates that are more than twice the comfort level, monetary policy has to operate with a bias towards tightening. This is essential to promote conditions for sustainable growth in the medium term. Therefore, strong economic growth of above 8% is needed to neutralize the inflationary pressure on hand.

INDUSTRY SCENARIO

Indian Financial Sector Highlights

The Indian economy is growing at the rate of 8.6 per cent in 2010-11 according to the Advance Estimate (AE) of Central Statistics Office (CSO) and as the economy is growing, banking and financial services is emerging as the most attractive sector for the investors, which has shown a growth rate of more than 10 per cent during 2010-11.

- ▶ FIIs have invested worth US\$ 24.7 billion in the fiscal 2010-11, according to the latest available data with SEBI.
- ▶ Average assets under management (AUM) of the Indian mutual fund industry stood at 7,036.7 billion (US\$ 158.26 billion) during January to March 2011 (AMFI).
- ▶ India's foreign exchange reserves stood at US\$ 308.2 billion as on April 8, 2011 (RBI).
- ▶ India has emerged as an attractive investment destination for global investors as 61 per cent of merger and acquisition deals in the first quarter of 2011 were done by foreign firms of Indian entities. As many as 57 deals totaling US\$18.3 billion were recorded in Q1 2011, a 270.6 percent rise in value as compared to the same quarter last year.
- ▶ Private equity (PE) firms' investments in the country reached an impressive US\$ 3.3 billion in January-March, 2011.
- ▶ India's equity market-cap as on September 22, 2010 was US\$ 1.55 trillion (3.34% share) as compared with world market-cap of US\$ 46.5 trillion.
- ▶ The US\$ 41 billion Indian life insurance industry is considered the fifth largest life insurance market, and is growing at a rapid pace of 32-34 per cent annually, according to the Life Insurance Council.
- ▶ Indian banking is expected to continue growing at 18 to 20 percent. It will result into India increasing its revenue share in global banking revenue collection, from 1.5 percent in 2009 to 2.8 percent by 2015. Bank loans registered a growth of 21.38 percent in 2010-11, while deposit growth stood at 15.84 per cent, according to data released by the Reserve Bank of India.

Further Indian income levels has given a fill-up to financial services, however it is yet to be fully visible in the case of equity investments specifically. However, RBI data reveals that only 8% of households savings are invested in shares and debentures which is just a marginal increase from the 6% seen a decade ago in 1999- 2001. This is very low when compared to the growth in bank deposit and life insurance segments. This suggests the huge scope of retail participation in this segment.

Indian Brokerage Industry

The Indian financial market is growing rapidly, with significant potential for further growth (National Stock Exchange is ranked 17th in terms of value of shares traded in the world). India has more than 20 stock exchanges. The NSE and the BSE are the main exchanges, with the NSE contributing over 75 per cent of the turnover. There are more than 8,000 brokers in addition to about 75,000 sub-brokers registered with SEBI. Despite of the growth the industry consolidation has remained quite slow and as competition increases and market shares of companies comes under pressure, the twin objectives of cost minimization and higher investment outlays will force further industry consolidation.

Equity Markets

Indian markets however, remained largely orderly, despite the challenges posed by persistent inflation and high current account deficit. The equity markets witnessed good buying interest from FIIs during FY 2010-11. However, a string of scams and stock rigging issues jolted the confidence of investors. This resulted in resorting to profit bookings which brought down the stock prices later during the last quarter and the benchmark indices posting a modest gain of 11 percent for FY 2011.

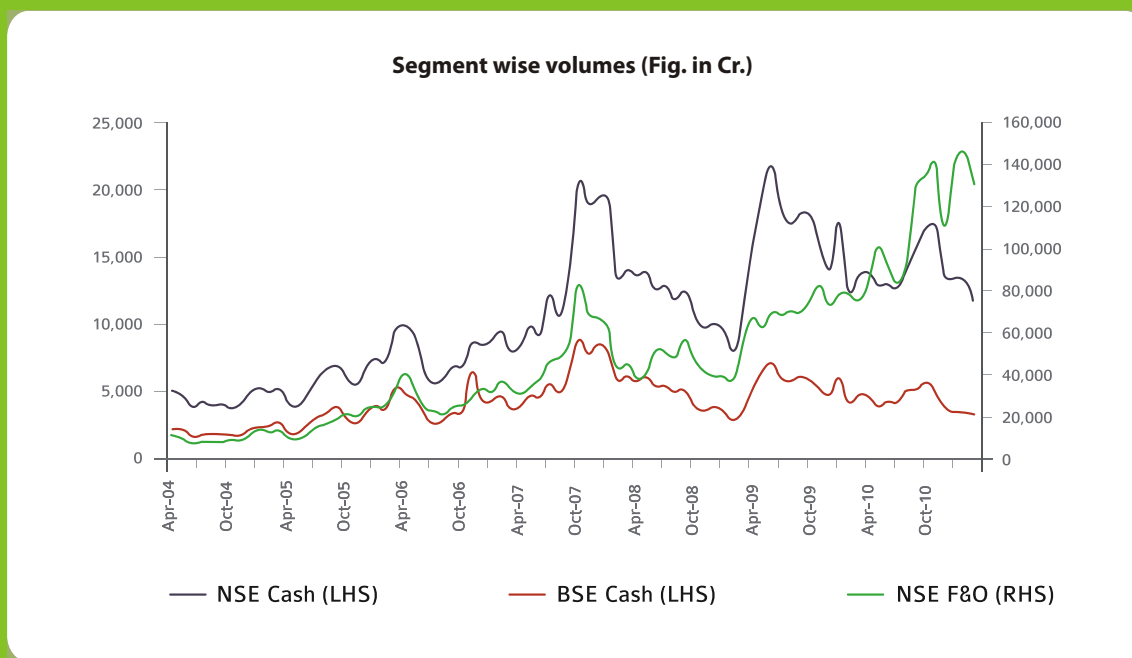
The major reasons for the revival were:

- ▶ Sustained GDP growth of more than 8%.
- ▶ Strong consumer demand and rising exports along with investment build up.
- ▶ Good Corporate performance.
- ▶ FIIs investment on the higher side worth US\$ 24.7 billion in the financial year ending March 31, 2011.

As at end-March 2011, the Sensex and the Nifty both registered gains of 11 per cent and 11.14 per cent, respectively, over end-March 2010.

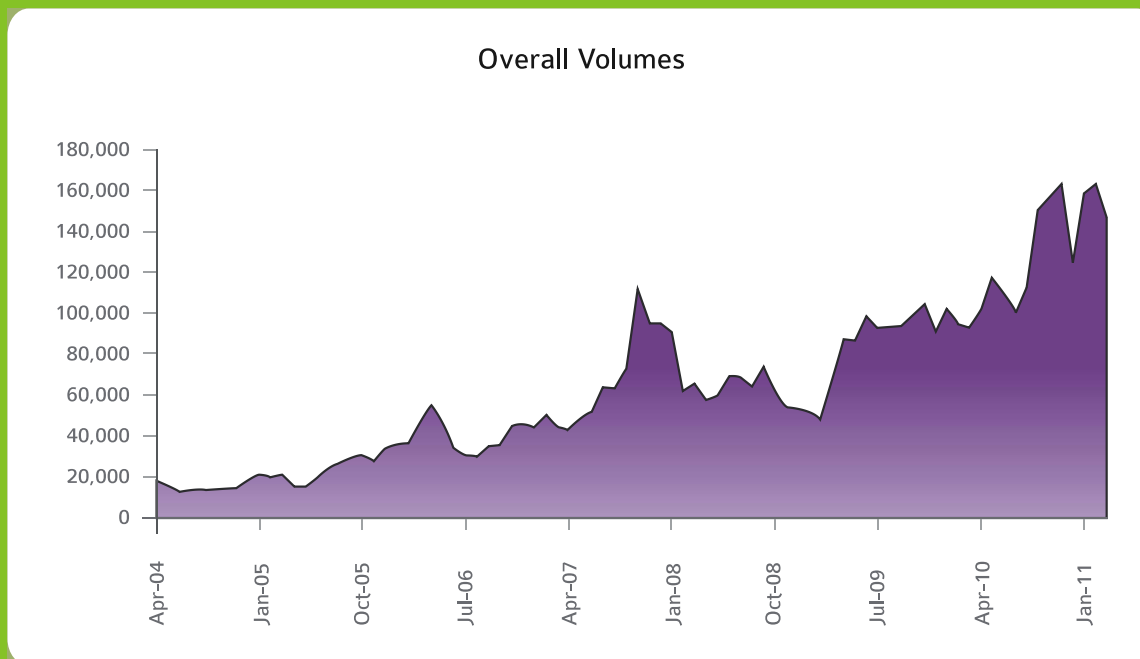
Volume Participation Scaling Up, F&O Segment lead the counter

In both segments of Cash and Future & Options, over the years since 2003-04 the average daily turnover has increased significantly. The volume in equity derivatives is leading the Indian Equity Market volume which currently constitutes almost 90 per cent of the overall volumes.



Source : CSO

Overall daily average volumes have increased significantly in both NSE & BSE exchanges, reaching nearly ₹1.33 lakh Cr in FY 2011, an increase of around 40% over FY 2010. Since the growth was contributed mainly by low yield options segment, the overall brokerage pool did not witness a proportionate increase and the yields were also impacted for the industry as a whole.

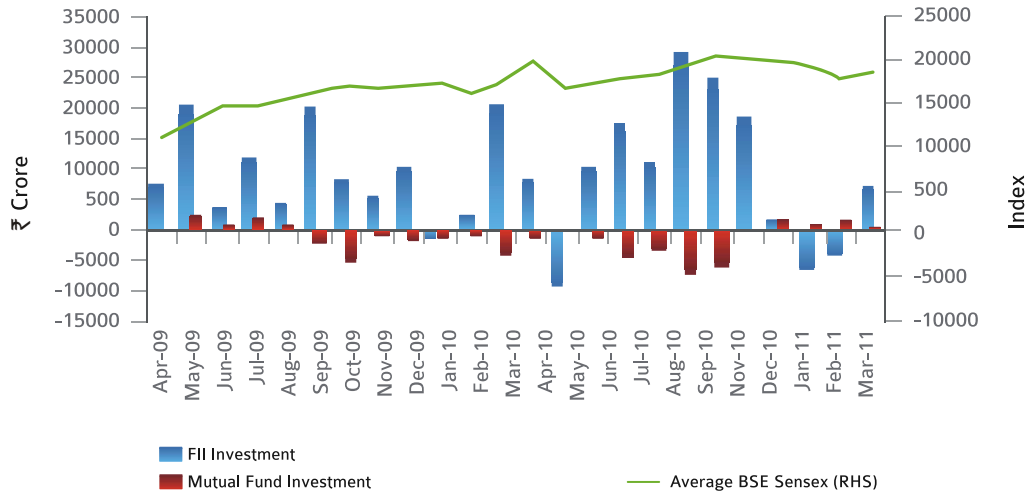


Source : CSO

Mutual funds yet to reach a scale as compared to high inflows of FIIs

FIIs made net purchases of US\$ 24.7 billion in the Indian equity market during 2010-11 (net sales of US\$ 10.4 billion in 2009-10). However during the year, resource mobilisation by mutual funds turned negative with net selling of ₹19975 Cr, owing to high volatility in the market possibly on account of higher returns on competing instruments (bank deposits in particular) and also due to lower corporate support to the MFs.

Stock Prices Indices and Institutional Investment

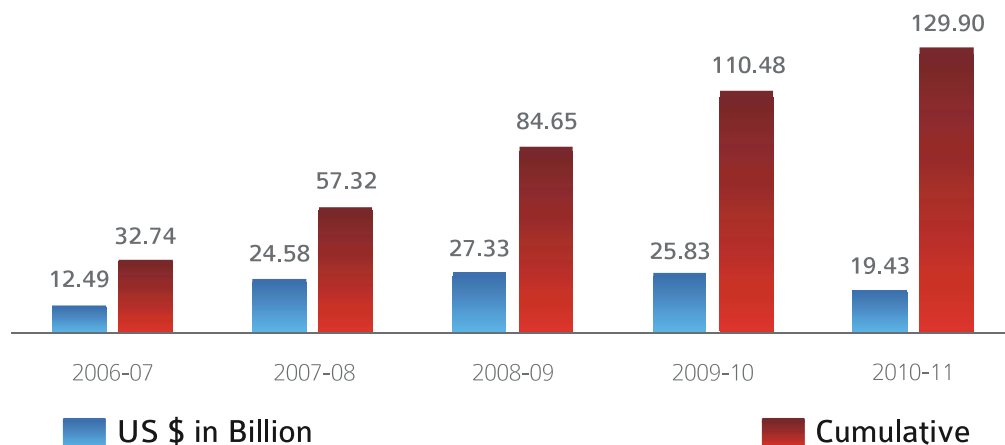


Source : CSO

India Top Destination for Foreign Direct Investment

India attracted FDI equity inflows of US\$ 19.42 billion for FY ending March 2011. The cumulative amount of FDI equity inflows from April 2000 to March 2011 stood at US\$ 194.81 billion, according to the data released by the Department of Industrial Policy and Promotion (DIPP). The services sector comprising financial and non-financial services attracted 21 per cent of the total FDI equity inflow into India worth US\$ 3,274 million during April-February 2011.

FDI Equity Inflow



Source : CSO

Equity Resource Mobilisation

Primary Market

The primary segment of the domestic capital market remained buoyant, which increased considerably during 2010-11 as compared to 2009-10.

Year	Issue Amount (₹ In Cr.)
2008-09	14671.00
2009-10	32607.00
2010-11	37620.00

Euro Issue

During 2010-11, resources raised by Indian Corporate's through Euro issues (all GDR issues) are ₹ 9441 Cr. as compared to ₹ 15967 Cr. of corresponding period of the previous year.

Year	Issue Amount (₹ In Cr)
2008-09	4788
2009-10	15967
2010-11	9441

(Source: RBI Report: Macroeconomic and Monetary Developments in 2010-11 – Financial Markets)

Outlook

The US economy may perhaps perform better in 2011 with higher growth and lower unemployment backed by quantitative easing, weaker dollar and increased exports. The major threat is from EU. Any default in sovereign debt by PIIGS will have wider repercussions and hit stock markets all over the world.

The Indian stock market should reflect more of domestic conditions in 2011. The biggest threat is inflation and the action that the RBI may take. It has restrained quite a bit in spite of inflation crossing double digit in March-July 2010. There is a chance that inflation will revive and force RBI to raise interest rate to prevent the economy from over-heating. But considerations of growth may still holdback RBI from going the whole hog.

More likely, FII investment will continue, external shocks to the market may not be too strong or their impact last long, inflation will be kept in check with a combination of fiscal and monetary measures and corporate profitability will be sustained.

DIRECTOR'S REPORT

To
The Members,

Your Company's Directors are pleased to present the 26th Annual Report along with Audited Accounts of your Company for the financial year ended March 31, 2011.

1. Financial Results

Particulars	For the Year ended			
	(₹ in million)			
	March 31 2011	March 31 2010	March 31 2011	March 31 2010
	Consolidated		Standalone	
Gross Income	869.04	750.83	58.56	46.60
Profit Before Depreciation, Interest & Tax	254.97	223.09	37.29	29.98
Less: Depreciation	16.85	14.38	0.52	0.53
Interest	81.91	65.33	17.64	18.68
Profit Before Tax	156.21	143.38	19.13	10.77
Provision for tax	25.57	10.67	2.47	0.50
Profit after tax but before minority interest and share in associate Companies	130.65	132.71	16.91	10.27
Less: Share of Minority Interest	0.02	0.00	-	-
Net Profit	130.63	132.71	16.64	10.27
Add: Profit brought forward from earlier years	517.18	393.84	48.13	44.67
Less: Adjustments as per AS 15 and others	0.25	(0.35)	0.31	(0.17)
Profit available for appropriation	647.56	526.90	64.74	55.11
Less: Appropriations				
- Proposed Dividend	6.10	6.14	6.10	6.14
- Others	11.97	3.58	3.38	0.84
Balance carried to balance sheet	629.49	517.18	55.26	48.13
	647.56	526.90	64.74	55.11

2. Operational review

During the financial year, your Company has reported improved results on the back of superior performance from its core businesses. On a consolidated basis, the Company's gross income posted a strong growth of 15.74 % to reach ₹ 869.04 mn as compared to ₹ 750.83 mn in the previous year. The Profit before tax rose by 8.95% to ₹ 156.21 mn as compared to Rs. 143.38 mn in the previous year. The Net Profit after tax declined by 1.57 % to ₹ 130.63 mn as compared to ₹ 132.71 mn in the previous year. The Networth of the Company has increased by 28.49% to ₹ 1046.10 mn as compared to ₹ 814.09 mn in the previous year. The book value of the Company's equity shares of ₹ 10 each is ₹ 143.83 as on 31st March 2011 as compared to ₹ 131.29 as on 31st March 2010. The earning per share for the current year declined by 1.63% to ₹ 21.05 as compared to ₹ 21.40 in the previous year.

3. Dividend

Your Directors are pleased to recommend a dividend @10% on Equity share of ₹ 10 each for the year ended 31st March, 2011.

4. Key initiatives

For the year, the key initiatives have a 3 prong approach: Connect, Reward and Grow.

The Company started a training programme called "Master Connect" to connect to its sub brokers, distributors and employees and train them effectively across various processes, products and procedures so as to ensure that their efficiency levels increase which would indirectly cut operation costs, enable them to understand more products and directly increase the cross sell effort and are more attuned to the procedures so as to reduce the turnaround times. Under the Master Connect programme, the trainees are taken through core training modules and for each core module, they get certificate of training based on their score in the assessment after each such training. This instills a sense of achievement in the participants and helps the Company achieve efficiencies as well.

The Company also initiated a rewards programme for sub brokers and employees under the banner "Master Rewards" where in the sub brokers and employees are to be rewarded for performance beyond what they are expected to do through different non monetary promotional schemes. The first of such promotions was for sub brokers titled "Record Broking" focusing on the broking product. The Company is expected to launch more such continuing reward programs across different product lines to incentivize super achievers and to create more super achievers. In the last year, we had successfully implemented the CRM practice and this year we are taking it one step forward by integrating the core sales processes with the CRM practice through Sales Force Automation. The Company aims to achieve the complete integration by Q2 FY2012. This is expected to provide higher conversions and cross sell opportunities and improve the ROE of the Company indirectly and help monetizing the insights and learnings from the CRM practice about the customer.

On the product side, the company has started offering trading on ACE Derivatives & Commodity Exchange Limited and National Spot Exchange of India Limited and has started seeing good traction in volumes. This has added another product to our offerings and opened a new market, allowing further de-risking of the business and also it provides for higher yield trading in the commodity segments due to spot commodity contracts.

On the diversification side, the Company had set-up an arbitrage desk last year on pilot basis to add another revenue stream. In the current fiscal, the Company has expanded arbitrage desk from exchange traded commodities to the spot market commodities and the Company is expected to post good numbers from this in the current fiscal. Additional Diversification Avenue has been identified as the Company strengthens its third party products distribution business by adding more people to the current set-up in the current fiscal. This would be further strengthened by launch of our own products for distribution. Typically in house products have higher margin which results in faster break even of the distribution business. The Company's subsidiary, Master Portfolio Services Limited, has renewed its PMS license and intends to launch three products in the current fiscal through the distribution business alongwith strengthening the distribution of other products like Mutual Funds, IPO, Life insurance, bonds etc. The Company has also been appointed as Enrollment Agency for AADHAAR - UIDAI (Unique Identification Authority of India, Govt. of India) by NSDL.

5. Outlook

The year 2010-11 was the year of the "E"s. Equity markets across the world delivered positive returns in 2010-11, even though sovereign issues in Europe caused periods of market volatility. After a strong recovery of the World GDP Growth (5%) in the FY 2010, it is expected to continue growing in the FY 2011. The IMF projections through the World Economic Outlook expect the GDP Growth rate to remain above 4.4% in 2011. Although the recovery has solidified since the huge contraction of the World GDP in 2009, fears about inflation, unemployment and the euro zone crisis continue to worry investors and government's world over.

However, the Indian economy continues to grow at a brisk pace with inflationary headwinds and fears of very high fiscal deficit looming large. In the midst of this, we see hope with rising interest rates and inflation cycle expected to peak by 2nd quarter of this financial year, the overall growth rate of 8% of GDP growth is achievable which augurs well for the financial services sector as a whole. Although, quantitative easing in the developed markets brought a flood of liquidity to Indian equity markets with record FII flows in FY11, domestic factors like inflation, image shattering scams, corporate governance issues, stock rigging etc. influenced Indian market performance significantly. The result was a modest 11% gains by the benchmark BSE Sensex in FY11.

The equity market's average daily volumes increased for the second successive year to ₹ 1.30+ lakh crores in FY11, up 40% from FY10. The main contributor to this growth was the F&O segment, which grew 58% to reach ₹ 1.15+ lakh crores daily average volume in FY11. This was primarily led by growth in options segment. Options contributed 57% of total volumes in FY11, significantly higher than the 9% back in FY08. Given the decline in cash volumes, the only silver lining is that the proportion of delivery volumes has gone up to 27% of cash volumes in FY11, from 22% in FY10. But despite this stellar growth in overall market volumes, the brokerage business has remained under pressure. This is because F&O, especially options, is a low-yield segment as compared to the high-yield cash segment. Thus, the overall broking pool has not shown a corresponding growth, as compared to that seen in market volumes. While overall the factors indicate a reasonably stable and favorable environment for Indian stock markets, catalyzing retail participation is a challenge in the current year. The retail participation is expected to increase only when the Indian markets show a sustained and directional trend which we believe should happen once the interest rate cycle peaks towards the end of 2Q FY12.

In our outlook last year, we had expected the equity market volumes to grow by 15% CAGR during FY10-12. The huge growth in the F&O segment has resulted in surpassing our expectations in the FY11 itself and we do not foresee any let down in the growth rate although the rate of growth itself may moderate to our medium term expectation of 15-20% over the next two years. Although retail participation is expected to remain low but we expect that once the overhang of European crisis is over and interest rate cycle peaks in the current year, the benchmark indices would start their upward trend and retail participation would see significant increase in the FY13 and FY14. Given the long term prospects of the equity broking industry and retail financial services, we continue to expand our pan India presence by increasing the network of branches and franchisees. With cost of running a broking operation and capital requirements increasing, equity broking companies with vast branch network are going to be relatively immune to rising competition and will continue to hold sizeable market share. We continue to subscribe to the view that the consolidation in the stock broking industry is very likely given the rising operation costs, increasing capital requirements and margin pressures and the backdrop that most of the large broking houses with strong balance sheet, sizeable market share continue to expand their market share in both - institutional as well as retail segment. Capital market intermediaries who have significant presence in the institutional segment are looking at expanding in the retail segment and vice versa.

6. Management Discussion and Analysis

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

7. Financial Resources

In order to part finance its proposed business plans and other corporate needs and to strengthen the financial position of the Company and to meet out the objectives, the Board of Directors in their meeting held on 28th August 2010 issued 47,75,000 Convertible Warrants pursuant to the approval of Shareholders in an Extra – Ordinary General Meeting held on 5th April 2010 by passing a special resolution, exercisable in tranches and having currency period of 18 months and each warrant providing the holder with the option to subscribe to one fully paid-up equity share of the Company for every warrant at a price of ₹ 68/- per warrant (including a premium of ₹ 58/- per warrant) on preferential allotment basis in accordance with the provisions of Section 81(1A) of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirements), Regulation 2009.

During the year under review, your Company has converted 640000 Convertible Warrants into Equity Shares of ₹ 10/- each on 28th March 2011. These Convertible Warrants were converted into Equity Shares at a conversion price of ₹ 68/- for each Warrant i.e. face value ₹ 10/- and premium ₹ 58/- per Equity Share.

The Board of Directors of the Company forfeited 98,800 Equity shares of ₹ 10/- each on 13.08.2011 due to non payment of call money after complying with all the formalities.

8. Adequacy of Internal Control

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

9. 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.

10. Directors

In accordance with Article 103 of the Articles of Association of the Company read with the provisions of the Companies Act, 1956, Mr. Pavan Kumar Chhabra, Mr. Anil Bhatia and Mr. Anil Kumar Malhotra, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

12. Fixed Deposits

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

12. Corporate Governance

The report on the compliance with the provisions of Section 49 of the Listing Agreement executed with concerned Stock Exchange is given separately in the Annual Report. A certificate from Statutory Auditor's confirming compliance with the conditions of the Clause 49 of the Listing Agreement is annexed hereto and form part of the Directors' Report. The CEO Certificate duly signed forming part of the Corporate Governance Report, has been submitted to the Board. All Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct for Financial Year 2010-11.

13. Directors' Responsibility Statement

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

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

14. Listing / De-listing of Shares

The Shares of your Company are presently listed on The Bombay Stock Exchange Limited, Mumbai (BSE) and the Annual Listing Fees for the year 2011-2012 have already been paid to it.

15. Auditors

The retiring Auditors, namely, M/s Manjeet Singh & Co., Chartered Accountants, Ludhiana, hold office until the conclusion of forthcoming Annual General Meeting (AGM) and being eligible, seek their re-appointment. The Statutory Auditors have furnished a certificate to the effect that their re-appointment, if made, at the ensuing AGM, will be within the limits prescribed under sub-section (IB) of Section 224 of the Companies Act, 1956 and that they are not beneficially holding any security or interest in the Company as defined under Section 226(3) of the said Act. Members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration for the year 2011-12. Your Directors recommend their re-appointment.

16. Auditors Report

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

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

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. However, the Financial Statement of the Subsidiaries namely;

- i. Master Capital Services Limited
- ii. Master Insurance Brokers Limited
- iii. Master Commodity Services Limited
- iv. Master Infrastructure And Real estate Developers Limited
- v. Master Portfolio Services Limited.

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

It is further informed that Master portfolio Services Limited and Master Commodity Services Limited are 100% wholly owned Subsidiaries of Master Capital Services Limited and by that reason Master Portfolio Services Limited and Master Commodity Services Limited are also subsidiaries of Master Trust Limited.

Further, MTL Share and Stock Brokers Limited, Associate Company has been merged with Master Capital Services Limited, a subsidiary of Master Trust Limited pursuant to Hon'ble Bombay High Court order dated April 15, 2011 and in accordance with the Section 391 & 394 of the Companies Act, 1956 w.e.f. June 21, 2011.

18. Particulars of Employees.

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

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

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

20. Acknowledgment

Your Directors are pleased to place on record their appreciation and express their gratitude to the Company's Bankers, Customers, Advisors and Business Associates for their continued and valuable co-operation and support to the Company from time to time.

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

Your Directors would also like to place on record their appreciation for committed services rendered by the employees at all levels of your company

For and on behalf of the Board of Directors

Sd/-

Sd/-

Place : Ludhiana
Date : 13.08.2011

(Harjeet Singh Arora)
Managing Director

(R.K.Singhania)
Director

CORPORATE GOVERNANCE

REPORT

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

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

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

1. Company's Philosophy

In order to ensure sustainable returns to all stakeholders of the business, it is imperative, especially for large organizations, to adopt and follow certain policies, procedures and processes, which together constitute a "Code of Corporate Governance." It is important that such a Code is institutionalized, to ensure transparency, consistency and uniformity of decision making processes and actions. 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.

2. Board of Directors

A) Composition:

The present strength of the Board consists of 10 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 and Executive Director of the company subject to the supervision and control of the Board of Directors.

- Five 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 attendance at each Board Meeting /Last Annual General Meeting and number of Directorship/ Committee Chairmanship/Committee membership in other companies are given below:

Name of the Director	Category	Attendance at the last AGM	No. of Board meetings attended	No. of Directorships & Committee Membership/Chairmanship in other Companies		
				Directorship	Committee Chairmanship*	Committee membership*
Mr. Harjeet Singh Arora	Managing Director	Present	5	13	1	1
Mr. R. K. Singhania	Non Executive Director	Present	5	7	-	-
Mr. Pavan Chhabra	Independent Non Executive Director	Absent	2	8	-	-
Mr. Sanjay Sood	Executive Director	Present	3	1	-	-
Mr. G.S. Chawla	Non Executive Director	Present	3	4	-	-
Mrs. H.K. Arora	Non Executive Director	Present	4	5	-	-
Mr. Anil Kumar Bhatia	Independent Non Executive Director	Absent	2	-	-	-
Mr. Sudhir Kumar	Independent Non Executive Director	Absent	2	-	-	-
Mr. Ashwani Kumar	Independent Non Executive Director	Present	3	7	3	4
Mr. Anil Kumar Malhotra	Independent Non Executive Director	Present	2	5	-	-

* For the purpose of Clause 49, the Committees considered are Audit Committee and Shareholders/ Investors Grievance Committee of Public Limited Companies.

Board Meeting(s) held from 1st April, 2010 to 31st March, 2011.

15.05.2010 14.08.2010 28.08.2010 08.11.2010 05.02.2011 28.03.2011

3. Audit Committee

To ensure the independence of the Committee, the Audit Committee is comprised of Non- Executive Directors viz. Mr. Ashwani Kumar, Mr. Sudhir Kumar and Mr. Anil Kumar Bhatia. All the Members of Audit Committee are qualified and having insight to interpret and understand financial statements.

Mr. Ashwani Kumar is presently the Chairman of Audit Committee. The Company Secretary, Statutory Auditors, Head of Accounts Department are permanent invitees to the Committee meetings. The terms of reference of the Audit Committee are specified on the pattern as contained in Section 292A of the Companies Act, 1956 and also clause 49 of the Listing Agreement. The Audit Committee met five times during the year on 14.05.2010, 13.08.2010, 27.08.2010, 06.11.2010, 04.02.2011.

4. Director's Remuneration

Managing Director/Executive Director

The Company paid the remuneration to the Managing Director and Executive Director as approved by the members of the Company in the General Meeting. Detail of remuneration paid to the Managing Director and Executive Director during the Financial Year 2010-11 is given below:

Name	Designation	Remuneration paid during the year
1. Mr. Harjeet Singh Arora	Managing Director	₹ 24,32,280/-
2. Mr. Sanjay Sood	Executive Director	₹ 9,38,000/-

Non-Executive Directors: Non Executive Directors have not been paid any remuneration during the financial year.

Shares held by the Non- Executive Directors : Details of Equity Shares/Convertible Warrants of the Company held by the Non-Executive Directors as on 31st March 2011.

Name of the Director	Category	No. of Equity Shares held	No. of Convertible Warrants held
Mr. R.K. Singhania	Non Executive Director	1275357	1305000
Mr. Pavan Chhabra	Independent Non Executive Director	Nil	Nil
Mr. G.S. Chawla	Non Executive Director	Nil	Nil
Mrs. H.K. Arora	Non Executive Director	472510	652500
Mr. Anil Kumar Bhatia	Independent Non Executive Director	Nil	Nil
Mr. Sudhir Kumar	Independent Non Executive Director	Nil	Nil
Mr. Ashwani Kumar	Independent Non Executive Director	Nil	Nil
Mr. Anil Kumar Malhotra	Independent Non Executive Director	Nil	Nil

5. Shareholders/Investors Grievance Committee

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

Mr. Honey Ahuja, Company Secretary is the Compliance Officer. The Committee meets as and when required, to deal with the investor related matters etc. The terms of reference of the Investors' Grievance Committee are in accordance with the Listing Agreement of Stock Exchange as amended from time to time.

During the year, 138 investor queries/requests were received, all of which were redressed/replied to the satisfaction of the investors. There were no outstanding investor complaints as on 31st March 2011.

6. Remuneration Committee

The Company has a Remuneration Committee of three directors comprising majority of independent non executive Directors who are free from any business or other relationships. The Remuneration paid to Mr. Harjeet Singh Arora, Managing Director and to Mr. Sanjay Sood, Executive Director, is as per the applicable provisions of the Companies Act, 1956.

The terms of reference of the Remuneration Committee is to look into the entire gamut of remuneration package for the Executive Director(s) and revise their remuneration suitably within the limits prescribed under the Companies Act, 1956. The Committee met once during the year.

7. Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. The Declaration signed by the Managing Director of the Company to this effect is enclosed and form part of this report. The Code has been posted on the Company's website www.mastertrust.co.in.

8. Risk Management

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

9. General Body Meetings

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

Financial Year	Location	Date	Time
2010	Master Chambers, SCO-19, First Floor, Feroze Gandhi Market, Ludhiana	30.09.2010	11.30 A.M.
2009	Lions club, near Tagore Nagar, Ludhiana.	30.09.2009	11.30 A.M.
2008	Village Gobindgarh, Malout Road, Abohar.	30.09.2008	11.30 A.M.
Extraordinary General Meeting(s):			
2010	Master Chambers, SCO-19, First Floor, Feroze Gandhi Market, Ludhiana	05.04.2010	11.30 A.M.

Special Resolutions passed at the Annual General Meeting(s)/Extra Ordinary General Meeting(s):

FY	Meeting	Date	Time	Special Resolution passed:
2010	Annual General Meeting	30.09.2010	11.30 A.M.	1. Re-appointment of Mr. G.S Chawla, Non Executive Director of the Company as Managing Director of subsidiary Company of Subsidiary Company. 2. Appointment of Mr. Puneet Singhania, relative of Director of the Company as Executive Director in Subsidiary Company. 3. Appointment of Mr. Jashan Jyot Singh, relative of Managing Director of the Company as Executive Director in Subsidiary Company.
2010	Extra Ordinary General Meeting	05.04.2010	11.30 A.M.	1. To issue Convertible Warrants on preferential basis.
2009	Annual General Meeting	30.09.2009	11.30 A.M.	Nil
2008	Annual General Meeting	30.09.2008	11.30 A.M.	1. Re-appointment of Mr. Harjeet Singh Arora as Managing Director of the Company. 2. Re-appointment of Mr. Sanjay Sood as Executive Director of the Company. 3. To give loans/investments/ corporate guarantees under Section 372A of the Companies Act, 1956.

The following special resolutions were passed by postal ballot during the financial year 2010-11:

- A Special resolution with a majority of 100% for Change in object clause of the Company under Section 17 of the Companies Act, 1956.
- A Special resolution with a majority of 100% for Commencement of new business under Section 149(2A) of the Companies Act, 1956

The Company has not proposed any special resolution to be conducted through postal ballot.

10. Disclosures

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

- There has been no instance of the non-compliance by the Company on any matter related to capital market during the last three years.
- Related Parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Paragraph No.6 of the Notes to the Accounts attached with the Financial Statements for the year ended March 31, 2011. The details of the Related Party transactions are placed periodically before and reviewed by the Company's Audit Committee.
- No treatment different from accounting standards prescribed by the Institute of Chartered Accountants of India, has been followed while preparing the financial statements. The Guidelines on Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the company.
- The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and has not followed the non mandatory requirements.

11. Means of Communication

The Company communicates with the shareholders at large through its Annual Report, publication of financial results and by filing of various reports and returns with the statutory bodies like Stock Exchanges and Registrar of Companies. The quarterly results are published in newspapers and are displayed on the website of the Company www.mastertrust.co.in.

12. Audit Qualifications

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

13. General Information for Shareholders.

i. Annual General Meeting : The 27th Annual General Meeting of Master Trust Limited will be held on Friday the 30th day of September 2011, at 10.30 A.M. at Master Chambers, Ground Floor, SCO 19, Feroze Gandhi Market, Ludhiana – 141 001 (Pb)

ii. Financial Year: April 01, 2010 to March 31, 2011

Tentative calendar of events for the Financial Year 2011-12 is

First Quarterly Results : August, 2011

Second Quarterly Results : November, 2011

Third Quarterly Results : February, 2012

Fourth Quarterly Results : May, 2012

iii. Date of Book Closure (both days inclusive) : 24.09.2011 to 30.09.2011

iv. Information regarding dividend payment date : Subject to the approval of the members, the dividend @10% on Equity Share of ₹ 10 each for the year ended 31st March 2011 recommended by the Board will be paid on or before 20th October 2011.

v. Listing : The securities of the Company are listed on the following Stock Exchange: The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai. The listing fees have been paid to the said Stock Exchange.

vi. Stock Code/ISIN No.: The Bombay Stock Exchange Ltd.: 511768

Demat International Security Identification Number (ISIN) in NSDL and CDSL for equity shares: INE677D01011.

vii. 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 is given below:

Month	High Price	Low Price	Close Price	BSE Sensex (High)
Apr-10	82.5	69	72.7	135868
May-10	85.6	69.5	83.15	138221
Jun-10	87.2	70.5	77.35	84132
Jul-10	85	71.1	80	140344
Aug-10	82.8	72.1	73.65	91657
Sep-10	122.8	65	101.7	374327
Oct-10	112.05	87.9	97	95675
Nov-10	102.75	76	79	49646
Dec-10	88.55	71.6	80.45	132727
Jan-11	84.35	69	73.75	204667
Feb-11	82	64	76.85	286470
Mar-11	89	71.05	80.3	69532

viii. Registrar and Share Transfer Agent: Pursuant to the circular issued by the Securities & Exchange Board of India, the Company has assigned the physical share transfer work to M/s Skyline Financial Services Ltd. Now the work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt at single point with Skyline Financial Services (P) Ltd., D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi, Ph: 011-26812682/83/84, Fax: 011-26812681, Email: admin@skylinerta.com

ix. Share Transfer System : The Shares of the Company are traded in the compulsory demat mode for all investor. Shares sent for transfer in physical form are registered within a fortnight (If in order and complete in all respect) and then returned the same to the respective shareholders duly transferred in their names. Your Company has appointed a SEBI registered Registrar & Transfer Agent viz Skyline Financial Services (P) Ltd. for looking after both physical and electronic share transfer work of the company. The shareholders are requested to send all shares in physical form for transfer as well demat / remat requests to the Registered Office of the Company and/or to the Registrar & Share Transfer Agent of the Company i.e Skyline Financial Services (P) Ltd. The Company has constituted a Share Transfer Committee of its Directors. The Share Transfer Committee meets once in month to consider transfer/ transmission/demat/remat cases and other allied matters.

x. Distribution of Shareholding Pattern of the Company as on 31.03.2011

Sr. No. Category	No. of Shares	% of Shares
1. Promoters	3567312	52.15%
2. Bodies Corporates	2133533	31.19%
3. Other Indian Public	1132588	16.56%
4. NRI	6967	0.10%
5. FIIs	-	0.00%
Total	6840400	100.00%

xi. Break-up of Equity / Dematerialization of Shares

Category	No. of Shares					
	Physical	%	Demat	%	Total	%
Promoters	640000	9.35	2927312	42.79	3567312	52.15
Non-Promoters	423625	6.19	2849463	41.66	3273088	47.85
TOTAL	1063625	15.55	5776775	84.45	6840400	100

xii. During the financial year ended on 31st March, 2011, the Company has not issued any GDRs / ADRs. However, the Board of Directors in their meeting held on 28th August 2010 issued 47,75,000 Convertible Warrants pursuant to the approval of Shareholders in an Extra – Ordinary General Meeting held on 5th April 2010 by passing a special resolution, exercisable in trenches and having currency period of 18 months and each warrant providing the holder with the option to subscribe to one fully paid-up equity share of the Company for every warrant at a price of ₹ 68/- per warrant (including a premium of ₹ 58/- per warrant) on preferential allotment basis in accordance with the provisions of Section 81(1A) of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirements), Regulation 2009.

During the year under review, your Company has converted 640000 Convertible Warrants into Equity Shares of ₹ 10/- each on 28th March, 2011. These Convertible Warrants were converted into Equity Shares at a conversion price of ₹ 68/- for each Warrant i.e. face value ₹ 10/- and premium ₹ 58/- per Equity Share. The Board of Directors of the Company forfeited 98,800 Equity shares of ₹ 10/- each on 13.08.2011 due to non payment of call money after giving prior notice to the shareholders.

xiii. The Company is having office(s) at the following address(es) :

1. Registered Office: Master Chambers, 3rd Floor, SCO 19, Feroze Gandhi Market, Ludhiana – 141 001 (Pb)
2. Chandigarh Office: SCO 22-23, Sector 9D, Madhya Marg, Chandigarh.
3. Delhi Office: 1012, Arunachal Building, 19, Barakhamba Road, New Delhi.
4. Mumbai Office: C-1, Jeevan Jyot, 18/20, Cawasjee Patel Street, Fort Mumbai.
5. Kolkatta Office: 6th Floor, Sabarwal house, 55 B, Mirza Ghalib Street, Kolkatta-West Bengal

xiv. Address for Correspondence

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

Tele. No.: 0161-2410557-58, 3911525

Fax No. : 0161-2402963

Designated Email: secretarial@mastertrust.co.in

xv. Compliance Officer: Mr. Honey Ahuja, Company Secretary.

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

CORPORATE GOVERNANCE

CEO CERTIFICATE

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

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

Sd/-

(Harjeet Singh Arora)
Managing Director

Place: Ludhiana
Date : 13.08.2011

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

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

For Master Trust Limited

Sd/-

(Harjeet Singh Arora)
Managing Director

Place: Ludhiana
Date : 13.08.2011

Auditor's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
The Members
Master Trust Limited

We have examined the compliance of conditions of Corporate Governance by Master Trust Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s) in India.

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

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

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

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration No. FRN 011831N

Place: Ludhiana
Date : 13.08.2011

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

AUDITOR'S REPORT

To
The Members
Master Trust Limited

We have audited the attached Balance Sheet of Master Trust Limited as at 31st March, 2011 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 and amended by the companies (Auditors Report) (Amendment) order 2004 issued by the Central Government in terms of subsection (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.

2. Further to our comments in the Annexure referred in paragraph (1) above, we state that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of such books;
- iii) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion the Balance Sheet and Profit & Loss Account and Cash Flow Statement comply in all material respect with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, in so far as they apply to company.
- v) Based on representation made by the directors and taken on record by the Board, we report that none of the directors is disqualified as on 31.3.2011 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, read with the significant accounting policies and the notes there on gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principal generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st march 2011
 - ii) In the case of Profit & Loss Account, of the Profit for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Place: Ludhiana
Date : 13.08.2011

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration No. FRN 011831N

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

ANNEXURE TO AUDITORS' REPORT

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, the management has physically verified these fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of verification of fixed assets is reasonable. To the best of our knowledge, no material discrepancy have been noticed on verification.
c) No substantial part of the fixed assets have been disposed off during the year.
2. a) The inventory (shares, foreign currency, mutual fund & land), which are held in dematerialized/ physical form, has been verified during the year by the management and in our opinion the frequency of verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedures of verification of inventory followed by the company are reasonable and adequate commensurate with the size of company and the nature of its business.
c) The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical inventory and book records were not material and the same have been properly dealt with the books of account.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
a) The Company has granted loans to Five Parties aggregating to ₹ 14.03 mn and maximum balance outstanding during the year was ₹ 130.64mn. The company has taken loans from three parties aggregating to ₹ 34.67mn. and maximum balance outstanding during the year was ₹ 143.21mn. All these loans are payable/ receivable on demand.
b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are prima facie not prejudicial to the interest of the Company.
c) In respect of loans granted by the Company to the parties, the interest and loans are repayable on demand.
d) In respect of loans granted by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.
e) In case of loan taken by the company secured and unsecured, according to information and explanation given to us the rate of interest wherever applicable and other terms & condition prima facie not prejudicial to the interest of the Company.
f) In respect of loans taken by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanation given to us during the course of audit, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. Further on the basis of our examination of books and records of the company and according to information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions required to be entered into the register maintained under section 301 of the Act, have been so entered.
b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to rupees five lakhs or more in respect of each party have been made at prices which are reasonable having regard to market prices for such transactions, prevailing at the relevant time, where such market prices are available.
6. The company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975. No order has been passed by the Company Law Board of National Company law tribunal or Reserve Bank of India or any court or any other tribunal.
7. In our opinion, the company has an adequate system of internal audit which is commensurate with the size and nature of its business.

8. The Company belongs to the service sector industry therefore clause 4(viii) of the companies (Auditor's Report) Order, 2003 (as amended) in respect of maintenance of cost records is not applicable to Company
9. The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities as applicable, No amount was outstanding for more than six months as on the date of Balance Sheet from the date they become payable.
10. There are no accumulated losses of the Company at the end of the financial year. There are no cash losses during the current and immediately preceding financial year.
11. According to the information and explanations given to us and as per books and records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to us, the company has adequate documents and proper records were maintained wherever the company has granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company does not fall within the category of Chit Fund/ Nidhi/ Mutual Benefit Fund/ Society and hence the related reporting requirements are not applicable.
14. The Company is dealing or trading in shares, securities, debentures and other investments and maintaining proper records of transactions and contracts and also timely entries have been made therein. Shares, securities, debentures and other securities have been held by the Company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
15. The company has given the corporate guarantees of ₹ 1410.50 mn for the facilities of bank guarantees taken by the subsidiaries and ₹ 80.00 mn by associate company from banks or financial institutions, the terms and conditions whereof, in our opinion are prima facie not prejudicial to the interest of the company.
16. In our opinion and according to the information and explanations given to us, the company has applied term loans for the purpose for which the loan was obtained.
17. According to the information and explanations given to us, and as per the books and records examined by us, as on the date of balance sheet, the fund raised by the company on short term basis have not been applied for long term investments. Long term funds have been partly applied for financing core working capital in consonance with the principles of sound financial management.
18. The Company has made preferential allotment of 0.64 mn shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the price which equity shares have been issued is not prejudicial to the interest of the company.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue(s) during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Ludhiana
Date : 13.08.2011

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration No. FRN 011831N

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

FINANCIAL HIGHLIGHTS

BALANCE SHEET AS AT 31ST MARCH, 2011

(All amount in ₹)

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	67843750	61443750
Reserves & Surplus	B	327361371	279730509
Fully Convertible Warrants		70295000	-
		465500121	341174259
LOAN FUNDS			
Secured Loans	C	17268815	34740974
Unsecured Loans	D	10000000	10000000
		27268815	44740974
Total		492768936	385915233
APPLICATION OF FUNDS			
FIXED ASSETS	E		
Gross Block		12483047	27431756
Less Depreciation		6053945	5538602
Net Block		6429102	21893154
INVESTMENTS	F	160962117	176945009
DEFERRED TAX ASSETS (NET)		1294775	1262127
CURRENT ASSETS, LOANS AND ADVANCES	G		
a) Closing Stock		59055889	9613182
b) Sundry Debtors		1022246	3725428
c) Cash & Bank Balances		32996339	50576539
d) Loans & Advances		478828361	380254744
		571902835	444169893
LESS: CURRENT LIABILITIES AND PROVISIONS	H		
a) Current Liabilities		235482343	245757829
b) Provisions		12387550	12697121
		247869893	258454950
NET CURRENT ASSETS		324032942	185714943
MISCELLANEOUS EXPENDITURES	I	50000	100000
Total		492768936	385915233

Significant Accounting Policies & Notes to Accounts N
Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date.
For Manjeet Singh & Co.
Chartered Accountants
Firm Registration No. FRN 011831N

For & on behalf of the Board

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

Sd/-
(Kashmir Singh)
Manager Accounts

Sd/-
(Honey Ahuja)
Company Secretary

Sd/-
(R.K. Singhanian)
Director

Sd/-
(Harjeet Singh Arora)
Managing Director

Place: Ludhiana
Date : 13.08.2011

FINANCIAL HIGHLIGHTS

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(All amount in ₹)

PARTICULARS	SCHEDULE	FOR THE YEAR 31.03.2011	FOR THE YEAR 31.03.2010
INCOME			
Operative & Other Incomes	J	58564370	46604288
EXPENDITURE			
Personnel Expenses	K	8540574	9191642
Administrative & Other Expenses	L	12687478	7379224
Financial Expenses	M	17639010	18679196
Preliminary Expenses	I	50000	50000
Depreciation	E	515343	529067
Total		39432405	35829129
Profit before Taxation		19131965	10775159
Provision for Taxation			
- Current Year		2250000	1225000
- Deferred		-32648	-925438
- Wealth Tax		-	200000
Profit after Taxation		16914613	10275597
Balance brought forward from previous year		48128108	44669780
Excess(less) provisions of previous years		-306201	165516
Profit available for Appropriation		64736520	55110893
APPROPRIATION			
Provision for Deferred Tax of Earlier years		0	-1220758
Transfer to Statutory Reserve for the year		3382923	2055119
Provision for Dividend		6097550	6144375
Provision for DDT		0	4049
Balance carried over to Balance Sheet		55256047	48128108
		64736520	55110893
Earnings per share (₹)			
Basic Earnings per share (Face value of share ₹ 10/- each)		2.72	1.66
Diluted Earnings per share (Face value of share ₹ 10/- each)		2.72	1.66

Significant Accounting Policies & Notes to Accounts

N

Schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date.

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration No. FRN 011831N

For & on behalf of the Board

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

Sd/-
(Kashmir Singh)
Manager Accounts

Sd/-
(Honey Ahuja)
Company Secretary

Sd/-
(R.K. Singhanian)
Director

Sd/-
(Harjeet Singh Arora)
Managing Director

Place: Ludhiana

Date : 13.08.2011

SCHEDULES FORMING PART OF THE BALANCE SHEET
(All amount in ₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
SCHEDULE ‘A’				
Share Capital				
Authorised				
11000000 Equity Shares of ₹ 10/- each	110000000		110000000	
Issued, Subscribed & Paid Up				
6840400 (6200400) Equity Shares of ₹ 10/- each	68404000		62004000	
Less : Calls in Arrear (Other than Directors)	560250		560250	
Total	67843750		61443750	
SCHEDULE ‘B’				
Reserves & Surplus				
General Reserves	10000000		10000000	
Capital Reserve	48240000		48240000	
Statutory Reserve (under sec.451C of RBI Act, 1934)				
Opening Balance	2055119		0	
Add: During the year	3382923	5438042	2055119	2055119
Securities Premium Account	210668282		173548282	
Less : Calls in arrears	2241000	208427282	2241000	171307282
Balance in Profit & Loss Account	55256047		48128108	
Total	327361371		279730509	
SCHEDULE ‘C’				
Secured Loans				
Term Loans (secured against hypothecation of Cars)	1501250		1288361	
Overdraft Facility (secured against Fixed Deposits)	15767565		33452613	
Total	17268815		34740974	
Note: Term loans repayable within one year ₹ 816963/- (Previous year ₹ 448399/-)				
SCHEDULE ‘D’				
Unsecured Loans				
From Body Corporate	10000000		10000000	
Total	10000000		10000000	
SCHEDULE ‘E’				

Fixed Assets										
Particulars	Gross Block			Depreciation				Net Block		
	As at 01.04.2010	Addition During the year	Sale/ discharge during the year	As at 31.03.2011	As at 01.04.2010	For the year	Written back during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
LAND	17170958	2846340	20017298	0	0	0	0	0	0	17170958
BUILDING	1396570	0	350000	1046570	251795	17059	0	268854	777716	1144775
FURNITURE & FIXTURE	1508579	51187	0	1559766	1480440	23905	0	1504345	55421	28139
OFFICE EQUIPMENT	2426564	266500	0	2693064	1474894	120771	0	1595665	1097399	951670
COMPUTER	1493958	0	0	1493958	1200481	68330	0	1268811	225147	293477
VEHICLES	3435127	1580085	0	5015212	1130992	285278		1416270	3598942	2304135
CAPITAL WORK IN PROGRESS	0	674477	0	674477	0	0	0	0	674477	0
TOTAL	27431756	5418589	20367298	12483047	5538602	515343	0	6053945	6429102	21893154
PREVIOUS YEAR	29737695	2673661	4979600	27431756	5016970	529067	7435	5538602	21893154	

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE BALANCE SHEET

(All amount in ₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
SCHEDULE 'F'				
Long Term Investments (at Cost)				
A. Quoted				
Fully paid up equity shares of ₹ 10/- each				
1468 of Trident Ltd.	14680		14680	
1569800 (1688600) of Prime Industries Ltd.	15695000		18034775	
625000 (128000) of Vardhman Polytex Ltd	24706250		3794880	
5000 of R.R.B. Securities Ltd.	500000		500000	
- (87136) of SML Isuzu Ltd.	0		19696748	
500 (-) of ICICI Bank Ltd	454206		0	
11030 (-) of Coal India Ltd	2665747		0	
2500 (-) of Apar Industries Ltd	613336		0	
750 (-) of TRF Ltd	516324		0	
1781 (-) of Power Grid Corporation of India Ltd	152275		0	
7500 (-) of Development Credit Bank Ltd	430405		0	
4200 (-) of Karnataka Bank Ltd	610860		0	
250 (-) of State Bank Of India	653870		0	
1000 (-) of Venky's (India) Ltd	547088		0	
Fully paid up equity shares of ₹ 5/- each				
- (450000) of Nahar Capital & Financial Services Ltd	0		32152500	
3000 (-) of Wockhardt Ltd	1020349		0	
Fully paid up equity shares of ₹ 2/- each				
250 (-) of HDFC Bank Ltd	512190		0	
	49092580		74193583	
Less : Provision for diminution in value	495000	48597580	495000	73698583
B. Unquoted				
(I) In subsidiary companies - Fully Paid up equity shares of ₹ 10/- each				
5100000 Master Capital Services Limited	51000000		51000000	
130000 (50000) Master Infrastructure & Real Estate Developers Limited	40500000		500000	
449930 (269930) Master Insurance Brokers Limited	4699300	96199300	4699300	56199300
(ii) Others				
4 (-) Master Projects Private Ltd	1057500		0	
- (497000) Fully Convertible warrants of Vardhman Polytex Ltd	0		6176563	
992 (1192) Deep Discount Bonds of ₹10000/- each of Master Capital Services Limited	10029859	11087359	12029859	18206422
C. Government Securities				
6.75% 2006 Govt. Securities	17674		17674	
6.75% 2007 Govt. Securities	23123		23123	
		40797		40797

SCHEDULES FORMING PART OF THE BALANCE SHEET
(All amount in ₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
D. Mututal Funds		
- (48899.75) Fidelity International Opportunity Fund	0	500000
- (30000.00) Sundram BNP Energy Opportunity Fund	0	300000
- (48899.75) Fidelity India Special Situation Fund Growth	0	500000
7306.54 (11319.44) DSP BlackRock Top 100 Regular Plan Growth	604499	936503
- (4531.84) HDFC Top 200 Fund Growth	0	743191
- (11907.24) Fidelity Equity Fund Growth	0	318888
20000 UTI Wealth Builder Fund Growth	200000	200000
- (617.97) ICICI Prudential Infrastructure Fund Div.	0	16803
- (2780.42) Sundram BNP Midcap Appreciation Fund	0	322236
	804499	3837621
Capital in Partnership Firms (As per note No.14)	4232582	24962286
Total	160962117	176945009
Note: Market value of quoted shares is ₹ 578.53 Lacs (Previous year ₹ 653.91 Lacs)		
SCHEDULE 'G'		
Current Assets, Loans & Advances		
A. Current Assets		
a) Closing Stock (Cost or market price whichever is less)	59055889	9613182
b) Sundry Debtors (Unsecured considered good)		
Over six months old	979800	2380796
Others	42446	1344632
	1022246	3725428
c) Cash & Bank Balances		
i. Cash in hand	456905	621144
ii. With Schedule Banks in		
- Current Account	4063820	2043008
- Unpaid Dividend Account	224775	0
- Fixed Deposit pledged against overdraft facility	28250839	47912387
	32996339	50576539
B. Loans & Advances		
Advances Recoverable in cash or in kind or for value to be received	466164635	361510022
Amount due from subsidiaries	3689427	3697916
Security	617367	281242
Share Application Money	3067375	10824932
Advance Income Tax/T.D.S.	5289557	3940632
Total	478828361	380254744
	571902835	444169893

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE BALANCE SHEET

(All amount in ₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 'H'		
Current Liabilities & Provisions		
A. Current Liabilities		
Sundry Creditors	4183842	5207040
Amount due to Subsidiaries	34910364	37973909
Cheques Issued (Net)	17527192	44332525
Unpaid Dividend	224775	0
Other Liabilities	178636170	158244355
	235482343	245757829
B. Provisions		
Provision for Non-Performing Assets	4040000	5123697
Provision for Taxation	2250000	1225000
Provision for DDT	0	4049
Provision for Dividend	6097550	6144375
Provision for Wealth Tax	0	200000
Total	12387550	12697121
	247869893	258454950
SCHEDULE 'I'		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	100000	150000
Less:- 1/5 Written off	50000	50000
	50000	100000

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
(All amount in ₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 'J'		
Operating & Other Incomes		
Income from Forex Business	6927958	7424069
Interest	38392062	22617851
Profit from dealing in investment/securities	5288519	6784537
Dividend	6660350	8409037
Profit from Partnership Firm	853902	788921
Other Income	441579	579873
	58564370	46604288
SCHEDULE 'K'		
Personnel Expenses		
Salaries and other Allowances*	4888541	5522390
Directors Remuneration	3370280	3385880
Staff Welfare Expenses	281753	283372
	8540574	9191642
* Includes PF ₹ 150661/- (₹ 98553/-), Gratuity ₹ 212359/- (₹ 190692/-)		
SCHEDULE 'L'		
Administrative & Other expenses		
Printing & Stationery	131017	131179
Postage, Telegram & Telephone	279673	273813
Rent	848327	856586
Fees & Taxes	132024	157308
Directors Travelling	229606	280250
Legal & Professional Charges	48692	416225
Travelling & Conveyance	327526	492676
Audit Fee	67500	67500
Tax Audit Fees	7500	7500
Office Maintenance	476727	549765
General Expenses	1048781	1453684
Advertisement Expenses	564749	28355
Provision for Non Performing Assets	-1083697	2664383
Bad Debts written off	9609053	0
Total	12687478	7379224
SCHEDULE 'M'		
Financial Expenses		
Interest on Overdraft	681332	546733
Interest Others	16791997	17952557
Bank Charges	165681	179906
Total	17639010	18679196

SCHEDULE 'N'

Accounting Policies & Notes to Accounts

1. Accounting Convention :

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

2. Fixed Assets :

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

3. Investments :

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

4. Stock in Trade :

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

5. Revenue Recognition :

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

6. Employee Benefits :

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

7. Impairment of Assets :

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

8. Provisions, Contingent Liabilities & Contingent Assets:

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

9. Borrowing Cost :

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

10. Prudential Norms:

For identifying Non Performing Assets (NPA) relating to financing activities, the Company follows Non-Banking Financial (Non Deposit Accepting Or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

B. NOTES ON ACCOUNTS

1. Share Capital :

In terms of the approval of the Board of Directors and Shareholders of the Company and as per statutory provisions including SEBI (Issue of Capital and Disclosure Requirements), Regulation 2009, the Company on August 28 , 2010 had issued and allotted 47,75,000 Convertible Warrants on preferential basis. Each warrant provided the holder with the option to subscribe to one fully paid-up equity share of the Company for every warrant at a price of ₹ 68/- per warrant (including a premium of ₹ 58/- per warrant) within 18 months from the date of allotment.

The Company has converted 6,40,000 Convertible Warrants into Equity Shares of ₹ 10/- each on 28th March 2011.

2. Contingent Liabilities :

- a. The Punjab State Industrial Development Corporation Limited (PSIDC) had contributed Rs.8.85 mn in the equity share capital of Prime Industries Ltd @ ₹10/- per share, as Direct Equity Participation in 1993. The Company as an associate promoter of Prime Industries Ltd. ,pledged 5,69,300 shares (Previous year 5,693,00 shares) of Prime Industries Ltd of ₹10/- each amounting to ₹ 5.69 mn (Previous Year ₹ 5.69 mn) to PSIDC along with irrevocable power of attorney. The Company has also subscribed to the undertaking for buy back of the shares subscribed by PSIDC as referred above. As per the terms of undertaking for buy back of the shares, the promoters are to buy the said shares at the face value along with interest applicable to terms financing before the expiring of seven years from the date of commencement of commercial production i.e.04.04.1994. As per the term of the above referred undertaking, in case the promoters/associates do not buy back the shares subscribed by PSIDC, then the PSIDC is entitled to sell the shares subscribed by it and also recovers the loss if any by sale of the above referred shares pledged to the PSIDC. The PSIDC had announced OTS Policy for equity disinvestment. The promoters / associates have applied for buy back of shares under OTS policy, subject to their rights under the law to adjudicate upon the amount due under the buy back agreement However the government of Punjab has amended the one time settlement scheme whereby the profit making companies are not eligible for the OTS scheme as per industrial policy 2003. The PSIDC vide letter dated 29th April 2009 has illegally withdrawn the OTS in case of Prime Industries Limited and the matter is sub judice before Honorable Punjab & Haryana High Court. The Government of Punjab has Further notified a new one time settlement scheme (OTS) vide notification number 15/03/09-AS-6/400 Dated 02.03.2009. The promoters/associates being eligible even under the new OTS policy also, have apply for buy back of shares. The request of promoters/associates has not been accepted by PSIDC and the matter is sub judice before Honorable Punjab & Haryana High Court, a sum of ₹ 25.10 mn (previous year ₹ 25.10 mn) shown as loans and advances recoverable in cash and/or kind has been paid as per the amount demanded by the PSIDC in this respect. However PSIDC has filled a case for further recovery of ₹ 35.13 mn before Honorable Debts Recovery Tribunal.
- b. Bank Guarantee of US\$ 0.05 mn (previous year US\$ 0.05 mn) in favour of American Express Travel Related Services Company Inc. U.S.A. for traveller cheques stock limit.
- c. The Company has given Corporate Guarantee to Banks for securing the Bank Guarantees limits of ₹ 920.00 mn (previous year ₹ 935.00 mn) on behalf of Master Capital Services Ltd. a wholly owned subsidiary company, ₹ 490.50 mn (previous year 170.50mn) on behalf of Master Commodity Services Ltd a subsidiary company and ₹ 80.00 mn (previous year ₹ 60.00 mn) on behalf of MTL Shares & Stock Brokers Ltd. a group company.

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ACCOUNTS

(All amount in ₹)

3. The Company has received the inter-corporate loan payable on demand ₹ 121.84 mn (Previous year ₹ 149.51 mn), these corporate loan and interest accrued there on has been shown as current liability.

4. In the opinion of Board of Directors other current assets, loans and advances have the value at which they are stated in the Balance sheet, if realised in the ordinary course of business.

5. Schedule to the Balance Sheet of Master Trust Ltd

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars	Amount Outstanding	Amount Overdue	in Mn
Liabilities side :			
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:			
(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	1.50	NIL	
(d) Inter-corporate loans and borrowing	131.84	NIL	
(e) Commercial Paper	NIL	NIL	
(f) Other Loans (specify nature)			
Bank overdraft (secured against Fixed Deposits)	15.77	NIL	
* Please see Note 1 below			
Assets side :			
	Amount outstanding		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :			
(a) Secured	NIL		
(b) Unsecured	478.83		
(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities			
(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		
(4) Break-up of Investments :			
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 (please specify)	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 (please specify)	NIL		
Long Term investments :			
1. Quoted :			
(i) Shares : (a) Equity	48.60		
(b) Preference	NIL		
(ii) Debentures and Bonds	NIL		
(iii) Units of mutual funds	0.80		
(iv) Government Securities	NIL		
(v) Others (please speciv)	NIL		

2. Unquoted :	
(i) Shares : (a) Equity	97.26
(b) Preference	NIL
(ii) Debentures and Bonds	10.03
(iii) Units of mutual funds	NIL
(iv) Government Securities	0.04
(v) Others (please specify)	
Partnership firms	4.23
Total	160.96

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see Note 2 below

Category	Secured	Amount net of provisions Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	NIL	3.69	3.69
(b) Companies in the same group	NIL	10.35	10.35
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	464.79	464.79
Total	NIL	478.83	478.83

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
Please see note 3 below		
Category		
1. Related Parties **		
(a) Subsidiaries	643.77	106.23
(b) Companies in the same group	NIL	NIL
(c) Other related parties	5.29	5.29
2. Other than related parties	58.96	49.44
Total	708.02	160.96
** As per Accounting Standard of ICAI (Please see Note 3)		

(7) Other information		
Particulars	Amount	
(i) Gross Non-Performing Assets		
(a) Related parties	NIL	
(b) Other than related parties	4.04	
(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 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- 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 should be disclosed irrespective of whether they are classified as long term or current in (4) above.

6. Related Party Disclosures

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

Subsidiaries	Associates/Enterprises owned or significantly influenced by key Management Persons or their Relatives	Key Management Personnel
Master Capital Services Ltd.	Prime Industries Ltd.	Sh. Harjeet Singh Arora
Master Infrastructure & Real Estate Developers Ltd.	Master Share & Stock Brokers Ltd. MTL Share & Stock Brokers Ltd.	Sh. R K Singhanian Sh. G S Chawla
Master Insurance Brokers Ltd.	H.K Arora Real Estate Service Ltd.	Sh. Sanjay Sood
Master Commodity Services Ltd.	Sanawar Investments	Sh. Pavan Chhabra
Master Portfolio Services Ltd.	PHDA Financial Services (P) Ltd. H.A. Share & Stock Brokers Ltd. Saintco India (P) Ltd. Singhanian Properties Partnership Firms	Smt. Harneesh Kaur Arora Sh. Ashwani Kumar Sh. Anil Kumar Bhatiya Sh. Sudhir Kumar

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ACCOUNTS

(All amount in ₹)

Transactions with related parties

	Subsidiaries	Associates/Enterprises owned or significantly influenced by key management persons or their relatives	Key Management Personnel and their relatives	2010-11 Rupees Total
Purchases	156489046 (49372778)	1819854 (64808)	— —	158308900 (49437586)
Sale	186262655 (47432539)	44383778 (32842810)	292568 —	230939001 (80275349)
Interest Paid	5350905 (998220)	90905 (84827)	— —	5441810 (1083047)
Interest Received	243942 (1515841)	773679 (999127)	— —	1017621 (2514968)
Loan & Advances Given	3689427 (3697916)	10345788 (13006774)	— —	14035215 (16704690)
Loan & Advances Taken	34667216 (37973909)	— (34818707)	— —	34667216 (72792616)
Remuneration	— —	— —	3370280 (3875205)	3370280 (3875205)
Corporate Guarantees Given	1410500000 (1105500000)	80000000 (60000000)	— —	1490500000 (1165500000)
Balance outstanding at the end of the year Receivable	3689427 (3697916)	23045569 (14429353)	— —	26734996 (18127269)
Payable	34910364 (37973909)	25167 (34980894)	45945000 —	80880531 (72954803)

7. Segment Reporting

(a) Information about business Segments		2010-11	2009-10
A) Segment Revenue			
1) Total Segment Revenue			
a) Forex Business		6927958	7424069
b) Interest		38392062	22617851
c) Share Trading and Others		13244350	16562368
Total		58564370	46604288
2) Inter Segment Revenue		-	-
3) External Revenue (1-2)			
a) Forex Business		6927958	7424069
b) Interest		38392062	22617851
c) Share Trading and Others		13244350	16562368
Total		58564370	46604288
B) Results			
1) Segment Results			
a) Forex Business		907494	2056333
b) Interest		7950150	4865837
c) Share Trading and Others		10805546	4406813
Total		19663190	11328983
2) Unallocated Expenses		365544	373918
3) Operating Profit		19297646	10955065
4) Financial expenses		165681	179906
5) Provision for tax		2217352	499562
6) Net Profit		16914613	10275597
Other Information			
1) Segment Assets			
a) Forex Business		16642093	14861826
b) Interest		384883404	336120280
c) Share Trading and Others		325500310	284001184
Total		727025807	634983290
2) Unallocated Corporate Assets		12318247	8124766
3) Deferred Tax Assets		1294775	1262127
4) Total Assets		740638829	644370183
5) Segment Liabilities			
a) Forex Business		7675513	3075261
b) Interest		204681874	193351438
c) Share Trading and Others		46989518	88537856
Total		259346905	284964555
6) Unallocated Liabilities		15791803	18231369
7) Total Liabilities		275138708	303195924
8) Shareholders Fund		465500121	341174259

(b) Information about Geographical segments

The company caters mainly to the needs of Indian market so there are no reportable geographical segments.

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ACCOUNTS

(All amount in ₹)

8. Deferred Tax Assets/Liability

	2010-11	2009-10
Deferred Tax Assets :		
• Provision for Gratuity		
Opening	403370	--
During the Year	61373	403370
Closing	464743	403370
• Provision for NPA		
Opening	1741545	--
During the Year	(399558)	1741545
Closing	1341987	1741545
Deferred Tax Liability :		
• Depreciation		
Opening	882788	884069
During the Year	(370833)	(1281)
Closing	511955	882788
Net Deferred Tax Assets	1294775	1262127

9. Calculation of basic and diluted earning per share

	31.03.2011	31.03.2010
Net Profit in Rupees	16914613	10275597
Weighted average number of equity shares outstanding during the year	6207400	6200400
Nominal Value per share in (₹)	10	10
Basic and diluted earning per share	2.72	1.66

10. Profit from dealing in investment/securities include profit on sale of investment of ₹ 23874584 (Previous Year ₹ 1183508).

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

	2010-11	2009-10
• Salary	2304516	2304516
• Other allowances and perquisites	1065764	1081364
	3370280	3385880

12. Interest on calls in arrears on shares is accounted for on receipt basis.

13. The amount paid to auditors are as under

	2010-11	2009-10
• Audit Fees	67500	67500
• Tax Audit Fees	7500	7500

14. Capital in Partnership Firms

Name of the Firm	Particulars of Parties & their profit sharing	31.03.2011	31.03.2010
Master Insurance Brokers	The Company has (90%), Mr. Harjeet Singh Arora (5%) Mr. R K Singhanian (5%)	1145213	5513903
Prime Securities	The Company has (98%), Mrs. Palka Arora Chopra (2%)	188714	3472561
Prime Investments	The Company has (98%), Mr. Pawan Kumar Sharma (2%)	221433	699410
Regency Investments	The Company has (98%), Mr. Surinder Sankhyan (2%)	58769	1043233
Chandigarh Investments	The Company has (98%), Mr. Nitin Shahi (2%)	185406	174637
Master Investments	The Company has (98%), Mr. Puneet Singhanian (2%)	271900	1670898
Master Securities	The Company has (96%), Mr. Harjeet Singh Arora (2%)-Mr.R.K.Singhanian (2%)	73965	467640
Doaba Investments	The Company has (49%), Subsidiary (49%) & Mrs. Harneesh Kaur Arora (2%)	208120	205260
Fidelity Investments	The Company has (98%), Mrs. Parveen Singhanian (2%)	29719	137118
Global Investments	The Company has (98%), Mr. Kashmir Singh (2%)	99877	74032
Ludhiana Securities	The Company has (98%), Mr. Chirag Singhanian (2%)	460895	455671
Malwa Investments	The Company has (98%), Mr. Jashanjyot Singh (2%)	43889	139335
Mountview Investments	The Company has (98%), Mrs. Harneesh Kaur Arora (2%)	710867	751346
Star Securities	The Company has (98%), Mr. Yogesh Jain (2%)	121151	8616648
Surry Investments	The Company has (98%), Mr. Yogesh Jain (2%)	384114	134665
Surya Investments	The Company has (98%), Mr. Satish Kumar (2%)	28550	1405929
Total		4232582	24962286

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

16. Additional information required to be disclosed as per clause 3. 4C and 4D of Schedule VI of the Companies Act, 1956.

Particular in Respect of Opening Stock, Purchase, Sale and Closing Stock

	CURRENT YEAR		PREVIOUS YEAR	
	Quantity	Amount	Quantity	Amount
Opening Stock	131144.8973	2254865	1411542.3845	18058198
Purchase	69190.9168	56014059*	20445482.4358	283109879
Sale	6835.0000	30166884	21725879.9230	303181516*
Closing Stock	193500.8141	9515975	131144.8973	2254865

*include speculative/derivative profit/loss

FINANCIAL HIGHLIGHTS

SCHEDULES FORMING PART OF THE ACCOUNTS

(All amount in ₹)

Closing Stock	As at 31.03.2011		As at 31.03.2010	
	Qty.	Value	Qty	Value
RPG Life Science Ltd.	25	577	25	577
Vardhman Textile Ltd	400	19000	400	19000
Sainik Finance Ltd.	41684	127136	41684	127136
R R Financial Services Ltd.	23600	8625	12000	9000
Evinix Accessories Ltd.	2000	358	200	358
Oswal Chemicals & Fert Ltd.	350	1659	350	1659
ICICI Ltd.	291	13153	291	13153
Rolta India Ltd.	250	12813	250	12813
Rallis India Ltd.	83	4623	83	4623
ONGC	25	19492	25	19492
Trident Ltd	2197	12962	2197	12962
Punjab Alkalies	1000	7900	1000	7900
DSP Merrill Lynch Capital Ltd.	5	10050	5	10050
Fidelity Flexi Bond Fund Retail Dividend Option	185.8351	1859	181.5603	1870
Idea Cellular	—	—	152	7623
1221 ING Short Term Income Fund Dividend	28485.4110	320504	27534.4780	308956
PTC India Ltd	200	9560	200	9560
Padmalya Tele	100	519	100	519
RICOH India	1000	12290	1000	12290
LICMF Saving Plus Fund – Daily Dividend Plan	2472.204	24741	2354.037	23540
Kotak 30 equity Scheme Growth	16994.0400	1251983	16994.04	941657
Power Finance Corporation	—	—	219	18615
Redinton (India) Ltd.	—	—	60	6546
Shyam Tele	10000	456500	10000	456500
LIC MF Liquid Fund Daily Dividend Plan	5603.3240	61486	5339.7820	58592
NOCIL	8000	92240	8000	92240
South Indian Bank	2500	57125	500	77634
Ankur Drugs & Pharma Ltd.	2500	130250	-	-
Bombay Dyeing & Mfg. Co. Ltd.	500	183375	-	-
Bhart Heavy Electricals Ltd.	250	515663	-	-
Everest Industries Ltd.	2500	364375	-	-
IFCI Ltd.	5000	260400	-	-
Indian Oil Corp. Ltd.	1000	332850	-	-
LG Balakrishnan & Bros. Ltd.	2000	515000	-	-
Maruti Suzuki India Ltd.	500	631075	-	-
MPHASIS Ltd.	1250	519062	-	-
Rural Electrification Corporation Ltd.	2500	634250	-	-
Reliance Power Ltd.	1300	169520	-	-
Sabero Organic Gujarat Ltd.	7500	361875	-	-
Selan Exploration. Technology Ltd.	2750	916575	-	-
Sterlite Industries (INDIA) Ltd.	2000	342750	-	-
Tata Global Beverages Ltd	5000	488750	-	-
Timex Group India Ltd.	8000	252400	-	-
Transformers & Rectifiers India Ltd	1500	370650	-	-
Land		45043390	-	-
Foreign Currency		4496524	-	7358317
Total		59055889		9613182

SCHEDULES FORMING PART OF THE ACCOUNTS

17. 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.
18. The Company's domestic subsidiary Master Capital Services Limited has declared dividend of ₹ 6.12 mn (Previous Year ₹ 6.12 mn) is receivable by the Company in respect of which dividend distribution tax would be paid by the subsidiary. In terms of provision of sub section 1A of section 115 O of the Income Tax Act, 1961 dividend distribution tax is payable by the company on the amount being excess of dividend proposed by the company over the dividend receivable by the company from its subsidiary. During the year the company has transferred its Capital Assets i.e. Land amounting to ₹ 17.37mn, 200 Deep Discount Bond of Master Capital Services Ltd amounting to ₹ 2.00mn and 87136 Equity Shares of SML Isuzu Ltd. amounting to ₹ 19.70mn to Master Infrastructure and Real Estate Developers Ltd, a wholly owned subsidiary, at Book Value.
19. The Company has incurred **foreign exchange out go is ₹ 0.06 mn** (Previous Year ₹ nil) during the year.
20. Previous year figures have been regrouped & recasted wherever necessary to confirm to the Current Year classifications.

Signature to Schedules 'A' to 'N'

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration No. FRN 011831N

For & on behalf of the Board

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

Sd/-
(Kashmir Singh)
Manager Accounts

Sd/-
(Honey Ahuja)
Company Secretary

Sd/-
(R.K. Singhania)
Director

Sd/-
(Harjeet Singh Arora)
Managing Director

Place: Ludhiana
Date : 13.08.2011

FINANCIAL HIGHLIGHTS

BALANCE SHEET ABSTRACT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details

Registration No.	6	4	1	4	State Code	1	6	
Balance Sheet Date	3	1	0	3	2	0	1	1

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

Public Issue	N	I	L	Right Issue	N	I	L	
Bonus Issue	N	I	L	Private Placement	6	4	0	0

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

Total Liabilities	7	4	0	6	3	9	Total Assets	7	4	0	6	3	9
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Sources of Funds

Paid up Capital	6	7	8	4	4	Reserves & Surplus	3	2	7	3	6	1
Fully Convertible Warrants Money	7	0	2	9	5	Secured Loans	1	7	2	6	9	
Unsecured Loans	1	0	0	0	0	Deferred Tax Liability	N	I	L			

Application of Funds

Net Fixed Assets	6	4	2	9	Investments	1	6	0	9	6	2
Net Current Assets	3	2	4	0	3	3	Misce. Expenditure	5	0		
Accumulated Losses	N	I	L				Deferred Assets	1	2	9	5

IV. Performance of Company (Amount Rs. in Thousands)

Gross Receipts	5	8	5	6	4	Total Expenditure	3	9	4	3	2
Profit Before Tax	1	9	1	3	2	Profit After Tax	1	6	9	1	5
Earning Per Share	2	.	7	2		Dividend Rate %	1	0			

V. Generic Names of Three Principal Products/Services of Company (As per Monetary Terms)

Item Code No.(ITC Code)	:	Not applicable
Product Description	:	Share Trading Investments
Item Code No.(ITC Code)	:	Not applicable
Product Description	:	Money Changers

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011	31.03.2010	(in Mn)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and extraordinary items	19.13	10.78	
Adjustment for			
Depreciation	0.52	0.53	
Miscellaneous Expenditure	0.05	0.05	
Profit on sale of fixed assets	0.00	(0.10)	
Provision for NPA	(1.08)	2.67	
Operating profit before Working Capital Changes	18.61	13.93	
Adjustment for			
Trade and other Receivables	2.70	4.91	
Inventories	(49.44)	20.29	
Trade Payable	(10.50)	(70.80)	
Loans and advances	(98.57)	79.47	
Cash (used)/generated from operations	(137.20)	47.80	
Direct Tax Paid	(1.74)	(1.50)	
Cash flow before Extra ordinary items	(138.94)	46.30	
Extra ordinary items	0	0	
Net Cash from/(used) in Operating Activities	(138.94)	46.30	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(5.42)	(2.67)	
Sale of fixed assets	20.37	5.07	
Purchase of investments	(63.97)	(66.08)	
Sale of Investments	79.95	13.57	
Net Cash from/(used) in Investing Activities	30.93	(50.11)	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Share Capital	43.52	0	
Proceeds from issue of convertible warrants	70.30	0	
Dividend paid	(5.92)	0	
Proceeds from long term borrowing (Bridge Loan)	(17.47)	26.65	
Net Cash from financing Activities	90.42	26.65	
Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	(17.58)	22.84	
Cash and Cash Equivalents as at 01.04.2010 (Opening Balance)	50.58	27.74	
Cash and Cash Equivalents as at 31.03.2011 (Closing Balance)	33.00	50.58	

NOTE : Figures in Brackets represent deductions and outflows

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration No. FRN 011831N

For & on behalf of the Board

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

Sd/-
(Kashmir Singh)
Manager Accounts

Sd/-
(Honey Ahuja)
Company Secretary

Sd/-
(R.K. Singhanian)
Director

Sd/-
(Harjeet Singh Arora)
Managing Director

Place: Ludhiana
Date : 13.08.2011

FINANCIAL HIGHLIGHTS

(All amount in ₹)

The details of subsidiaries in terms of General circular No. 2/2011 dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under section 212(8) of the Companies Act 1956, is as under

(₹ In Lacs)

Name of the Subsidiary	Paid up Capital	Reserves	Total assets	Total Liabilities (a)	Investments	Turnover	Profit before tax	Provision for taxation	Profit/ (Loss) after tax	Dividend Proposed /paid
Master Capital Service Ltd.	510.00	5465.74	22657.44	16681.70	M. Fund 1500. Shares 984.61	6804.43	1270.34	173.00	1097.34	61.20
Master Insurance Brokers Ltd.	50.00	11.71	70.65	8.94	Nil	22.11	2.37	0.73	1.64	Nil
Master Infrastructure and Real Estate Developers Ltd.	13.00	408.95	1174.15	752.20	Shares 303.24 Others 241.86	4.66	0.05	2.12	(2.07)	Nil
Master Commodity Services Ltd.	55.00	865.34	8237.10	7316.76	M. Fund 1000. Shares 18.55	1293.86	157.40	56.54	100.86	Nil
Master Portfolio Services Ltd.	81.00	123.66	207.74	3.08	Nil	40.90	2.14	1.08	1.06	Nil

Notes:

a. Total liabilities excludes paid up capital and reserves & surplus.

FINANCIAL HIGHLIGHTS

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Master Trust Ltd.

1. We have examined the attached Consolidated Balance Sheet of Master Trust Limited (The Company) and its subsidiaries as at 31.03.2011 and also the consolidated Profit and Loss Account and Cash Flow Statement, for the year ended on that date. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation, we believe that our audit provides a reasonable basis for our opinion.
3. We further report that the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard AS-21 Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the company and its subsidiaries included in Consolidated Financial Statements.
4. On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its subsidiaries, we are of the opinion that the said Consolidated Financial Statements, read together with notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March, 2011;
 - b) In the case of Consolidated Profit & Loss Account, of the consolidated results of operations of the company and its subsidiaries for the year ended on that date.
 - c) In the case of Consolidated Cash Flow Statement, of the Consolidate Cash Flow for the year ended on that date.

Place: Ludhiana
Date : 13.08.2011

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration No. FRN 011831N

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

FINANCIAL HIGHLIGHTS

(All amount in ₹)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	67843750	61443750
Reserves & Surplus	B	908062157	752765010
Fully Convertible Warrants		70295000	-
		1046200907	814208760
MINORITY INTEREST	C	620071	403705
LOAN FUNDS			
Secured Loans	D	437533894	40848361
Unsecured Loans	E	266363522	222701601
		703897416	263549962
Deferred Tax Liabilities (Net)		9148072	4334791
Total		1759866466	1082497218
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	F	185879341	178020914
Less Depreciation		77631732	60960120
Net Block		108247609	117060794
INVESTMENTS	G	370754542	130806348
CURRENT ASSETS, LOANS AND ADVANCES			
a) Closing Stock	H	281883295	11502356
b) Sundry Debtors		891844574	646861606
c) Cash & Bank Balances		1381547914	1012483005
d) Loans & Advances		670551142	531791145
		3225826925	2202638112
LESS: CURRENT LIABILITIES AND PROVISIONS	I		
a) Current Liabilities		1908323333	1339690523
b) Provisions		36737667	28437077
		1945061000	1368127600
NET CURRENT ASSETS		1280765925	834510512
MISCELLANEOUS EXPENDITURES	J	98390	119564
Total		1759866466	1082497218

Significant Accounting Policies & Notes to Accounts O
Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date.
For Manjeet Singh & Co.
Firm Registration No. FRN 011831N

For & on behalf of the Board

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

Sd/-
(Kashmir Singh)
Manager Accounts

Sd/-
(Honey Ahuja)
Company Secretary

Sd/-
(R.K. Singhania)
Director

Sd/-
(Harjeet Singh Arora)
Managing Director

Place: Ludhiana
Date : 13.08.2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
INCOME			
Operative & Other Incomes	K	869039809	750829366
EXPENDITURE			
Personnel Expenses	L	94818178	68919535
Administrative & Other Expenses	M	519183281	458756194
Financial Expenses	N	81909099	65330689
Preliminary Expenses	J	71324	62122
Depreciation	F	16847661	14384176
Total		712829543	607452716
Profit before Tax & minority interest		156210266	143376650
Provision for Tax			
- Current Year		25397300	15948500
- Deferred		-42189	-5483565
- Wealth Tax		210000	200000
Profit after Tax before minority interest		130645155	132711715
- Minority Interest		16366	-474
Profit after tax and minority interest		130628789	132712189
Balance brought forward from previous year		517178681	393845623
Excess Provision of previous years		-245806	346514
Profit available for Appropriation		647561664	526904326
APPROPRIATION			
Provision for Deferred Tax of Earlier years		4855470	-2330480
Transfer to General Reserve		2742563	2836126
Transfer to Statutory Reserve		3382923	2055119
Provision for Dividend		6097550	6144375
Provision for DDT		992817	1020505
Balance carried over to Balance Sheet		629490341	517178681
Total		647561664	526904326

Earnings per share (₹)

Basic Earnings per share (Face value of share ₹ 10/- each)

21.05

21.40

Diluted Earnings per share (Face value of share ₹ 10/- each)

21.05

21.40

Significant Accounting Policies & Notes to Accounts

O

Schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date.

For Manjeet Singh & Co.

For & on behalf of the Board

Chartered Accountants

Firm Registration No. FRN 011831N

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

Sd/-
(Kashmir Singh)
Manager Accounts

Sd/-
(Honey Ahuja)
Company Secretary

Sd/-
(R.K. Singhania)
Director

Sd/-
(Harjeet Singh Arora)
Managing Director

Place: Ludhiana

Date : 13.08.2011

FINANCIAL HIGHLIGHTS

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(All amount in ₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
SCHEDULE 'A'				
Share Capital - Authorised				
11000000 Equity Shares of ₹ 10/- each		110000000		110000000
Issued, Subscribed & Paid Up				
6840400 (6200400) Equity Shares of ₹ 10/- each		68404000		62004000
Less : Calls in Arrear (Other than Directors)		560250		560250
Total		67843750		61443750
SCHEDULE 'B'				
General Reserves				
Opening Balance	12836319		10000193	
Add: During the year	2742564	15578883	2836126	12836319
Capital Reserves		49127609		49387609
Statutory Reserve (under sec.45 IC of RBI Act, 1934)				
Opening Balance	2055119		0	
Add: During the year	3382923	5438042	2055119	2055119
Securities Premium Account	210668282		173548282	
Less : Calls in arrears	2241000	208427282	2241000	171307282
Balance in Profit & Loss Account		629490341		517178681
Total		908062157		752765010
SCHEDULE 'C'				
Minority Interest				
Share Capital		500700		300700
Share of accumulated profit up to previous year		103005		103479
Profit/(loss) for the year transferred from Profit & Loss A/c		16366		-474
Total		620071		403705
SCHEDULE 'D'				
Secured Loans				
Term Loans (Secured against hypothecation of Cars)		4246607		4252211
Overdraft Facility (Secured against Fixed Deposits)		433287287		36596150
Total		437533894		40848361
SCHEDULE 'E'				
Unsecured Loans				
Deep Discount Bonds		26280000		26220000
From Body Corporate		10000000		10000000
Interest Accrued but not due		230083522		186481601
Total		266363522		222701601

SCHEDULE 'F' FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Addition During the year	Sale/ discharge during the year	As at 31.03.2011	As at 01.04.2010	Written back during the year	For the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	17170958	2846340	20017298	0	0	0	0	0	0	17170958
Building	33694509	844200	350000	34188709	892275	0	554222	1446497	32742212	32802234
Furniture & Fixtures	12454848	3544652	0	15999500	3769880	0	837956	4607836	11391664	8684968
Office Equipments	14511983	4916602	0	19428585	3355408	0	829314	4184722	15243863	11156575
Computer and V-sat	88483505	12097369	205500	100375374	49314131	176049	13663482	62801564	37573810	39169374
Vehicles	11705111	3507585	0	15212696	3628426	0	962687	4591113	10621583	8076685
Capital Work in Progress	0	674477	0	674477	0	0	0	0	674477	0
Total	178020914	28431225	20572798	185879341	60960120	176049	16847661	77631732	108247609	117060794
Previous Year	137040221	47617949	6637256	178020914	47519208	943263	14384175	60960120	117060794	

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
SCHEDULE 'G'				
Long Term Investments (at Cost)				
A. Quoted				
Fully paid up equity shares of ₹10/- each				
1468 of Trident Ltd.	14680		14680	
1997800 (2116600) of Prime Industries Ltd.	26322520		28662295	
5000 of R.R.B. Securities Ltd.	500000		500000	
625000 (128000) of Vardhman Polytex Ltd.	24706250		3794880	
70000 of Nahar Industrial Enterprises Ltd	1855000		1855000	
87136 of SML Isuzu Ltd.	19696748		19696748	
8250 of Raguvanshi Mills Ltd	90750		90750	
125 (394) of Varun Shipping Ltd	2250		7092	
-(53) of Tata Steel Ltd	0		15900	
1392(-) of MOIL	522000		0	
500(-) of ICICI Bank Ltd	454206		0	
11030 (-) of Coal India Ltd	2665747		0	
2500(-) of Apar Industries Ltd.	613336		0	
750(-) of TRF Ltd.	516324		0	
1781(-) of Power Grid Corporation of India Ltd	152275		0	
7500(-) of Development Credit Bank Ltd	430405		0	
4200(-) of Karnataka Bank Ltd	610860		0	
250(-) of State Bank of India	653870		0	
1000(-) of Venky's India Ltd	547088		0	
- (325) GTL Infrastructure	0		3250	
200000 of Prabhav Industries Ltd	7000000		7000000	
250000(-) of LN Polyester	5500000		0	
Fully paid up equity shares of ₹ 5/- each				
- (450000) of Nahar Capital & Financial Services Ltd	0		32152500	
3000(-) of Wockhardt Ltd	1020349		0	
Fully paid up equity shares of ₹ 2/- each				
250 (-) of HDFC Bank Ltd	512190		0	
	94386848		93793095	
Less : Provision for diminution in value	495000	93891848	495000	93298095
B. Unquoted				
- (4970000) Fully Convertible Warrants of Vardhman Polytax Limited	0		6176563	
- (400000) Fully paid up equity shares of ₹10/- each of Shivalik Securities Ltd.	0		1400000	
4 (-) Fully paid up equity shares of ₹10/- each of Master Projects Private Ltd.	1057500		0	
100 Fully paid up equity shares of ₹1/- each of Ludhiana Stock Exchange Association Ltd	100		100	
- (261) Fully paid up preference share of ₹100/- each of Tata Steel Ltd.	0		26100	
		1057600		7602763

FINANCIAL HIGHLIGHTS

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(All amount in ₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
C. Government Securities		
6.75% 2006 Govt. Securities	17674	17674
6.75% 2007 Govt. Securities	23123	23123
	40797	40797
D. Mututal Funds		
- (48899.75) Fidelity International Opportunity Fund	0	500000
- (30000.00) Sundram BNP Energy Opportunity Fund	0	300000
- (11907.24) Fidelity Equity Fund Growth	0	318888
7306.54 (11319.44) DSP BlackRock Top 100 Regular Plan Growth	604499	936503
- (4531.84) HDFC Top 200 Fund Growth	0	743191
- (48899.75) Fidelity India Special Situation Fund Growth	0	500000
20000 UTI Wealth Builder Fund Growth	200000	200000
- (39274.646) Franklin India Flexi Cap	0	750000
- (2780.42) Sundram BNP Midcap Appreciation Fund	0	322236
500000 (-) Kotak Flexi Maturity Plan 38	50000000	0
500000 (-) Reliance Fixed Maturity Plan	50000000	0
1000000 (-) Reliance Fixed Horizen Fund	100000000	0
500000 (-) Tata FMP Series 31	50000000	0
- (617.97) ICICI Prudential Infrastructure Fund Div.	0	16803
	250804499	4587621
Land	20386038	0
Capital in Partnership Firms (As per note No.9)	4573760	25277072
Total	370754542	130806348
Note:Market value of quoted shares is ₹ 1222.45 Lacs(Previous year ₹ 714.74 Lacs)		
SCHEDULE 'H'		
Current Assets, Loans & Advances		
A) Current Assets		
a) Closing Stock (Cost or market price whichever is less)	281883295	11502356
b) Sundry Debtors (Unsecured Considered good)		
Over six months old	26607749	51437514
Others	865236825	595424092
	891844574	646861606
c) Cash & Bank Balances		
i) Cash in hand	3179998	3120613
ii) With Schedule Banks in		
- Current Account	116464634	207540382
- Dividend Account	224775	0
- Fixed Deposit pledged against	1261678507	801822010
Bank Guarantee & overdraft facility		
	1381547914	1012483005

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
B) LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	617632013	486279815
Security	617367	281242
Share Application Money	1172375	1149932
Advance Income Tax/T.D.S.	51129387	44080156
Total	670551142	531791145
	3225826925	2202638112
SCHEDULE 'I'		
CURRENT LIABILITIES AND PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors	1510841451	792526631
Cheques Issued (Net)	153276665	211235725
Unpaid Dividend	224775	
Other Liabilities	243980442	335928167
	1908323333	1339690523
B) PROVISIONS		
Provision for Non-Performing Assets	4040000	5123697
Provision for Taxation	25397300	15948500
Provision for DDT	992817	1020505
Provision for Dividend	6097550	6144375
Provision for Wealth Tax	210000	200000
Total	36737667	28437077
	1945061000	1368127600
SCHEDULE 'J'		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
a) Preliminary expenses	169714	181686
less: written off	71324	62122
	98390	119564

FINANCIAL HIGHLIGHTS

CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(All amount in ₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 'K'		
Operating & Other Income		
Income from Forex Business	6927958	7424069
Interest	145318415	100878254
Income from Brokerage, Sale/purchase of Investments	563651348	451130324
Shares & Securities and Commodities Trading		
Dividend	56680354	112886265
Profit from Partnership Firm	866562	821536
Other Income	95595172	77688918
Total	869039809	750829366
SCHEDULE 'L'		
Personnel Expenses		
Salaries and other Allowances (Includes P.F. ₹ 290844/- Previous Year ₹ 258810/- Gratuity ₹ 1151388/- Previous Year ₹ 1529955/-)	84385658	60771006
Directors Remuneration	6870520	5721693
Staff Welfare Expenses	3562000	2426836
Total	94818178	68919535
SCHEDULE 'M'		
Administrative & Other Expenses		
Printing & Stationery	5997983	3276666
Postage, Telegram & Telephone	15028141	13107908
Rent	13845321	12642637
Fees & Taxes	2716384	3414774
Legal & Professional Charges	15146715	12063002
Travelling & Conveyance	5854929	4485483
Directors Travelling	229606	280250
Office Maintenance	13649163	13312195
Audit Fee	260000	197500
Tax Audit Fee	45000	32500
Advertisement Expenses	568681	28355
Sub Brokerage	203426831	197515373
General Expenses	66290935	57764585
Turnover charges	99643140	58988721
Demat Charges	5271265	2624052
Cutodian Charges	3554689	3122402
VSAT/Leasline Charges	8223077	4514791
Memebership Fee	150000	125000
Provision for Bad Debts	0	15000000
Bad debts Written off	60392576	53526870
Provision for Non-Performing Assets	-1083697	2664383
Profit/Loss on sale of Fixed Assets	-27458	68747
Total	519183281	458756194
SCHEDULE 'N'		
Financial Expenses		
Interest on Overdraft	11648619	2439005
Interest Others	60753052	56453247
Bank Charges	9507428	6438437
Total	81909099	65330689

SCHEDULE '0'

ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. Basis of Presentation of Consolidated Financial Statements

- i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India and generally accepted accounting principles in India.
- ii) The Consolidated Financial Statements of Master Trust Limited (The Company) for the year ended 31st March, 2011 and its following subsidiaries:

Subsidiaries	Accounting Year Ended Date	Proportion of Ownerships Interest as at 31.03.2011
Master Capital Services Ltd.	31st March, 2011	100 %
Master Infrastructure and Real Estate Developers Ltd.	31st March, 2011	100 %
Master Commodity Services Ltd.	31st March, 2011	100%
Master Insurance Brokers Ltd.	31st March, 2011	90%
Master Portfolio Services Ltd.	31st March, 2011	100%

All the subsidiaries are incorporated in India.

- iii) The financial statements of the Company and its subsidiaries have been combined on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions.
- iv) The Company has disclosed only such policies and notes from the individual financial statements, which fairly cover the required disclosures.
- v) The parent's portion of the proposed dividend amounting to ₹ 6.12 mn (previous year ₹ 6.12mn) has been reduced from the dividend proposed by subsidiary company, as a result of which the profit carried to the consolidated balance sheet stand increased to that extent.

B. Significant Accounting Policies

1. Accounting Convention:

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

2. Fixed Assets :

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

3. Investments:

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

4. Stock In Trade:

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

FINANCIAL HIGHLIGHTS

5. Revenue Recognition

- a) The company follows the mercantile system of accounting and recognize profit or 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.
- b) Misc. expenditure have been written off to the extent of 20% per annum.
- c) Income from forex business comprises of travelers cheques commissions and margins on foreign exchange transactions in the normal course of business as Full Fledged money Changers. The income arising from buying and selling of foreign currencies and travellers cheques has been considered on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.
- d) Profit on sale of securities comprises net of opening stock, purchase sale, closing stock and trading thereof.

6. Employee Benefits:

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

7. Impairment of Assets :

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

8. Provisions, Contingent Liabilities & Contingent Assets:

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

9. Borrowing Cost:

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

10. Prudential Norms :

For identifying Non Performing Assets (NPA) relating to financing activities, the Company follows Non-Banking Financial (Non Deposit Accepting Or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

C. NOTES ON ACCOUNTS

1. Contingent Liabilities

i) The Punjab State Industrial Development Corporation Limited (PSIDC) had contributed ₹ 8.85 mn in the equity share capital of Prime Industries Ltd @ ₹10/- per share, as Direct Equity Participation in 1993. The Company as an associate promoter of Prime Industries Ltd. ,pledged 569300 shares (Previous year 569300 shares) of Prime Industries Ltd of ₹ 10/- each amounting to ₹ 5.69 mn (Previous Year ₹ 5.69 mn) to PSIDC along with irrevocable power of attorney. The Company has also subscribed to the undertaking for buy back of the shares subscribed by PSIDC as referred above. As per the terms of undertaking for buy back of the shares, the promoters are to buy the said shares at the face value along with interest applicable to terms financing before the expiring of seven years from the date of commencement of commercial production i.e.04.04.1994. As per the term of the above referred undertaking, in case the promoters/associates do not buy back the shares subscribed by PSIDC, then the PSIDC is entitled to sell the shares subscribed by it and also recovers the loss if any by sale of the above referred shares pledged to the PSIDC. The PSIDC had announced OTS Policy for equity disinvestment. The promoters / associates have applied for buy back of shares under OTS policy, subject to their rights under the law to adjudicate upon the amount due under the buy back agreement. However, the government of Punjab has amended the one time settlement scheme whereby the profit making companies are not eligible for the OTS scheme as per industrial policy 2003. The PSIDC vide letter dated 29th April 2009 has illegally withdrawn the OTS in case of Prime Industries Limited and the matter is sub judice before Honorable Punjab & Haryana High Court. The Government of Punjab has further notified a new one time settlement scheme (OTS) vide notification number 15/03/09-AS-6/400 Dated 02.03.2009. The promoters/associates being eligible even under the new OTS policy also, have apply for buy back of shares. The request of promoters/associates has not been accepted by PSIDC and the matter is sub judice before Honorable Punjab & Haryana High Court, a sum of ₹ 25.10 mn (previous year ₹ 25.10 mn) shown as loans and advances recoverable in cash and/or kind has been paid as per the amount demanded by the PSIDC in this respect. However, PSIDC has filed a case for further recovery of ₹ 35.13 mn before Honorable Debts Recovery Tribunal.

ii) Bank Guarantees of ₹ 92.50 mn (Previous year ₹ 126.50 mn) in favour of National Securities Clearing Corporation Ltd. as its Clearing Member for exposure with capital market segment.

iii) Bank Guarantees of ₹ 499.00 mn(Previous year ₹ 382.50 mn) in favour of Stock Holding Corporation of India Ltd. for its exposure as Trading Member with Derivative Segment of National Stock Exchange of India Ltd.

iv) Bank Guarantees of ₹ 25.50 mn (Previous year ₹19.00 mn) in favour of National Commodity and Derivative Exchange of India Ltd. as its Trading Member.

v) Bank Guarantees of ₹ 8.10 mn (Previous year ₹ Nil) in favour of ACE Derivative & Commodity Exchange Ltd as its Trading Member.

vi) Bank Guarantees of ₹ 361.50 mn (Previous ₹ 87.50 mn) in favour of Multi Commodity Exchange Ltd. as its Trading Member.

vii) Corporate Bank Guarantees of ₹ 80.00 mn (Previous year ₹ 60.00 mn) on behalf MTL Shares and Stock Brokers Ltd., an associate company.

viii) Bank Guarantee of US\$ 0.05 mn (Previous year US\$ 0.05 mn) in favour of American Express Travel Related Services Company Inc. U.S.A.. for traveller cheques stock limit.

ix) Claims against the company not acknowledge as debts ₹ Nil (Previous year ₹ 1.12 mn) being show cause notice to the Company by Central Excise Authority regarding service tax and ₹ 0.51 mn (previous year ₹ 0.22mn) in respect of income tax matter in dispute.

2. In terms of the approval of the Board of Directors and Shareholders of the Company and as per statutory provisions including SEBI (Issue of Capital and Disclosure Requirements), Regulation 2009, the Company on August 28 , 2010 had issued and allotted 47,75,000 Convertible Warrants on preferential basis. Each warrant provided the holder with the option to subscribe to one fully paid-up equity share of the Company for every warrant at a price of Rs. 68/- per warrant (including a premium of ₹ 58/- per warrant) within 18 months from the date of allotment.

The Company has converted 640000 Convertible Warrants into Equity Shares of ₹10/- each on 28th March 2011.

3. In the opinion of Board of Directors, other current assets, loans and advances, have the value at which they are stated in the Balance sheet, if realised in the ordinary course of business. Debit/Credit balances are subject to reconciliation and confirmation.

FINANCIAL HIGHLIGHTS

4. Related Party Disclosures

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

Associates/Enterprises Owned Or significantly influenced by Key Management Persons or their relatives.	Key Management Personnel	Relative of Key Managerial Persons
Prime Industries Limited	Mr. Harjeet Singh Arora	Mrs. Palka Arora Chopra
Master Share and stock brokers Ltd .	Mr. R.K. Singhanian	Mrs. Charu Chhabra
MTL Share and stock brokers Ltd.	Mr. G.S.Chawla	Mrs. Guneet Chawla
Arora Financial Services Ltd	Mr. Pawan Chhabra	
H.K.Arora Real Estate Service Ltd	Mr. Sanjay sood	
Paawan Capital Services Ltd.	Mrs. Harneesh Kaur Arora	
Sanawar Investments	Mr. Ashwani Kumar	
PHDA Financial Services (P) Ltd	Mr. Anil Kumar Bhatia	
R.K. Singhanian HUF	Mr. Sudhir Kumar	
Pawan Chhabra HUF	Mr. Harinder Singh	
Sanjay sood HUF	Mr. Puneet Singhanian	
Santco India Pvt. Ltd.	Mr. Jashanjyot Singh	
H.A.Share & Stock Brokers Ltd.		
Singhanian Properties		
Partnership Firms		

Transactions with related parties

	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives Subsidiaries	Key Management Personnel	Relative of Key Managerial Persons	2010-11 Rupees Total
Purchase	136759399579 (31453918066)	2384099239 (883671011)	357830640 (149280158)	139501329458 (32486869235)
Sale	136954197705 (31579978115)	2503132335 (896147794)	449860527 (152260281)	139907190567 (32628386190)
Interest Paid	90905 (84827)	- -	- -	90905 (84827)
Interest Received	27332069 (22448830)	- -	- -	27332069 (22448830)
Remuneration	- -	6870520 (5721693)	(489325)	6870520 (6211018)
Rent Paid	9000 (77400)	118200 (101400)	88200 (75000)	215400 (253800)
Loans & Advances Given	10345788 (14429353)	- -	- -	10345788 (14429353)
Loans & Advances Taken	- (34106530)	- -	- -	- (34106530)
Corporate Guarantees	80000000 (60000000)	- -	- -	80000000 (60000000)
Balance outstanding at the end of year Receivables	86613496 (39052290)	5939 (-)	4625000 (1337956)	91244435 (40390246)
Payable	100673303 (34980894)	48106647 (5742061)	8631242 (205218)	157411192 (40928173)

5. Segment Reporting

(a) Information about business Segments	2010-11	2009-10
A) Segment Revenue		
1) Total Segment Revenue		
a) Brokerage & Allied	805919160	645353192
b) Forex Business	6927958	7424069
c) Interest	38392062	22617851
d) Share Trading and Others	17800629	16445533
Total	869039809	691840645
2) Inter Segment Revenue External Revenue (1-2)	-	-
a) Brokerage & Allied	805919160	645353192
b) Forex Business	6927958	7424069
c) Interest	38392062	22617851
d) Share Trading and Others	17800629	16445533
Total	869039809	691840645
B) Results		
1) Segment Results:		
a) Brokerage & Allied	146199550	132601491
b) Forex Business	907494	2056333
c) Interest	7950150	4865837
d) Share Trading and Others	11024557	4406813
Total	166081751	143930474
2) Unallocated Expenses	365544	373918
3) Operating Profit	165716207	143556556
4) Financial expenses	9505941	179906
5) Provision	25565111	10664935
6) Minority Interest	16366	(474)
7) Net Profit	130628789	132712189
Other Information		
1) Segment Assets		
a) Brokerage & Allied	2968959843	1887806851
b) Forex Business	16642093	14861826
c) Interest	379298977	332422365
d) Share Trading and Others	327708306	206146884
Total	3692609219	2441237926
2) Unallocated Corporate Assets	12318247	9386892
3) Total Assets	3704927466	2450624818
4) Segment Liabilities		
a) Brokerage & Allied	2350512478	1365439092
b) Forex Business	7675513	3075260
c) Interest	169771510	193351438
d) Share Trading and Others	105207112	50563947
Total	2633166613	1612429737
5) Unallocated Liabilities	15791803	19247825
6) Deferred Tax Liabilities	9148072	4334791
7) Total Liabilities	2658106488	1636012353
8) Minority Interest	620071	403705
9) Share Holder's Fund	1046200907	814208760

(b) Information about Geographical Segments

The company caters mainly to the needs of Indian market so there are no reportable geographical segments.

FINANCIAL HIGHLIGHTS

(All amount in ₹)

6. Deferred Tax Liability as at 31.03.2011 is as follows :

	2010-11	2009-10
Deferred Tax Liability : Timing difference on account of		
- Depreciation		
- Opening	13156577	12148836
- During the year	(346825)	1006363
- Closing	12809752	13155199
Deferred Tax Assets :		
Provision for Gratuity		
- Opening	1981741	-
- During the Year	337952	1980363
- Closing	2319693	1980363
Provision for N.P.A:		
- Opening	1741545	-
- During the Year	(399558)	1741545
- Closing	1341987	1741545
Provision for Bad Debts :		
- Opening	5098500	-
- During the Year	5098500	5098500
- Closing	-	5098500
Total Assets	3661679	8820408
Net Deferred Liability	9148072	4334791

7. Calculation of basic and diluted earning per share

	31.03.2011	31.03.2010
Net Profit in Rupees	130645155	132711715
Weighted average number of equity shares outstanding during the year	6207400	6200400
Nominal Value per share in (₹)	10	10
Basic and diluted earning per share	21.05	21.40

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

	2010-11	2009-10
- Salary	4453844	3766583
- Other allowances and perquisites	2416676	1955110
	6870520	5721693

9. Capital in partnership Firms

Name of the firm	Name of the Partners & Profit Sharing	As at 31.03.2011	As at 31.03.2010
Master Insurance Brokers	Company (90%), Mr. Harjeet Singh Arora (5%), Mr. R. K Singhanian (5%)	1145213	5513903
Prime Securities	Company (98%), Mrs. Palka Arora Chopra (2%)	188714	3472561
Prime Investments	Company (98%), Mr. Pawan Sharma (2%)	221433	699410
Regency Investments	Company (98%), Mr. Surinder Sankhyan (2%)	58769	1043233
Chandigarh Investments	Company (98%), Mr. Nitin Shahi (2%)	185406	174637
Master Investments	Company (98%), Mr. Puneet Singhanian (2%)	271900	1670898
Master Securities	Company (96%), Mr. Harjeet Singh Arora (2%), Mr. R.K. Singhanian (2%)	73965	467640
Doaba Investments	*Company (49%), Subsidiary has (49%) and Mrs. Harneesh Kaur Arora (2%)	425486	418371
Fidelity Investments	*Company (98%), Mrs. Parveen Singhanian (2%)	29719	137118
Global Investments	*Company (98%), Mr. Kashmir Singh (2%)	99877	74032
Ludhiana Securities	*Company (98%), Mr. Chirag Singhanian (2%)	460895	455671
Malwa Securities	*Company (98%), Mr. Jashanjyot Singh (2%)	43889	139335
Mountview Investments	*Company (98%), Mrs. Harneesh Kaur Arora (2%)	710867	751346
Star Securities	*Company (98%), Mr. Yogesh Jain (2%)	121151	8616648
Surry Investments	*Company (98%), Mr. Yogesh Jain (2%)	384114	134665
Surya Investments	*Company (98%), Mr. Satish Kumar (2%)	28550	1405929
Ludhiana Investments	Subsidiary (98%), Mr. Jashanjyot Singh (2%)	123812	101675
Total:		4573760	25277072

FINANCIAL HIGHLIGHTS

(All amount in ₹)

10. Additional information required to be disclosed as per clause 3, 4C and 4D of Schedule VI of the Companies Act, 1956

Particular in respect of Opening Stock, Purchase, Sale and Closing Stock.

	CURRENT YEAR		PREVIOUS YEAR	
	Quantity Nos.	Amount ₹	Quantity Nos.	Amount ₹
Opening Stock	168045.8973	4144038	2003368.3845	25230593
Purchase	456796984.9168	6769977691*	938170277.4358	10739941781
Sale	443832674.0000	6490968384*	940005599.9230	10673254488
Closing Stock	13132356.8141	199214861	168045.8973	4144038

*include speculative/derivative profit/loss.

11. Master Capital Services Ltd.(the member of National Stock Exchange Ltd.) a subsidiary of Master Trust Ltd. had filed a petition under Section 391 & 394 of the Companies Act, 1956 before the Hon'ble High Court of Bombay for the merger of MTL Share & Stock Brokers Ltd.(the member of Bombay Stock Exchange Ltd.) with Master Capital Services Ltd. The Hon'ble High Court has passed the order dtd.15.04.2011 for merger of said Companies and Registrar of Companies, Maharashtra; Mumbai has approved the Merger on 21.6.2011. However the applications for transfer of memberships of Bombay Stock Exchange Limited and Delhi Stock Exchange Limited of MTL Share and Stock Brokers Limited to Master Capital Services Limited are pending with respective exchanges for approval.

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

13. Income from Brokerage, sale/purchase of securities includes ₹ 604948517 (previous year ₹ 522581024) income from brokerage and profit/(loss) on trading of securities (₹ 65352421) (previous year ₹ 94580339). Certain common expenses for use of common facilities/services have been recovered/shared by the associates according to usage of services.

14. Previous year figures have been regrouped & recasted wherever necessary to confirm to the current year classifications.

Signature to Annexure 'A' to 'O'

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration No. FRN 011831N

For & on behalf of the Board

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

Sd/-
(Kashmir Singh)
Manager Accounts

Sd/-
(Honey Ahuja)
Company Secretary

Sd/-
(R.K. Singhania)
Director

Sd/-
(Harjeet Singh Arora)
Managing Director

Place: Ludhiana

Date : 13.08.2011

FINANCIAL HIGHLIGHTS

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(All amount in ₹)

	31.03.2011	31.03.2010 (In Mn)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	156.21	143.38
Adjustment for		
Provision for NPA	(1.08)	2.67
Depreciation	16.85	14.38
(Profit)/Loss on sale of fixed assets	(0.03)	0.07
Miscellaneous Expenditure	0.07	0.06
Operating profit before Working Capital Changes	172.02	160.56
Adjustment for		
Trade and other Receivables	(244.98)	451.27
Inventories	(270.38)	26.91
Trade Payable	568.85	(215.03)
Loans and advances	(138.76)	36.02
Cash generated from operations	86.74	459.73
Direct Tax Paid	(17.41)	(25.31)
Cash flow before Extra ordinary items	69.33	434.42
Extra ordinary items	-	-
Net Cash from Operating Activities	69.33	434.42
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(28.43)	(47.61)
Sale of fixed assets	20.42	5.62
Purchase of investments	(300.71)	(61.25)
Sale of Investments	60.43	18.50
Net Cash (Used) in Investing Activities	(248.29)	(84.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	43.52	-
Proceeds from long term borrowing (Bridge Loan)	440.35	21.82
Issue of Convertible warrants	70.30	-
Dividend Paid	(6.14)	-
Net Cash from Financing Activities	548.03	21.82
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	369.07	371.50
Cash and Cash Equivalents as at 01.04.2010 (Opening Balance)	1012.48	640.98
Cash and Cash Equivalents as at 31.03.2011 (Closing Balance)	1381.55	1012.48

NOTE : Figures in Brackets represent deductions and outflows

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration No. FRN 011831N

For & on behalf of the Board

Sd/-
(Manjeet Singh)
Prop
Membership No. 088759

Sd/-
(Kashmir Singh)
Manager Accounts

Sd/-
(Honey Ahuja)
Company Secretary

Sd/-
(R.K. Singhanian)
Director

Sd/-
(Harjeet Singh Arora)
Managing Director

Place: Ludhiana
Date : 13.08.2011



Forward Looking Statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make/contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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