

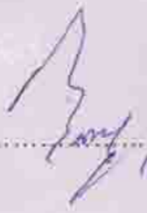

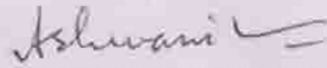


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	MASTER TRUST LIMITED
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified for Standalone & Consolidated Financial Statements
4.	Frequency of observation	Not Applicable
5.	To be signed by-	<div style="text-align: center;">  <hr/> </div> <div style="text-align: center;"> <p>• Mr. Harjeet Singh Arora (Managing Director)</p> </div> <div style="text-align: center;">  <hr/> </div> <div style="text-align: center;"> <p>• Mr. Sunil Kumar (Manager Accounts)</p> </div> <div style="text-align: center;">  <hr/> </div> <div style="text-align: center;"> <p>• Mr. Manjeet Singh (Auditor of the company)</p> </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  <hr/> </div> <div style="text-align: center;"> <p>• Mr. Ashwani Kumar (Audit Committee Chairman)</p> </div>

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Company will be held on Monday, 30th day of September 2013, at 10.00 A.M. at the Registered Office of the Company at Master Chambers, Ground Floor, SCO 19 Feroze Gandhi Market, Ludhiana - 141 001 (Punjab) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account ended as on that date together with the reports of the Directors' and the Auditors' thereon.
2. To declare dividend for the financial year ended 31st March 2013.
3. To appoint a Director in place of Mr. Ashwani Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sudhir Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Anil Bhatia, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Statutory Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Manjeet Singh & Co., Chartered Accountants, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS

1. To consider, approve and ratify the re-appointment of Sh. Harjeet Singh Arora as Managing Director of the Company and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 317 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force, read with Schedule XIII thereto and/or as per recommendation of the Remuneration Committee/Board of Directors of the Company, consent of the company be and is hereby accorded to the re-appointment of Shri. Harjeet Singh Arora as Managing Director of the Company for a further period of 3 (three) years with effect from 27th November, 2013, upon the terms and conditions including remuneration as set out in the Explanatory Statement annexed hereto, with the liberty to the Remuneration Committee/Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the necessary returns with the Registrar of Companies and to do all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution without again referring the same to the General Meeting"

2. To consider, approve and ratify the re-appointment of Sh. Sanjay Sood as Whole Time Director of the Company and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 317 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force, read with Schedule XIII thereto and/or as per recommendation of the Remuneration Committee/Board of Directors of the Company, consent of the company be and is hereby accorded to the re-appointment of Shri. Sanjay Sood as Whole Time Director of the Company for a further period of 3 (three) years with effect from 27th November, 2013, upon the terms and conditions including remuneration as set out in the

Explanatory Statement annexed hereto, with the liberty to the Remuneration Committee/Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the necessary returns with the Registrar of Companies and to do all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution without again referring the same to the General Meeting"

By Order of the Board
For Master Trust Limited

Sd/-
(R. K. Singhania)
Director

Place : Ludhiana
Date : 14.08.2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ANNEXED.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business Item 7 & 8 to be transacted at the Meeting are annexed hereto.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from, September 23, 2013 to September 30, 2013 (both days inclusive) for the purpose of payment of final dividend.
4. Members holding shares in physical form are advised to furnish, on or before 24th September, 2013, particulars of their bank account, if not done already or if it is changed, to the Company to incorporate the same in the dividend warrants/ payments instruments. In respect of cases, where the payments to the shareholders holding shares in dematerialized form are made by NECS, NEFT, dividend warrants/ payment instruments, particulars of bank account registered with their depository participants will be considered by the Company for printing the same on the dividend warrants/ payment instruments.
5. Since the Company's shares are in compulsory demat trading, to ensure better services and elimination of risk of holding shares in physical form, we request our shareholders holding shares in physical form to dematerialize their shares at the earliest.
6. Members holding shares in dematerialized form are requested to notify change in address/bank account, if any, to their respective Depository Participants (DPs). Members must quote their Folio Number/ De-mat Account No. (Client Id) in all correspondence with the Company and/or R&T Agent. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company, in case of such dematerialized shares, will not entertain any direct request from such members for change of address, transportation of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, Registrar is obliged to use only the data provided by the Depositories.
7. Members holding shares in physical mode under multiple folios are requested, to send the details of such folios together with the share certificate to consolidate their holding in a single folio, to the Company or its Registrar & Transfer Agent. The Share Certificate will be returned to the members after making the requisite changes thereon.
8. Members/ Proxies are requested to bring the enclosed attendance slip duly filled in for attending the Annual General Meeting along with Annual Report. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the AGM.

9. Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of the meeting
10. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days during office hours upto the date of the Annual General Meeting
11. Nomination facility is available to the members in respect of shares held by them. Members holding Shares in physical form may obtain the nomination forms from the Company's Registrar and Share Transfer Agent. Members holding Shares in electronic form may obtain the nomination form from their respective Depository Participants.
12. In terms of Article 103 of the Articles of Association of the Company, the Directors Mr. Ashwani Kumar, Mr. Sudhir Kumar & Mr. Anil Bhatia liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Brief resume of these Directors, nature of their expertise in specific functional areas, names of Companies, in which they hold directorship etc. are annexed hereto in pursuance to Clause 49 of the Listing Agreement:

Name of the Director	Mr. Anil Bhatia	Mr. Ashwani Kumar	Mr. Sudhir Kumar
Date of Birth	27.09.1954	14.07.1955	31.07.1970
Date of Appointment	31.12.2005	31.12.2005	31.12.2005
Expertise in specific functional area	Expertise in the field of Trading & Manufacturing of Engineering Tools for more than 30 Years.	Having more than 25 years experience in the field of finance and taxation laws, corporate laws and other allied services	Expertise in field of Finance & Taxation for more than 17 years.
Qualification	Graduate	FCA	FCA
Remuneration paid	Nil	Nil	Nil
Directorship of other Companies	Nil	Prime Industries Ltd. D&M Components Ltd. Vardhman Industries Ltd. Globe Trotters (P) Limited SEL Manufacturing Company Ltd Unique Holding Pvt. Ltd. SEL Textiles Limited Ludhiana Stock Exchange Ltd.	---
Chairman / Member of other Committees	Nil	Audit Committee of Prime Industries Limited SEL Manufacturing Ltd. Garg Furnace Limited	Nil
Shares held in the Company	Nil	Nil	Nil

13. The Annual Report of the Company circulated to the members of the Company, will be made available on the Company's website at www.mastertrust.co.in

Important Communication to the Members – Green Initiative in the Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in the Corporate Governance by allowing paperless compliances by the Companies and has issued Circular stating that service of all documents including Annual Reports can be made by e-mail to all members of the Company. Your Company believes that this is a remarkable and necessitated initiative by MCA and requests all members of the Company to support this noble cause.

Accordingly, as per Clause 32 of the Listing Agreement, the Company has started sending Annual Reports in electronic

form to the members on their e-mail address provided by them to the Company/Registrar and Share Transfer Agent/Depositories.

The members who hold shares in physical form are requested to intimate/update their e-mail address with the Company at secretarial@mastertrust.co.in or with the Registrar and Share Transfer Agent of the Company while members holding shares in demat form may update their e-mail address with their respective Depositories Participants.

Members are requested to further note that they will be entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail, upon receipt of a requisition from them, as a member of the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 7

The Remuneration committee and the Board of Directors of the Company at its meeting held on 14.08.2013, subject to the approval of the Members at the forthcoming Annual General Meeting recommend to reappoint Mr. Harjeet Singh Arora as the Managing Director of the Company within the meaning of the Companies Act, 1956 for a further period of three years commencing from 27th November, 2013 and ending on 26th November, 2016 on such terms and conditions, as setout in the draft Agreement to be entered into between the Company & Mr. Harjeet Singh Arora.

The draft of fresh agreement to be entered between the Company and Mr. Harjeet Singh Arora contain the following principal terms and conditions

Mr. Harjeet Singh Arora is to be re-appointed for a further period of 3 (three) years i.e. from November 27, 2013 to November 26, 2016 as Managing Director of the Company and he shall devote whole of his time and attention to his services as Managing Director of the Company and shall under the superintendence, control and direction of the Board, perform the duties and exercise the powers as may be entrusted to confer upon by the Board.

Brief Resume of Mr. Harjeet Singh Arora

Date of Birth	21.01.1953
Date of Appointment	30.12.1998
Expertise in specific functional area	FCA, FCS
Qualification	More than two decades in Capital Market
Directorship of other Companies	<ol style="list-style-type: none"> 1. Prime Industries Limited 2. Master Capital Services Limited 3. Master Commodity Services Limited 4. Master Insurance Brokers Limited 5. Master Infrastructure & Real Estate Developers Ltd. 6. Master Share & Stock Brokers Limited 7. Master Portfolio Services Limited 8. Master Projects Private Limited 9. Eminent Build well Private Limited 10. H.K. Arora Real Estate Services Limited 11. Arora Financial Services Limited 12. Majestic Auto Limited 13. MM Auto Industries Limited 14. Prime Agro Farms Private Limited 15. Bigbuild Real Estate Private Limited 16. Gold Touch Agri Private Limited 17. Mansfield Estate Developers Private Limited 18. Matria Estate Developers Private Limited 19. Megabuild Agri Private Limited

Chairman / Member of other Committees	NIL
No. of Shares held in the Company	1406848. Out of these 147500 are non transferable till 27.03.2014 and 383830 are non transferrable till 13.02.2015.

In consideration of his services as Managing Director, Mr. Harjeet Singh Arora shall receive the remuneration in the following way:

- | | | |
|------|-------------|---|
| (i) | Salary | At the rate of Rs.2,00,000/- (Rupees Two Lacs) per month or such higher sum as may from time to time be determined by the Remuneration Committee/Board. |
| (ii) | Perquisites | Such perquisites and allowances as or may from time to time be allowed to Senior Executives of the Company or as may from time to time be determined by the Remuneration Committee/Board. |

Provided that if in any financial year during his term of appointment hereunder, the Company has no profit or its profits are inadequate, he shall for that year be entitled to the above remuneration or such lower remuneration as may from time to time be determined and decided by Remuneration Committee/Board depending upon the effective capital of the Company for the time being, as per Explanation I to Part II of Schedule XIII of the Act or any statutory modification or amendments thereof.

Provided further that the following perquisites shall not be included in the computation of the ceiling on remuneration in any financial year if the Company has no profit or its profits are inadequate in that financial year –

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax act, 1961.
 - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - c. Encashment of leave at the end of the tenure.
- (iii) In addition to the above, he shall not be entitled to any sitting fees for any Board/Committee meeting.

Notwithstanding anything herein contained, either party shall be entitled to determine his appointment by giving three months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, his appointment shall stand terminated. The Company shall also be entitled to terminate his appointment on giving him three month's salary as specified above.

The re-appointment and remuneration of Mr. Harjeet Singh Arora, Managing Director of the Company requires the approval of the Members of the Company in general meeting in terms of paragraph (1) (B) of the Section II of Part II of Schedule XIII to the Act.

This may also be treated as an abstract of the agreement to be entered into between Mr. Harjeet Singh Arora and the Company pursuant to Section 302 of the Companies Act, 1956.

Mr. Harjeet Singh Arora, being the appointee and Mrs. Hameesh Kaur Arora his wife being the Director of the Company are concerned or interested in this resolution. No other Director is concerned / interested.

Item No. 8

The Remuneration Committee and the Board of Directors of the Company at its meeting held on 14.08.2013, subject to the approval of the Members at the forthcoming Annual General Meeting recommend to reappoint Mr. Sanjay Sood as the Whole Time Director of the Company within the meaning of the Companies Act, 1956 for a further period of three years commencing from 27th November, 2013 and ending on 26th November, 2016 on such terms and conditions, as set out in the draft Agreement to be entered into between the Company & Mr. Sanjay Sood.

The draft of fresh agreement to be entered between the Company and Mr. Sanjay Sood contain the following principal terms and conditions

Mr. Sanjay Sood is to be re-appointed for a further period of 3 (three) years i.e. from November 27, 2013 to November 26, 2016 as Whole Time Director of the Company and he shall devote whole of his time and attention to his services as Whole Time Director of the Company and shall under the superintendence, control and direction of the Board, perform the duties and exercise the powers as may be entrusted to confer upon by the Board.

Chief Resume of Mr. Sanjay Sood

Date of Birth	27.01.1963
Date of Appointment	05.01.1994
Expertise in specific functional area	FCA
Qualification	More than 12 years in Money Changing Activities
Directorship of other Companies	Master Capital Services Limited
Chairman / Member of other Committees	Nil
No. of shares in the Company	Nil

In consideration of his services as Whole Time Director, Mr. Sanjay Sood shall receive the remuneration in the following way.

- (iv) Salary : At the rate of Rs.75,000/- (Rupees Seventy Five Thousand) per month or such higher sum as may from time to time be determined by the Remuneration Committee/Board.
- (v) Perquisites : Such perquisites and allowances as or may from time to time be allowed to Senior Executives of the Company or as may from time to time be determined by the Remuneration Committee/Board.

Provided that if in any financial year during his term of appointment hereunder, the Company has no profit or its profits are inadequate, he shall for that year be entitled to the above remuneration or such lower remuneration as may from time to time be determined and decided by Remuneration Committee/Board depending upon the effective capital of the Company for the time being, as per Explanation I to Part II of Schedule XIII of the Act or any statutory modification or amendments thereof.

Provided further that the following perquisites shall not be included in the computation of the ceiling on remuneration in any financial year if the Company has no profit or its profits are inadequate in that financial year –

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax act, 1961,
 - b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - c. Encashment of leave at the end of the tenure.
- (vi) In addition to the above, he shall not be entitled to any sitting fees for any Board/Committee meeting.

Notwithstanding anything herein contained, either party shall be entitled to determine his appointment by giving three months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, his appointment shall stand terminated. The Company shall also be entitled to terminate his appointment on giving him three month's salary as specified above.

The re-appointment and remuneration of Mr. Sanjay Sood, Whole Time Director of the Company requires the approval of the Members of the Company in general meeting in terms of paragraph (1) (B) of the Section II of Part II of Schedule XIII to the Act.

This may also be treated as an abstract of the agreement to be entered into between Mr. Sanjay Sood and the Company pursuant to Section 302 of the Companies Act, 1956.

Mr. Sanjay Sood, being the appointee is concerned or interested in this resolution. No other Director is concerned / interested.

By Order of the Board
For **Master Trust Limited**

Sd/-
(**R. K. Singhania**)
Director

Place : Ludhiana
Date : 14.08.2013

STATEMENT PURSUANT TO CLAUSE (IV) OF PROVISO TO SUB PARAGRAPH B OF PARAGRAPH 1 OF SECTION II OF PART II OF SCHEDULE XIII TO THE COMPANIES ACT, 1956

A. General Information:

(1) Nature of Industry	Non-Banking Financial Sector			
(2) Date of Incorporation	20.08.1985			
(3) Financial Performance	(Rs. In Lakhs)			
	Financial Parameters	2012-13	2011-12	2010-11
	Turnover	1269.45	1069.88	585.64
	Profit After Tax	247.04	238.00	166.08
	Amount of Dividend Paid	108.76	108.76	60.97
	Rate of Dividend	10%	10%	10%
(4) Export Performance & Foreign Investments/ Collaborations	No such Collaboration or Investments is made in Foreign Exchange			

B. Information about The Appointee:

(1) Background Details	Furnished in attached Explanatory Statement
(2) Past Remuneration	Same as proposed this year
(3) Job Profile and suitability	As Managing Director of the Company he will be responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors of the Company. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person to be appointed as the Managing Director of the Company.
(4) Proposed Remuneration	Furnished in attached Explanatory Statement
(5) Comparative remuneration profile w.r.t. industry, size of the Company, profile of the position and person	The proposed remuneration is reasonable with respect to the industry, size of the Company and job profile of the proposed appointee.
(6) Pecuniary relationship with Company/ relationship with Managerial Personnel, if any	Mr. Harjeet Singh Arora is the Founder Promoter of the Company. Mrs. Harneesh Kaur Arora his wife is Non-Executive Director of the Company.

C. Other Information:

Reasons of loss/inadequate profits, steps taken or proposed to be taken for improvement, expected increase in productivity and profits in measurable terms.

During the year, the Company has invested its funds in subsidiary companies and retained the same thereof. The profits earned by the Subsidiary Companies are not considered in the Profit of the Company.

For more information please refer to the Directors Report and Management Discussion & Analysis Report.

D. Disclosures:

(1) Information on remuneration package	Furnished in attached Explanatory Statement.
(2) Other disclosures	Information on elements of remuneration and terms of service are furnished in the Corporate Governance report and attached Explanatory Statement annexed to the Report of the Board of Directors.

By Order of the Board
For **Master Trust Limited**

Sd/-
(**R. K. Singhania**)
Director

Place : Ludhiana
Date : 14.08.2013

MASTER TRUST LIMITED

Regd. Office: Master Chamber, SCO-19, Feroze Gandhi Market, Ludhiana

PROXY FORM

Folio No. _____

Client ID/DP ID* _____

Name of Shareholder/Joint Shareholder _____

Address _____

I/We being member(s) of the Company, hereby appoint _____ resident of _____ or failing him/her, _____ resident of _____ as my/ our Proxy to attend and vote for me/us, and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Monday, the 30th September 2013 at 10.00 A.M. at Registered Office of the Company and at any adjournment thereof.

Signed on this _____ day of _____ 2013.

*Applicable to investors holding shares in electronic form only

Signature across

Affix
Revenue
Stamp of
Rs. 1/-

Notes: (a) The Proxy form must be deposited at the Registered Office of the Company at least 48 hours before the time of holding the meeting. (b) A Proxy need not be a member of the Company.

----- TO BE TORN FROM HERE -----

MASTER TRUST LIMITED

Regd. Office: Master Chamber, SCO-19, Feroze Gandhi Market, Ludhiana

ATTENDANCE SLIP

(Please complete and hand it over at the entrance of the meeting hall.)

(Only Members or their Proxies are entitled to be present at the Meeting)

Folio No. _____

Client ID/DP ID* _____

Name of Shareholder/Joint Shareholder/Proxy _____

Address _____

No. of Shares held _____

I/We hereby record my/our presence at the 28th Annual General Meeting held on Monday, the 30th September 2013 at 10.00 A.M. at the Registered Office of the Company

SIGNATURE OF THE MEMBER(S)/PROXY(S) PRESENT _____

*Applicable to investors holding shares in electronic form only



BOARD OF DIRECTORS

Mr. Harjeet Singh Arora - Managing Director

Mr. R.K. Singhanian

Mr. Pavan Chhabra

Mr. Sanjay Sood- Executive Director

Mr. Ashwani Kumar

Mr. G.S. Chawla

Mrs. H.K. Arora

Mr. Sudhir Kumar

Mr. Anil Kumar Bhatia

Mr. Anil Kumar Malhotra

COMPANY SECRETARY

Mr. Rajiv Kumar Agrawal

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 Ltd.
Oriental Bank of Commerce Ltd.
Axis Bank Ltd.
Kotak Mahindra Bank Ltd.
Canara Bank Ltd.
Punjab National Bank

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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.

Managing Director's Speech

Dear Shareholders,

It gives me immense pleasure to write to you at the end of another successful year at Master Trust Ltd.

This year was very challenging as GDP Growth for entire FY13 was estimated at 5%, which is a decade low number. The widening of the trade and current account deficits has been accompanied by a decline in the value of the Rupee since August 2011 is a cause for concern. The overall manufacturing sector posted a growth of 2.1% in FY13, the corresponding figure last year was 3.5%. Services sector registered a consistent growth over 7.1% in FY13 (vis-à-vis 8.2% growth last year) led by a discernible moderation in financing, insurance, real estate and business services & trade, hotels, transport and communication. Although, growth rate is at a faster pace as compared to considerable setback in agriculture and manufacturing segments. Service sector has grown at an average rate of 9.8% during last 6 years. This reflects that service sector is less vulnerable to the economic fluctuations seen in the Indian economy.

However, the Indian financial market is growing at a steady pace. The turnover in the equity derivatives segment has grown at a CAGR of 63% since FY07, the turnover in the commodity futures market has grown at a CAGR of 32% in the same period. In FY 2012-13 the equity future segment's (NSE and BSE combined) turnover has registered phenomenal growth of 20.33% as compared to FY 2011-2012. The equity cash volumes recorded for the month of January 2013 were the highest since February 2012. Equity options, largely understood to be the forte of the more savvy institutional investors are attracting a steady trickle of the retail investors. The commodity and currency segments are emerging as dependable avenues for diversification for brokers. The steadily rising turnover in the markets has led to rapid



expansion of the brokerage segment but the brokerage market is getting more competitive with entry of more players as well as with increasing efforts of existing players to gain market share.

Despite of all these contractions in the overall macro level and its impact on the overall financial sector, I am pleased to inform you that your company has closed fiscal 2012-13 with positive topline growth. On a consolidated basis, the Company's income increased by around 1.2% which touched ₹ 971.13 mn, while profit after tax decreased by 14% to ₹ 100.24 mn on account of higher operating cost. Your company was able to drive volume led growth across segments in spite of economic headwinds.

Your Company continues to identify attractive and significant growth opportunities and

continues to invest to meet the demand of our clients and business partners.

This year many initiatives were taken by us to strengthen the product side, diversification side, education side and HR side of the business. Carrying on with the success of algorithmic trading from previous year, your company integrated the popular charting software, Amibroker, with its trading system to provide fully automated signal based trading on NSE. Further, your company joined hands with Global Financial Datafeeds LLP (authorised realtime data vendor of Indian Exchanges) to give realtime data of Indian exchanges to clients at substantially cheaper rates. In addition to this, Metatrader, another popular charting platform, was also integrated with the trading system for automated trading on all segments of NSE. This development is likely to add momentum to the ongoing efforts to promote algorithmic trading solutions to clients and create an altogether new segment for the retail broking business and further de-risk the cyclicity in retail broking revenues.

To increase the share of wallet of the customers, efforts were made to approach direct broking clients across own branches and cross sell insurance products. The selling was very targeted and was need based i.e. instead of pushing a particular product, clients needs were collected, evaluated and then products were suggested.

Your company started physical commodity arbitrage wherein physical commodity is purchased from the agri markets and dematerialised to capture the arbitrage gap against corresponding futures. This product has been appreciated well by HNI clients and corporate customers for their treasury operations. This product is being scaled up and will diversify the broking business even further.

As part of the ongoing effort to improve the service levels your company created a dedicated help desk for the sub brokers and authorised persons which has increased the service levels across the board. Each sub broker or authorised person is given a dedicated account manager and that sub broker or authorised person needs to just put

his query to his dedicated account manager and the account manager would revert within predetermined TAT. The sub broker or authorised person need not speak to different department for various activities which reduce his efforts and also, now each and every query is tracked, recorded and escalated providing a 360 degree view of the service quality being delivered by your Company to its sub brokers, branches and authorised persons as well.

Apart from this, a major thrust was laid on client education and several programmes were organised in association with BSE for awareness on Rajiv Gandhi Equity Savings Scheme. Many seminars were organised in association with Association of Technical Market Analysts (ATMA) on technical analysis based trading. As part of HR initiative, term insurance cover was made available to all the staff members in addition to existing mediclaim and accidental insurance cover. During the year, we also made important stride in social welfare by organising Blood Donation Camps and gathered more than 100 units of blood.

Your company has been able to drive growth in spite of a challenging environment. All this would not have been possible but for the untiring efforts of a highly committed and dedicated employee force and support from shareholders. I would like to take this opportunity to thank all my Investors, Business Partners, Members of the Board and Staff members for their support and commitment, which has helped us to reach where we are now. I would also like to thank our shareholders for their trust and encouragement and assure that we would continue to strive towards strong, profitable and sustainable growth.



Harjeet Singh Arora
Managing Director

Management Team



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.



Mr. Harinder Singh*

(B.Com, I.C.W.A.-Inter) has been monitoring the Secondary Market operations of the group for more than 25 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. Singhanian

(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 20 years of experience in Merchant Banking, Foreign Exchange Management, Financial and Retail services.


Mr. Puneet Singhania*

(M.B.A., C.F.A.) is involved in new initiatives in the group and assists other Directors in corporate strategy. Prior to Joining the Company, he was working with ING Investment Management in India in their equity fund management department.


Mr. Jashan Arora*

(A.C.A.) is overseeing the arbitrage business and also marketing initiatives on all India Level. He is actively involved on the I-Banking front and private equity deals for the company.

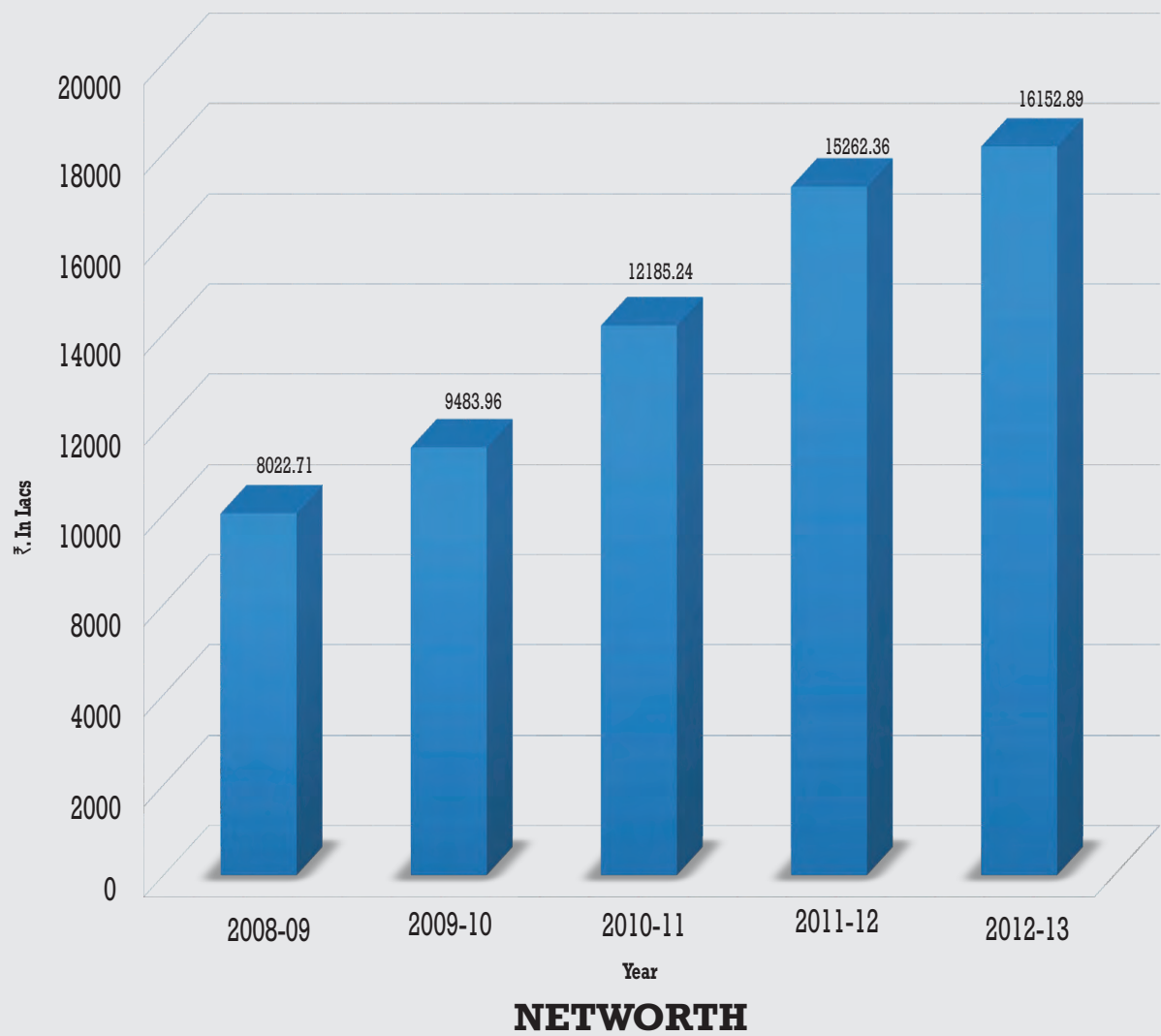
Milestones

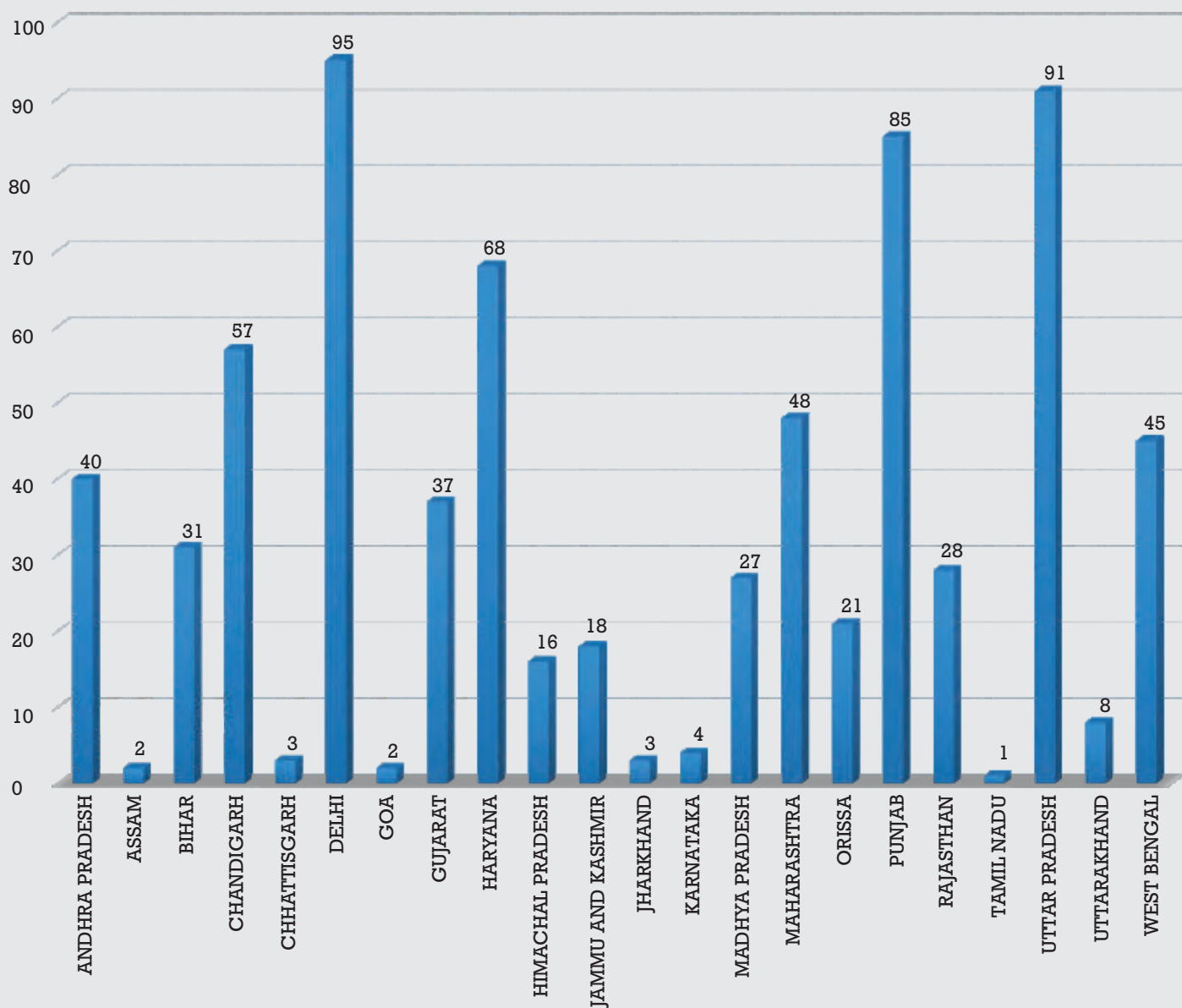
Celebrating 28 years of Master Trust

- 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 member 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
- 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
- 2011**
Launched its flagship PMS product named Master Quant 10
Started algorithmic trading solutions to its trading clients named Master Pulse/ Master Trader
Opened branches in Jaipur and Mumbai
- 2012**
Launched Integrated Amibroker and Metatrader charting platform for clients
Declared India's best Derivatives Broker by BSE
Crossed 10,000 clients in currency segment on NSE
Acquired membership of MCX-SX India's new stock exchange in both equity as well as derivatives segment
Activated SLBM segment on NSE as a new asset class for our esteemed customers

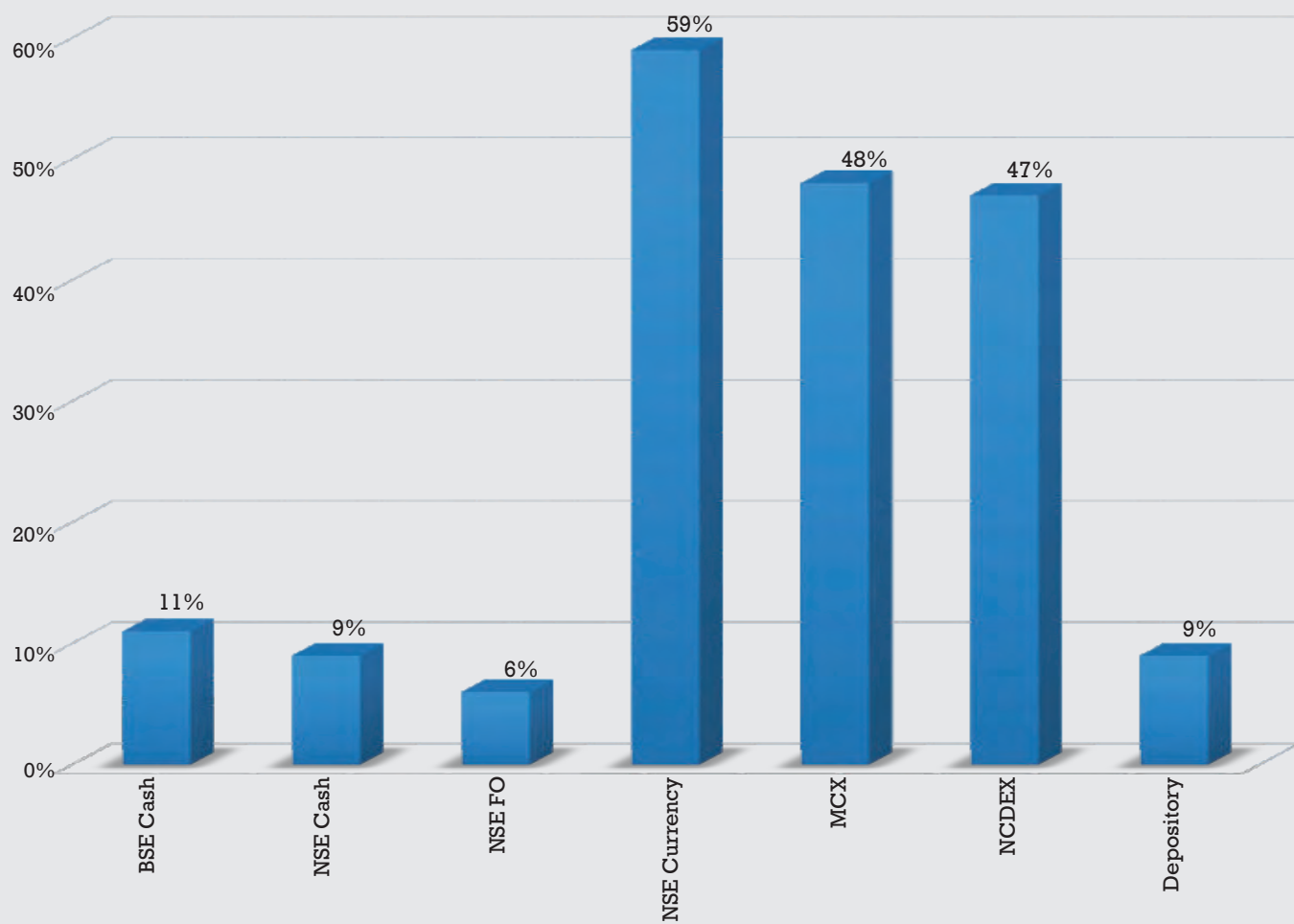


Business Highlights





POINTS OF PRESENCE



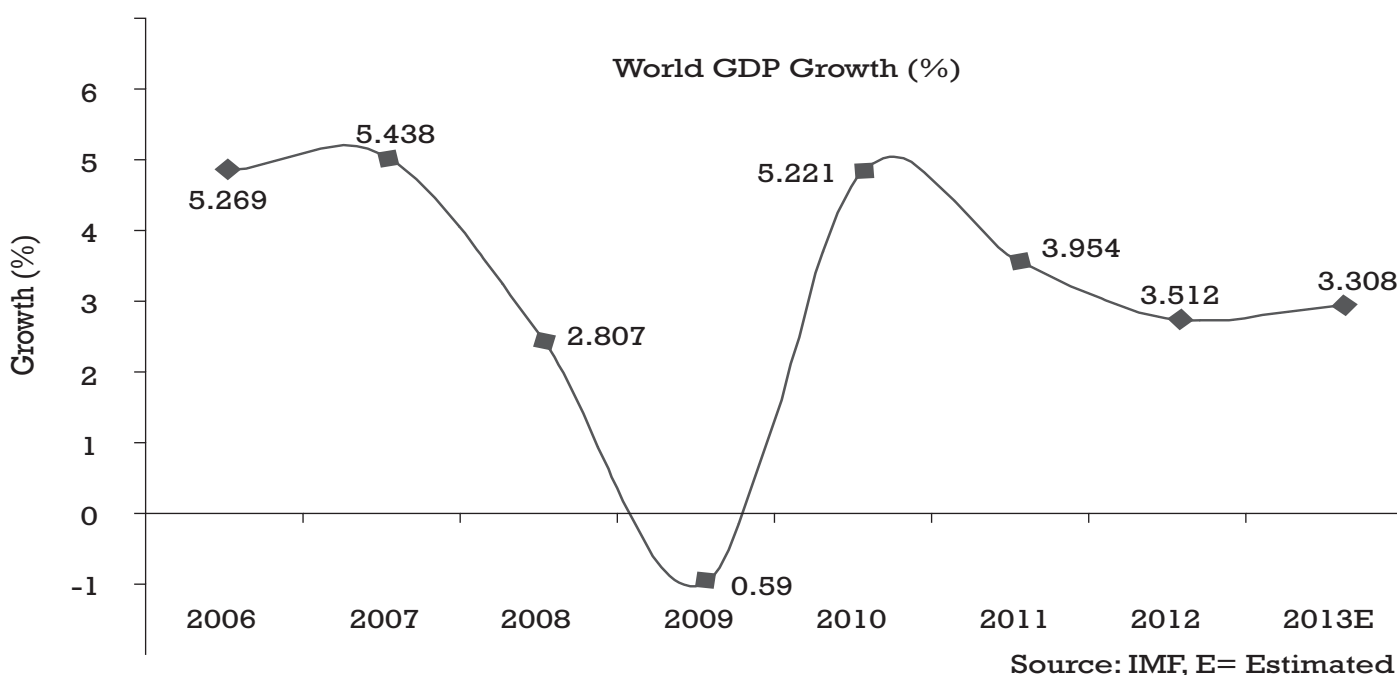
CLIENT GROWTH

Management Discussion and Analysis

Management Discussion and Analysis

SCALING GLOBAL ECONOMY

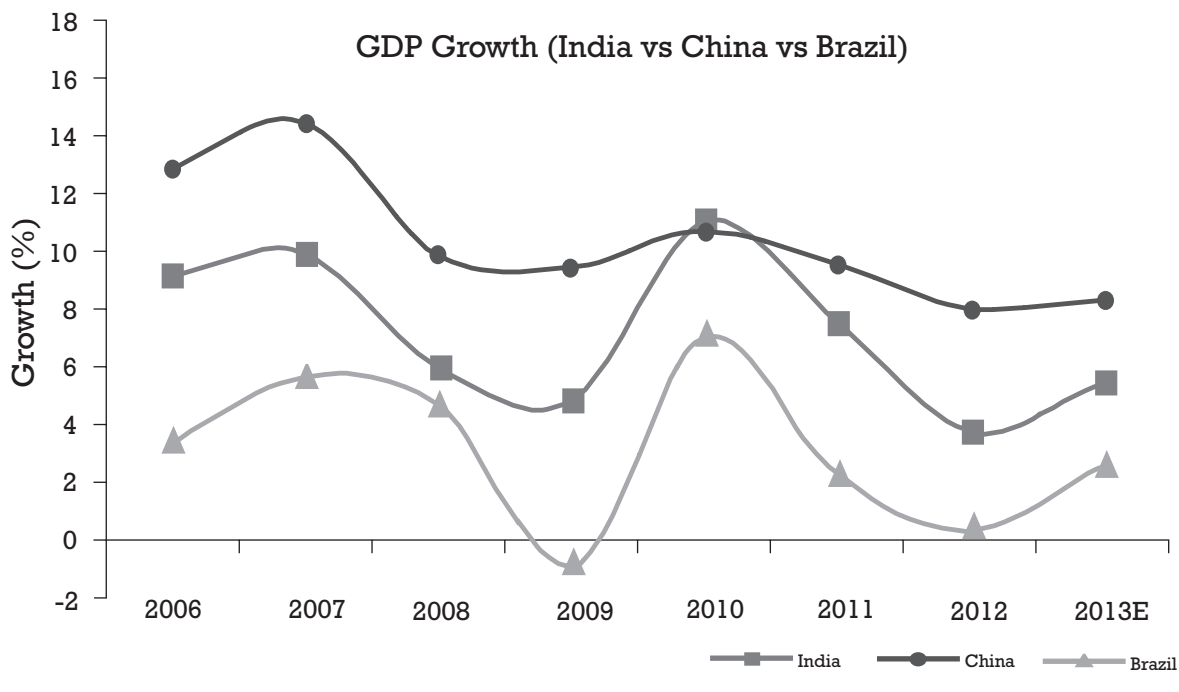
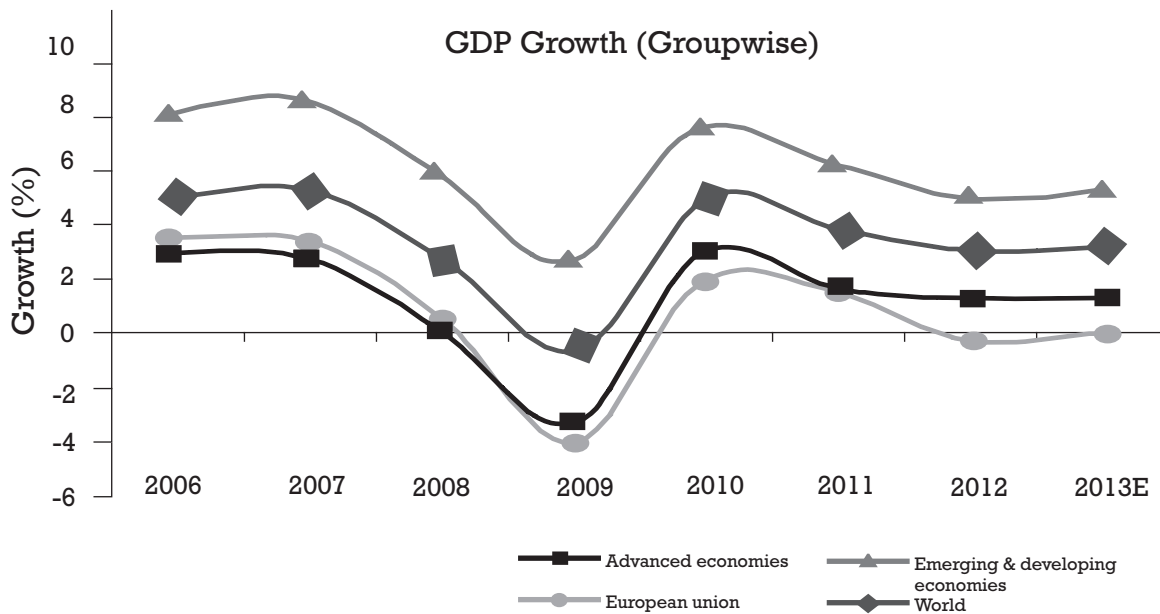
Economic conditions improved modestly in FY 2012-13. IMF has projected global growth increasing to about 3 percent. The main sources of acceleration were emerging market economies, where activity picked up broadly as expected as capital flows to emerging markets remained strong. The United States, growth surprised on the upside where financial conditions stabilized. However, a broad set of indicators for global industrial production and trade suggests that global growth did not strengthen further, as growth was partly due to temporary factors, including increased inventory accumulation. Activity in the euro area periphery was even softer than expected, with some signs of stronger spillovers of that weakness to the euro area core. Bond spreads in the euro area periphery declined, while prices for many risky assets, notably equities, rose globally.



EMERGING ECONOMIES STILL LEADING THE GROWTH

In many of the emerging/ developing economies in Asia, Latin America and Sub-Saharan Africa recovery has reached pre-crisis level in 2008. But, thereafter growth in emerging/ developing economies started to moderate due high inflation and interest rates. Real GDP growth in the emerging and developing economies is projected to slow from 6.25 % in 2011-12 to 5.5 percent in 2013. Supportive policies have underpinned much of the recent acceleration in activity in many economies. With weak demand for exports from global markets, domestic demand has remained the main driver of growth for most economies of the region. The region's economic performance in 2012 was more affected by China's economic slowdown. Weak exports and the government's efforts to cool down the overheating housing sector slowed down China's economy in 2012, but

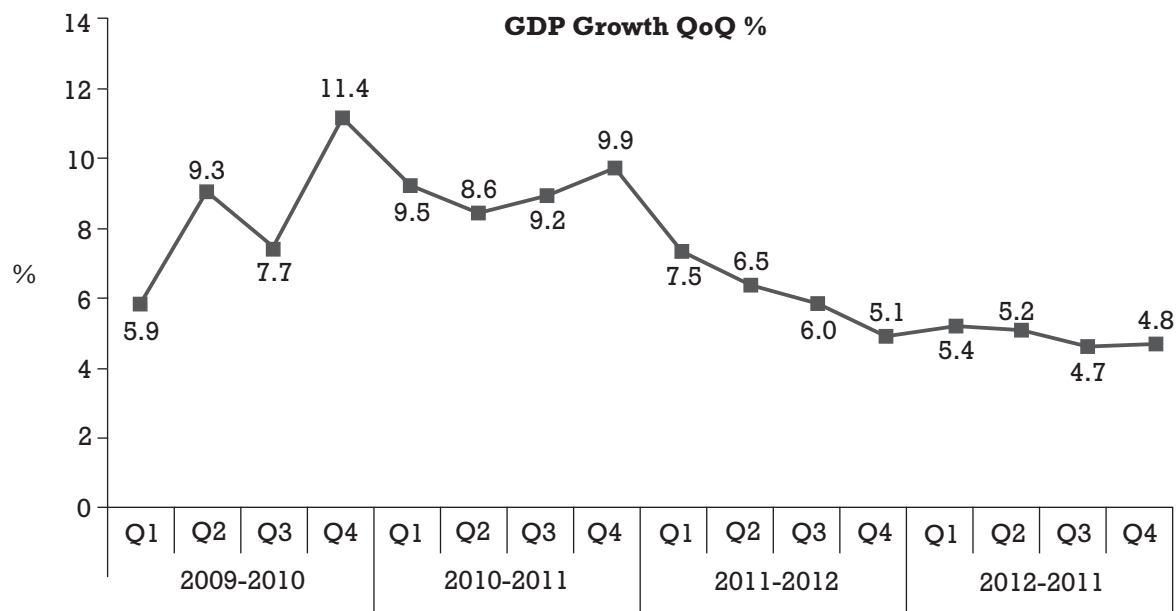
recovery was set in the final months of the year. In 2013, China's economy is expected to grow at 8.2 %, fueled by fiscal stimulus and the faster implementation of large investment projects



But, weakness in advanced economies will weigh on external demand, as well as on the terms of trade of commodity exporters with the assumption of lower commodity prices in 2013. Moreover, the space for further policy easing has diminished, while supply bottlenecks and policy uncertainty have hampered growth in some economies (for example Brazil & India).

Q-O-Q GROWTH TUMBLED ON HIGH INFLATION AND INTEREST RATES

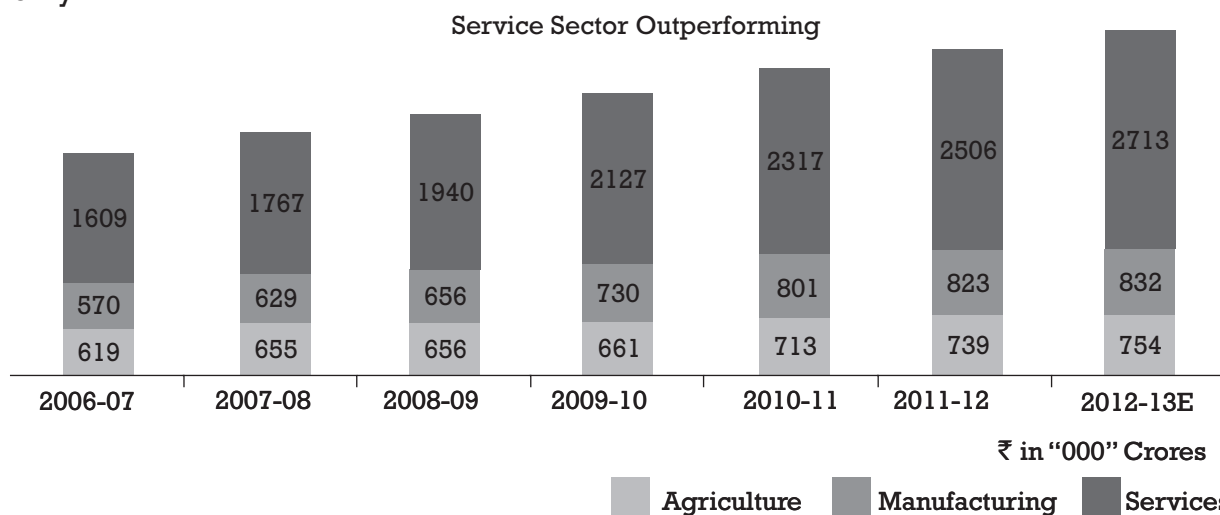
India has witnessed huge moderation in the quarter ending January-April 2013 by registering a growth of 4.8% as compared to 5.1% in the same quarter of previous year. Subdued performance was mainly due to weak performance of manufacturing and agricultural front. However, moderating cycle is expected to bottom this year if Inflation starts to cool off and interest rate cycle peaks.



Source: CSO

SERVICE SECTOR GROWTH IS STILL OUTPERFORMING DESPITE SETBACK IN MANUFACTURING

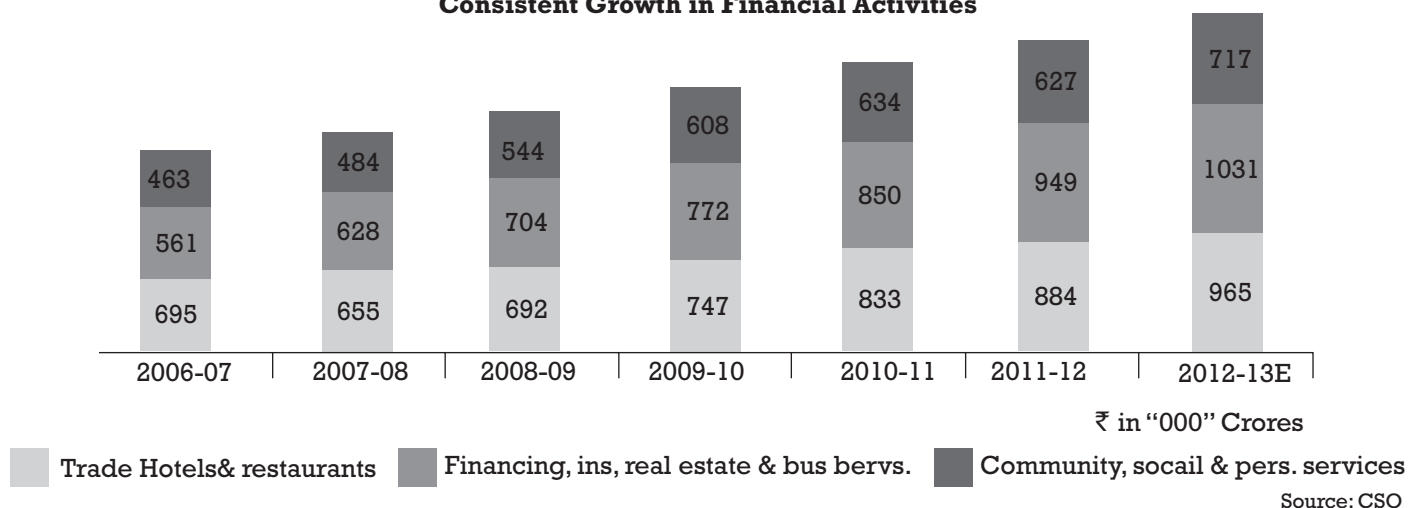
The overall industry sector posted a growth of 2.1% in FY13, the corresponding figure last year was 3.5%. Services sector registered a consistent growth over 7.1% in FY13 (vis-à-vis 8.2% growth last year) led by a discernible moderation in financing, insurance and real estate and business services and trade, hotels, transport and communication. Although, growth rate is at a faster pace as compared to considerable setback in agriculture and manufacturing segment. Agricultural output growth was pegged at 1.8 per cent in 2012-2013 as against 3.6 per cent in 2011-12, while the manufacturing sector was expected to grow at just 1.9 per cent compared to 2.7 per cent last year. Service sector has grown at an average rate of 9.8% during last 6 years. This reflects that service sector is less vulnerable to the economic fluctuations seen in the Indian economy.



Source: CSO

The financing, insurance, real estate and business services growth declined from 11.7% in 2011-12 to 8.6% in 2012-13. The trade hotel transport and communication sub segment growth witnessed a fall from 7.0% in FY12 to 6.4% in FY13.

Consistent Growth in Financial Activities



OUTLOOK

Last year, Indian economy has seen significant downward pressure due to high inflation and interest rates and policy gridlock. Fiscal mismanagement by the government also played negative role in foreign capital flow to the country. Although Real GDP growth of the year 2012-13 was the lowest in the decade, but this downward trend may end during the year 2013-14 and as per the Economic Survey 2012-13 the economy is expected to grow more than 6% in the next fiscal year. Moreover, Government should act fast to initiate reform policies that were pending since long time due political uncertainty and boost investment in Infrastructure and manufacturing sector. Coordinated efforts by both Government and Central bank with fiscal consolidation and monetary easing respectively will certainly help to resume growth in coming year.

INDIAN FINANCIAL SECTOR HIGHLIGHTS

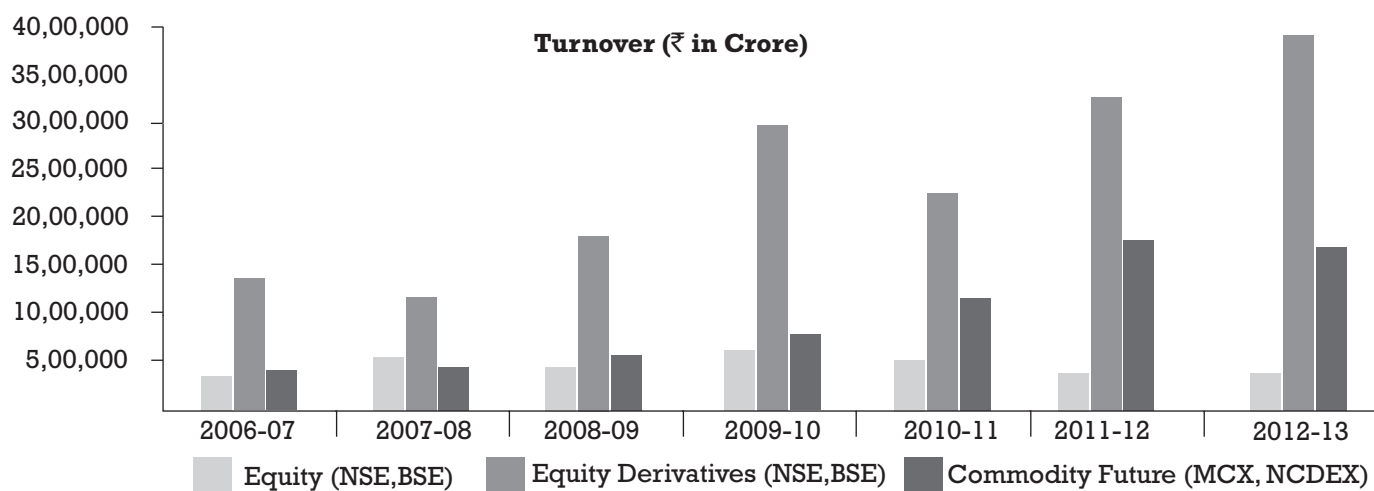
- FII's have infused US\$ 26 billion in the Indian stock market during the fiscal ended March 31, 2013, (SEBI).
- India's foreign exchange (forex) reserves stood at US\$ 292.64 billion as on March 29, 2013,. The value of foreign currency assets (FCA) - the biggest component of the forex reserves - stood at US\$ 259.72 billion (RBI).
- India's asset management companies (AMCs) have witnessed a growth of 19.5 per cent in their average assets under management (AUM) in FY13, wherein they stood at ₹8.16 lakh crore (US\$ 149.53 billion), as on March 31, 2013 (AMFI).
- Life insurance industry, comprising over 20 companies, including public sector, raked in total premium of ₹84, 501.75 crore (US\$ 15.48 billion) during the April-February period of 2012-13 fiscal. Private insurers together raked-in ₹23,796.29 crore (US\$ 4.36 billion) in these 11 months (IRDA).
- Favourable demographics and growth opportunities keep India an 'attractive' destination for merger and acquisition (M&A) activities. The value of M&A deals in India stood at US\$ 4.5 billion in the March 2013 quarter. Meanwhile, there were 90 private equity (PE) deals valuing US\$ 1.04 billion during January-March 2013 quarter as per , reveal data from Four-S Services.

- Banking is the heart of India's financial services sector. The banking industry has undergone numerous changes over the past few years to be at par with international banking norms and standards. Indian banks' credit grew 17.0 % during the financial year 2012-13, while deposits grew 17.4%(RBI).

INDIAN BROKERAGE INDUSTRY

The Indian financial market is growing at a steady pace. Segment wise equity market has seen turbulent times on the past due to meltdown in the global financial markets. The turnover in the equity derivatives segment has grown at a CAGR of 63% since FY07, the turnover in the commodity futures market has grown at a CAGR of 32% in the same period. In FY 2012-13 the equity future segment's (NSE and BSE combined) turnover has registered phenomenal growth of 20.33% as compared to FY 2011-2012.

The steadily rising turnover in the markets has led to rapid expansion of the brokerage segment but the brokerage market is getting more competitive with entry of more players as well as with increasing efforts of players to gain market share.

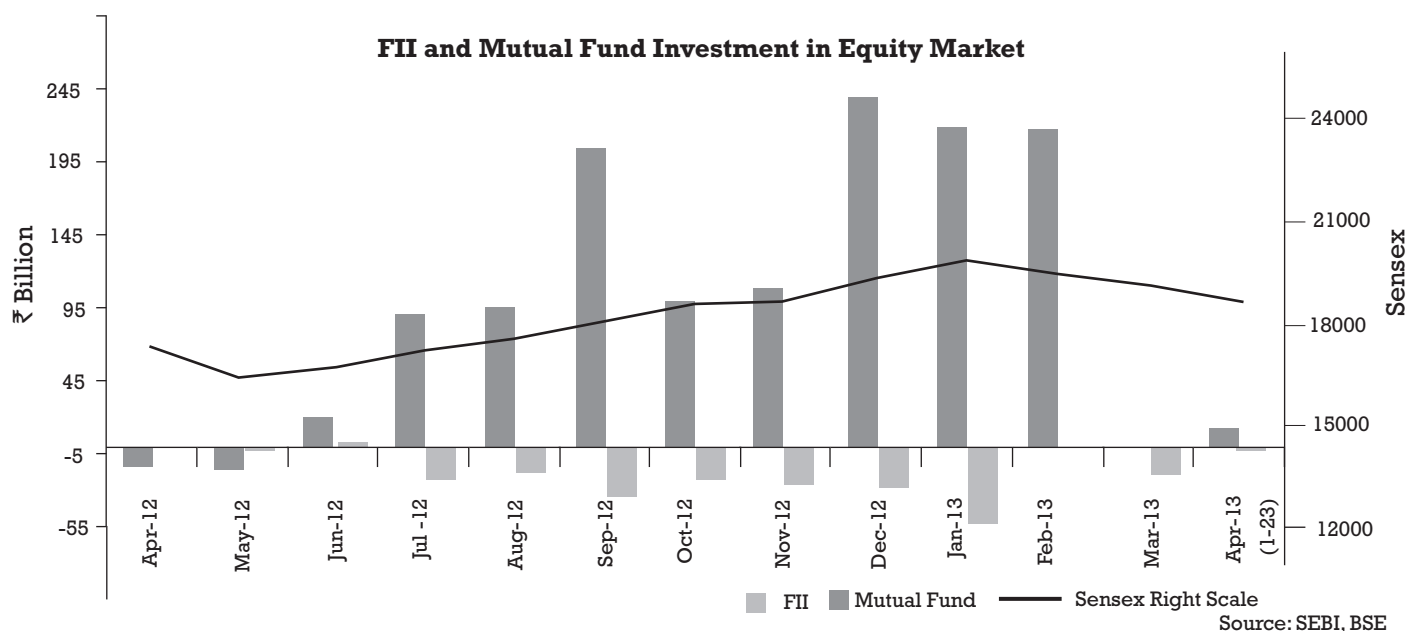


A brightening outlook for the commodity and currency broking segments stand out against the dark tones of the beleaguered equity broking industry. While for the commodity segment, traded turnover declined nominally, the currency segment on the other hand continued to gain traction. There are reasons for optimism as the dispiriting mood which pervaded the industry is now slowly giving way to newfound hope and optimism. Equity cash volumes have shown signs of improvement in Q3FY12-13 and beyond.. The cash volumes recorded for the month of January 2013 were the highest since February 2012. Equity options, largely understood to be the forte of the more savvy institutional investors are attracting a steady trickle of the higher end retail investors. The commodity and currency segments are emerging as dependable avenues for diversification for brokers.

The government is also stepping on the gas with regard to reforms initiative and declining interest rate scenario is doing much for improving investor sentiment. Also the reduction of STT for equity futures, MFs & ETFs acted positively for equity markets but on the commodity front investors got discouraged on account of levy CTT (Commodity Transaction Tax) proposal w.e.f July 01, 2013 in commodity futures other than agri products. Further, the month of January 2013 saw very strong FII inflows into the country. The disinvestment plans and planned public offerings may provide the much needed boost to investment banking and distribution operations.

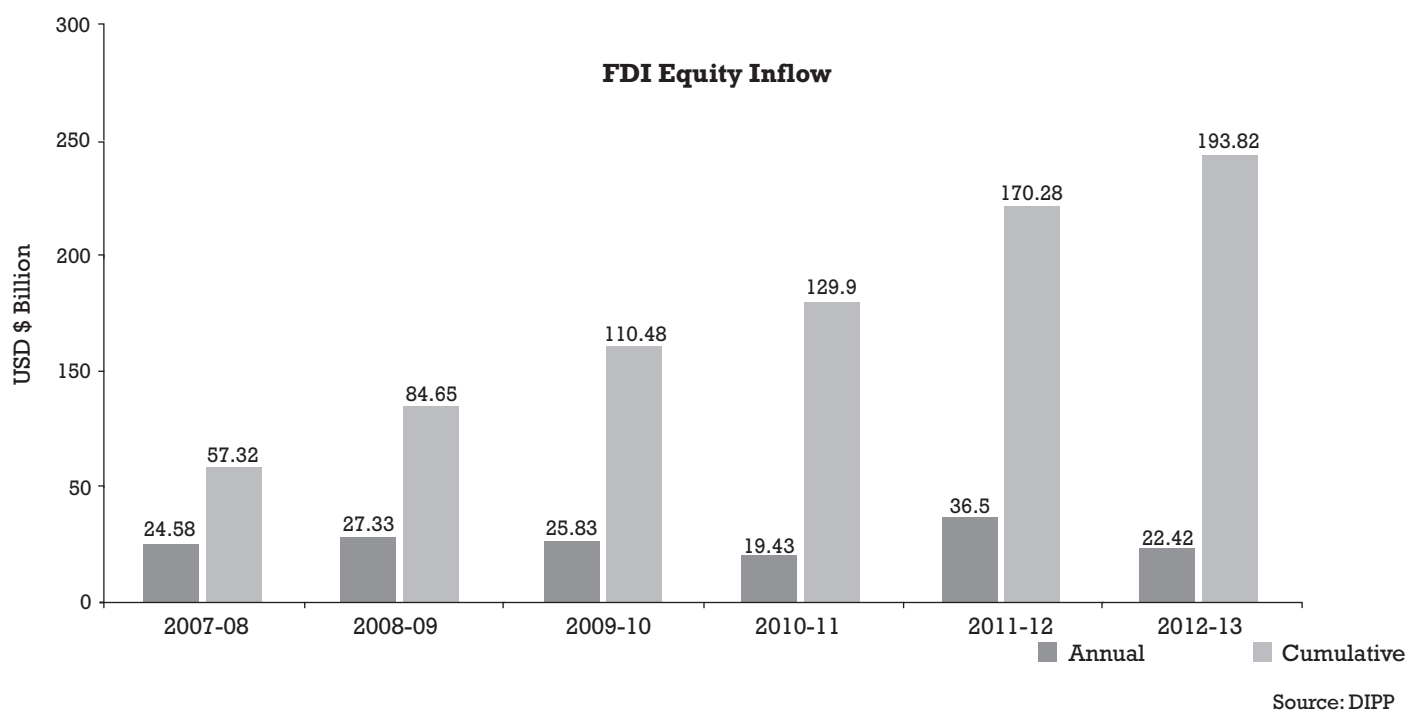
FII AND MUTUAL FUND FLOW

FII made net investments of ₹1.7 trillion in the capital market (both equity and debt) in 2012-13 compared with that of ₹0.9 trillion in the previous year. Their net investment in equity market was at ₹1.4 trillion compared with ₹0.4 trillion last year. Mutual funds (MFs) participation as compared to FIIs was significantly lower.



INDIA TOP DESTINATION FOR FOREIGN DIRECT INVESTMENT

India attracted FDI equity inflows of US\$ 22.42 billion for F.Y ending March 2013. The cumulative amount of FDI equity inflows from April 2000 to March 2013 stood at US\$ 193.82 billion as compared to US\$ 170.28 billion of previous year, according to the data released by the Department of Industrial Policy and Promotion (DIPP)



EQUITY RESOURCE MOBILISATION

FII's made net investments of ₹1.7 trillion in the capital market (both equity and debt) in 2012-13 compared with that of ₹0.9 trillion in the previous year. Their net investment in equity market was at ₹1.4 trillion compared with ₹0.4 trillion last year. Mutual funds (MFs) participation as compared to FII's was significantly lower

PRIMARY MARKET

In the year 2012-2013 primary market witnessed a few issuances worth ₹14400 Cr in the equity segment which has increased around 11.63% as compared to corresponding period of the previous year. The disinvestment programme of the Union Government generated higher mobilisation of about ₹240 billion during 2012- 13. Various public sector enterprises, viz., NBCC, HCL, NMDC, OIL, NTPC, RCF, NALCO and SAIL, divested their stake, with NTPC mobilising the maximum amount of around ₹115 billion. The disinvestment programme for 2013-14 is budgeted higher at ₹400 billion.

Year	Issue Amount (₹ In Cr.)
2010-11	58200.00
2011-12	12900.00
2012-13	14400.00

Euro Issue

During 2012-2013, resources raised by Indian Corporate's through Euro issues (all GDR issues) are ₹1000 Cr. as compared to ₹2700 Cr. of corresponding period of the previous year.

Year	Issue Amount (₹ In Cr.)
2010-11	9441
2011-12	2700
2012-13	1000

(Source: RBI Report: Macroeconomic and Monetary Developments in 2012-2013 –Financial Markets)

Outlook

The outlook for the coming year is positive largely owing to expectations of larger inflow from FII's as the concerns over the fiscal cliff in USA and growing concerns in Europe may weigh heavily on their minds making India a safer investment option and India still being a favourable destination for investment. But surge in oil prices , uncertainty over scaling back US “quantitative easing” policies and viability of similar monetary policies in Japan are near term concerns that would likely to impact significantly on financial markets and global liquidity are the two near-term concerns that would likely to impact significantly on equity markets.

On the domestic front, the big concern is the lower retail participation and low enthusiasm for equities which have become a small part of asset class, people moved from an equity culture, seen during the 90s up to 2007 to more of a real estate and gold culture, but in later quarter of FY 2012-13 some high end retail investors participation picked up. On the fundamental factorside the favourable policy initiatives by the government and regulators like RBI and SEBI, in addition to implementation of already proposed reforms and better corporate earnings performance in 2013, market may still grow in double digits as valuations are still 20 per cent lower than historical levels.

Directors Report

To

The Members,

Your Company's Directors are pleased to present the 28th Annual Report along with Audited Accounts of your Company for the financial year ended 31st March, 2013

1. FINANCIAL RESULTS

(₹ in Million)

Particulars	For the Year Ended			
	31 st March, 2013	31 st March, 2012	31 st March, 2013	31 st March, 2012
	Consolidated		Standalone	
Gross Income	975.62	959.60	126.95	106.99
Profit Before Depreciation, Interest & Tax	293.70	290.41	113.34	92.20
Less: Depreciation	10.90	13.91	0.74	0.69
Interest	172.45	142.95	86.03	67.72
Profit Before Tax	110.35	133.55	26.57	23.79
Provision for tax	10.01	16.93	1.86	(0.01)
Profit after tax but before minority interest and share in associate Companies	100.34	116.62	24.71	23.80
Less: Share of Minority Interest	0.09	0.06	-	-
Net Profit	100.25	116.56	24.71	23.80
Add: Profit brought forward from earlier years	772.70	629.49	63.09	55.26
Add: Profit on Amalgamation	-	51.02	-	-
Profit available for appropriation	872.95	797.07	87.80	79.06
Less: Appropriations				
- Proposed Dividend	10.88	10.88	10.88	10.88
- Tax on Dividend	1.85	1.76	0.85	0.33
- Transfer to Statutory Reserve	4.94	4.76	4.94	4.76
- Transfer to General Reserve	1.86	2.93	-	-
- Other	-	4.03	-	-
Closing Balance	853.42	772.71	71.13	63.09

2. OPERATIONAL REVIEW

Despite the constraints caused by slowdown of economy and the challenging year, the Company performed reasonably well. On a consolidated basis, the Company's gross income posted a growth of 1.67 % to reach ₹975.62 mn as compared to ₹959.60 mn in the previous year. The Net worth of the Company has increased by 6.16 % to ₹ 1507.66 mn as compared to ₹1420.14 mn in the previous year. The Profit before tax declined by 17.37 % to ₹110.35 mn as compared to ₹133.56 mn in the previous year. The Net Profit after tax declined by 13.99 % to ₹100.25 mn as compared to ₹116.56 mn in the previous year. The weighted average earning per share for the current year declined by 42.52 % to ₹9.23 per share as compared to ₹16.06 per share in the previous year due to increase in number of shares on account of conversion of Convertible Warrants into Equity Shares in the previous year.

3. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹1/- (10%) on Equity share of ₹10 each for the year ended 31st March, 2013.

4. OUTLOOK

Economic conditions improved modestly in FY 2012-13. IMF has projected global growth increasing to about 3 %. The main sources of acceleration were emerging market economies, where activity picked up broadly as expected as capital flows to emerging markets remained strong. However, a broad set of indicators for global industrial production and trade suggests that global growth did not strengthen further, as growth was partly due to temporary factors, including increased inventory accumulation.

The Indian financial market is growing at a steady pace. Segment wise equity market has seen turbulent times on the past due to meltdown in the global financial markets. The turnover in the equity derivatives segment has grown at a CAGR of 63% since FY07, the turnover in the commodity futures market has grown at a CAGR of 32% in the same period. In FY 2012-13 the equity future segment's (NSE and BSE combined) turnover has registered phenomenal growth of 20.33% as compared to FY 2011-2012.

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A brightening outlook for the commodities and currencies broking segment stands out against the dark tones of the beleaguered equity broking industry. While for the commodities segment, traded turnover declined nominally, the currencies segment on the other hand continued to gain traction. There are reasons for optimism as the dispiriting mood which pervaded the industry is now slowly giving way to newfound hope and optimism. Equity cash volumes have shown signs of improvement in Q3FY12-13 and beyond. The cash volumes recorded for the month of January 2013 were the highest since February 2012. Equity options, largely understood to be the forte of the more savvy institutional investors are attracting a steady trickle of the retail investors. The commodities and currencies segment are emerging as dependable avenues for diversification for brokers.

The government is also stepping on the gas with regard to reforms initiative and declining interest rate scenario is doing much for improving investor sentiment. Also the reduction of STT for equity futures, MFs & ETFs acted positively for equity markets but on the commodity front investors got discouraged on account of levy CTT (Commodity Transaction Tax) proposal w.e.f 01st July, 2013 in commodity futures other than agri products. Further, the month of January 2013 saw very strong FII inflows into the country. The disinvestment plans and planned public offerings may provide the much needed boost to investment banking and distribution operations

5. 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.

6. 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.

7. HUMAN RESOURCE DEVELOPMENT

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

8. DIRECTORS

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

The terms of appointment of Mr. Harjeet Singh Arora as Managing Director and Mr. Sanjay Sood as Whole Time Director will expire on 26th November, 2013. Your Directors recommend to reappoint them at their respective positions for a further period of 3 years, subject to approval of Shareholders in the ensuing Annual General Meeting. The Principal terms and conditions of reappointment are furnished in the explanatory Statement annexed to the notice of the ensuing Annual General Meeting.

9. 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.

10. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

11. 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 along with proper explanations and there are no material departures from the same.
- ii) Appropriate accounting policies have been selected and applied consistently, and have made judgments 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.

12. 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 2013-14 have already been paid to it.

13. 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 2013-14. Your Directors recommend their re-appointment.

14. AUDITORS' REPORT

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

15. 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 Holding Company. However, the Financial Statement of the following Wholly Owned Subsidiaries, namely;

- i. Master Infrastructure And Real estate Developers Limited (Subsidiary)
- ii. Master Capital Services Limited (Subsidiary)

- iii. Master Insurance Brokers Limited (Sub-Subsidiary)
- iv. Master Commodity Services Limited (Sub-Subsidiary)
- v. Master Portfolio Services Limited (Sub-Subsidiary)

was 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 to inform that w.e.f. 04th October, 2012, Master Insurance Brokers Limited (Formerly Subsidiary of Master Trust Limited) becomes the Subsidiary of Master Capital Services Limited. Hence, Master Insurance Brokers Limited, Master portfolio Services Limited and Master Commodity Services Limited are 100% Subsidiaries of Master Capital Services Limited and by that reason these are also subsidiaries of Master Trust Limited.

16. PARTICULARS OF EMPLOYEES

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

17. 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 Holding Company and/or its subsidiaries.

18. ACKNOWLEDGMENT

Your Directors are pleased to place on record their appreciation and express their gratitude to the Company's Bankers, Clients, 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 and its subsidiary companies.

For and on behalf of the Board of Directors

Place : Ludhiana

Date : 30th May, 2013

Sd/-	Sd/-
(Harjeet Singh Arora)	(R.K. Singhania)
Managing Director	Director

Report on Corporate Governance

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

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

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

1. COMPANY'S PHILOSOPHY

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

Name of the Director	Category	Attendance at the last AGM	No. of Board meetings attended	No. of Directorships and Committee Membership / Chairmanship in other Companies		
				Directorship	Committee Chairmanship*	Committee membership*
Mr. Harjeet Singh Arora	Managing Director	Present	5	19 [#]	1	1
Mr. R. K. Singhania	Non Executive Director	Present	5	13	-	-
Mr. Pavan Kumar Chhabra	Independent Non Executive Director	Present	2	8	-	-
Mr. Sanjay Sood	Executive Director	Present	2	1	-	-
Mr. G.S. Chawla	Non Executive Director	Present	2	5	-	-
Mrs. Harneesh Kaur Arora	Non Executive Director	Present	3	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	5	4
Mr. Anil Kumar Malhotra	Independent Non Executive Director	Present	2	6	-	-

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

Includes 7 Private Limited Companies.

- C) During the year 2012-13, 5(Five) Board Meetings were held viz. on 15th May 2012, 21th July 2012, 14th August 2012, 09th November 2012 & 14th February 2013. The necessary Quorum was present for all the meetings.

3. AUDIT COMMITTEE

To ensure the independence of the Committee, the Audit Committee is comprised of Non- Executive Director's 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 and 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. Mr. Rajiv Kumar Agrawal, Company Secretary act as the Secretary to the Committee.

During the year 2012-13, 5(Five) Audit Committee were held viz. on 15th May 2012, 21th July, 2012, 14th August, 2012, 09th November, 2012 & 14th February, 2013.

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 2012-13 is given below:

(in ₹ p.a)

Name of Director	Designation	Salary	Perquisites	Total
Mr. Harjeet Singh Arora	Managing Director	24,00,000	32,280	24,32,280
Mr. Sanjay Sood	Executive Director	9,00,000	38,000	9,38,000
Total		33,00,000	70,280	3,37,280

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 of the Company held by the Non-Executive Directors as on 31st March, 2013.

Name of the Director	Category	No. of Equity Shares held
Mr. R.K. Singhania	Non Executive Director	2580357
Mr. Pavan Chhabra	Independent Non Executive Director	Nil
Mr. G.S. Chawla	Non Executive Director	Nil
Mrs. Harneesh Kaur Arora	Non Executive Director	1125010
Mr. Anil Kumar Bhatia	Independent Non Executive Director	Nil
Mr. Sudhir Kumar	Independent Non Executive Director	Nil
Mr. Ashwani Kumar	Independent Non Executive Director	Nil
Mr. Anil Kumar Malhotra	Independent Non Executive Director	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. Rajiv Kumar Agrawal, Company Secretary is the Compliance Officer of the Committee. 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, 35 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, 2013.

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 and Schedule XIII 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
2012	Master Chambers, SCO-19, Ground Floor, Feroze Gandhi Market, Ludhiana	29.09.2012	10.30 A.M.
2011	Master Chambers, SCO-19, Ground Floor, Feroze Gandhi Market, Ludhiana	30.09.2011	10.30 A.M.
2010	Master Chambers, SCO-19, Ground Floor, Feroze Gandhi Market, Ludhiana	30.09.2010	11.30 A.M.

Extraordinary General Meeting(s):

Financial Year	Location	Date	Time
2010	Master Chambers, SCO-19, Ground 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):

Financial Year	Meeting	Date	Time	Special Resolution passed:
2012	Annual General Meeting	29.09.2012	10.30 A.M.	Nil
2011	Annual General Meeting	30.09.2011	10.30 A.M.	Nil
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 Arora, 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.	To issue Convertible Warrants on preferential basis.

No special resolution was passed by postal ballot during the financial year 2012-13.

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 Note No. 26 of the Notes to the Accounts attached with the Financial Statements for the year ended 31st March 31, 2013. 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.

Particulars	Clause of Listing Agreement	Compliance Status
I. Board of Directors	49 I	Complied
A) Composition of Board	49 (IA)	Complied
B) Non-executive Directors' compensation & Disclosure	49 (IB)	Complied
C) Other provisions as to Board and Committees	49 (IC)	Complied
D) Code of Conduct	49 (ID)	Complied
II. Audit Committee	49 II	Complied
A) Qualified & Independent Audit Committee	49 (IIA)	Complied
B) Meeting of Audit Committee	49 (IIB)	Complied
C) Powers of Audit Committee	49 (IIC)	Complied
D) Role of Audit Committee	49 (IID)	Complied
E) Review of information by Audit Committee	49 (IIE)	Complied
III. Subsidiary Companies	49 III	Complied
IV. Disclosures	49 IV	
A) Basis of related party transactions	49 (IV A)	Complied
B) Disclosure of Accounting treatment	49 (IV B)	Complied
C) Board Disclosures	49 (IV C)	N.A.
D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Complied
E) Remuneration of Directors	49 (IV E)	Complied
F) Management	49 (IV F)	Complied
G) Shareholders	49 (IV G)	Complied
V. CEO / CFO Certification	49 V	Complied
VI. Report on Corporate Governance	49 VI	Complied
VII. Compliance	49 VII	

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 28th Annual General Meeting of Master Trust Limited will be held on Monday, the 30th day of September, 2013, at 10.30 A.M. at Master Chambers, Ground Floor, SCO 19, Feroze Gandhi Market, Ludhiana – 141 001 (Pb).

ii. Date of Book Closure : 23rd September 2013 to 30th September, 2013 (both days inclusive)

iii. Financial Year (Tentative) : 1st April, 2013 to 31st March, 2014

Tentative calendar of events for the Financial Year 2013-14 is

First Quarterly Results : On or before 14th August, 2013

Second Quarterly Results : On or before 14th November, 2013

Third Quarterly Results : On or before 14th February, 2014

Audited Results for the year 2013-14 : On or before 30th May, 2014

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, 2013 recommended by the Board will be paid on or before 25th October, 2013.

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 for the year 2013-14.

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	Master Trust Limited			BSE Sensex		
	High Price	Low Price	Close Price	(High Price)	(Low Price)	(Close Price)
Apr-12	94.95	69.30	71.65	17664.10	17010.16	17318.81
May-12	78.00	65.60	68.55	17432.33	15809.71	16218.53
Jun-12	71.00	59.50	62.95	17448.48	15748.98	17429.98
Jul-12	65.00	53.50	55.50	17631.19	16598.48	17236.18
Aug-12	56.00	42.00	42.30	17972.54	17026.97	17429.56
Sep-12	49.95	39.95	45.90	18869.94	17250.80	18762.74
Oct-12	51.70	42.00	45.35	19137.29	18393.42	18505.38
Nov-12	49.45	43.10	47.90	19372.70	18255.69	19339.90
Dec-12	49.10	44.00	45.95	19612.18	19149.03	19426.71
Jan-13	46.70	42.65	45.40	20203.66	19508.93	19894.98
Feb-13	47.00	41.00	41.75	19966.69	18793.97	18861.54
Mar-13	45.00	31.60	37.80	19754.66	18568.43	18835.77

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 investors. Shares sent for transfer in physical form are registered within a fortnight (If in order and complete in all respect) and then returned the same to the respective shareholders duly transferred in their names.

Your Company has appointed a SEBI registered Registrar & Transfer Agent viz Skyline Financial Services (P) Ltd. for looking after both physical and electronic share transfer work of the company.

The shareholders are requested to send all shares in physical form for transfer as well demat/remat requests to the Registered Office of the Company and/or to the Registrar & Share Transfer Agent of the Company i.e Skyline Financial Services (P) Limited.

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 31st March, 2013

Sr	Category	No. of Shares	% of Shares
1.	Promoters	67,18,670	61.77%
2.	Bodies Corporate	32,36,217	29.75%
3.	Other Indian Public	9,15,846	8.43%
4.	NRI	5,867	0.05%
5.	FII's	-	-
Total		1,08,76,600	100.00%

xi. Break-up of Equity /Dematerialization of Shares

Category	No. of Shares					
	Physical	%age	Demat	%age	Total	%age
Promoters	26,10,000	24.00%	41,08,670	37.77%	67,18,670	61.77%
Non-Promoters	17,95,525	16.51%	23,62,405	21.72%	41,57,930	38.23%
TOTAL	44,05,525	40.51%	64,71,075	59.49%	1,08,76,600	100.00%

xii. During the financial year ended on 31st March, 2013, the Company has not issued any GDRs / ADRs.

xiii. Address for Correspondence

Regd. Office : Master Chambers, 3rd Floor, SCO 19, Feroze Gandhi Market, Ludhiana – 141 001 (Pb).
Tele. No. : 0161-2410557-58, 3911525
Fax No. : 0161-2402963
Designated E-mail : secretarial@mastertrust.co.in

xiv. The Company is also having office(s) in the following cities

1. **Chandigarh**
2. **Delhi**
- 3.1 **Mumbai - FORT**
- 3.2 **Mumbai - VASHI**
4. **Kolkatta**
5. **Indore**
6. **Jaipur**

xv. Compliance Officer: Mr. Rajiv Kumar Agrawal, Company Secretary.

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

CEO Certificate

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

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

Managing Director

Place: Ludhiana

Date: 30th May, 2013

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 S. Arora)

Managing Director

Place: Ludhiana

Date: 30th May, 2013

Auditors' Certificate

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, 2013 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 Number 011831N

Place: Ludhiana
Date : 30th May, 2013

Manjeet Singh
Prop.
Membership No.088759

Auditors' Report

To
The Members
Master Trust Limited

We have audited the attached Balance Sheet of **Master Trust Limited** as at 31st March, 2013 and Statement of 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 sub-section (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 Statement of 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 Statement of Profit And Loss and Cash Flow Statement comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 in material aspects, 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 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (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, 2013.
 - ii) In the case of Statement of Profit & Loss Account, of the Profit for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh
Prop.
Membership No.088759

Place: Ludhiana
Date : 30th May, 2013

Annexure to the Auditors' Report

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

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, the management has physically verified these fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of verification of fixed assets is reasonable. To the best of our knowledge, no material discrepancy has 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 seven parties aggregating to ₹131.11 mn and maximum balance outstanding during the year was ₹255.50 mn. The company has taken loans from six parties aggregating to ₹214.54 mn. and maximum balance outstanding during the year was ₹301.92 mn. 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 ₹ 0.50 mn 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 ₹1120.00 mn for the facilities of bank guarantees taken by the subsidiaries 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 not any made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue(s) during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh
Prop.
Membership No.088759

Place: Ludhiana
Date : 30th May, 2013

Balance Sheet

Master Trust Ltd.

Balance Sheet as at 31st March, 2013

(₹ In Millions)

Particulars	Note	As at 31 st March, 2013	As at 31 st March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	109.22	109.22
Reserves and surplus	2	592.89	579.91
		702.11	689.13
Non-current liabilities			
Long-term borrowings	3	-	0.48
Current liabilities			
Short-term borrowings	4	525.73	551.05
Other current liabilities	5	117.52	9.26
Short-term provisions	6	15.73	13.07
		658.98	573.38
TOTAL		1361.09	1262.99
ASSETS			
Non-current assets			
Fixed assets - Tangible	7	6.83	7.62
Non-current investments	8	260.46	253.49
Deferred tax assets (net)	9	1.57	1.46
Long-term loans and advances	10	16.68	9.53
		285.54	272.1
Current assets			
Inventories	11	17.45	37.41
Trade receivables	12	8.92	5.05
Cash and cash equivalents	13	28.97	24.38
Short-term loans and advances	14	1019.80	923.75
Other current assets	15	0.41	0.30
		1075.55	990.89
TOTAL		1361.09	1262.99
Significant Accounting Policies Notes on Financial Statements	1 to 28		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration Number 011831N

For and on behalf of the Board

R.K. Singhania
Director

Harjeet Singh Arora
Managing Director

Manjeet Singh

Prop.

Membership Number 088759

Sunil Kumar
Manager Accounts

Rajiv Kumar Agrawal
Company Secretary

Ludhiana, 30th May, 2013

Master Trust Ltd.

Statement of Profit and Loss for the year ended 31st March, 2013

(₹ In Millions)

Particulars	Note	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
INCOME			
Revenue from operations	16	122.70	105.70
Other income	17	4.25	1.29
Total Revenue		126.95	106.99
Expenses			
Employee benefits expense	18	10.55	8.13
Finance costs	19	86.03	67.72
Depreciation	7	0.74	0.69
Other expenses	20	3.06	6.66
Total Expenses		100.38	83.20
Profit before tax		26.57	23.79
Tax expense:			
Current tax expense for current year		1.65	0.25
Deferred tax		(0.11)	(0.17)
Current tax expense relating to prior years		0.32	(0.09)
Profit for the year		24.71	23.80
Earnings per equity share of face value ₹ 10 each Basic and Diluted (in ₹)		2.27	3.28
Weighted average number of shares outstanding		10,876,600.00	7,258,475.00
Significant Accounting Policies Notes on Financial Statements	1 to 28		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration Number 011831N

For and on behalf of the Board**R.K. Singhania**
Director**Harjeet Singh Arora**
Managing Director**Manjeet Singh**

Prop.

Membership Number 088759

Sunil Kumar
Manager Accounts**Rajiv Kumar Agrawal**
Company SecretaryLudhiana, 30th May, 2013

Master Trust Ltd.

Cash Flow Statement for the year ended 31st March, 2013

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
A. Cash flow from operating activities		26.57		23.79
Net Profit before tax and extraordinary items				
<u>Adjustments for:</u>				
Depreciation and amortisation	0.74		0.69	
Miscellaneous Expenditure	-		0.05	
Provision for Gratuity	0.74		0.22	
Loss on sale of fixed assets	0.13		-	
Provision for Non Performing Assets	(0.20)	1.41	0.48	1.44
Operating profit before working capital changes		27.98		25.23
<u>Changes in working capital:</u>				
Adjustments for (increase)/decrease in operating assets:				
Inventories	19.96		21.65	
Trade receivables	(3.87)		(126.16)	
Short-term loans and advances	(95.85)		(456.07)	
Long-term loans and advances	(7.15)		(3.62)	
Other current assets	(0.11)		0.42	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	-		(4.18)	
Other current liabilities	108.26		(17.63)	
Short-term borrowings	(25.32)		443.96	
Long-term borrowings	(0.48)		(0.58)	
Operating profit before extraordinary items		(4.56)		(142.21)
Cash flow from extraordinary items		23.42		(116.98)
Cash generated from operations		-		-
Net income tax (paid)		23.42		(116.98)
Net cash flow from/(used in) operating activities (A)		(0.90)		(2.16)
		22.52		(119.14)
B. Cash flow from investing activities				
Purchase of fixed assets		(0.15)		(1.88)
Sale of fixed assets		0.07		-
Purchase of Investment		(16.68)		(97.56)
Sale of Investment		9.71		5.04
Net cash flow from/(used in) investing activities (B)		(7.05)		(94.40)
C. Cash flow from financing activities				
Proceeds from issue of equity shares/ warrants		-		211.03
Dividends paid		(10.88)		(6.10)
Net cash flow from/(used in) financing activities (C)		(10.88)		204.93
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		4.59		(8.61)
Cash and cash equivalents at the beginning of the year		24.38		32.99
Cash and cash equivalents at the end of the year		28.97		24.38

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration Number 011831N

Manjeet Singh

Prop.

Membership Number 088759

Ludhiana, 30th May, 2013**For and on behalf of the Board****R.K. Singhania**
Director**Harjeet Singh Arora**
Managing Director**Sunil Kumar**
Manager Accounts**Rajiv Kumar Agrawal**
Company Secretary

Significant Accounting Policies

A BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

B USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C FIXED ASSETS

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

D DEPRECIATION AND AMORTISATION

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

E 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 Statement of 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.

F INVESTMENTS

Current investments are carried at lower of cost and fair value. Long Term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

G INVENTORIES

Inventories are valued at the lower of cost and the net realisable value. Encashed traveller cheques and traveller cheques sold but not settled are valued at inter bank rate.

H 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 Changers. The income arising from buying and selling of foreign currencies and traveller cheques has been considered on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

I 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.

J BORROWING COSTS

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

K TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

L 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.

M PROVISIONS AND CONTINGENCIES

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.

Master Trust Ltd.

Notes forming part of the financial statements

Note 1 Share capital

(₹ In Millions)

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of shares	Amount	Number of shares	Amount
Authorised Equity shares of ₹10 each	11,000,000.00	110.00	11,000,000.00	110.00
Issued Equity shares of ₹10 each	10,975,400.00	109.75	10,975,400.00	109.75
Subscribed and fully paid up Equity shares of ₹10 each	10,876,600.00	108.76	10,876,600.00	108.76
Forfeited Shares	-	0.46	-	0.46
Total	10,876,600.00	109.22	10,876,600.00	109.22

1.1 The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share.

1.2 The details of shareholders holding more than 5% shares:

Name of the shareholder	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of shares held	% of holding	Number of shares held	% of holding
Harjeet Singh Arora	1,406,848	12.93	1,406,848	12.93
Harneesh Kaur Arora	1,125,010	10.34	1,125,010	10.34
Rajinder Kumar Singhania	2,580,357	23.72	2,580,357	23.72
Shiv Narayan Investment (P) Ltd.	775,000	7.13	1,149,200	10.57
Vidya Portfolio Management (P) Ltd.	700,000	6.44	700,000	6.44
Prime Industries Ltd	593,958	5.46	-	-

1.3 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	Number of shares	Number of shares
Equity Shares at the beginning of the year	10,876,600	684,0400
Add: Conversion of warrants into equity shares	-	413,5000
Less: Equity shares forfeited	-	98800
Equity Shares at the end of the year	10,876,600	10,876,600

Note 2 Reserves and surplus

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Capital Reserve		
As per last Balance Sheet	48.24	48.24
Securities Premium Account		
As per last Balance Sheet	448.38	208.43
Add : On issue of Shares	-	239.83
On Calls in Arrears received	-	0.12
Closing balance	448.38	448.38
General Reserve		
As per last Balance Sheet	10.00	10.00
Statutory Reserve (Under Section 45IC of RBI Act, 1934)		
As per last Balance Sheet	10.20	5.44
Add: Transferred from Statement of Profit and Loss	4.94	4.76
Closing balance	15.14	10.20
Profit and Loss Account		
As per last Balance Sheet	63.09	55.26
Add: Transferred from Statement of Profit and Loss	24.71	23.80
	87.80	79.06
Less: Appropriations		
Proposed Dividends on Equity Shares (₹1 per equity share)	10.88	10.88
Tax on dividend	0.85	0.33
Statutory Reserve	4.94	4.76
Closing balance	71.13	63.09
Total	592.89	579.91

Note 3 Long-term borrowings

(₹In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Term Loans		
From Banks - Secured	-	0.48
Total	-	0.48

3.1 Nature of Security and terms of repayment for Long Term secured borrowings :

Nature of Security	Terms of Repayment
3.1.1 Term Loan amounting to ₹NIL (31 st March, 2012: ₹0.48) is secured against hypothecation of Cars	Repayable in equal monthly instalments.

3.2 Installments falling due in respect of all the above loans upto 31st March, 2014 have been grouped under "Current maturities of long term debt" (Refer Note 5)

Note 4 Short-term borrowings

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Loans repayable on demand		
From banks		
Secured	9.46	8.80
From other parties		
Unsecured	10.00	10.00
	19.46	18.80
Loans and advances from related parties		
Unsecured	233.67	48.73
Other loans and advances		
Unsecured	272.60	483.52
Total	525.73	551.05

4.1 Loans from banks are secured against pledging of FDRs

Note 5 Other current liabilities

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Current maturities of long-term debt (Refer Note 3)	0.48	0.58
Unpaid dividends	0.73	0.46
Statutory dues	7.95	6.98
Others	108.36	1.24
Total	117.52	9.26

5.1 Unclaimed dividends do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Note 6 Short-term provisions

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Provision for gratuity	2.35	1.61
Provision for tax	1.65	0.25
Provision for proposed equity dividend	10.88	10.88
Provision for tax on proposed dividends	0.85	0.33
Total	15.73	13.07

Note 7 Fixed assets | Tangible Assets

(₹ In Millions)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 st April, 2012	Additions	Disposals/ Transfer	Balance as at 31 st March, 2013	Balance as at 1 st April, 2012	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31 st March, 2013	Balance as at 31 st March, 2013	Balance as at 31 st March, 2012
Buildings	1.80	-	-	1.80	0.29	0.03	-	0.32	1.48	1.51
Furniture and Fixtures	1.88	-	-	1.88	1.52	0.02	-	1.54	0.34	0.36
Office equipment	3.49	0.13	0.17	3.45	1.73	0.17	0.04	1.86	1.59	1.76
Computer	1.49	0.02	-	1.51	1.35	0.06	-	1.41	0.10	0.14
Vehicles	5.71	-	0.55	5.16	1.86	0.46	0.48	1.84	3.32	3.85
Total	14.37	0.15	0.72	13.80	6.75	0.74	0.52	6.97	6.83	7.62
Previous year	12.48	2.56	0.67	14.37	6.06	0.69	-	6.75	7.62	6.42

Note 8 Non-current investments | Long Term Investments

(₹ In Millions)

Particulars	As at 31 st March, 2013			As at 31 st March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Investment in equity instruments of subsidiaries						
59,00,000 (As at 31 st March, 2012: 59,00,000) shares of ₹10 each fully paid up in Master Capital Services Ltd.	-	61.00	61.00	-	61.00	61.00
2,00,000 (As at 31 st March, 2012: 2,00,000) shares of ₹10 each fully paid up in Master Infrastructure & Real Estate Developers Ltd.	-	89.50	89.50	-	89.50	89.50
Nil (As at 31 st March, 2012: 4,49,930) shares of ₹10 each fully paid up in Master Insurance Brokers Ltd.	-	-	-	-	4.70	4.70
	-	150.50	150.50	-	155.20	155.20
of associates						
5,69,800 (As at 31 st March, 2012: 15,69,800) shares of ₹10 each fully paid up in Prime Industries Ltd.	15.70	-	15.70	15.70	-	15.70
Nil (As at 31 st March, 2012: 4) shares of ₹300 each fully paid up in Master Projects Private Ltd.	-	-	-	-	1.05	1.05
	15.70	-	15.70	15.70	1.05	16.75
of other entities						
1,468 (As at 31 st March, 2012: 1,468) shares of ₹10 each fully paid up in Trident Ltd.	0.01	-	0.01	0.01	-	0.01
6,25,000 (As at 31 st March, 2012: 6,25,000) shares of ₹10 each fully up in Vardhaman Polytext Ltd.	24.71	-	24.71	24.71	-	24.71
5,000 (As at 31 st March, 2012: 5,000) shares of ₹10 each fully paid up in RRB Securities Ltd.	-	0.50	0.50	-	0.50	0.50
500 (As at 31 st March, 2012: 500) shares of ₹10 each fully paid up in ICICI Bank Ltd.	0.45	-	0.45	0.45	-	0.45
11,030 (As at 31 st March, 2012: 11,030) shares of ₹10 each fully paid up in Coal India Ltd.	2.67	-	2.67	2.67	-	2.67
2,500 (As at 31 st March, 2012: 2,500) shares of ₹10 each fully paid up in Apar industries Ltd.	0.61	-	0.61	0.61	-	0.61
750 (As at 31 st March, 2012: 750) shares of ₹10 each fully paid up in TRF Ltd.	0.52	-	0.52	0.52	-	0.52
1,781 (As at 31 st March, 2012: 1,781) shares of ₹10 each fully paid up in Power Grid Corporation Of India Ltd.	0.15	-	0.15	0.15	-	0.15
7,500 (As at 31 st March, 2012: 7,500) shares of ₹10 each fully paid up in Development Credit Bank Ltd.	0.43	-	0.43	0.43	-	0.43
4,200 (As at 31 st March, 2012: 4,200) shares of ₹10 each fully paid up in Karnataka Bank Ltd.	0.61	-	0.61	0.61	-	0.61
250 (As at 31 st March, 2012: 250) shares of ₹10 each fully paid up in State Bank of India	0.65	-	0.65	0.65	-	0.65
1,000 (As at 31 st March, 2012: 1,000) shares of ₹10 each fully paid up in Venky's (India) Ltd.	0.55	-	0.55	0.55	-	0.55
72,136 (As at 31 st March, 2012: 87,136) shares of ₹10 each fully paid up in SML Isuzu Ltd.	16.01	-	16.01	19.70	-	19.70
85,000 (As at 31 st March, 2012: 75,000) shares of ₹10 each fully paid up in First Financial Services Ltd.	4.45	-	4.45	1.50	-	1.50
100 (As at 31 st March, 2012: Nil) shares of ₹10 each fully paid up in Convexity Solutions and Advisors P Ltd.	-	0.01	0.01	-	-	-
2,200 (As at 31 st March, 2012: 3,000) shares of ₹5 each fully paid up in Wockhardt Ltd.	0.75	-	0.75	1.02	-	1.02
1,250 (As at 31 st March, 2012: 1,250) shares of ₹2 each fully paid up in HDFC Bank Ltd.	0.51	-	0.51	0.51	-	0.51
	53.08	0.51	53.59	54.09	0.50	54.59
Investment property	-	31.09	31.09	-	17.37	17.37
Investment in debentures or bonds of subsidiaries						
992 (As at 31 st March, 2012: 992) Deep Discount Bonds of ₹10,000 each fully paid up in Master Capital Services Ltd.	-	10.03	10.03	-	10.03	10.03
Other non-current investments						
Government Securities						
6.75% 2006 Government Securities	-	0.02	0.02	-	0.02	0.02
6.75% 2007 Government Securities	-	0.02	0.02	-	0.02	0.02
	-	0.04	0.04	-	0.04	0.04
Total	68.78	192.17	260.95	69.79	184.19	253.98
Less: Provision for diminution in value of investments	-	0.49	0.49	-	0.49	0.49
Total			260.46			253.49
Aggregate amount of quoted investments	68.78			69.79		
Aggregate market value of listed and quoted investments	111.32			102.94		
Aggregate amount of unquoted investments		191.68			183.70	

Note 9 Deferred Tax Assets (Net)

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Deferred Tax Asset		
On account of Gratuity	0.73	0.52
On account of Non Performing Assets	1.33	1.47
	2.06	1.99
Deferred Tax Liability		
On account of Depreciation	0.49	0.53
Net Deferred Tax Asset	1.57	1.46

Note 10 Long-term loans and advances

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Security deposits		
Unsecured, considered good	0.27	0.62
Advance income tax	16.41	8.91
Total	16.68	9.53

Note 11 Inventories

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Stock-in-trade (acquired for trading)		
Securities	8.25	9.82
Land	7.83	24.90
Foreign Currency	1.37	2.69
Total	17.45	37.41

Note 12 Trade receivables

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	-	-
Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured, considered good	8.92	5.05
Total	8.92	5.05

Note 13 Cash and cash equivalents

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Cash on hand	0.47	1.14
Balances with banks		
In current accounts	6.15	1.47
In deposit accounts *	21.62	21.32
In earmarked accounts		
- Unpaid dividend accounts	0.73	0.45
Total	28.97	24.38

* Deposit are pledged against overdraft facility

Note 14 Short-term loans and advances

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Loans and advances to related parties		
Unsecured, considered good	131.11	325.95
Prepaid expenses - Unsecured, considered good	0.05	0.23
Loans and advances to others	892.96	602.09
Less: Provision for Non Performing Assets	(4.32)	(4.52)
	888.64	597.57
Total	1,019.80	923.75

Note 15 Other current assets

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Others	0.41	0.30
Total	0.41	0.30

Note 16 Revenue from operations

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Interest		
Interest on Loans and Advances	99.77	85.29
Interest on Fixed Deposits	1.95	1.74
	101.72	87.03
Other Financial Services		
Income from Forex Business	3.33	4.47
Profit/(Loss) from dealing in securities	(9.35)	(13.47)
Dividend Income	20.99	23.27
Profit on Sale of Land	5.53	3.19
Others	0.48	1.21
	20.98	18.67
Total	122.70	105.70

Note 17 Other income

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Net gain on sale of: long-term investments	4.11	0.61
Other non-operating income		
Share of profit from partnership firms	-	0.61
Miscellaneous income	0.14	0.07
	0.14	0.68
Total	4.25	1.29

Note 18 Employee benefits expense

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Salaries and wages *	10.24	7.79
Contributions to provident funds	0.11	0.13
Staff welfare expenses	0.20	0.21
Total	10.55	8.13

* Includes Gratuity amounting to ₹ 0.74 (Year ended March 31st, 2012 : ₹ 0.22)**Note 19 Finance costs**

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Interest expenses	85.99	67.67
Bank Charges	0.04	0.05
Total	86.03	67.72

Note 20 Other expenses

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Printing & Stationery	0.12	0.13
Postage, Telegram & Telephone	0.31	0.24
Rent	0.47	0.58
Fees & Taxes	0.11	0.22
Directors Travelling	0.49	0.18
Legal & Professional Charges	0.11	0.18
Travelling & Conveyance	0.12	0.12
Payments to auditors		
As auditors - statutory audit	0.09	0.07
For taxation matters	0.01	0.01
Office Maintenance	0.46	0.62
General Expenses	0.74	2.69
Loss on Sale of Fixed Assets	0.13	-
Advertisement Expenses	0.10	0.22
Provision for Non Performing Assets	(0.20)	0.48
Bad Debts	-	0.92
Total	3.06	6.66

Note 21 Contingent liabilities

- (a) 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. 4th April, 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 2nd March, 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\$ Nil (previous year US\$ 0.05 mn) in favor 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 ₹620.00 mn (As at 31st March, 2012: ₹760.00 mn) on behalf of Master Capital Services Ltd. a wholly owned subsidiary company and ₹500.00 mn (As at 31st March, 2012: ₹410.00mn) on behalf of Master Commodity Services Ltd a subsidiary company.

Note 22

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

Note 23

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

Note 24

The Ministry of Corporate Affairs, Government of India, vide General Circular No 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

Note 25

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

(₹ In Millions)

Particulars	Amount outstanding	Amount overdue
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	0.48	NIL
(d) Inter-corporate loans and borrowing	516.27	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans		
Bank overdraft (secured against Fixed Deposits)	9.46	NIL
* Please see Note 1 below		
Assets side :		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	47.79	
(b) Unsecured	971.96	
(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	

(₹ In Millions)

Particulars	Amount outstanding		
Long Term investments :			
1. Quoted :			
(I) Shares :			
(a) Equity		68.78	
(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		150.52	
(b) Preference		NIL	
(ii) Debentures and Bonds		10.03	
(iii) Units of mutual funds		NIL	
(iv) Government Securities		0.04	
(v) Others (please specify)			
Investment in Property		31.09	
Total		260.46	
(5) Borrower group-wise classification of assets financed as in (2) and (3) above :	Secured	Unsecured	Total
Please see Note 2 below			
Category			
1. Related Parties **			
(a) Subsidiaries	NIL	130.98	130.98
(b) Companies in the same group	NIL	0.13	0.13
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	47.79	840.85	888.64
Total	47.79	971.96	1019.75
(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	921.24	160.53	
(b) Companies in the same group	11.55	15.70	
(c) Other related parties	-	-	
2. Other than related parties	130.28	84.23	
Total	1,063.08	260.46	
** 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			4.32
(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.

Note 26 Related Party Disclosures

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

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

Transactions with related parties

(₹ in Millions)

Transactions with related parties	Subsidiaries	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Realtives	Total
Purchases	2.95	-	-	2.95
	-	-	(9.98)	(9.98)
Sale	8.52	-	-	8.52
	-	-	-	-
Brokerage Paid	0.07	-	-	0.07
	(0.42)	-	-	(0.42)
Interest Paid	45.77	-	1.47	47.24
	(34.00)	-	(1.91)	(35.91)
Interest Received	4.97	4.11	-	9.08
	(1.58)	(0.96)	-	(2.54)
Rent Paid	-	-	0.01	0.01
	-	-	(0.01)	(0.01)
Loan & Advances Given	130.98	0.13	-	131.11
	(225.20)	(95.68)	-	(320.88)
Loan & Advances Taken	212.56	-	1.98	214.54
	(43.41)	-	(0.88)	(44.29)
Remuneration	-	-	3.37	3.37
	-	-	(3.37)	(3.37)
Corporate Guarantees given	1,120.00	-	-	1,120.00
	(1,170.00)	-	-	(1,170.00)
Balance outstanding at the end of the year	130.98	0.13	-	131.11
Receivable	(225.20)	(100.75)	-	(325.95)
Payable	230.84	-	2.82	233.66
	(46.36)	(0.08)	(1.41)	(47.85)

Note 27

The Company's domestic subsidiary Master Capital Services Limited has declared dividend of ₹5.90 mn (Previous Year ₹8.85 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.

Note 28

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

Consolidated Financial Statements

Auditors' Report on Consolidated Financial Statements

To
The Members
Master Trust Limited

1. We have examined the attached Consolidated Balance Sheet of **Master Trust Limited** and its subsidiaries as at 31st March, 2013 and also the Consolidated Statement of Profit and Loss Account and Consolidated 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's management 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, 2013;
 - b) In the case of Consolidated Statement of Profit & Loss Account, of the consolidated results of operations of the company and its subsidiaries for the year ended on that date.
 - c) In the case of Consolidated Cash Flow Statement, of the Consolidate Cash Flow for the year ended on that date.

For Manjeet Singh & Co.
Chartered Accountants
Firm Registration Number 011831N

Manjeet Singh
Prop.
Membership No.088759

Place: Ludhiana
Date : 30th May, 2013

Master Trust Ltd.

Consolidated Balance Sheet as at 31st March, 2013

(₹ In Millions)

Particulars	Note	As at 31 st March, 2013	As at 31 st March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	109.22	109.22
Reserves and surplus	2	1398.44	1310.92
		1507.66	1420.14
Minority Interest	3	0.77	0.68
Non-current liabilities			
Long-term borrowings	4	381.37	321.63
Deferred tax liabilities (net)	5	8.86	9.04
		390.23	330.67
Current liabilities			
Trade payables	6	1246.45	1318.94
Short-term borrowings	7	319.21	661.44
Other current liabilities	8	456.69	395.41
Short-term provisions	9	30.16	28.05
		2052.51	2403.84
TOTAL		3951.17	4155.33
ASSETS			
Non-current assets			
Fixed assets - Tangible	10	126.04	127.21
Non-current investments	11	450.18	218.51
Long-term loans and advances	12	76.73	59.04
		652.95	404.76
Current assets			
Inventories	13	146.23	195.69
Trade receivables	14	1244.15	1270.68
Cash and cash equivalents	15	825.55	1184.59
Short-term loans and advances	16	1082.29	1099.61
		3298.22	3750.57
TOTAL		3951.17	4155.33
Significant Accounting Policies Notes on Financial Statements	1 to 26		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration Number 011831N

For and on behalf of the Board**R.K. Singhania**
Director**Harjeet Singh Arora**
Managing Director**Sunil Kumar**
Manager Accounts**Rajiv Kumar Agrawal**
Company Secretary**Manjeet Singh**

Prop.

Membership Number 088759

Ludhiana, 30th May, 2013

Master Trust Ltd.

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013 (₹ In Millions)

Particulars	Note	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
INCOME			
Revenue from operations	17	926.46	928.42
Other income	18	49.16	31.19
Total Revenue		975.62	959.61
Expenses			
Employee benefits expense	19	172.98	158.35
Finance costs	20	172.45	142.95
Depreciation	10	10.90	13.91
Other expenses	21	508.94	510.84
Total Expenses		865.27	826.05
Profit before tax		110.35	133.56
Tax expense:			
Current tax expense for current year		9.30	18.08
Deferred tax		(0.13)	(0.14)
Current tax expense relating to prior years		0.84	(1.00)
Profit for the year before adjustment for Minority Interest		100.34	116.62
Less: Share of profit transferred to Minority Interest		0.09	0.06
Profit for the year after adjustment for Minority Interest		100.25	116.56
Earnings per equity share of face value ₹10 each Basic and Diluted (in ₹)		9.23	16.06
Weighted average number of shares outstanding		10,876,600.00	7,258,475.00
Significant Accounting Policies Notes on Financial Statement	1 to 26		

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration Number 011831N

For and on behalf of the Board

R.K. Singhania
Director

Harjeet Singh Arora
Managing Director

Manjeet Singh

Prop.

Membership Number 088759

Sunil Kumar
Manager Accounts

Rajiv Kumar Agrawal
Company Secretary

Ludhiana, 30th May, 2013

Master Trust Ltd.

Consolidated Cash Flow Statement for the year ended 31st March, 2013

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
A. Cash flow from operating activities		110.35		133.56
Net Profit before tax and extraordinary items				
<u>Adjustments for:</u>				
Assets & Liabilities transferred in Amalgamation	-		65.02	
Depreciation and amortisation	10.90		13.91	
Miscellaneous Expenditure	0.01		0.06	
Short-term provisions	0.56		3.74	
Loss/(Profit) on sale of fixed assets	0.14		(0.16)	
Provision for Non Performing Assets	(0.20)		0.48	
		11.41		83.05
Operating profit before working capital changes		121.76		216.61
<u>Changes in working capital:</u>				
Adjustments for (increase)/decrease in operating assets:				
Inventories	49.46		86.19	
Trade receivables	26.53		(563.27)	
Short-term loans and advances	17.51		(496.65)	
Long-term loans and advances	(7.50)		(21.33)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	(72.49)		(0.83)	
Other current liabilities	61.28		(148.43)	
Short-term borrowings	(342.23)		362.92	
Long-term borrowings	59.74		63.35	
		(207.70)		(718.05)
Operating profit before extraordinary items		(85.94)		(501.44)
Cash flow from extraordinary items		-		-
Cash generated from operations		(85.94)		(501.44)
Net income tax (paid)		(20.68)		(19.99)
Net cash flow from (used in) operating activities(A)		(106.62)		(521.43)
B. Cash flow from investing activities				
Purchase of fixed assets		(9.95)		(34.25)
Sale of fixed assets		0.08		1.54
Purchase of Investment		(233.79)		(111.65)
Sale of Investment		2.12		263.90
Net cash flow from/(used in) investing activities(B)		(241.54)		119.54
C. Cash flow from financing activities				
Proceeds from issue of equity shares/warrants		-		211.03
Dividends paid		(10.88)		(6.10)
Net cash flow from/(used in) financing activities (C)		(10.88)		204.93
Net(decrease) in Cash and cash equivalents (A+B+C)		(359.04)		(196.96)
Cash and cash equivalents at the beginning of the year		1,184.59		1,381.55
Cash and cash equivalents at the end of the year		825.55		1,184.59

As per our Report of even date

For Manjeet Singh & Co.

Chartered Accountants

Firm Registration Number 011831N

For and on behalf of the Board
R.K. Singhania
Director

Harjeet Singh Arora
Managing Director
Manjeet Singh

Prop.

Membership Number 088759

Sunil Kumar
Manager Accounts

Rajiv Kumar Agrawal
Company Secretary
Ludhiana, 30th May, 2013

Significant Accounting Policies

A BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

- (a) 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.
- (b) The Consolidated Financial Statements of Master Trust Limited for the year ended 31st March, 2013 and its following subsidiaries:

Subsidiaries	Accounting Year Ended Date	Proportion of Ownerships Interest as at 31 st March, 2013
- Master Capital Services Ltd.	31 st March, 2013	100%
- Master Infrastructure and Real Estate Developers Ltd.	31 st March, 2013	100%
- Master Commodity Services Ltd.	31 st March, 2013	100%
- Master Insurance Brokers Ltd.	31 st March, 2013	90%
- Master Portfolio Services Ltd.	31 st March, 2013	100%

All the subsidiaries are incorporated in India.

- (c) 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.
- (d) The Company has disclosed only such policies and notes from the individual financial statements, which fairly cover the required disclosures.
- (e) The parent's portion of the proposed dividend amounting to ₹5.90 mn (previous year ₹8.85mn) 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.
- (f) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention.

B USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C FIXED ASSETS

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in

an increase in the future benefits from such asset beyond its previously assessed standard of performance.

D DEPRECIATION AND AMORTISATION

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

E 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 Statement of 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.

F INVESTMENTS

Current investments are carried at lower of cost and fair value. Long Term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

G INVENTORIES

Inventories are valued at the lower of cost and the net realisable value. Encashed traveller cheques and traveller cheques sold but not settled are valued at inter bank rate.

H 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 Changers. The income arising from buying and selling of foreign currencies and traveller cheques has been considered on the basis of margins achieved, since inclusion on their gross value would not be meaningful and potentially misleading for use as an indicator of the level of the Company's business.

I 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.

J BORROWING COSTS

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

K TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

L 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.

M PROVISIONS AND CONTINGENCIES

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.

Master Trust Ltd.

Notes forming part of the financial statements

Note 1 Share capital

(₹ In Millions)

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of shares	Amount	Number of shares	Amount
Authorised Equity shares of ₹10 each	11,000,000.00	110.00	11,000,000.00	110.00
Issued Equity shares of ₹10 each	10,975,400.00	109.75	10,975,400.00	109.75
Subscribed and fully paid up Equity shares of ₹10 each	10,876,600.00	108.76	10,876,600.00	108.76
Forfeited Shares	-	0.46	-	0.46
Total	10,876,600.00	109.22	10,876,600.00	109.22

1.1 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share.

1.2 The details of shareholders holding more than 5% shares:

Name of the Shareholder	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of shares held	% of holding	Number of shares held	% of holding
Harjeet Singh Arora	1,406,848	12.93	1,406,848	12.93
Harneesh Kaur Arora	1,125,010	10.34	1,125,010	10.34
Rajinder Kumar Singhania	2,580,357	23.72	2,580,357	23.72
Shiv Narayan Investment (P) Ltd.	775,000	7.13	1,149,200	10.57
Vidya Portfolio Management (P) Ltd.	700,000	6.44	700,000	6.44
Prime Industries Ltd	593,958	5.46	-	-

1.3 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	Number of shares	Number of shares
Equity Shares at the beginning of the year	10,876,600	6,840,400
Add: Conversion of warrants into equity shares	-	4,135,000
Less: Equity shares forfeited	-	98,800
Equity Shares at the end of the year	10,876,600	10,876,600

Note 2 Reserves and surplus

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Capital Reserve		
As per last Balance Sheet	49.13	49.13
Securities Premium Account		
As per last Balance Sheet	460.38	208.43
Add : On issue of Shares	-	239.83
On Calls in Arrears received	-	0.12
On Amalgamation	-	12.00
Closing balance	460.38	460.38
General Reserve		
As per last Balance Sheet	18.51	15.58
Add: Transferred from Statement of Profit and Loss	1.86	2.93
Closing balance	20.37	18.51
Statutory Reserve (Under Section 45IC of RBI Act, 1934)		
As per last Balance Sheet	10.20	5.44
Add: Transferred from Statement of Profit and Loss	4.94	4.76
Closing balance	15.14	10.20
Profit and Loss Account		
As per last Balance Sheet	772.70	629.49
Add: On Amalgamation	-	51.02
Transferred from Statement of Profit and Loss	100.25	116.56
	872.95	797.07
Less: Appropriations		
Proposed Dividends on Equity Shares (₹1 per equity share)	10.88	10.88
Tax on dividend	1.85	1.76
Statutory Reserve	4.94	4.76
General Reserve	1.86	2.93
Provision for Gratuity for previous years	-	4.04
Closing balance	853.42	772.70
Total	1,398.44	1,310.92

Note 3 Minority Interest

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Share Capital	0.50	0.50
Share of accumulated profit upto previous year	0.18	0.12
Profit for the year transferred from Statement of Profit & Loss	0.09	0.06
Total	0.77	0.68

Note 4 Long-term borrowings

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Deep Discount Bonds		
Unsecured	26.28	26.28
Interest on Deep Discount Bond accrued but not due.	344.09	282.08
	370.37	308.36
Term Loans		
From Banks - Secured	1.95	5.10
Others		
Unsecured	9.05	8.17
Total	381.37	321.63

4.1 Nature of Security and terms of repayment for Long Term secured borrowings :

Nature of Security	Terms of Repayment
4.1.1 Term Loan amounting to ₹ 1.95 (31 st March, 2012 : ₹ 5.10) is secured against hypothecation of Cars	Repayable in equal monthly instalments.

4.2 Installments falling due in respect of all the above loans upto 31st March, 2014 have been grouped under "Current maturities of long term debt" (Refer Note 8)**Note 5 Deferred Tax Liability (Net)**

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Deferred Tax Liability		
On account of Depreciation	14.32	13.55
Deferred Tax Asset		
On account of Gratuity	4.12	3.04
On account of Non Performing Assets	1.34	1.47
	5.46	4.51
Net Deferred Tax Liability	8.86	9.04

Note 6 Trade payables

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Trade payables	1,246.45	1,318.94
Total	1,246.45	1,318.94

Note 7 Short-term borrowings

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Loans repayable on demand		
From banks		
Secured	21.28	165.55
From other parties		
Unsecured	10.00	10.00
	31.28	175.55
Loans and advances from related parties		
Unsecured	2.82	2.37
Other loans and advances		
Unsecured	285.11	483.52
Total	319.21	661.44

7.1 Loans from banks are secured against pledging of FDRs

Note 8 Other current liabilities

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Current maturities of long-term debt (Refer Note 4)	2.98	2.90
Unpaid dividends	0.73	0.46
Statutory dues	15.87	11.73
Others	437.11	380.32
Total	456.69	395.41

8.1 Unclaimed dividends do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Note 9 Short-term provisions

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Provision for gratuity	15.72	15.16
Provision for tax	1.71	0.25
Provision for proposed equity dividend	10.88	10.88
Provision for tax on proposed dividends	1.85	1.76
Total	30.16	28.05

Note 10 Fixed assets

(₹ In Millions)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 st April, 2012	Additions/ Transfer	Disposals/ Transfer	Balance as at 31 st March, 2013	Balance as at 1 st April, 2012	Depreciation expense for the year	Eliminated on disposal of assets	Balance as at 31 st March, 2013	Balance as at 31 st March, 2013	Balance as at 31 st March, 2012
Buildings	34.10	-	-	34.10	1.98	0.56	-	2.54	31.56	32.12
Furniture and Fixtures	19.17	0.68	-	19.85	5.77	1.15	-	6.92	12.93	13.40
Office equipment	24.00	1.86	0.19	25.67	5.34	1.16	0.04	6.46	19.21	18.66
Computer	121.59	3.53	-	125.12	76.55	6.13	-	82.68	42.44	45.04
Vehicles	24.44	3.88	0.55	27.77	6.45	1.90	0.48	7.87	19.90	17.99
Total	223.30	9.95	0.74	232.51	96.09	10.90	0.52	106.47	126.04	127.21
Previous year	185.88	40.13	2.71	223.30	82.84	13.91	0.66	96.09	127.21	103.04

Note 11 Non-current investments | Long Term Investments

(₹ In Millions)

Particulars	As at 31 st March, 2013			As at 31 st March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
Investment in equity instruments of associates						
19,97,800 (As at 31 st March, 2012: 19,97,800) shares of ₹10 each fully paid up in Prime Industries Ltd.	26.33	-	26.33	26.33	-	26.33
4 (As at 31 st March, 2012: 4) shares of ₹300 each fully paid up in Master Projects Private Ltd.	-	1.05	1.05	-	1.05	1.05
	26.33	1.05	27.38	26.33	1.05	27.38
of other entities						
1,468 (As at 31 st March, 2012: 1,468) shares of ₹10 each fully paid up in Trident Ltd.	0.01	-	0.01	0.01	-	0.01
6,25,000 (As at 31 st March, 2012: 6,25,000) shares of ₹10 each fully paid up in Vardhman Polytex Ltd.	24.71	-	24.71	24.71	-	24.71
5,000 (As at 31 st March, 2012: 5,000) shares of ₹10 each fully paid up in RRB Securities Ltd.	-	0.50	0.50	-	0.50	0.50
500 (As at 31 st March, 2012: 500) shares of ₹10 each fully paid up in ICICI Bank Ltd.	0.45	-	0.45	0.45	-	0.45
11,030 (As at 31 st March, 2012: 11,030) shares of ₹10 each fully paid up in Coal India Ltd.	2.67	-	2.67	2.67	-	2.67
2,500 (As at 31 st March, 2012: 2,500) shares of ₹10 each fully paid up in Apar Industries Ltd.	0.61	-	0.61	0.61	-	0.61
750 (As at 31 st March, 2012: 750) shares of ₹10 each fully paid up in TRF Ltd.	0.52	-	0.52	0.52	-	0.52
1,781 (As at 31 st March, 2012: 1,781) shares of ₹10 each fully paid up in Power Grid Corporation of India Ltd.	0.15	-	0.15	0.15	-	0.15
7,500 (As at 31 st March, 2012: 7,500) shares of ₹10 each fully paid up in Development Credit Bank Ltd.	0.43	-	0.43	0.43	-	0.43
4,200 (As at 31 st March, 2012: 4,200) shares of ₹10 each fully paid up in Karnataka Bank Ltd.	0.61	-	0.61	0.61	-	0.61
250 (As at 31 st March, 2012: 250) shares of ₹10 each fully paid up in State Bank of India	0.65	-	0.65	0.65	-	0.65
1,000 (As at 31 st March, 2012: 1,000) shares of ₹10 each fully paid up in Venky's (India) Ltd.	0.55	-	0.55	0.55	-	0.55
87136 (As at 31 st March, 2012: 87,136) shares of ₹10 each fully paid up in SML Isuzu Ltd.	23.13	-	23.13	19.69	-	19.69
3,25,000 (As at 31 st March, 2012: 3,25,000) shares of ₹10 each fully paid up in First Financial Services Ltd.	34.18	-	34.18	6.50	-	6.50
2,200 (As at 31 st March, 2012: 3,000) shares of ₹5 each fully paid up in Wockhardt Ltd.	0.75	-	0.75	1.02	-	1.02
1,250 (As at 31 st March, 2012: 1,250) shares of ₹2 each fully paid up in HDFC Bank Ltd.	0.51	-	0.51	0.51	-	0.51
8,250 (As at 31 st March, 2012: 8,250) shares of ₹10 each fully paid up in Raghuvanshi Mills Ltd	0.09	-	0.09	0.09	-	0.09
125 (As at 31 st March, 2012: 125) shares of ₹10 each fully paid up in Varun Shipping Ltd	0.01	-	0.01	0.01	-	0.01
1,392 (As at 31 st March, 2012: 1,392) shares of ₹10 each fully paid up in MOIL Ltd	0.52	-	0.52	0.52	-	0.52
2,00,000 (As at 31 st March, 2012: 2,00,000) shares of ₹10 each fully paid up in Prabhav Industries Ltd.	7.00	-	7.00	7.00	-	7.00
5,438 (As at 31 st March, 2012: 5,438) shares of ₹10 each fully paid up in Bombay Stock Exchange Ltd.	-	3.86	3.86	-	3.86	3.86
36,037 (As at 31 st March, 2012: 36,037) shares of ₹1 each fully paid up in Delhi Stock Exchange Ltd.	-	1.30	1.30	-	1.30	1.30
200 (As at 31 st March, 2012: NIL) shares of ₹10 each fully paid up in Convexity Solutions and Advisors P Ltd and 100 (As at 31 st March, 2012: 100) shares of ₹1 each fully paid up in Ludhiana Stock Exchange Ltd.	-	0.01	0.01	-	0.01	0.01
70,000 (As at 31 st March, 2012: 70,000) shares of ₹10 each fully paid up in Nahar Industrial Enterprises Ltd.	-	-	-	1.85	-	1.85
	97.55	5.67	103.22	68.55	5.67	74.22
Investment property	-	104.96	104.96	-	17.36	17.36
Investment in partnership firms	-	4.40	4.40	-	-	-
Other non-current investments						
Government Securities						
6.75% 2006 Government Securities	-	0.02	0.02	-	0.02	0.02
6.75% 2007 Government Securities	-	0.02	0.02	-	0.02	0.02
	-	0.04	0.04	-	0.04	0.04
Mutual Funds						
50,00,000 (As at 31 st March, 2012: 50,00,000) units of Tata Mutual Fund of ₹10 each	55.44	-	55.44	50.00	-	50.00
50,00,000 (As at 31 st March, 2012: 50,00,000) units of Reliance Mutual Fund of ₹10 each	105.23	-	105.23	50.00	-	50.00
50,00,000 (As at 31 st March, 2012: NIL) units of ICICI Mutual Fund of ₹10 each	50.00	-	50.00	-	-	-
	210.67	-	210.67	100.00	-	100.00
Total	334.55	116.12	450.67	194.88	24.12	219.00
Less: Provision for diminution in value of investments	-	0.49	0.49	-	0.49	0.49
Total			450.18			218.51
Aggregate amount of quoted investments	334.55			194.88		
Aggregate market value of listed and quoted investments	397.11			217.64		
Aggregate amount of unquoted investments		115.63			23.63	

Note 12 Long-term loans and advances

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Security deposits		
Unsecured, considered good	32.05	36.18
Advance income tax	44.68	22.86
Total	76.73	59.04

Note 13 Inventories

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Stock-in-trade (acquired for trading)		
Securities	39.13	44.88
Land	105.73	148.12
Foreign Currency	1.37	2.69
Total	146.23	195.69

Note 14 Trade receivables

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	13.78	19.04
Trade receivables outstanding for a period less than six months from the date they were due for payment Unsecured, considered good	1,230.37	1,251.64
Total	1,244.15	1,270.68

Note 15 Cash and cash equivalents

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Cash on hand	2.28	4.08
Balances with banks		
In current accounts	52.60	71.10
Cheques in hand (Net)	-	72.76
In deposit accounts *	769.94	1,036.20
In earmarked accounts		
- Unpaid dividend accounts	0.73	0.45
Total	825.55	1,184.59

* Deposit are pledged against overdraft facility

Note 16 Short-term loans and advances

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Loans and advances to related parties		
Unsecured, considered good	0.13	100.75
Prepaid expenses - Unsecured, considered good	8.58	12.36
Loans and advances to others	990.21	801.79
Less: Provision for Non Performing Assets	(4.32)	(4.52)
	985.89	797.27
Others	87.69	189.23
Total	1,082.29	1,099.61

Note 17 Revenue from operations

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Interest		
Interest on Loans and Advances	95.39	84.22
Interest on Fixed Deposits	87.51	94.30
	182.90	178.52
Other Financial Services		
Income from Forex Business	3.33	4.47
Brokerage/Profit/(Loss) from dealing in securities	563.01	580.24
Dividend Income	66.05	52.11
DP Income	15.67	31.55
Profit on Sale of Land	10.06	5.13
Others	85.44	76.40
	743.56	749.90
Total	926.46	928.42

Note 18 Other income

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Net gain on sale of:		
long-term investments	43.03	26.03
Other non-operating income		
Share of profit from partnership firms	0.53	0.62
Miscellaneous income	5.60	4.54
	6.13	5.16
Total	49.16	31.19

Note 19 Employee benefits expense

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Salaries and wages *	168.64	153.38
Contributions to provident funds	0.18	0.26
Staff welfare expenses	4.16	4.71
Total	172.98	158.35

* Includes Gratuity amounting to ₹ 0.56 (Year ended March 31st, 2012 : ₹ 2.74)**Note 20 Finance costs**

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Interest expenses	164.90	134.22
Bank Charges	7.55	8.73
Total	172.45	142.95

Note 21 Other expenses

(₹ In Millions)

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Printing & Stationery	5.60	8.02
Postage, Telegram & Telephone	23.39	21.13
Rent	20.46	19.84
Fees & Taxes	2.00	3.35
Directors Travelling	0.49	0.18
Demat/ Remat Charges	1.68	5.11
Legal & Professional Charges	15.46	18.56
Travelling & Conveyance	8.81	7.90
Payments to auditors		
As auditors - statutory audit	0.31	0.25
For taxation matters	0.08	0.06
Office Maintenance	36.27	30.36
General Expenses	59.30	48.12
Advertisement Expenses	0.10	0.22
Sub Brokerage	222.26	220.94
Turnover Charges	105.33	105.83
Custodian Charges	2.74	2.92
VSAT Charges	10.91	10.35
Provision for Non Performing Assets	(0.20)	0.48
Loss/ (Profit) on Sale of Fixed Assets	0.14	(0.16)
Bad Debts	(6.19)	7.38
Total	508.94	510.84

Note 22 Contingent liabilities

- a) 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. 4th April, 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 2nd March, 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\$ Nil (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 ₹620.00 mn (As at 31st March, 2012: ₹760.00 mn) on behalf of Master Capital Services Ltd. a wholly owned subsidiary company and ₹500.00 mn (As at 31st March, 2012: ₹410.00mn) on behalf of Master Commodity Services Ltd a subsidiary company.
- d) The company has a contingent liability of ₹ NIL (As at 31st March 2012: ₹0.20 mn) in respect of Income Tax matters in dispute.
- e) Bank Guarantee of ₹0.50 mn (previous year NIL) given in favour of Greater Ludhiana Area Development Authority.

Note 23

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

Note 24. Segment Reporting**(a) Information about business Segments**

(₹ In Millions)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
A) Segment Revenue		
1) Total Segment Revenue		
a) Brokerage & Allied	846.55	847.92
b) Forex Business	3.33	4.47
c) Interest	101.72	87.03
d) Others	24.01	20.19
Total	975.61	959.61
2) Inter Segment Revenue	-	-
External Revenue (1-2)		
a) Brokerage & Allied	846.55	847.92
b) Forex Business	3.33	4.47
c) Interest	101.72	87.03
d) Others	24.01	20.19
Total	975.61	959.61
B) Results		
1) Segment Results:		
a) Brokerage & Allied	82.90	109.38
b) Forex Business	0.35	1.36
c) Interest	12.09	14.32
d) Others	15.65	9.34
Total	110.99	134.40
2) Unallocated Expenses	0.64	0.84
3) Operating Profit	110.35	133.56
4) Provision	10.01	16.94
5) Minority Interest	0.09	0.06
6) Net Profit	100.25	116.56
Other Information		
1) Segment Assets		
a) Brokerage & Allied	2,518.37	2,875.18
b) Forex Business	2.80	8.64
c) Interest	665.78	716.32
d) Others	738.56	537.83
Total	3,925.51	4,137.97
2) Unallocated Corporate Assets	25.66	17.36
3) Total Assets	3,951.17	4,155.33
4) Segment Liabilities		
a) Brokerage & Allied	1,704.33	2,236.50
b) Forex Business	0.97	0.17
c) Interest	542.63	437.19
d) Others	173.13	37.77
Total	2,421.06	2,711.63
5) Unallocated Liabilities	12.82	13.84
6) Deferred Tax Liabilities	8.86	9.04
7) Total Liabilities	2,442.74	2,734.51
8) Minority Interest	0.77	0.68
9) Share Holder's Fund	1,507.66	1,420.14

(b) Information about Geographical Segments

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

Note 25 Related Party Disclosures

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

Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives
Prime Industries Ltd. Master Share & Stock Brokers Ltd. H.K Arora Real Estate Service Ltd Sanawar Investments PHDA Financial Services (P) Ltd. H.A. Share & Stock Brokers Ltd. Saintco India (P) Ltd. Singhania Properties. Partnership Firms	Mr. Harjeet Singh Arora Mr. R K Singhania Mr. G S Chawla Mr. Sanjay Sood Mr. Pavan Chhabra Mrs. Harneesh Kaur Arora Mr. Ashwani Kumar Mr. Anil Kumar Bhatiya Mr. Sudhir Kumar Mrs. Parveen Singhania Mr. Puneet Singhania Mr. Chirag Singhania Mrs. Palka A Chopra Mr. Jashanjyot Singh

Transactions with related parties

(₹ In Millions)

Transactions with related parties	Associates/Enterprises owned or significantly influenced by the key Management Persons or their Relatives	Key Management Personnel and their Relatives	Total
Purchases	- -	- (9.98)	- (9.98)
Brokerage Received	28.72 (28.36)	0.04 (0.28)	28.76 (28.64)
Interest Paid	- -	1.47 (1.91)	1.47 (1.91)
Interest Received	4.11 (0.96)	- -	4.11 (0.96)
Rent Paid	0.10 (0.05)	0.38 (0.39)	0.48 (0.44)
Loan & Advances Given	0.13 (95.90)	- -	0.13 (95.90)
Loan & Advances Taken	- -	1.98 (0.88)	1.98 (0.88)
Remuneration	- -	7.75 (6.15)	7.75 (6.15)
Balance outstanding at the end of year Receivable	19.28 (131.69)	1.03 (10.67)	20.31 (142.36)
Payable	13.34 (30.38)	10.34 (7.48)	23.68 (37.86)

Note 26

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

Financial Information of Subsidiary Companies

Statement Pursuant To Section 212(8) Of The Companies Act, 1956

(₹ In Millions)

Particulars	Master Capital Services Limited	Master Insurance Brokers Limited	Master Infrastructure and Real Estate Developers Limited	Master Commodity Services Limited	Master Portfolio Services Limited
Share Capital	59.00	5.00	2.00	5.50	8.10
Reserves & Surplus	686.45	2.64	87.91	141.30	12.72
Total Assets *	2,363.22	8.57	389.53	340.61	21.13
Total Liabilities	1,850.99	0.93	310.25	221.80	0.31
Details of Investments					
Shares (Excluding subsidiaries)	22.65	-	10.63	28.03	-
Mutual Funds	210.67	-	-	-	-
Others	-	-	82.07	-	-
Turnover & Other Income	622.90	7.35	60.12	271.33	4.03
Profit before tax	43.75	1.28	0.62	46.71	0.28
Provision for taxation	6.68	0.40	0.05	1.00	0.09
Profit after tax	37.07	0.88	0.57	45.71	0.19
Proposed Dividend	5.90	-	-	-	-

* Total Assets excludes Investments (other than Investment in Subsidiaries)

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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