

F. K. Mody & Co.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTRUM FINANCIAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of CENTRUM FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31ST March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information,

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we have given in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;



F. K. Mody & Co.

CHARTERED ACCOUNTANTS (REGD.)

- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in 'Annexure B' and;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses;
 - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For FK Mody & Co
Chartered Accountants
Firm's Registration No.115205W


Surendra Nijsure
Partner
Membership No. 42547

Mumbai

Date- 27 MAY 2016



F. K. Mody & Co.

Chartered Accountants

Annexure A to the Independent Auditors' Report – March 31st, 2016

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are periodically verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) As the company does not hold any immovable property, paragraph 3(i)(c) of the Order is not applicable to the company.
- (ii) The Company is in the business of lending and it does not hold any inventory. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loan to two companies covered in the register maintained under section 189 of the Companies Act, 2013 (the 'Act').
- (a) In our opinion, the rate of interest and other terms and condition on which the loan had been granted to the companies listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
- (b) In respect of aforesaid loans, the borrowers have been regular in payment of the principle and interest as stipulated.
- (c) There are no overdue amounts in respect of a loan granted to companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion, and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and advances made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the activities conducted/services rendered by the Company. Accordingly para 3(vi) of the Order is not applicable.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income-tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, customs duty, service tax, excise duty, cess, investor education and protection fund and employees' state insurance, to the extent applicable, as at March 31, 2016.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to its bankers, debenture holders or to any other financial institution.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purpose for which those are raised.
- (x) In our opinion and according to the information and explanations given to us, no material frauds by or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As no managerial remuneration as specified under section 197 of the Companies Act, 2013 has been paid by the company, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of records of the company, the company has not entered into



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Continuation Sheet

non-cash transactions with the directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) The company has obtained the registration under section 45-IA of the Reserve Bank of India Act, 1934

For FK Mody & Co
Chartered Accountants
Firm's Registration No. 115205W


Surendra Nijure
Partner
Membership No. 42547

Mumbai

Date- 27 MAY 2016



Annexure B to the Independent Auditors' Report – March 31st, 2016

(Referred to in our report of even date)

Report on Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of CENTRUM FINANCIAL SERVICES LIMITED ('the company') as of 31st March 2016 in conjunction with our audit of standalone financial statement of the company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For FK Mody & Co
Chartered Accountants
Firm's Registration No.115205W



Surendra Nijsure
Partner
Membership No. 42547

Mumbai

Date **27 MAY 2016**



CENTRUM FINANCIAL SERVICES LIMITED


BALANCE SHEET AS AT MARCH 31, 2016

| Particulars | Note | (in ₹) | |
|---------------------------------|------|-----------------------|------------------------|
| | | As at Mar 31, 2016 | As at June 30, 2015 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share Capital | 3 | 36,88,34,200 | 4,75,00,000 |
| Reserves and surplus | 4 | 71,43,95,735 | 8,79,45,037 |
| | | <u>1,08,32,29,935</u> | <u>13,54,45,037</u> |
| Non-Current liabilities | | | |
| Long Term Borrowings | 5 | 45,53,58,926 | - |
| Other Long Term Liabilities | 6 | 50,90,124 | - |
| Deferred tax liabilities (Net) | | - | 81,063 |
| Long-term provisions | 7 | 52,90,233 | 83,460 |
| | | <u>46,57,39,283</u> | <u>1,64,523</u> |
| Current liabilities | | | |
| Trade Payable | 8 | 1,30,20,700 | - |
| Short-term borrowings | 9 | 51,20,54,378 | 1,01,45,67,920 |
| Other current liabilities | 10 | 17,33,71,249 | 6,16,02,277 |
| Short-term provisions | 11 | 7,650 | 5,721 |
| | | <u>69,84,53,977</u> | <u>1,07,61,75,918</u> |
| TOTAL | | 2,24,74,23,195 | 1,21,17,85,478 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed Assets | | | |
| Intangible assets | 12 | 5,21,365 | 6,10,253 |
| | | <u>5,21,365</u> | <u>6,10,253</u> |
| Deferred tax Assets (Net) | | 49,85,174 | - |
| Non-current investments | 13 | 19,58,80,278 | 17,82,47,410 |
| Long-term loans and advances | 14 | 1,45,41,321 | 1,72,46,242 |
| | | <u>21,54,06,773</u> | <u>19,54,93,652</u> |
| Current assets | | | |
| Cash and Cash Equivalents | 15 | 15,08,24,731 | 17,90,207 |
| Short-term loans and advances | 16 | 1,74,55,03,523 | 94,75,46,650 |
| Other current assets | 17 | 13,51,66,799 | 6,63,44,716 |
| | | <u>2,03,14,95,053</u> | <u>1,01,56,81,573</u> |
| TOTAL | | 2,24,74,23,195 | 1,21,17,85,478 |

The accompanying notes 1 to 23 are integral part of the financial statements.

As per our Audit report of even date attached


For F.K. Mody & Co
Chartered Accountants
Firm Registration No. 115205W



Surendra Nijsure
Partner
Membership No: 42547
Place : Mumbai
Date : 27/05/2016





For and on behalf of Board
Centrum Financial Services Limited




Shailendra Apte
Whole Time Director
DIN : 00017814


Rishad Byramjee
Director
DIN : 00164123


Narayan Krishnan
CFO
Place : Mumbai
Date : 27/05/2016


Archana Goyal
Company Secretary

CENTRUM FINANCIAL SERVICES LIMITED


STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2016

| Particulars | Note | Period Ended Mar 31, 2016 ₹ | Year Ended June 30, 2015 ₹ |
|---|------|-----------------------------------|----------------------------------|
| Revenue | | | |
| Revenue from operation | 18 | | |
| Other income | 19 | 17,01,67,146 | 12,24,05,890 |
| Total Revenue | | 27,16,897 | - |
| Expenses | | | |
| Employee benefits expense | | | |
| Finance Cost | 20 | 10,22,078 | 11,95,099 |
| Depreciation/amortization | 21 | 8,78,37,812 | 9,58,52,841 |
| Other expenses | 12 | 88,888 | 97,615 |
| Total Expenses | 22 | 1,80,30,188 | 18,47,946 |
| Profit before tax, and prior period items | | 10,69,78,966 | 9,89,93,501 |
| Tax expense | | 6,59,05,077 | 2,34,12,389 |
| - Current tax | | | |
| - Deferred tax | | 2,40,00,000 | 76,00,000 |
| - MAT | | (50,66,237) | 81,063 |
| Profit for the period | | 4,69,71,314 | 1,57,31,326 |
| Earnings per share ₹ | | 1.84 | 3.31 |
| Equity share of par value ₹10 each | | | |
| Basic and diluted earnings per share of ₹ 10/- each | | | |

The accompanying notes 1 to 23 are integral part of the financial statements.

As per our Audit report of even date attached


For F.K.Mody & Co.
Chartered Accountants
Firm Registration No. 115205W


Surendra Nijsure
Partner
Membership No. 042547
Place: Mumbai
Date: 27/05/2016

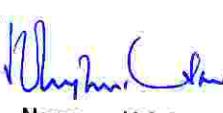


For and on behalf of Board
Centrum Financial Services Limited


Shailendra Apte
Whole Time Director
DIN :00017814


Rishad Byramjee
Director
DIN : 00164123




Narayan Krishnan
CFO
Place: Mumbai
Date: 27/05/2016


Archana Goyal
Company Secretary

CENTRUM FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2016

| Particulars | March - 2016 ₹ | June-2015 ₹ |
|--|-----------------------|-----------------------|
| A. Cash flow from operating activities | | |
| Net profit before taxation, and extraordinary items | 6,59,05,077 | 2,34,12,389 |
| Adjustments for: | | |
| Depreciation | 88,888 | 97,615 |
| Interest Income | (16,87,14,951) | (12,09,53,695) |
| Provision for Interest of Debentures | 50,90,124 | |
| Provision for Standard Assets | 51,84,985 | |
| Securities Premium utilised for adjusting NCD related issue Expenses | (1,53,10,220) | |
| Finance Costs (Excl. Bank Charges) | 8,78,29,182 | 9,58,23,927 |
| Operating profit before working capital changes | (1,99,26,915) | (16,19,765) |
| Movements in working capital : | | |
| Decrease / (Increase) loans and advances | (79,94,74,417) | (27,01,52,099) |
| Decrease / (Increase) Trade Payable | 1,30,20,700 | |
| Increase / (Decrease) in creditors & other liability | 11,04,54,336 | -4,25,828 |
| Cash used for operations | (69,59,26,296) | (27,13,46,036) |
| Direct taxes paid (net of refunds) | (1,89,33,763) | (86,94,725) |
| Net used for operating activities | (71,48,60,059) | (28,00,40,761) |
| B. Cash flows from investing activities | | |
| Purchase of Investments | (1,76,32,868) | (17,82,47,400) |
| Purchase of Fixed Assets | - | (7,07,868) |
| Repayment of Non Current Loans and advances | (22,80,253) | - |
| Net cash from investing activities | (1,99,13,121) | (17,89,55,268) |
| C. Cash flows from financing activities | | |
| Proceeds From Issue of Share Capital | 91,61,23,804 | - |
| Proceeds From Long - term borrowings | 45,53,58,926 | - |
| Proceeds from short-term borrowings | 1,69,89,15,742 | 2,19,87,87,433 |
| Repayment of short-term borrowings | (2,20,14,29,288) | (1,72,16,95,562) |
| Interest received | 10,14,10,412 | 6,54,81,898 |
| Interest paid | (8,65,71,892) | (8,25,27,841) |
| Net cash from financial activity | 88,38,07,704 | 46,00,45,928 |
| Net (Decrease) / Increase in cash and cash equivalents | 14,90,34,524 | 10,49,899 |
| Opening cash and cash equivalents | 17,90,207 | 7,40,308 |
| Closing cash and cash equivalents | 15,08,24,731 | 17,90,207 |

The above cash flow statements have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement' notified pursuant to the Companies (Accounting Standards) Rules, 2006 .

1) All figures in brackets are outflow.

2) Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

As per our Audit report of even date attached


For F.K. Mody & Co
Chartered Accountants
Firm Registration No. 115205W



Surendra Nijsure
Partner
Membership No: 42547
Place : Mumbai
Date : 27/05/2016



For and on behalf of Board
Centrum Financial Services Limited


Shailendra Apte
Whole Time Director
DIN : 00017814


Rishad Byramjee
Director
DIN : 00164123


Narayan Krishnan
CFO
Place : Mumbai
Date : 27/05/2016


Archana Goyal
Company Secretary



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. COMPANY OVERVIEW:

The Company is a NBFC company registered with RBI and is the subsidiary company of Centrum Retail Services Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

METHOD OF ACCOUNTING:

The financial statements are prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP'), Accounting Standards notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the provision of Section 133 of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI") for Non Banking Finance Company (NBFC) as applicable. The financial statements have been prepared on the accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

FIXED ASSETS:

- a) **Tangible Assets:** Fixed Assets are stated at their original cost of acquisition/installation, net of depreciation, amortization and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Advances paid towards the acquisition of fixed assets outstanding at balance sheet date and the cost of fixed assets not ready to use before such date are disclosed under capital work in progress.
- b) **Intangible Assets:** The company capitalizes software and related implementation cost where it is reasonable estimated that the software has an enduring useful life. Software is amortized over management estimate of its useful life of 3 to 9 years.

DEPRECIATION:

Depreciation on fixed assets is provided on the straight line method at the rates and in the manner specified in schedule II to the Companies Act, 2013.



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

REVENUE RECOGNITION:

Revenues/Income and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.

- **Interest income** is recognized as it accrues on a time proportion basis taking into account the amount outstanding and the rate applicable except in the case of non performing assets ("NPAs") where it is recognized, upon realisation.
- **Dividend income** is recognized when the right to receive payment is established.

INVESTMENTS:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

EARNING PER SHARE:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

| Particulars | For the period ended March 31, 2016 | For the year ended June 30, 2015 |
|---|-------------------------------------|----------------------------------|
| Profit for the year (₹) | 46,971,314 | 15,731,326 |
| Number of equity shares of ₹ 10/- each issued and outstanding No. | | |
| - At the end of the year | 36,883,420 | 4,750,000 |
| - Weighted average number of equity shares outstanding No. | 25,509,665 | 4,750,000 |
| Basic and diluted earnings per share (₹) | 1.84 | 3.31 |
| Nominal value of equity shares (₹) | 10/- | 10/- |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

PROVISION FOR RETIREMENT BENEFITS:

Short Term Employee Benefits

Liability in respect of short term compensated absences is accounted for at undiscounted amount likely to be paid as per entitlement.

Defined Contribution Plan

Retirement benefits in the nature of Provident Fund, Superannuation Scheme and others which are defined contribution schemes, are charged to the Statement of Profit and Loss of the year when contributions accrue.

Defined Benefit Plan

The liability for Gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation using the Projected Unit Credit method as at the Balance Sheet date.

Other Long Term Benefits

Long term compensated absences are provided on the basis of an actuarial valuation using the Projected Unit Credit method as at the Balance Sheet date. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Statement of Profit and Loss for the year as income or expense.

Disclosure pursuant to Accounting Standard (AS) 15 Revised "Employee Benefits":

I. Defined Contribution Plans: The Company has classified the benefit provided to employees as under:

a. Provident Fund

The provident fund defined contribution plan is operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income Tax authorities.

The Company has recognised the following amounts in the statement of Profit and Loss.

The following table summarizes the components of net benefit expense recognized in the Profit and Loss account and funded status and amount recognized in the balance sheet for gratuity.



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

| Actuarial Assumptions | For the Period ended | For the year ended |
|-----------------------------------|----------------------|--------------------|
| | 31-Mar-16 | 30-Jun-15 |
| Discount rate Current Year | 7.96% | 8.25% |
| Expected rate of return on assets | 0.00% | 0.00% |
| Salary escalation | 5.00% | 5.00% |
| Attrition Rate Current Year | 5.00% | 5.00% |

| Reconciliation of opening and closing balances of defined benefit obligation | For the Period ended | For the year ended |
|--|----------------------|--------------------|
| | 31-Mar-16 | 30-Jun-15 |
| Opening defined benefit obligation | 49,381 | 26,562 |
| Interest cost | 3,055 | Nil |
| Current service cost | 9,244 | 22,819 |
| Past service cost (non vested benefit) | Nil | Nil |
| Past service cost (vested benefit) | Nil | Nil |
| Liability transfer in | Nil | Nil |
| Liability transfer out | Nil | Nil |
| Benefit paid | Nil | Nil |
| Actuarial (gain)/loss on obligation | (3,861) | Nil |
| Defined benefit obligation at the end of the year | 57,819 | 49,381 |

| Changes in the fair value of plan assets are as follows | For the Period ended | For the year ended |
|---|----------------------|--------------------|
| | 31-Mar-16 | 30-Jun-15 |
| Opening fair value of plan assets | Nil | Nil |
| Expected Return on Plan Assets | Nil | Nil |
| Contributions by employer | Nil | Nil |
| Transfer from other Company | Nil | Nil |
| Transfer to other Company | Nil | Nil |
| Benefit paid | Nil | Nil |
| Actuarial gain/(loss) on Plan Assets | Nil | Nil |
| Fair value of plan assets at the end of the year | Nil | Nil |
| Total Actuarial Gain / (Loss) to be recognized | Nil | Nil |

| Actual Return on Plan Assets | For the Period ended | For the year ended |
|--------------------------------------|----------------------|--------------------|
| | 31-Mar-16 | 30-Jun-15 |
| Expected Return on Plan Assets | Nil | Nil |
| Actuarial gain/(loss) on Plan Assets | Nil | Nil |
| Actual Return on Plan Assets | Nil | Nil |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

| Amount recognized in the Balance Sheet | For the Period ended | For the year ended |
|---|----------------------|--------------------|
| | 31-Mar-16 | 30-Jun-15 |
| Defined benefit obligation at the end of the year | (57,819) | (49,381) |
| Fair Value of Plan Assets at the end of the year | Nil | Nil |
| Amount recognized in the Balance Sheet | (57,819) | (49,381) |

| Expenses recognized in the income statement | For the Period ended | For the year ended |
|--|----------------------|--------------------|
| | 31-Mar-16 | 30-Jun-15 |
| Current service cost | 9,244 | 22,819 |
| Interest cost | 3,055 | Nil |
| Expected return on plan assets | Nil | Nil |
| Past Service Cost (non vested Benefit) Recognised | Nil | Nil |
| Past Service Cost (vested Benefit) Recognised | Nil | Nil |
| Amount not recognized as asset | Nil | Nil |
| Actuarial gain or loss | (3,861) | Nil |
| Expenses recognized in P & L | 8,438 | 22,819 |

| Balance Sheet Reconciliation | For the Period ended | For the year ended |
|------------------------------------|----------------------|--------------------|
| | 31-Mar-16 | 30-Jun-15 |
| For the year ended on | 57,819 | 49,381 |
| Opening net liability | 49,381 | 26,562 |
| Expenses as above | 8,438 | 22,819 |
| Employers contribution | Nil | Nil |
| Amount recognised in Balance Sheet | 57,819 | 49,381 |

TAXATION:

- a) **Current Tax:** Provision for current income tax is made in accordance with the Income Tax Act, 1961.
- b) **Deferred Taxes:** Deferred tax is recognized on timing differences; being the difference between the taxable income and 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 tax laws enacted or substantially enacted as at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

on income levied by same governing taxation laws. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A Provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on estimate required to settle the obligation at the balance sheet date and adjusted to reflect the current best estimates. Contingent assets are not recognized.

IMPAIRMENT:

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of the asset's net selling price or its value in use.

SHARE AND DEBENTURE RELATED ISSUE EXPENSE:

Expenses incurred on issue of shares and debentures are written off against securities premium account.

CASH FLOW STATEMENTS:

The Cash Flow Statement is prepared in accordance with indirect method as explained in the Accounting Standard on Cash Flow Statements (AS)3 issued by the Institute of Chartered Accountants of India.



CENTRUM FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENT

NOTE 3 : SHARE CAPITAL

| Particulars | As at Mar 31, 2016 ₹ | As at June 30, 2015 ₹ |
|--|----------------------------|-----------------------------|
| AUTHORISED | | |
| 3,79,99,900 (Previous year 49,99,900) equity shares of ₹ 10/- each | 37,99,99,000 | 4,99,99,000 |
| 10,000 (Previous year 10,000) 9% Cumulative Convertible Preference shares of 10 paise each | 1,000 | 1,000 |
| TOTAL | 38,00,00,000 | 5,00,00,000 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 3,68,83,420 Equity Shares (Previous year: 4,750,000) of ₹ 10/- each fully paid-up | 36,88,34,200 | 4,75,00,000 |

Equity Shares

Of the above all shares are held by Centrum Retail Services Limited

3.2 Reconciliation of Number of Shareholdings

| | As at Mar 31, 2016 No of Shares | As at June 30, 2015 No of Shares |
|---|---------------------------------------|--|
| Number of shares at beginning of the year | 47,50,000 | - |
| Add: Shares issued during the year | 3,21,33,420 | 47,50,000 |
| Number of shares at the end of the year | 3,68,83,420 | 47,50,000 |

3.3 Share holder having more than 5% equity share holding in the Company

| Share Holder | As at Mar 31, 2016 No of Shares (% of Holdings) | As at June 30, 2015 No of Shares (% of Holdings) |
|---------------------------------|--|---|
| Centrum Retail Services Limited | 3,68,83,420 (100) | 47,50,000 (100) |

NOTE 4: RESERVES & SURPLUS

| Particulars | As at Mar 31, 2016 ₹ | As at June 30, 2015 ₹ |
|--|----------------------------|-----------------------------|
| Securities Premium Account | | |
| Opening balance | 8,87,88,276 | 8,87,88,276 |
| Add: Received during the year | 59,47,89,604 | - |
| Less: Securities Premium utilised for adjusting NCD related issue Expenses | 1,53,10,220 | - |
| Balance as at end of the year | 66,82,67,660 | 8,87,88,276 |
| Statutory Reserve Fund | | |
| Opening balance | - | - |
| Add: Transferred during the year for Earlier Years | 81,29,342 | - |
| Add: Transferred during the year for Current Year | 93,94,263 | - |
| | 1,75,23,605 | - |
| Statement of Profit & Loss | | |
| Opening balance | - | - |
| Less: Transferred to Statutory Reserve Fund for prior years | (8,43,239) | (1,65,74,565) |
| Add: Profit / (Loss) for the year | (81,29,342) | - |
| Less: Transferred to Statutory Reserve Fund for current year | 4,69,71,314 | 1,57,31,326 |
| Balance as at end of the year | (93,94,263) | - |
| | 2,86,04,470 | (8,43,239) |
| Total | 71,43,95,735 | 8,79,45,037 |



NOTE 5 : LONG TERM BORROWINGS

| Particulars | As at Mar 31, 2016 ₹ | As at June 30, 2015 ₹ |
|--|----------------------------|-----------------------------|
| Secured : | | |
| Market Linked Non- Convertible Debentures (Secured by Pledge of Property and Floating Charge on Present and Future Business Receivables) | 31,90,00,000 | - |
| Term Loan From Lakshmi Vilas Bank (Secured by Corporate guarantee of Centrum Capital Limited) | 13,63,58,926 | - |
| | 45,53,58,926 | |

NOTE 6 : OTHER LONG TERM LIABILITIES

| Particulars | As at Mar 31, 2016 ₹ | As at June 30, 2015 ₹ |
|--------------------------------------|----------------------------|-----------------------------|
| Others | | |
| Provision for Interest on Debentures | 50,90,124 | - |
| | 50,90,124 | |

NOTE 7 : LONG TERM PROVISIONS

| Particulars | As at Mar 31, 2016 ₹ | As at June 30, 2015 ₹ |
|--|----------------------------|-----------------------------|
| Provision for Employee Benefits | | |
| Gratuity | 57,723 | 49,298 |
| Compensated Absences | 47,525 | 34,162 |
| Others | | |
| Provision for Standard Assets | 51,84,985 | - |
| TOTAL | 52,90,233 | 83,460 |

NOTE 8 : TRADE PAYABLE

| Particulars | As at Mar 31, 2016 ₹ | As at June 30, 2015 ₹ |
|----------------------|----------------------------|-----------------------------|
| Due to Related Party | 1,30,20,700 | - |
| TOTAL | 1,30,20,700 | - |



NOTE 9: SHORT TERM BORROWINGS

| Particulars | As at | As at |
|--|---------------------|-----------------------|
| | Mar 31, 2016 | June 30, 2015 |
| | ₹ | ₹ |
| Secured : | | |
| Loans & Advances from Others | | |
| Loans Repayable on Demand (These are Loans for Working Capital Limits which are Secured against Clients Collateral) | 12,84,54,378 | 25,39,05,663 |
| Intercorporate Deposits | 4,50,00,000 | 25,00,000 |
| | 17,34,54,378 | 25,64,05,663 |
| Unsecured: | | |
| Loans & Advances from Related parties | | |
| Centrum Capital Limited [(Maximum amount outstanding during the year ₹ 56,76,80,314 (Previous year ₹ 31,44,26,049)] | - | 7,69,92,538 |
| Businessmatch Services (I) Pvt. Ltd. [(Maximum amount outstanding during the year ₹ 2,98,95,000 (Previous year ₹ 8,58,00,000)] | - | 2,51,85,000 |
| Centrum Retail Services Limited [(Maximum amount outstanding during the year ₹ 22,47,04,169 (Previous year ₹ 8,36,24,169)] | - | 5,43,24,169 |
| | - | 15,65,01,707 |
| Loans & Advances from Others | | |
| Bank Overdraft | - | 34,46,60,550 |
| Intercorporate Deposits | 33,86,00,000 | 25,70,00,000 |
| | 33,86,00,000 | 60,16,60,550 |
| Total | 51,20,54,378 | 1,01,45,67,920 |

NOTE 10: Other Current Liabilities

| Particulars | As at | As at |
|---|---------------------|--------------------|
| | Mar 31, 2016 | June 30, 2015 |
| | ₹ | ₹ |
| Current Maturities of Long Term Debt | 9,09,09,096 | - |
| Debenture Application Money Pending Allotment | 1,35,00,000 | - |
| Interest accrued but not due | 6,16,99,449 | 6,04,42,159 |
| Other Payables | | |
| For Expenses | 12,22,884 | 3,51,229 |
| Other Statutory Dues Payable | 52,98,906 | 5,40,615 |
| Rent Payable | 7,23,990 | 2,67,753 |
| Other Payables | 16,924 | 521 |
| Total | 17,33,71,249 | 6,16,02,277 |

NOTE 11 : Short Term Provisions

| Particulars | As at | As at |
|---|--------------|---------------|
| | Mar 31, 2016 | June 30, 2015 |
| | ₹ | ₹ |
| Provision for Employee Benefits: | | |
| Gratuity | 96 | 83 |
| Compensated Absences | 7,554 | 5,638 |
| TOTAL | 7,650 | 5,721 |



CENTRUM FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

NOTE 12 : FIXED ASSETS

| Description of Assets | GROSS BLOCK | | | D E P R E C I A T I O N | | | NET BLOCK | | | |
|--------------------------|-----------------------|-----------|------------|-------------------------|----------------------|--------------|------------|------------------------|-------------------------|------------------------|
| | As at July 1, 2015 | Additions | Deductions | As at March 31, 2016 | Upto July 1, 2015 | For the year | Deductions | Upto March 31, 2016 | As at March 31, 2016 | As at June 30, 2015 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 7,07,868 | - | - | 7,07,868 | 97,615 | 88,888 | - | 1,86,503 | 5,21,365 | 6,10,253 |
| Total | 7,07,868 | - | - | 7,07,868 | 97,615 | 88,888 | - | 1,86,503 | 5,21,365 | 6,10,253 |
| Capital Work in Progress | - | - | - | - | - | - | - | - | - | - |
| Grand Total | 7,07,868 | - | - | 7,07,868 | 97,615 | 88,888 | - | 1,86,503 | 5,21,365 | 6,10,253 |
| Previous Year | - | 7,07,868 | - | 7,07,868 | - | 97,615 | - | 97,615 | 6,10,253 | - |



Note 13 : Non-Current Investments - (At cost)

| Sr. No. | Name of the Body Corporate | Subsidiary / Associate / JV/ Controlled Entity / Others | No. of Shares / Units | | Quoted / Unquoted | Partly Paid / Fully paid | In Rupees | |
|---------|---|---|-----------------------|-----------------|-------------------|--------------------------|---------------------|---------------------|
| | | | As At | | | | Mar 31, 2016 | Jun 30, 2015 |
| | | | Mar 31, 2016 | Jun 30, 2015 | | | | |
| (a) | Investment in Equity Instruments | | | | | | | |
| | Oasis Counsel and Advisory Private Limited | Others | 1 | 1 | Unquoted | Fully paid | 10 | 10 |
| | Adlabs Entertainment Limited- IPO | Others | 5,55,555 | 5,55,555 | Quoted | Fully paid | 9,99,99,900 | 9,99,99,900 |
| (b) | Investment in Derivative Instruments | | | | | | | |
| | Nifty 18DEC 7500 Call Option Expiry. Date 27.12.2018 | Others | 1,875 | - | Quoted | Fully paid | 31,10,558 | - |
| | Nifty 18DEC 7600 Call Option Expiry. Date 27.12.2018 | Others | 8,250 | - | Quoted | Fully paid | 1,45,22,310 | - |
| (b) | Investment in Security Receipt | | | | | | | |
| | India SME Asset Reconstruction Company Ltd. | | | | | | | |
| | ISARC-GPIL/2014-15 Trust | Others | 16,625 | 16,625 | Unquoted | Fully paid | 3,80,00,000 | 3,80,00,000 |
| | ISARC-SIDBI-2/2009-10 Trust Scheme B | Others | 5,974 | 5,974 | Unquoted | Fully paid | 4,02,47,500 | 4,02,47,500 |
| | Total | | 5,88,280 | 5,78,155 | | | 19,58,80,278 | 17,82,47,410 |
| | Aggregate Value of Quoted Investments (Market value - Rs. 6,45,74,990) | | | | | | 11,76,32,768 | 9,99,99,900 |
| | Aggregate Value of Unquoted Investments | | | | | | 7,82,47,510 | 7,82,47,510 |
| | Aggregate Provision for diminution in value of investments | | | | | | - | - |
| | Total | | | | | | 19,58,80,278 | 17,82,47,410 |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENT

Note 14- LONG TERM LOANS AND ADVANCES

| Particulars | As at Mar 31, 2016 ₹ | As at Jun 30, 2015 ₹ |
|--|----------------------------|----------------------------|
| UNSECURED, CONSIDERED GOOD | | |
| Other Loans and Advances | | |
| Advance Tax & Tax Deducted at Source (Net of provision for tax - Rs.3,70,63,019/- [Previous Year -Rs.1,59,43,019/-]) | 1,45,41,321 | 1,72,46,242 |
| Total | 1,45,41,321 | 1,72,46,242 |

Note 15- CASH AND CASH EQUIVALENTS

| Particulars | As at Mar 31, 2016 ₹ | As at Jun 30, 2015 ₹ |
|---|----------------------------|----------------------------|
| Cash and Cash equivalents | | |
| Balances with Banks | 1,72,14,762 | 16,44,460 |
| Cash on Hand | 1,64,762 | 1,45,747 |
| Bank Deposits with more than 3 months maturity | 10,12,26,975 | - |
| Other Bank balances | | |
| Bank Deposits with more than 12 Months Maturity | 3,22,18,232 | - |
| Total | 15,08,24,731 | 17,90,207 |

Note 16- SHORT TERM LOANS AND ADVANCES

| Particulars | As at Mar 31, 2016 ₹ | As at Jun 30, 2015 ₹ |
|--|----------------------------|----------------------------|
| SECURED, CONSIDERED GOOD | | |
| a) Loans and Advances to Others | 22,69,65,825 | 23,92,05,420 |
| | 22,69,65,825 | 23,92,05,420 |
| | 22,69,65,825 | 23,92,05,420 |
| UNSECURED, CONSIDERED GOOD | | |
| a) Loans and Advances to related parties | | |
| Centrum Capital Limited | 37,50,06,982 | - |
| Centrum Securities Pvt Ltd. | 3,96,00,000 | 64,00,000 |
| | 41,46,06,982 | 64,00,000 |
| b) Loans and Advances to others | 1,10,39,30,716 | 70,19,41,230 |
| | 1,10,39,30,716 | 70,19,41,230 |
| | 1,51,85,37,698 | 70,83,41,230 |
| Total | 1,74,55,03,523 | 94,75,46,650 |

Note 17- OTHER CURRENT ASSETS

| Particulars | As at Mar 31, 2016 ₹ | As at Jun 30, 2015 ₹ |
|------------------------------|----------------------------|----------------------------|
| Interest Accrued but not due | 13,08,54,855 | 6,35,50,316 |
| Other Receivables | - | - |
| Other Current Assets | 43,11,944 | 27,94,400 |
| Total | 13,51,66,799 | 6,63,44,716 |



CENTRUM FINANCIAL SERVICES LIMITED

NOTE 18 - REVENUE FROM OPERATIONS:

| Particulars | Period Ended | Year Ended |
|---------------------------------------|---------------------|---------------------|
| | Mar 31, 2016 | Jun 30, 2015 |
| | ₹ | ₹ |
| Interest Income | 14,75,09,154 | 9,21,25,610 |
| Interest Received From Margin Funding | 2,12,05,797 | 2,88,28,085 |
| Processing Charges | 14,52,195 | 14,52,195 |
| Total | 17,01,67,146 | 12,24,05,890 |

NOTE 19 - OTHER INCOME

| Particulars | Period Ended | Year Ended |
|-------------------------------------|------------------|--------------|
| | Mar 31, 2016 | Jun 30, 2015 |
| | ₹ | ₹ |
| Interest Received on Fixed Deposits | 27,16,897 | - |
| Total | 27,16,897 | - |

NOTE 20 - EMPLOYEE BENEFIT EXPENSE

| Particulars | Period Ended | Year Ended |
|----------------------|------------------|------------------|
| | Mar 31, 2016 | Jun 30, 2015 |
| | ₹ | ₹ |
| Salaries | 9,43,506 | 10,99,040 |
| Provident Fund | 48,375 | 56,232 |
| Employee Welfare Exp | 6,480 | 6,926 |
| Gratuity Expenses | 8,438 | 22,819 |
| Compensated Absences | 15,279 | 10,082 |
| Total | 10,22,078 | 11,95,099 |

NOTE 21 - FINANCE COST

| Particulars | Period Ended | Year Ended |
|----------------------|--------------------|--------------------|
| | Mar 31, 2016 | Jun 30, 2015 |
| | ₹ | ₹ |
| <u>Interest Paid</u> | | |
| Others | 6,43,27,762 | 8,80,75,877 |
| Bank | 2,35,01,420 | 77,48,050 |
| Bank Charges | 8,630 | 28,914 |
| Total | 8,78,37,812 | 9,58,52,841 |

NOTE 22 - OTHER EXPENSE

| Particulars | Period Ended | Year Ended |
|--------------------------------------|--------------------|------------------|
| | Mar 31, 2016 | Jun 30, 2015 |
| | ₹ | ₹ |
| Audit Fees | 1,14,500 | 57,000 |
| Tax Audit Fees | 57,250 | 28,500 |
| Rent , Rates and Taxes | 5,36,680 | 10,55,130 |
| Demat Charges | 83,669 | 84,120 |
| Provision for interest of Debentures | 50,90,124 | - |
| Baddebts Written off | 2,37,783 | - |
| Provisions for Standard Assets | 51,84,985 | - |
| Legal & Professional Fees | 15,04,087 | 4,12,192 |
| Excess Reversal of Provision for Tax | 1,75,883 | - |
| Office Expenses | 28,913 | 1,54,282 |
| Books and Periodicals | 450 | - |
| Commission and Brokerage | 12,500 | - |
| Profession Tax | - | 2,500 |
| Processing Charges | 17,40,250 | - |
| Printing and Stationery Expenses | 8,608 | - |
| Filing Fees | 32,54,507 | 54,222 |
| Total | 1,80,30,189 | 18,47,946 |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

23. NOTES TO ACCOUNTS:

- a. Credit and Debit Balance of certain borrowers/lenders are subject to confirmation/reconciliation if any.
- b. The Balance Sheet to the best of our knowledge and belief contains a true account of liabilities and assets of the company. In the opinion of the Directors, the current assets, loans and advances are appropriately stated as its value, if realized in the ordinary course of business. The provisions for all the known liabilities are adequate and there are no contingent liabilities.
- c. There are no Small Scale Industry Micro and Medium Enterprises undertakings to whom the Company owes a sum, which is outstanding for more than 30 days. (As certified by the Management).
- d. RELATED PARTY DISCLOSURE AS REQUIRED UNDER AS-18 ISSUED BY ICAI

Related party transactions in the ordinary course of business.

| A. Nature of Relationship | Name | |
|---|--|----------------------|
| Holding Company | Centrum Retail Services Limited | |
| Particulars | Current Year | Previous Year |
| Loan Taken | | |
| Loan Taken | 18,95,00,000 | 84,324,169 |
| Loan Repaid | 24,38,24,169 | 30,000,000 |
| Balance payable at end of year | NIL | 54,324,169 |
| Interest Payable | NIL | 2,523,759 |
| Legal and Professional Expenses Payable | NIL | 165,000 |
| Interest Expenses | 21,86,002 | 4,550,614 |
| Legal and Professional Expenses | NIL | 175,000 |

| B. Nature of Relationship | Name | |
|-----------------------------------|--------------------------------|----------------------|
| Ultimate Holding Company | Centrum Capital Limited | |
| Particulars | Current Year | Previous Year |
| Loan Taken | | |
| Loan Taken | 91,57,85,000 | 820,851,169 |
| Loan Repaid | 98,77,97,814 | 925,359,680 |
| Balance payable at end of year | NIL | 76,992,538 |
| Loan Given | 76,28,02,186 | NIL |
| loan Received Back | 38,28,15,480 | NIL |
| Interest Payable | 85,50,033 | 2,080,678 |
| Balance Receivable at end of year | 37,50,06,982 | NIL |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

| | | |
|---|--------------|-------------|
| Rent Payable | 7,23,990 | 2,67,753 |
| Interest Expenses | 74,19,362 | 25,202,693 |
| Legal and Professional Expenses Payable | 9,40,500 | NIL |
| Rent Expense | 4,69,742 | 9,35,634 |
| Legal and Professional Expenses | 9,00,000 | NIL |
| Interest Income | 49,95,671 | NIL |
| Interest Receivable | 44,96,104 | NIL |
| Corporate Guarantees given | 40,00,00,000 | NIL |
| Corporate Guarantees outstanding | 50,00,00,000 | 100,000,000 |

| C. Nature of Relationship | Name | |
|-----------------------------------|---|----------------------|
| Associate | Centrum Securities Private Limited | |
| Particulars | Current Year | Previous Year |
| Advance Given | 3,98,00,000 | 6,400,000 |
| Advance Received Back | 66,00,000 | NIL |
| Interest Income | 8,04,175 | 516,734 |
| Balance receivable at end of year | 3,32,00,000 | 6,400,000 |
| Interest Receivable | 1,23,032 | 4,87,399 |

| D. Nature of Relationship | Name | |
|--|---|----------------------|
| Enterprise controlled by Key Management Personnel | Businessmatch Services (I) Private Limited | |
| Particulars | Current Year | Previous Year |
| Loan Taken | 2,80,00,000 | 146,950,000 |
| Loan Taken Repaid | 5,31,85,000 | 133,315,000 |
| Interest Expenses | 9,74,800 | 6,582,723 |
| Balance Payable at end of year | NIL | 25,185,000 |
| Interest Payable | 1,79,05,487 | 17,222,241 |

| E. Nature of Relationship | Name | |
|-----------------------------------|--------------------------------|----------------------|
| Fellow Subsidiary | Centrum Broking Limited | |
| Particulars | Current Year | Previous Year |
| Loan Given | NIL | 5,000,000 |
| Loan Received Back | NIL | 9,220,000 |
| Balance Receivable at end of year | NIL | NIL |
| Interest Income | NIL | 440,330 |

| F. Nature of Relationship | Name | |
|----------------------------------|-------------------------------|----------------------|
| Fellow Subsidiary | Centrum Direct Limited | |
| Particulars | Current Year | Previous Year |
| Loan Taken | 10,00,00,000 | NIL |
| Loan Repaid | 10,00,00,000 | NIL |
| Interest Expenses | 11,09,290 | NIL |
| Interest Payable | 9,98,361 | NIL |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

| G. Nature of Relationship | Name | |
|-----------------------------------|--|----------------------|
| Fellow Subsidiary | Centrum Wealth Management Limited | |
| Particulars | Current Year | Previous Year |
| Commission and Brokerage Expenses | 1,24,60,000 | NIL |
| Balance Payable at end of year | 1,30,20,700 | NIL |

e. Disclosure on purchase / sale of Non-performing Financial assets as per notification RBI/2005-06/54 DBOD.NO.BP. BC. 16 / 21.04.048/ 2005-06 dated 13.7.2005

A. Details of non-performing financial assets purchased:

| Particulars | Current Year | Previous Year |
|--|------------------------|----------------------|
| | Units (In Nos.) | |
| No. of Accounts purchased during the year | NIL | 2 |
| Aggregate Outstanding | 7,82,47,500 | 7,82,47,500 |
| Of above, No. of accounts restructured during the year | NIL | NIL |
| Aggregate Outstanding | NIL | NIL |

B. Details of non-performing financial assets sold:

| Particulars | Current Year | Previous Year |
|----------------------------------|--|----------------------|
| | Amount (In Rs.) / Units (In Nos.) | |
| No. of accounts sold | NIL | NIL |
| Aggregate Outstanding | NIL | NIL |
| Aggregate Consideration received | NIL | NIL |

f. Auditor's Remuneration:

| Particulars | Current Year | Previous Year |
|---|---------------------|----------------------|
| (i) Auditors Remuneration (Including Service tax) includes: | | |
| Audit Fees | 1,14,500 | 57,000 |
| Tax Audit Fees | 57,250 | 28,500 |

g. Foreign Currency Inflow and outflow

| Particulars | Current Year | Previous Year |
|---------------------------------------|---------------------|----------------------|
| (i) Earning in Foreign Currency | NIL | NIL |
| (ii) Advance paid in Foreign Currency | NIL | NIL |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

- h. Disclosures of details as required by Revised Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier Para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

| <u>Liabilities Side</u> | | AS at 31 st March, 2016 (Rs. In Lakhs) | |
|-------------------------|--|--|----------------|
| | | Amount Outstanding | Amount Overdue |
| 1 | Loans and Advances availed by the NBFCS inclusive of Interest accrued thereon but not paid | | |
| | a. Debentures | | |
| | Secured | 3190.00 | 0.00 |
| | Unsecured (other than falling within the meaning of Public Deposits) | 0.00 | 0.00 |
| | b. Deferred Credits | 0.00 | 0.00 |
| | c. Term Loans (secured) | 2272.68 | 0.00 |
| | d. Inter-corporate loans and borrowing | 5737.54 | 0.00 |
| | e. Commercial Paper | 0.00 | 0.00 |
| | f. Other loans | 0.00 | 0.00 |
| | Total | 11200.22 | 0.00 |

Asset Side

| | | Amount Outstanding |
|---|--|--------------------|
| 2 | Break up of Loans and Advances including bills receivables (other than those included in [3] below): | |
| | a. Secured | 2269.66 |
| | b. Unsecured | 15185.38 |
| | Total | 17455.04 |
| 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 | 0.00 |
| | b. Operating Lease | 0.00 |
| | (ii) Stock on hire including hire charges under sundry debtors: | |
| | a. Assets on hire | 0.00 |
| | b. Repossessed Assets | 0.00 |
| | (iii) Other loans counting towards AFC activities: | |
| | a. Loans where assets have been repossessed | 0.00 |
| | b. Loans other than (a) above | 0.00 |
| | Total | 0.00 |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

4 Break-up of Investments:

Current Investments:

| | |
|-----------------------------|-------------|
| 1. Quoted: | |
| (i) Shares: | |
| a. Equity | 0.00 |
| b. Preference | 0.00 |
| (ii) Debentures and Bonds | |
| (iii) Units of Mutual Funds | |
| (iv) Government Securities | |
| (v) Others | |
| Total | 0.00 |

| | |
|-----------------------------|-------------|
| 2. Unquoted: | |
| (i) Shares: | |
| a. Equity | 0.00 |
| b. Preference | 0.00 |
| (ii) Debentures and Bonds | |
| (iii) Units of Mutual Funds | |
| (iv) Government Securities | |
| (v) Others | |
| Total | 0.00 |

Long Term Investments:

| | |
|-----------------------------|----------------|
| 1. Quoted: | |
| (i) Shares: | |
| a. Equity | 1000 |
| b. Preference | 0.00 |
| (ii) Debentures and Bonds | |
| (iii) Units of Mutual Funds | |
| (iv) Government Securities | |
| (v) Others | |
| Total | 1176.33 |

| | |
|-----------------------------|---------------|
| 2. Unquoted: | |
| (i) Shares: | |
| a. Equity | 0.00 |
| b. Preference | 0.00 |
| (ii) Debentures and Bonds | |
| (iii) Units of Mutual Funds | |
| (iv) Government Securities | |
| (v) Others | |
| Total | 782.48 |



CENTRUM FINANCIAL SERVICES LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

| | | | | |
|---|---|---------------------------------|------------------|-----------------|
| 5 | Borrower group-wise classification of assets financed as in (2) and (3) above: | Amount net of provisions | | |
| | | Secured | Unsecured | Total |
| | Category | | | |
| | 1. Related Parties | | | |
| | a. Subsidiaries | 0.00 | 0.00 | 0.00 |
| | b. Companies in the same group | 0.00 | 3750.07 | 3750.07 |
| | c. Other related parties | 0.00 | 396.00 | 396.00 |
| | 2. Other than related parties | 2269.66 | 11039.31 | 13308.97 |
| | Total | 2269.66 | 15185.38 | 17455.04 |

| | | | |
|---|---|---|---------------------------------------|
| 6 | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): | Market Value / Break up of fair value or NAV | Book Value (Net of Provisions) |
| | | | |
| | Category | | |
| | 1. Related Parties | | |
| | a. Subsidiaries | 0.00 | 0.00 |
| | b. Companies in the same group | 0.00 | 0.00 |
| | c. Other related parties | 0.00 | 0.00 |
| | 2. Other than related parties | 1,958.80 | 1,958.80 |
| | Total | 1,958.80 | 1,958.80 |

| | | |
|-------|---|---------------|
| 7 | Other Information | Amount |
| | | |
| | Gross Non-performing Assets | |
| (i) | a. Related parties | 0.00 |
| | b. Other than related parties | 0.00 |
| | Net Non-performing Assets | |
| (ii) | a. Related parties | 0.00 |
| | b. Other than related parties | 0.00 |
| (iii) | Assets acquired in satisfaction of debt | 0.00 |



CENTRUM FINANCIAL SERVICES LIMITED


NOTES FORMING PART OF FINANCIAL STATEMENTS

- i. The financial statements for the year ended March 31, 2016 are prepared as per Schedule III of the Companies Act, 2013.
- j. The Figures of the Current Year are only for the period of 9 Months hence these are not comparable with previous year's figures. The Figures for the previous year have been regrouped/ rearranged wherever necessary to conform to current year's classification.

As per our Audit report of even date attached

**For F. K. Mody & Co.
Chartered Accountants
Firm Registration No. 115205W**

**For and on behalf of Board
Centrum Financial Services Limited**


**Surendra Nijure
Partner
Membership No: 42547
Place: Mumbai
Date: 27/05/2016**




**Shailendra Apte
Director
DIN: 0017814**


**Rishad Byramjee
Director
DIN: 00164123**


**Narayan Krishnan
CFO
Place: Mumbai
Date: 27/05/2016**


**Archana Goyal
Company Secretary**

