

## Independent Auditor's Report

### To the Members of Centrum Financial Services Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Centrum Financial Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2019, and its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Centrum Financial Services Limited  
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5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Implementation of Loan Management System (LMS)</b></p> <p>During the year ended 31 March 2019, the Company had implemented the LMS and shifted the database and account balances maintained in excel spreadsheets to LMS in relation to the loan activities of the Company.</p> <p>Such significant system implementation increases the risk to the internal financial controls environment. These changes represent a financial reporting risk while implementation takes place as controls and processes that have been established over a number of years are updated into a new environment. Hence, considering the significance of the activity and the volume of the loan portfolio; we have determined this to be a key audit matter for current year audit.</p>	<p>Our audit procedures with the involvement of our IT specialists included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained the understanding of the implementation activity carried out by the Company during the year ended 31 March 2019;</li> <li>• Evaluated the controls established by the management for such system implementation to ensure the implementation activity has been completed appropriately;</li> <li>• Evaluated the design and tested the operating effectiveness of key automated and IT dependent manual controls for the system implementation, as applicable, including IT general controls;</li> <li>• Verified that the pre-migration and post migration reports, for example, loan register were approved by the respective authorized personnel from the Operations and Finance teams, along with the personnel from conversion team; and</li> <li>• Verified on test basis, that the balances, loan IDs and other data have been appropriately transferred to the LMS to ensure the accuracy and completeness of the system implementation activity.</li> </ul>
<p><b>Information technology systems and controls over financial reporting</b></p> <p>The Company is highly dependent on information technology (IT) systems for carrying on its operations. The Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, provision on loans, amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p>	<p>Our audit procedures with the involvement of our IT specialists included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's IT related control environment and conducted risk assessment and identified IT applications, and operating systems that are relevant to our audit. Also, obtained an understanding of the changes that were made to the identified IT applications during the audit period and tested those changes that had a significant impact on financial reporting;</li> <li>• Tested the design and operating effectiveness of the Company's IT controls over the IT applications as identified above;</li> </ul>



## Centrum Financial Services Limited

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Key audit matter	How our audit addressed the key audit matter
<p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. Further, we also focused on key automated controls relevant for financial reporting.</p> <p>Accordingly, since our audit strategy included focus on key IT systems and automated controls due to pervasive impact on the financial statements; we have determined the same as a key audit matter for current year audit.</p>	<ul style="list-style-type: none"> <li>• Tested IT general controls particularly, logical access, changes management and aspects of IT operational controls. Tested that requests for access to systems were appropriately reviewed and authorized; tested controls around Companies periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization;</li> <li>• Tested report logic for system generated reports relevant to the audit mainly for loans, interest income, provision on loans and NPA identification; and</li> <li>• Where deficiencies were identified, tested compensating controls or performed alternative procedures.</li> </ul>

#### Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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.



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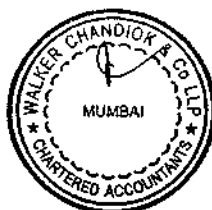
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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless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

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**Centrum Financial Services Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

14. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
15. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
16. Further to our comments in Annexure I, 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 21 May 2018 as per Annexure II expressed unmodified opinion;

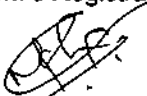


**Centrum Financial Services Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in note 26 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandniok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Manish Gujral**  
Partner  
Membership No.: 105117

Place : Mumbai  
Date : 21 May 2019

**Centrum Financial Services Limited  
Independent Auditor's Report on the Audit of the Financial Statements**

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**Annexure I to the Independent Auditor's Report of even date to the members of Centrum Financial Services Limited, on the financial statements for the year ended 31 March 2019**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of property, plant and equipment). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) The Company is a non-banking finance company, primarily engaged in the business of leading and does not hold any inventories. Accordingly, the provisions of clause 3(ii) of the Order is not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
  - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal is regular, and the schedule of payment of interest has been stipulated and the receipts of the interest are regular;
  - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



## Annexure I (Contd)

- (vii)(a) Undisputed statutory dues including provident fund, goods and service tax, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	1,862,870	-	Assessment year 2010-11	Commissioner of Income Tax (Appeals) Income Tax	CIT Appeal is filed
Income Tax Act, 1961	Income tax	76,53,030 and 2,30,34,940	15,31,000 and 46,07,000	Assessment year 2011-12 and 2012-13	Commissioner of Income Tax (Appeals) Income Tax	Applied for stay on tax demand on 28 January 2019

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year. Accordingly, the Company has no loans or borrowings payable to any financial institution or government and no dues payable to debenture holders.
- (ix) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.
- Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.





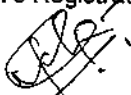
**Centrum Financial Services Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements**

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**Annexure I (Contd)**

- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has made private placement of fully convertible debentures. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment of shares.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Manish Gujral**  
Partner  
Membership No.: 105117

Place: Mumbai  
Date : 21 May 2019

**Centrum Financial Services Limited  
Independent Auditor's Report on the Audit of the Financial Statements**

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**Annexure II to the Independent Auditor's Report of even date to the members of Centrum Financial Services Limited on the financial statements for the year ended 31 March 2019**

**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of **Centrum Financial Services Limited** ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A Company's IFCoFR 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 IFCoFR include 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.



## Annexure II (Contd)

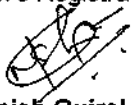
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on 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 ICAI.

For Walker Chandlok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Manish Gujral**  
Partner  
Membership No.: 105117

Place: Mumbai  
Date : 21 May 2019

Centrum Financial Services Limited  
Balance Sheet

(Amount in Rs.)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	98,95,69,420	56,86,19,420
Reserves and surplus	4	1,98,80,08,254	1,14,06,56,994
		<b>2,97,75,77,674</b>	<b>1,70,92,76,414</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	4,09,68,00,740	2,07,81,10,522
Other long-term liabilities	6	18,01,94,905	29,38,18,135
Long-term provisions	7	5,28,35,197	60,56,082
		<b>4,32,98,30,842</b>	<b>2,37,79,84,739</b>
<b>Current liabilities</b>			
Short-term borrowings	8	2,72,42,99,049	26,09,36,384
Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		9,44,885	6,90,970
- total outstanding dues of creditor other than micro enterprises and small enterprises		1,09,27,586	2,15,28,255
Other current liabilities	6	3,78,65,24,616	1,16,77,18,730
Short-term provisions	7	2,93,33,998	3,68,76,933
		<b>6,55,20,30,134</b>	<b>1,48,77,51,272</b>
<b>Total</b>		<b>13,85,94,38,650</b>	<b>5,57,50,12,425</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, plant and equipment	10	1,14,55,188	75,19,481
Intangible assets	10	17,21,42,502	1,49,97,643
Intangible assets under development			1,47,15,000
Non-current investments	11	39,54,46,627	40,10,95,062
Deferred tax assets (net)	12	2,65,54,228	1,28,26,560
Other non-current assets	13	4,29,58,908	31,29,14,356
Long-term loans and advances	14	3,11,94,61,011	1,31,18,02,284
		<b>3,76,80,18,464</b>	<b>2,07,58,70,386</b>
<b>Current assets</b>			
Current investments	15	34,73,99,996	8,00,47,495
Cash and bank balances	16	1,02,34,13,276	72,69,61,101
Short-term loans and advances	14	8,32,02,88,445	2,41,62,81,967
Other current assets	13	40,03,18,470	27,58,51,476
		<b>10,09,14,20,186</b>	<b>3,49,91,42,039</b>
<b>Total</b>		<b>13,85,94,38,650</b>	<b>5,57,50,12,425</b>
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements	1-37		

The accompanying notes 1-37 form an integral part of the audited financial statements  
As per report of our even date

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's registration number: 001076N/N500013

  
Manish Gujral  
Partner  
Membership no. 105117



Date: 21 May 2019  
Place: Mumbai

For and on behalf of the Board of Directors  
Centrum Financial Services Limited

  
Ranjan Ghosh  
Managing Director and CEO  
DIN: 07592235  
  
Bharat Adnani  
Chief Financial Officer

  
Shailendra Apte  
Director  
DIN: 00017814  
  
Dipesh Goyal  
Company Secretary

Date: 21 May 2019  
Place: Mumbai



Centrum Financial Services Limited  
Statement of Profit and Loss

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Revenue</b>			
Revenue from operations	17	93,89,20,573	51,18,53,846
Other income	18	8,04,68,884	14,14,64,495
<b>Total revenue (I)</b>		<b>1,01,93,89,457</b>	<b>65,33,18,341</b>
<b>Expenses</b>			
Employee benefits expenses	19	21,16,14,742	9,57,53,004
Finance costs	20	65,35,10,977	40,53,62,331
Depreciation and amortisation expenses	10 & 11	1,30,83,351	84,54,293
Other expenses	21	8,82,38,625	8,14,62,598
Provision and write offs	22	5,09,62,943	3,40,94,607
<b>Total expenses (II)</b>		<b>1,01,74,10,638</b>	<b>62,51,26,834</b>
<b>Profit before tax (III) = (I) - (II)</b>		<b>19,78,819</b>	<b>2,81,91,507</b>
<b>Tax expense</b>			
Current tax expense		1,09,48,395	2,52,65,071
Deferred tax (credit)		(1,37,27,668)	(1,29,48,646)
Income tax for earlier years		-	1,20,00,000
<b>Profit after tax</b>		<b>47,58,091</b>	<b>38,75,082</b>
<b>Earnings per equity share</b>			
Basis	25	0.06	0.10
Diluted		0.06	0.10
[Nominal value of shares Rs.10 each (31 March 2018 : Rs. 10)]			
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements	1-37		

As per report of our even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's registration number: 001076N/N500013



Manish Gujral

Partner

Membership no. 105117



Date : 21 May 2019

Place : Mumbai

For and on behalf of the Board of Directors

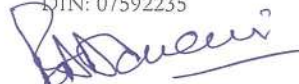
Centrum Financial Services Limited



Ranjan Ghosh

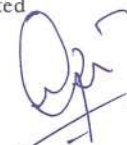
Managing Director and CEO

DIN: 07592235



Bharat Adnani

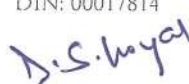
Chief Financial Officer



Shalendra Apte

Director

DIN: 00017814



Dipesh Goyal

Company Secretary

Date : 21 May 2019

Place : Mumbai



Centrum Financial Services Limited  
Cash Flow Statement

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Cash flows from the operating activities:</b>		
Net profit before tax	19,78,819	2,81,91,507
Adjustments for:		
Depreciation and amortisation expenses	1,30,83,351	84,54,293
Provision for standard and non performing assets	4,68,98,809	55,82,935
Stamp duty charges	45,49,000	58,90,000
Loans written off	-	2,71,77,177
Loss on sale of shares	-	3,23,29,267
Provision for gratuity	6,84,745	8,78,221
Employees stock option provision	1,44,57,169	-
Leave encashment	47,291	-
Diminution in value of investments	21,77,850	13,34,495
Interest on fixed deposits	(2,23,13,997)	(2,61,33,575)
Profit on sale of investments	(5,73,27,246)	(2,20,65,024)
Unrealised gain on options	(1,80,62,201)	(3,93,86,977)
Rental income	(86,89,465)	(2,58,15,416)
<b>Operating profit before working capital adjustments</b>	<b>(2,25,15,575)</b>	<b>(35,63,096)</b>
<b>Changes in working capital:</b>		
Increase/(decrease) other in current liabilities	2,61,88,05,886	27,79,23,047
Increase/(decrease) in trade payables	(1,03,46,753)	1,85,13,306
Increase/(decrease) in other long term liabilities	(11,36,23,230)	19,78,81,380
Increase/(decrease) in long-term provision	4,67,79,115	(33,04,054)
Increase/(decrease) in short-term provision	(5,51,73,780)	(87,62,801)
(Increase)/decrease in long-term loans and advances	(1,75,25,50,690)	(1,27,18,07,018)
(Increase)/decrease in short-term loans and advances	(5,90,40,06,478)	97,09,77,624
(Increase)/decrease in non-current assets	(1,37,27,668)	(2,20,77,380)
(Increase)/decrease in current assets	(10,64,04,793)	(2,74,25,826)
<b>Cash Flows Generated from / (Used in) Operating Activities</b>	<b>(5,31,27,63,966)</b>	<b>12,83,55,181</b>
Direct tax paid (net)	(5,23,28,765)	(2,43,16,425)
Cash flows generated from/(used in) operating activities (A)	(5,36,50,92,731)	10,40,38,756
<b>B. Cash flows from investing activities:</b>		
Proceeds from sale of options (net)	4,99,57,199	1,18,95,567
Rental income	86,89,465	2,58,15,416
Interest income on fixed deposits	2,23,13,999	2,61,33,575
Proceeds from sale of mutual funds (net)	73,70,047	1,01,69,456
Proceeds from sale of shares	-	4,58,70,638
Purchase of property, plant and equipment	(15,38,00,482)	(3,46,23,377)
Purchase of investments	4,25,098	(33,39,26,133)
<b>Cash flows generated from/(used in) investing activities (B)</b>	<b>(6,50,44,675)</b>	<b>(24,86,64,858)</b>
<b>C. Cash flows from financing activities:</b>		
Proceeds from issuance of equity shares (including share issue expense)	1,24,45,36,700	59,38,65,230
Proceeds from long-term borrowing (net)	2,01,86,90,218	49,70,10,522
Proceeds from/(Repayment of) short-term borrowing (net)	2,46,33,62,665	(34,95,18,868)
<b>Cash flows generated from/(used in) financing activities (C)</b>	<b>5,72,65,89,583</b>	<b>74,13,56,885</b>
<b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>29,64,52,177</b>	<b>59,67,30,783</b>
Cash and cash equivalents at the beginning of the year	72,69,61,100	13,02,30,318
<b>Cash and cash equivalents at the end of the year</b>	<b>1,02,34,13,277</b>	<b>72,69,61,100</b>



Centrum Financial Services Limited  
Cash Flow Statement

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Reconciliation of cash and cash equivalents as above with cash and bank balances (Refer note 16)		
Cash on hand	2,82,578	2,49,637
Balances with banks		
- in current account	(47,01,28,101)	62,67,11,464
Deposits with original maturity less than 3 months	30,00,00,000	10,00,18,493
Other bank balances	25,30,02,597	-
<b>Total cash and bank balances at the end of the year</b>	<b>1,02,34,13,276</b>	<b>72,69,79,594</b>

Note :

i) The above condensed cash flow statement has been prepared under the Indirect method as set out in Accounting Standard - 3, 'Cash Flow Statements', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

ii) Figures in brackets indicate cash outflows.

As per report of our even date

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's registration number: 001076N/N500013



Manish Gujral  
Partner  
Membership no. 105117



Date : 21 May 2019  
Place : Mumbai

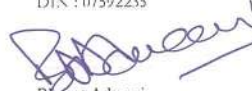
For and on behalf of the Board of Directors  
Centrum Financial Services Limited



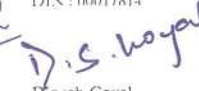
Ranjan Ghosh  
Managing Director and CEO  
DIN : 07592235



Shailendra Apte  
Director  
DIN : 00017814



Bhirat Adnani  
Chief Financial Officer



Dipesh Goyal  
Company Secretary

Date : 21 May 2019  
Place : Mumbai



Centrum Financial Services Limited  
Significant accounting policies and other explanatory information

1. Corporate Information

Centrum Financial Services Limited (the 'Company' or 'CFSL') is a Company domiciled in India and incorporated on 27 January 1993 under the provisions of the Companies Act, 1956. The Company has received a certificate of registration from the Reserve Bank of India ('RBI') on 14 August 2009 to carry on the business of Non- Banking Financial Institution ('NBFC') activities without accepting public deposits.

2. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read together with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI as applicable to an NBFC. The financial statements have been prepared on an accrual basis and under the historical cost convention, unless otherwise stated. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported incomes and expenses during the year. Although these estimates are based on management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act.

(b) Cash flow statements

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Interest income on loans is recognized on accrual basis. Income or any other charges on non-performing assets is recognized only when realized and any such income recognized before the asset became non - performing and remaining unrealized is reversed.

(ii) Loan processing fees is recognized as income when due.

(iii) Interest income on deposits with banks and financial institutions is recognized on a time proportion accrual basis taking into the amount outstanding and interest rate applicable.

(iv) All other income is recognized on an accrual basis.

(v) Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.

(vi) Profit/(loss) on sale of current investments is determined on the basis of weighted average cost method.

(vii) Income from trading in bonds is accounted when the risk and rewards of ownership of the bonds are passed to the customer, which is generally on sale of bonds.

(d) Property, plant and equipment

All Property, plant and equipment are carried at cost less accumulated depreciation/amortization and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.





Centrum Financial Services Limited  
Significant accounting policies and other explanatory information

**(e) 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 6 years.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Goodwill including acquisition costs paid on acquisition of portfolio is included in intangible assets. Goodwill recognized is tested for impairment annually and when there are indications that the carrying amount may exceed the recoverable amount.

**(f) Depreciation on tangible assets/amortisation of intangible asset**

Depreciation on assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its assets.

**Useful life estimated by the Company**

Asset type	Estimated useful life
Office equipments	3 years
Computers and accessories	3 years
Computers softwares	6 years
Furniture and fittings	10 years
Vehicle	8 years
Building	60 years
Goodwill on amalgamation	11 years

Property, plant and equipment having an original cost up to Rs. 5,000 individually are depreciated fully in the year of purchase.

**(g) 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 the 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 and loss. 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 a maximum of depreciable historical cost.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. In determining the net selling prices, recent market transactions are taken into account. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(h) Investments**

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statement at lower of cost and fair value determined in accordance with NBFC directions. Investments in units of mutual funds in the nature of current investments are valued at the net asset value declared by the mutual fund in respect of each particular scheme, in accordance with NBFC directions. 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. On disposal of an investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

Investment in property acquired on amalgamation is carried at cost less accumulated depreciation.

**(i) Foreign currency transactions**

- (i) All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction.
- (ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.
- (iii) Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, are recognized as income or as expenses in the year in which they arise.



## Centrum Financial Services Limited

### Significant accounting policies and other explanatory information

#### (j) Derivative contracts

The Company enters into derivative contracts in the nature of options with an intention to hedge its existing liabilities. Outstanding derivative contracts are measured at fair value as at each Balance Sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market for the instrument, wherever available, as the best evidence of fair value.

#### (k) Retirement and other employee benefits

Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year in which the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

#### Leave encashment

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit Method. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### Gratuity

(i) Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. The Company makes contribution to a scheme administered by the insurance company to discharge the gratuity liability to employees. The Company records its gratuity liability based on an actuarial valuation made by an independent actuary as at year end. Contribution made to the fund and provision made for the funded amounts are expensed in the books of accounts.

All actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

#### (l) Income taxes

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

#### Current tax

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

#### Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

The carrying amounts of deferred tax asset are reviewed at each reporting date. The Company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



Centrum Financial Services Limited  
Significant accounting policies and other explanatory information

**Minimum alternate tax**

In case the Company is liable to pay income tax u/s 115 JB of the Income Tax Act, 1961, the amount of tax paid in excess of normal income tax is recognized as asset (MAT credit entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each balance sheet date.

**(m) Provisions, contingent liabilities and contingent assets**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

**(n) Leases**

**Where the Company is the lessor**

Assets given on operating leases are included in investment. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs etc. are recognised immediately in the statement of profit and loss.

**Where the Company is the lessee**

Lease arrangements where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**(o) Earnings per share**

Basic and diluted earnings per share are computed in accordance with Accounting standard ("AS") 20 – Earnings per share.

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

**(p) Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank and short-term investments with an original maturity of three months or less.

**(q) Asset classification and provisioning**

The Company follows the asset classification and provisioning norms as per the prudential regulations issued by RBI for NBFC-ND-SI's

Portfolio loans are classified as follows:

Asset classification arrear period	Particulars
Standard assets	Asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
Non-performing assets	Asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

"Overdue" refers to interest and/or instalment remaining unpaid from the day it became receivable.



## Centrum Financial Services Limited

### Significant accounting policies and other explanatory information

#### Provisioning policy

As per the "Systemically Important Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016", the Company has created provision for standard assets as well as non performing assets.

All overdue loans including loans where the tenure of the loan is completed and in the opinion of the management any amount is not recoverable, are fully provided for/written off.

#### (r) Borrowing cost

Ancillary borrowing costs incurred in connection with the arrangement of borrowings are amortised over the tenure of the respective borrowings. All other borrowing costs including interest cost are charged to the statement of profit and loss in the year in which they are incurred.

#### (s) Provision of interest on non convertible debentures and options

The Company has issues Market Linked Debentures (MLD) Secured, Unlisted and Listed, Unrated and Rated, Redeemable, Non-Convertible Principle Protected Market Linked Debentures. MLDs coupon rate/payout basis is linked to Nifty 50 Index levels, the Company hedges the risk on MLD by taking positions in future & options in Nifty 50 Index based on considering risk analysis of MLD. Further The fair valuation of the MLDs for initial recognition of embedded derivatives and borrowings components as at the date of issue is done considering adjustment to the put/call contracts of Nifty 50 Index, thereby arriving to the derivatives and borrowings. The interest cost thus, arrived is accounted for in the statement of profit / loss account. Further, any gain/loss on these hedge positions are separately accounted in the statement of profit/ loss after considering the mark-to-market positions of the options at the balance sheet date.

#### (t) Operating cycle

Assets and liabilities are classified as current and non-current based on the operating cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realised and settled, within a period of 12 months from the date of balance sheet have been classified as current and other assets and liabilities are classified as non-current.

#### (u) Employee stock option scheme

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest in a graded manner. The options may be exercised with in specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The Company follows the fair value method to account for its stock based employee compensation plans.



Centrum Financial Services Limited  
Summary of significant accounting policies and other explanatory information

Note 3: Share capital

(Amount in Rs.)

Particulars	As at	
	31 March 2019	31 March 2018
<b>Authorised</b> 15,00,00,000 (Previous year 10,00,00,000) equity shares of Rs.10 each	1,50,00,00,000	1,00,00,00,000
<b>Total</b>	1,50,00,00,000	1,00,00,00,000
<b>Issued, subscribed and fully paid up</b> 9,89,56,942 Equity shares (Previous year: 5,68,61,942) of Rs.10 each fully paid up	98,95,69,420	56,86,19,420
<b>Total</b>	98,95,69,420	56,86,19,420

3.1 Reconciliation of the number of equity shares outstanding at the beginning and at the closing of the year

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number of shares	Amount in Rs.	Number of shares	Amount in Rs.
Number of shares at beginning of the year	5,68,61,942	56,86,19,420	3,68,83,420	36,88,34,200
Add: Shares issued during the year	4,20,95,000	42,09,50,000	1,99,78,522	19,97,85,220
<b>Number of shares at the end of the year</b>	<b>9,89,56,942</b>	<b>98,95,69,420</b>	<b>5,68,61,942</b>	<b>56,86,19,420</b>

3.2 Terms/rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. The Company has not declared/proposed any dividend in the current year and previous year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

As per record of the Company, including its register of shareholder/members and other declaration received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownerships of shares.

3.3 Details of shares held by holding company

Shareholder	31 March 2019		As at 31 March 2018	
	Number of shares	% of Holdings	Number of shares	% of Holdings
Centrum Capital Limited	9,89,56,942	100%	5,68,61,942	100%
<b>Total</b>	<b>9,89,56,942</b>	<b>100%</b>	<b>5,68,61,942</b>	<b>100%</b>

3.4 Details of shareholders holding more than 5% each equity shares

Shareholder	31 March 2019		As at 31 March 2018	
	Number of shares	% of Holdings	Number of shares	% of Holdings
Centrum Capital Limited*##	9,89,56,942	100%	5,68,61,942	100%
<b>Total</b>	<b>9,89,56,942</b>	<b>100%</b>	<b>5,68,61,942</b>	<b>100%</b>

\* 6 shares are held in the name of nominees of the Company and for which Centrum Capital Limited is the beneficiary

# The Company has applied to Reserve Bank of India ('RBI') on 14 February 2019 seeking approval for transfer of shareholding from Centrum Capital Limited to Centrum Retail Services Limited. Subsequently on 2 May 2019, transfer of shareholding of the Company has been approved by RBI.

3.4 Details of shares reserved for issue under options

Refer note 35 for shares reserved for issue under the employe stock option scheme(ESOP) of the Company.



Centrum Financial Services Limited  
Summary of significant accounting policies and other explanatory information

Note 4: Reserves and surplus

(Amount in Rs.)

Particulars	As at	As at
	31 March 2019	31 March 2018
<b>Securities premium account</b>		
Opening balance	1,03,58,59,719	63,58,89,709
Add: Premium on issue of equity shares	82,81,35,700	39,99,70,010
Less: Securities premium utilised during the year	-	-
<b>Balance at the end of the year</b>	<b>1,86,39,95,419</b>	<b>1,03,58,59,719</b>
<b>Statutory reserve (under section 45IC of RBI Act, 1934)</b>		
Opening balance	2,92,57,444	2,84,82,428
Add: Transfer from statement of profit and loss	9,51,618	7,75,016
<b>Balance at the end of the year</b>	<b>3,02,09,063</b>	<b>2,92,57,444</b>
<b>Employee stock options</b>		
Opening balance	-	-
Add: Transferred during the year(Refer note 35)	1,44,57,469	-
Less: Transfer to securities premium account	-	-
<b>Balance at the end of the year</b>	<b>1,44,57,469</b>	<b>-</b>
<b>Statement of profit and loss</b>		
Opening balance	7,55,39,830	7,24,39,764
Add: Profit for the year	47,58,091	38,75,082
Less: Transferred to statutory reserve (20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)	(9,51,618)	(7,75,016)
<b>Balance at the end of the year</b>	<b>7,93,46,303</b>	<b>7,55,39,830</b>
<b>Total</b>	<b>1,98,80,08,254</b>	<b>1,14,06,56,994</b>

Note 5: Long term borrowings

(Amount in Rs.)

Particulars	Non current portion		Current maturities	
	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Secured, considered good :</b>				
Market Linked non- convertible Debentures (MLD)	2,41,38,33,570	1,29,36,00,000	89,11,00,000	17,75,00,000
Compulsory convertible debentures	15,09,14,300	-	-	-
<b>Term loans</b>				
From banks	28,20,52,869	58,81,64,347	1,13,73,89,034	83,26,35,914
From others	1,25,00,00,001	5,62,50,000	1,05,62,49,999	7,50,00,000
<b>Unsecured :</b>				
Intercorporate deposits	-	14,00,96,175	-	-
	<b>4,09,68,00,740</b>	<b>2,07,81,10,522</b>	<b>3,08,47,39,033</b>	<b>1,08,51,35,914</b>
Less: Current maturities disclosed under "other current liabilities" (Refer note 6)			(3,08,47,39,033)	(1,08,51,35,914)
<b>Total</b>	<b>4,09,68,00,740</b>	<b>2,07,81,10,522</b>	<b>-</b>	<b>-</b>

Note 5.1 Details of security and terms of repayment

i) The Company had raised secured, redeemable, non-cumulative, unlisted, unrated, non-convertible, principal protected Market Linked Debentures bearing a face value of Rs. 100,000 each by way of private placement.

During financial year ended 31 March 2019, the Company has raised Rs. 2,01,13,33,570 through issue of Market Linked Debentures which are secured against first pari passu charge over present and future receivables with minimum security cover of 100 percent of the issued amount and identified immovable property.

ii) Loans from banks and others are secured against the remaining receivables of the Company.

iii) Loans from certain financial institutions are secured against specific receivables of the Company.



5.2.1 Terms of repayment of term loans from banks and financial institutions as on 31 March 2019 (Amount in Rs.)

Particulars	Current		Non current	
	Number of instalments	Amount	Number of instalments	Amount
Loan repayments to banks	35	1,337,389,035	19	282,052,870
Loan repayments to financial institutions	21	3,376,249,999	10	1,250,000,001
<b>Total</b>		<b>4,713,639,034</b>		<b>1,532,052,871</b>

(Amount in Rs.)

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	570,853	802,870	-	1,373,723
10.00% to 10.99%	-	-	-	-
11.00 to 11.99%	1,336,818,182	281,250,000	-	1,618,068,182
13.00 to 13.99%	-	-	-	-
<b>Total</b>	<b>1,337,389,035</b>	<b>282,052,870</b>	<b>-</b>	<b>1,619,441,905</b>

5.2.2 Terms of repayment of term loans from banks and financial institutions as on 31 March 2018 (Amount in Rs.)

Particulars	Current		Non current	
	Number of instalments	Amount	Number of instalments	Amount
Loan repayments to banks	49	832,635,914	143	588,164,347
Loan repayments to financial institutions	4	75,000,000	3	56,250,000
<b>Total</b>		<b>907,635,914</b>		<b>644,414,347</b>

(Amount in Rs.)

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	2,410,298	13,543,160	154,500,253	170,453,711
10.00% to 10.99%	830,000,000	420,000,000	-	1,250,000,000
11.00 to 11.99%	-	-	-	-
<b>Total</b>	<b>832,410,298</b>	<b>433,543,160</b>	<b>154,500,253</b>	<b>1,420,453,711</b>

5.2.3 Terms of repayment of term loans from others as on 31 March 2019 (Amount in Rs.)

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	1,070,000,000	-	-	1,070,000,000
10.00% to 10.99%	999,999,999	1,000,000,001	-	2,000,000,000
11.00 to 11.99%	56,250,000	250,000,000	-	306,250,000
13.00 to 13.99%	1,250,000,000	-	-	1,250,000,000
<b>Total</b>	<b>3,376,249,999</b>	<b>1,250,000,001</b>	<b>-</b>	<b>4,626,250,000</b>

5.2.4 Terms of repayment of term loans from others as on 31 March 2018 (Amount in Rs.)

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	225,616	120,934	-	346,550
10.00% to 10.99%	75,000,000	56,250,000	-	131,250,000
<b>Total</b>	<b>75,225,616</b>	<b>56,370,934</b>	<b>-</b>	<b>131,596,550</b>

5.2.5 Terms of repayment of intercorporate deposits as on 31 March 2019 (Amount in Rs.)

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	36,299,049	-	-	36,299,049
10.00% to 10.99%	10,000,000	-	-	10,000,000
<b>Total</b>	<b>46,299,049</b>	<b>-</b>	<b>-</b>	<b>46,299,049</b>

5.2.6 Terms of repayment of intercorporate deposits as on 31 March 2018 (Amount in Rs.)

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
11.00% to 11.99%	-	140,096,175	-	140,096,175
<b>Total</b>	<b>-</b>	<b>140,096,175</b>	<b>-</b>	<b>140,096,175</b>



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5.2.7 Terms of repayment of MLD as on 31 March 2019

Particulars	Type	Quoted / Unquoted	Amount as at 31 March 2019	Current	Non-Current	Issue Date	Date of Maturity
MLD01	-	Unquoted	19,40,00,000	19,40,00,000	-	01 February 2016	05 June 2019
MLD02	-	Unquoted	4,50,00,000	4,50,00,000	-	11 February 2016	19 June 2019
MLD03	-	Unquoted	3,30,00,000	3,30,00,000	-	22 February 2016	02 July 2019
MLD04	-	Unquoted	2,40,00,000	2,40,00,000	-	17 March 2016	27 July 2019
MLD06	-	Unquoted	3,35,00,000	3,35,00,000	-	05 April 2016	14 August 2019
MLD07	-	Unquoted	7,90,00,000	7,90,00,000	-	03 May 2016	10 September 2019
MLD08	-	Unquoted	4,80,00,000	4,80,00,000	-	20 May 2016	27 September 2019
MLD09	Type 1	Unquoted	1,15,00,000	1,15,00,000	-	06 June 2016	14 October 2019
MLD09	Type 2	Unquoted	1,75,00,000	1,75,00,000	-	06 June 2016	14 October 2019
MLD10	Type 1	Unquoted	1,25,00,000	1,25,00,000	-	15 June 2016	23 October 2019
MLD10	Type 2	Unquoted	2,75,00,000	2,75,00,000	-	15 June 2016	23 October 2019
MLD11	Type 1	Unquoted	1,65,00,000	1,65,00,000	-	24 June 2016	04 November 2019
MLD11	Type 2	Unquoted	8,60,00,000	8,60,00,000	-	24 June 2016	04 November 2019
MLD12	Type 2	Unquoted	3,30,00,000	3,30,00,000	-	04 July 2016	11 November 2019
MLD14	Type 3	Unquoted	2,05,00,000	2,05,00,000	-	19 July 2016	26 November 2019
MLD15	Type 2	Unquoted	75,00,000	75,00,000	-	29 July 2016	06 December 2019
MLD17	Type 3	Unquoted	2,41,00,000	2,41,00,000	-	22 August 2016	30 December 2019
MLD18	-	Unquoted	1,00,00,000	1,00,00,000	-	26 August 2016	03 January 2020
MLD19	Type 3	Unquoted	1,30,00,000	1,30,00,000	-	02 September 2016	10 January 2020
MLD20	-	Unquoted	3,00,00,000	3,00,00,000	-	16 September 2016	22 January 2020
MLD21	Type 3	Unquoted	4,00,00,000	4,00,00,000	-	28 September 2016	05 February 2020
MLD22	Type 1	Unquoted	1,00,00,000	1,00,00,000	-	01 October 2016	08 February 2020
MLD25	Type 3	Unquoted	4,00,00,000	4,00,00,000	-	26 October 2016	11 March 2020
MLD27	Type 1	Unquoted	2,50,00,000	2,50,00,000	-	10 November 2016	19 March 2020
MLD27	Type 2	Unquoted	1,00,00,000	1,00,00,000	-	10 November 2016	24 March 2020
MLD29	Type 1	Unquoted	4,50,00,000	-	4,50,00,000	01 December 2016	09 April 2020
MLD29	Type 3	Unquoted	6,00,00,000	-	6,00,00,000	01 December 2016	09 April 2020
MLD29	Type 4	Unquoted	3,00,00,000	-	3,00,00,000	01 December 2016	13 April 2020
MLD30	Type 2	Unquoted	1,00,00,000	-	1,00,00,000	02 December 2016	15 April 2020
MLD31	Type 3	Unquoted	1,00,00,000	-	1,00,00,000	08 December 2016	16 April 2020
MLD33	Type 3	Unquoted	4,00,00,000	-	4,00,00,000	20 December 2016	28 April 2020
MLD33	Type 4	Unquoted	1,25,00,000	-	1,25,00,000	20 December 2016	03 May 2020
MLD34	Type 1	Unquoted	4,50,00,000	-	4,50,00,000	27 December 2016	05 May 2020
MLD34	Type 2	Unquoted	1,50,00,000	-	1,50,00,000	27 December 2016	05 May 2020
MLD34	Type 3	Unquoted	3,00,00,000	-	3,00,00,000	27 December 2016	10 May 2020
MLD35	Type 1	Unquoted	2,50,00,000	-	2,50,00,000	30 December 2016	14 May 2020
MLD35	Type 3	Unquoted	1,50,00,000	-	1,50,00,000	30 December 2016	08 May 2020
MLD35	Type 4	Unquoted	1,00,00,000	-	1,00,00,000	30 December 2016	08 May 2020
MLD35	Type 5	Unquoted	3,00,00,000	-	3,00,00,000	30 December 2016	08 May 2020
MLD36	Type 1	Unquoted	1,00,00,000	-	1,00,00,000	02 January 2017	14 May 2020
MLD36	Type 2	Unquoted	1,50,00,000	-	1,50,00,000	02 January 2017	15 June 2020
MLD37	-	Quoted	23,50,00,000	-	23,50,00,000	08 October 2018	06 November 2020
MLD38	-	Quoted	5,05,00,000	-	5,05,00,000	23 October 2018	23 November 2020
MLD39	-	Quoted	19,55,00,000	-	19,55,00,000	02 November 2018	12 May 2022
MLD 38A	-	Quoted	4,58,00,300	-	4,58,00,300	22 November 2018	23 November 2020
MLD40	-	Quoted	13,15,00,000	-	13,15,00,000	05 December 2018	14 June 2022
MLD39A	-	Quoted	2,57,01,450	-	2,57,01,450	12 December 2018	12 May 2022
MLD 38B	-	Quoted	4,78,80,840	-	4,78,80,840	19 December 2018	23 November 2020
MLD 38C	-	Quoted	8,74,08,900	-	8,74,08,900	28 December 2018	23 November 2020
MLD 38D	-	Quoted	2,01,48,000	-	2,01,48,000	08 January 2019	23 November 2020
MLD 38E	-	Quoted	1,39,26,960	-	1,39,26,960	15 January 2019	23 November 2020
MLD 41	-	Quoted	18,93,00,000	-	18,93,00,000	25 January 2019	04 August 2022
MLD 41A	-	Quoted	23,42,67,600	-	23,42,67,600	31 January 2019	04 August 2022
MLD 41B	-	Quoted	5,36,92,600	-	5,36,92,600	06 February 2019	04 August 2022
MLD 38F	-	Quoted	2,33,74,900	-	2,33,74,900	12 February 2019	23 November 2020
MLD 42	-	Quoted	22,82,00,000	-	22,82,00,000	22 February 2019	17 June 2020
MLD 41C	-	Quoted	14,83,81,800	-	14,83,81,800	28 February 2019	04 August 2022
MLD 42A	-	Quoted	5,63,58,060	-	5,63,58,060	12 March 2019	17 June 2020
MLD 41D	-	Quoted	2,07,72,650	-	2,07,72,650	15 March 2019	04 August 2022
MLD 42B	-	Quoted	8,00,08,800	-	8,00,08,800	19 March 2019	17 June 2020
MLD 41E	-	Quoted	11,35,20,710	-	11,35,20,710	26 March 2019	04 August 2022
MLD 42C	-	Quoted	1,00,90,000	-	1,00,90,000	29 March 2019	17 June 2020
			<b>3,30,49,33,570</b>	<b>89,11,00,000</b>	<b>2,41,38,33,570</b>		

Note : The above mentioned debentures are secured, unlisted and listed, rated and unrated, non-convertible, principal protected, market linked debentures carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. Hence, the interest rate/range cannot be ascertained.





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5.2.7 Terms of repayment of MLD as on 31 March 2018

(Amount in Rs.)

Particulars	Type	Quoted / Unquoted	Amount as at 31 March 2018	Current	Non-current	Issue date	Maturity date
CFSI./MLD/1	-	Unquoted	19,40,00,000	-	19,40,00,000	01 February 2016	05 June 2019
CFSI./MLD/2	-	Unquoted	4,50,00,000	-	4,50,00,000	11 February 2016	19 June 2019
CFSI./MLD/3	-	Unquoted	3,30,00,000	-	3,30,00,000	22 February 2016	02 July 2019
CFSI./MLD/4	-	Unquoted	2,40,00,000	-	2,40,00,000	17 March 2016	27 July 2019
CFSI./MLD/6	-	Unquoted	3,35,00,000	-	3,35,00,000	05 April 2016	14 August 2019
CFSI./MLD/7	-	Unquoted	7,90,00,000	-	7,90,00,000	03 May 2016	10 September 2019
CFSI./MLD/8	-	Unquoted	4,80,00,000	-	4,80,00,000	20 May 2016	27 September 2019
CFSI./MLD/9	Type 1	Unquoted	1,15,00,000	-	1,15,00,000	06 June 2016	14 October 2019
CFSI./MLD/9	Type 2	Unquoted	1,75,00,000	-	1,75,00,000	06 June 2016	14 October 2019
CFSI./MLD/10	Type 1	Unquoted	1,25,00,000	-	1,25,00,000	15 June 2016	23 October 2019
CFSI./MLD/10	Type 2	Unquoted	2,75,00,000	-	2,75,00,000	15 June 2016	23 October 2019
CFSI./MLD/11	Type 1	Unquoted	1,65,00,000	-	1,65,00,000	24 June 2016	04 November 2019
CFSI./MLD/11	Type 2	Unquoted	8,60,00,000	-	8,60,00,000	24 June 2016	04 November 2019
CFSI./MLD/12	Type 2	Unquoted	3,30,00,000	-	3,30,00,000	04 July 2016	11 November 2019
CFSI./MLD/14	Type 3	Unquoted	2,05,00,000	-	2,05,00,000	19 July 2016	26 November 2019
CFSI./MLD/15	Type 2	Unquoted	75,00,000	-	75,00,000	29 July 2016	06 December 2019
CFSI./MLD/16	Type 1	Unquoted	2,75,00,000	2,75,00,000	-	03 August 2016	12 September 2018
CFSI./MLD/17	Type 3	Unquoted	2,41,00,000	-	2,41,00,000	22 August 2016	30 December 2019
CFSI./MLD/18	-	Unquoted	1,00,00,000	-	1,00,00,000	26 August 2016	03 January 2020
CFSI./MLD/19	Type 3	Unquoted	1,30,00,000	-	1,30,00,000	02 September 2016	10 January 2020
CFSI./MLD/19	Type 4	Unquoted	50,00,000	50,00,000	-	02 September 2016	12 October 2018
CFSI./MLD/20	-	Unquoted	3,00,00,000	-	3,00,00,000	16 September 2016	22 January 2020
CFSI./MLD/21	Type 3	Unquoted	4,00,00,000	-	4,00,00,000	28 September 2016	05 February 2020
CFSI./MLD/22	Type 1	Unquoted	1,00,00,000	-	1,00,00,000	01 October 2016	08 February 2020
CFSI./MLD/22	Type 3	Unquoted	2,50,00,000	2,50,00,000	-	01 October 2016	20 November 2018
CFSI./MLD/24	Type 1	Unquoted	1,00,00,000	1,00,00,000	-	20 October 2016	11 December 2018
CFSI./MLD/25	Type 3	Unquoted	4,00,00,000	-	4,00,00,000	26 October 2016	11 March 2020
CFSI./MLD/27	Type 1	Unquoted	2,50,00,000	-	2,50,00,000	10 November 2016	19 March 2020
CFSI./MLD/27	Type 2	Unquoted	1,00,00,000	-	1,00,00,000	10 November 2016	24 March 2020
CFSI./MLD/29	Type 1	Unquoted	4,50,00,000	-	4,50,00,000	01 December 2016	09 April 2020
CFSI./MLD/29	Type 3	Unquoted	6,00,00,000	-	6,00,00,000	01 December 2016	09 April 2020
CFSI./MLD/29	Type 4	Unquoted	3,00,00,000	-	3,00,00,000	01 December 2016	13 April 2020
CFSI./MLD/30	Type 2	Unquoted	1,00,00,000	-	1,00,00,000	02 December 2016	15 April 2020
CFSI./MLD/31	Type 1	Unquoted	1,50,00,000	1,50,00,000	-	08 December 2016	03 April 2018
CFSI./MLD/31	Type 2	Unquoted	1,50,00,000	1,50,00,000	-	08 December 2016	11 December 2018
CFSI./MLD/31	Type 3	Unquoted	1,00,00,000	-	1,00,00,000	08 December 2016	16 April 2020
CFSI./MLD/33	Type 3	Unquoted	4,00,00,000	-	4,00,00,000	20 December 2016	28 April 2020
CFSI./MLD/33	Type 4	Unquoted	1,25,00,000	-	1,25,00,000	20 December 2016	03 May 2020
CFSI./MLD/34	Type 1	Unquoted	4,50,00,000	-	4,50,00,000	27 December 2016	05 May 2020
CFSI./MLD/34	Type 2	Unquoted	1,50,00,000	-	1,50,00,000	27 December 2016	05 May 2020
CFSI./MLD/34	Type 3	Unquoted	3,00,00,000	-	3,00,00,000	27 December 2016	10 May 2020
CFSI./MLD/34	Type 5	Unquoted	1,50,00,000	1,50,00,000	-	27 December 2016	22 April 2018
CFSI./MLD/34	Type 6	Unquoted	2,00,00,000	2,00,00,000	-	27 December 2016	22 April 2018
CFSI./MLD/35	Type 1	Unquoted	2,50,00,000	-	2,50,00,000	30 December 2016	14 May 2020
CFSI./MLD/35	Type 2	Unquoted	1,50,00,000	1,50,00,000	-	30 December 2016	26 April 2018
CFSI./MLD/35	Type 3	Unquoted	1,50,00,000	-	1,50,00,000	30 December 2016	08 May 2020
CFSI./MLD/35	Type 4	Unquoted	1,00,00,000	-	1,00,00,000	30 December 2016	08 May 2020
CFSI./MLD/35	Type 5	Unquoted	3,00,00,000	-	3,00,00,000	30 December 2016	08 May 2020
CFSI./MLD/35	Type 6	Unquoted	3,00,00,000	3,00,00,000	-	30 December 2016	26 April 2018
CFSI./MLD/36	Type 1	Unquoted	1,00,00,000	-	1,00,00,000	02 January 2017	14 May 2020
CFSI./MLD/36	Type 2	Unquoted	1,50,00,000	-	1,50,00,000	02 January 2017	15 June 2020
<b>Total</b>			<b>1,47,11,00,000</b>	<b>17,75,00,000</b>	<b>1,29,36,00,000</b>		

Note : The above mentioned debentures are secured, unlisted and listed, rated and unrated, non-convertible, principal protected, market linked debentures carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. Hence, the interest rate/range cannot be ascertained.



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Note 6: Other liabilities

(Amount in Rs.)

Particulars	Long term		Short term	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Current maturities of market linked debentures (Refer note 5)	-	-	89,11,00,000	17,75,00,000
Current maturities of long term borrowings (Refer note 5)	-	-	-	-
From banks	-	-	1,13,73,89,034	83,20,00,000
From others	-	-	1,05,62,49,999	7,56,35,914
Discounting Charges	-	-	7,27,41,560	-
Interest accrued and due on inter corporate deposit payable	-	-	51,62,558	2,80,69,189
Interest accrued but not due on borrowings	-	-	1,21,34,199	-
Interest accrued and not due on market linked debentures	18,01,94,905	29,38,18,135	-41,60,10,113	3,51,86,619
<b>Other Payables</b>	-	-	-	-
Statutory dues payable	-	-	2,47,80,972	1,13,13,024
Advance received from customers	-	-	14,97,33,746	-
Others	-	-	2,12,22,135	-49,83,984
<b>Total</b>	<b>18,01,94,905</b>	<b>29,38,18,135</b>	<b>3,78,65,24,616</b>	<b>1,16,77,18,730</b>

Note 7: Provisions

(Amount in Rs.)

Particulars	Long term		Short term	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits	-	-	-	-
Provision for gratuity (Refer note 29)	-	10,07,469	69,93,898	25,819
Provision for leave encashment	-	-	25,18,768	14,23,690
Provision for leave travel allowance	-	-	19,09,170	-
Others	-	-	-	-
Provision for diminution in value of investments	-	-	35,12,345	2,67,62,296
Provision for expenses	-	-	66,22,464	-
Contingent provision against standard assets	3,69,26,257	50,48,613	77,77,353	86,65,128
Provision for non performing assets	1,59,08,940	-	-	-
<b>Total</b>	<b>5,28,35,197</b>	<b>60,56,082</b>	<b>2,93,33,998</b>	<b>3,68,76,933</b>

Note 8: Short term borrowings

(Amount in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
	<b>Secured :</b>	
Loans and advances from others	-	-
Loans from banks and financial institutions	2,52,00,00,000	-
Loans repayable on demand to financial institutions	15,80,00,000	22,49,36,384
	<b>2,67,80,00,000</b>	<b>22,49,36,384</b>
<b>Unsecured :</b>		
Loans and advances from others	-	-
Inter corporate deposits (repayable on demand)	4,62,99,049	3,60,00,000
	<b>4,62,99,049</b>	<b>3,60,00,000</b>
<b>Total</b>	<b>2,72,42,99,049</b>	<b>26,09,36,384</b>

i) Loans repayable on demand to financial institutions are secured against shares

Note 9: Trade payables

(Amount in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
	<b>Trade payables</b>	
Total outstanding dues of micro enterprises and small enterprises*	9,44,885	6,90,970
total outstanding dues of creditor other than micro enterprises and small enterprises	1,09,27,586	2,15,28,255
<b>Total</b>	<b>1,18,72,471</b>	<b>2,22,19,225</b>

Particulars	As at 31 March 2019	As at 31 March 2018
	a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	9,44,885
- principal amount due to micro and small company	-	-
- interest due on above	-	-
b) The amount of interest paid by the buyer in terms of section 16 of Micro and Small Enterprise Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) without adding the interest specified under Micro and Small Enterprise Development Act, 2006	-	-

\*Trade payables includes Rs. 9,44,885 (previous year: Rs. 6,90,970) payables to "Suppliers" registered under Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid/is payable by the Company during the year to "Suppliers" registered under this act. The above is based on the information available with the Company which has been relied upon by the auditors.



Centrum Financial Services Limited  
Summary of significant accounting policies and other explanatory information

Note 10: Property, plant and equipment

Description of assets	Gross block				Depreciation			Net block	
	As at 01 April 2018	Additions	Deductions	As at 31 March 2019	For the year 01 April 2018	Deductions	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
	(Amount in Rs.)								
<b>Property, plant and equipment</b>									
Computer hardwares	27,26,803	33,12,065	-	60,38,868	5,21,698	-	18,97,837	41,41,031	22,05,105
Office equipments	8,53,467	22,25,294	-	30,78,761	2,31,430	-	10,94,220	19,84,541	6,22,037
Building	12,72,500	7,40,046	-	20,12,546	38,793	-	62,727	19,49,819	12,33,707
Vehicles	35,68,659	-	-	35,68,659	6,08,544	-	10,32,321	25,36,338	29,60,115
Furniture and fixtures	5,33,508	4,12,311	-	9,45,819	34,991	-	1,02,360	8,43,459	4,98,517
<b>Subtotal (A)</b>	<b>89,54,937</b>	<b>66,89,716</b>	-	<b>1,56,44,653</b>	<b>14,35,456</b>	-	<b>41,89,465</b>	<b>1,14,55,188</b>	<b>75,19,481</b>
<b>Intangible assets</b>									
Computer softwares	14,17,409	1,86,40,090	-	2,00,57,499	5,30,659	-	32,69,813	1,62,57,027	8,86,750
Goodwill on amalgamation (Refer note 23)	1,55,21,982	-	-	1,55,21,982	14,11,089	-	28,22,183	1,26,99,799	1,41,10,893
Goodwill on business acquisition (Refer note 33)	-	14,31,85,676	-	14,31,85,676	-	-	-	14,31,85,676	-
<b>Subtotal (B)</b>	<b>1,69,39,391</b>	<b>16,18,25,766</b>	-	<b>17,87,65,157</b>	<b>19,41,748</b>	-	<b>66,22,655</b>	<b>17,21,42,502</b>	<b>1,49,97,643</b>
<b>Total (A+B)</b>	<b>2,58,94,327</b>	<b>16,85,15,482</b>	-	<b>19,44,09,810</b>	<b>33,77,204</b>	-	<b>1,08,12,120</b>	<b>18,35,97,690</b>	<b>2,25,17,124</b>

Previous year

Description of assets	Gross block				Depreciation			Net block	
	As at 01 April 2017	Additions	Deductions	As at 31 March 2018	For the year 01 April 2017	Deductions	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017
	(Amount in Rs.)								
<b>Property, plant and equipment</b>									
Computer hardwares	3,41,345	23,85,458	-	27,26,803	57,534	-	5,21,698	22,05,105	2,83,811
Office equipments	8,862	2,92,532	-	3,01,394	1,107	-	56,665	2,44,729	7,755
Air conditioners	-	5,52,073	-	5,52,073	1,74,765	-	1,74,765	3,77,308	-
Building	12,72,500	-	-	12,72,500	18,645	-	38,793	12,33,707	12,53,855
Vehicles	35,68,659	-	-	35,68,659	1,84,765	-	6,08,544	29,60,115	33,83,894
Furniture and fixtures	-	5,33,508	-	5,33,508	34,991	-	34,991	4,98,517	-
<b>Subtotal (A)</b>	<b>51,91,366</b>	<b>37,63,571</b>	-	<b>89,54,937</b>	<b>2,62,052</b>	-	<b>14,35,456</b>	<b>75,19,481</b>	<b>49,29,314</b>
<b>Intangible assets</b>									
Computer softwares	7,94,585	6,22,824	-	14,17,409	3,09,297	-	5,30,659	8,86,750	4,85,288
Goodwill on amalgamation (Refer note 23)	-	1,55,21,982	-	1,55,21,982	14,11,089	-	14,11,089	1,41,10,893	-
<b>Subtotal (B)</b>	<b>7,94,585</b>	<b>1,61,44,806</b>	-	<b>1,69,39,391</b>	<b>3,09,297</b>	-	<b>19,41,748</b>	<b>1,49,97,643</b>	<b>4,85,288</b>
<b>Total (A+B)</b>	<b>59,85,951</b>	<b>1,99,08,376</b>	-	<b>2,58,94,327</b>	<b>5,71,349</b>	-	<b>33,77,204</b>	<b>2,25,17,124</b>	<b>54,14,602</b>



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Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 11: Non-current investments

(Amount in Rs.)

Sr. No.	Particulars	Number of shares / units		Quoted / Unquoted	Amount	
		As at 31 March 2019	As at 31 March 2018		As at 31 March 2019	As at 31 March 2018
(A)	<b>Investment in property(at cost)</b> Centrum House (7th Floor) # Depreciation on property (accumulated)	1	1	-	356,743,500 (11,296,873)	356,743,500 (5,648,438)
(B)	<b>Investment in bonds</b> Yes Bank Limited perpetual subordinated additional Tier I bonds	50	50	Quoted	50,000,000	50,000,000
	<b>Total</b>	<b>51</b>	<b>51</b>		<b>395,446,627</b>	<b>401,095,062</b>
	Aggregate value of quoted investment				50,000,000	50,000,000
	Aggregate value of unquoted investments				-	-
	Aggregate amount of provision in the value of investment				Refer note 22	Refer note 22

The title deed of the immovable property is held in the name of Shree Srinivas Realtors Private Limited which was transferred as a result of amalgamation as stated in note to the financial statements. The Company is in the process of transferring the title of the property in its name. The stamp duty order has been received on 10 May 2019.



Centrum Financial Services Limited  
Summary of significant accounting policies and other explanatory information

Note 12: Deferred tax asset (net) (Amount in Rs.)

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
<b>Deferred tax asset</b>		
Gratuity provision	19,45,702	2,87,461
Leave encashment provision	7,00,721	3,96,071
Depreciation on fixed assets	-	3,27,600
Provision for interest of debentures disallowed under Income Tax Act	4,56,79,579	1,85,86,466
Provision for diminution in value of investments	6,05,878	3,71,257
Provision for non performing assets	44,25,867	-
Provision for standard assets	1,24,36,544	38,15,163
<b>Gross deferred tax asset</b>	<b>6,57,94,291</b>	<b>2,37,84,017</b>
<b>Deferred tax liability</b>		
Unrealised gain on options	59,32,554	1,09,57,457
Depreciation on fixed assets	64,05,321	-
Amortisation of loan processing fees	1,12,28,637	-
Amortisation of borrowing cost on market linked debentures	1,56,73,551	-
<b>Gross deferred tax liability</b>	<b>3,92,40,063</b>	<b>1,09,57,457</b>
<b>Net deferred tax asset / (liability)</b>	<b>2,65,54,228</b>	<b>1,28,26,560</b>

Note 13: Other assets (Amount in Rs.)

Particulars	(Amount in Rs.)			
	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity more than 12 months	-	31,29,14,356	-	-
Interest accrued but not due	-	-	1,51,68,883	3,29,27,978
Interest accrued but due	-	-	3,12,36,092	-
Fair value of outstanding options	-	-	7,05,25,714	9,35,25,730
Unamortised processing fees	4,07,90,342	-	5,39,63,224	1,18,43,751
Prepaid expenses	21,68,566	-	41,67,295	27,79,744
Amount receivable from related parties	-	-	-	9,87,61,747
Receivable from non banking financial companies	-	-	19,18,86,304	-
Loan processing fees receivable	-	-	16,73,000	76,62,000
Other assets	-	-	3,16,97,958	4,29,55,528
<b>Total</b>	<b>4,29,58,908</b>	<b>31,29,14,356</b>	<b>40,03,18,470</b>	<b>29,04,56,478</b>

Note 14: Loans and advances (Amount in Rs.)

Particulars	(Amount in Rs.)			
	Long term		Short term	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
<b>Loans and advances towards financing activities</b>				
<b>Secured, considered good</b>				
Loans (Refer note 14.1 and 14.2)	3,01,47,03,789	1,23,42,09,264	1,94,43,38,246	2,16,12,81,967
<b>Unsecured - considered good</b>				
<b>Loans and advances</b>				
To related parties	-	-	-	17,00,00,000
To others	-	2,79,43,835	6,37,59,50,199	8,50,00,000
<b>Total</b>	<b>3,01,47,03,789</b>	<b>1,26,21,53,099</b>	<b>8,32,02,88,445</b>	<b>2,41,62,81,967</b>
Advance tax and tax deducted at source (net of provision)	10,47,57,222	4,96,49,185	-	-
<b>Total</b>	<b>3,11,94,61,011</b>	<b>1,31,18,02,284</b>	<b>8,32,02,88,445</b>	<b>2,41,62,81,967</b>

Note 14.1: The Company entered into a memorandum of understanding with Centrum Capital Limited ('CCL' or the 'holding company'), pursuant to which CCL would indemnify CFSL for loss suffered by the Company, for the borrower clients referred by CCL to the Company. During the year, the Company exercised its right of indemnification under the said MoU with CCL for losses incurred on a loan receivable. Accordingly, the Company received the loan outstanding amount of Rs. 2,500 lakhs from CCL towards indemnification of such loss.

Note 14.2 Following are the details of debentures in the nature of loans included above:

Name of the Company	As at 31 March 2019		As at 31 March 2018	
	Face value	Amount	Face value	Amount
<b>Debentures - Secured</b>				
Jana Holdings Limited	1,00,000	6,50,00,000	-	-
650 debentures (31 March 2018: Nil)				
Ramjay Homes Real Estate Private Limited	1,00,000	20,00,00,000	-	-
2,000 debentures (31 March 2018: Nil)				
Vishvaraj Environment Private Limited	1,00,000	2,00,00,000	-	-
200 debentures (31 March 2018: Nil)				
Waaree Energies Limited (31 March 2018: 2,500 units)	-	-	1,00,000	25,00,00,000
<b>Total</b>		<b>28,50,00,000</b>		<b>25,00,00,000</b>



Centrum Financial Services Limited  
Summary of significant accounting policies and other explanatory information

Note 15: Current investments

(Amount in Rs.)

Particulars	As at	
	31 March 2019	31 March 2018
<b>Quoted : Investment in equity shares</b>		
10,000 equity shares(31 March 2018: 10,000 equity shares) of Rs. 10 each fully paid of Adlabs Entertainment Limited	17,99,995	17,99,995
48,00,000 equity shares of Rs. 10 each fully paid of Lakshmi Vilas Bank Limited (31 March 2018 : Nil)#	34,56,00,000	-
<b>Security receipts ('SRS')</b>		
India SME Asset Reconstruction Company limited		
Nil SRS(31 March 2018 16,625 SRS) ISARC -GPIL / 2014-15 Trust	-	3,80,00,000
Nil SRS(31 March 2018 5,974 SRS) ISARC - SIDBI - 2 / 2009-10 Trust Scheme B	-	4,02,47,500
<b>Total</b>	<b>34,73,99,995</b>	<b>8,00,47,495</b>
Aggregate value of quoted investments	34,73,99,995	17,99,995
Aggregate value of unquoted investments	-	7,82,47,500
Aggregate amount of provision in the value of investment	Refer note 22	Refer note 22
<b>Total</b>	<b>34,73,99,995</b>	<b>8,00,47,495</b>

# The Company has received a security deposit from Centrum Retail Services Limited against the diminution in value of these shares, hence these are carried at cost (market value of such investments is Rs. 3,408 lakhs).

Particulars	As at 31 March 2019		As at 31 March 2018	
	Cost Value	Market Value	Cost Value	Market Value
Adlabs Entertainment Limited	17,99,995	79,500	17,99,995	4,65,500
Lakshmi Vilas Bank Limited	34,56,00,000	34,08,00,000	-	-

Note 16: Cash and bank balances

(Amount in Rs.)

Particulars	As at	
	31 March 2019	31 March 2018
<b>Cash and Cash equivalents</b>		
Balances with banks		
- in current account	47,01,28,101	62,67,11,464
Cash on hand	2,82,578	2,49,637
Deposits with original maturity less than 3 months	30,00,00,000	10,00,18,493
<b>Other Bank balances</b>		
Restricted balance with bank in current account*	25,30,02,597	-
<b>Total</b>	<b>1,02,34,13,276</b>	<b>72,69,79,594</b>

\*Amount of Rs. 25,30,02,597 is held with a Bank in escrow account as restricted bank balance.



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 17: Revenue from operations

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income	85,30,10,387	44,36,16,254
Processing fees	5,96,27,082	5,72,82,942
Income on investments	2,62,83,104	1,09,54,650
<b>Total</b>	<b>93,89,20,573</b>	<b>51,18,53,846</b>

Note 18: Other income

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on fixed deposits	2,23,13,997	2,61,33,575
Advisory fees	7,00,000	5,03,00,000
Profit on sale of investments	73,70,047	1,01,69,457
Income from trading in bonds (net)	3,75,12,941	20,21,918
Amounts written back	-	1,66,44,302
Rental income	86,89,465	2,58,15,416
Other non operating income	38,82,434	1,03,79,827
<b>Total</b>	<b>8,04,68,884</b>	<b>14,14,64,495</b>

Note 19: Employee benefit expenses

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, bonus and allowances	18,79,86,979	8,96,15,543
Employee stock option expenses (refer note 35)	1,44,57,469	-
Contribution to provident fund, gratuity and leave encashment	78,45,985	37,45,112
Gratuity and other long term benefits	7,32,036	21,78,226
Staff welfare expenses	5,92,273	2,14,123
<b>Total</b>	<b>21,16,14,742</b>	<b>9,57,53,004</b>

Note 19.1: During the year, the Company has paid Rs.3,51,08,974 as managerial remuneration (including stock options) to its Managing Director and Chief Executive Officer. The said amount exceeded the limits prescribed under the provisions of the Sections 197 read with Schedule V to the Companies Act, 2013. However, the Company has obtained shareholders' approval on 14 May 2019, by passing a special resolution in the Extra Ordinary General Meeting for such excess remuneration.



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 20: Finance costs

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Interest expense</b>		
- On banks	18,31,61,794	9,26,25,176
- On financial institutions	15,12,05,729	-
- On intercorpörate deposits	4,70,91,669	5,55,89,563
- On compulsory convertible debentures	1,87,72,871	-
- On market linked debentures*	22,16,12,371	25,02,08,676
Amortisation of ancillary borrowing cost	2,20,59,918	66,56,249
Other finance charges	94,04,452	2,57,193
Bank charges	2,02,173	25,474
<b>Total</b>	<b>65,35,10,977</b>	<b>40,53,62,331</b>

\* Stated at net of the following amounts :

1. Pursuant to the memorandum of understanding entered into with Centrum Capital Limited ('CCL' or the 'holding company'), the holding company has provided interest subvention to the Company for interest on Market Linked Debentures amounting to Rs.5,88,68,196 (Previous year Nil).
2. Gain on options amounting to Rs.3,18,94,998 (Previous year : 5,12,82,544) is netted from interest on market linked debentures.

Note 21: Administration and other expenses

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent (refer note 28)	84,74,172	10,79,886
Business promotion expenses	12,22,059	4,92,609
Rates, duties and taxes	68,56,069	66,51,640
Repairs and maintenance	32,21,644	15,69,974
Travelling expenses	50,43,374	46,24,142
Service charges	1,21,800	-
Software charges	1,13,32,139	-
Legal and professional fees	1,67,44,443	2,30,23,612
Payment to auditors (Refer note 21.1)	24,15,850	18,47,638
Loss on sale of investments	-	3,23,29,267
Fees and subscription	19,42,700	5,17,277
Director's sitting fees	12,20,000	10,64,000
Other expenses	2,96,44,375	82,62,553
<b>Total</b>	<b>8,82,38,625</b>	<b>8,14,62,598</b>

Note 21.1 : Auditors' Remuneration (excluding taxes)

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Audit fees (including limited reviews)	23,75,000	14,75,000
Other services	-	3,79,942
Out of pocket expenses	40,850	36,721
<b>Total</b>	<b>24,15,850</b>	<b>18,91,663</b>

Note 22 : Provision and write offs

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Contingent provision against standard assets	3,09,89,869	55,82,935
Provision for non performing assets	1,59,08,940	-
Provision in value of investments	21,77,850	13,34,495





Centrum Financial Services Limited

Significant accounting policies and other explanatory information

23. During the previous year, the Company had filed an application for amalgamation of Agrata Mercantile Private Limited ('AMPL') and Shree Srinivas Realtors Private Limited ('SSRPL') with the National Company Law Tribunal ('NCLT') for which the final order was received on 9 March 2018 with the effective date of merger being 1 April 2017. The Company followed net assets method as mentioned in the scheme for the take over of assets and liabilities which resulted in goodwill on amalgamation amounting to Rs. 15,521,982. The goodwill is amortised over the period of 11 years based on the assumptions and best estimates by the management.

24. Earnings per share (EPS)

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net profit after tax for basic EPS	47,58,091	38,75,082
Net profit after tax for diluted EPS	1,83,08,349	38,75,082
Weighted average number of equity shares in computing the basic earnings per share	7,67,16,093	3,71,02,363
Weighted average number of equity shares in computing the diluted earnings per share	8,35,62,267	3,71,02,363
<b>Basic earnings per share (Rs.)</b>	<b>0.06</b>	<b>0.10</b>
<b>Diluted earnings per share (Rs.)</b>	<b>0.06</b>	<b>0.10</b>

The impact of potential equity shares outstanding as at the year end has not been considered for the purpose of calculating diluted earnings per share, since the same is anti-dilutive in nature.

25. Related party disclosure

As per the requirement of Accounting Standards 18, on related party disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

25.1 Name of related parties

Nature of relationship	Name of the party
Holding company	Centrum Capital Limited
Fellow subsidiaries transacted during the year	Centrum Retail Services Limited Centrum Microcredit Limited Centrum Securities Private Limited Centrum Housing Finance Limited Centrum Wealth Management Limited Centrum Broking Limited Centrum Direct Limited Centrum Defence System Limited Centrum Alternatives LLP Centrum REMA LLP Club 71 Holidays Private Limited Axis Spaces Private Limited
Key management personnel (KMP)	Ranjan Ghosh (Managing Director and CEO)



Centrum Financial Services Limited  
Significant accounting policies and other explanatory information

25.2 Transaction with related parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>a. Transactions during the year</b>		
<b>Issue of equity shares</b>		
Centrum Capital Limited	1,24,90,85,700	59,97,55,230
<b>Loans given</b>		
Centrum Capital Limited	13,00,00,000	68,25,00,000
Centrum Microcredit Limited	28,00,00,000	8,00,00,000
Centrum Retail Services Limited	-	7,50,00,000
Centrum Wealth Management Limited	-	17,24,590
Axis Spaces Private Limited	3,60,00,000	32,77,67,021
<b>Loan repayment</b>		
Centrum Capital Limited	30,00,00,000	1,38,09,15,672
Centrum Securities Private Limited	-	4,94,00,000
Centrum Broking Limited	-	4,15,50,000
Centrum Microcredit Limited	28,00,00,000	8,00,00,000
Centrum Retail Services Limited	-	7,50,00,000
Centrum Wealth Management Limited	-	17,24,590
Axis Spaces Private Limited	27,89,43,835	21,98,23,186
<b>Loan taken</b>		
Centrum Capital Limited	25,00,00,000	30,00,00,000
Centrum Housing Finance Limited	10,00,00,000	10,00,00,000
Centrum Retail Services Limited	2,12,50,00,000	3,00,00,000
Axis Spaces Private Limited	5,75,00,000	26,35,00,000
<b>Loan repaid during the year</b>		
Centrum Capital Limited	25,00,00,000	30,00,00,000
Centrum Housing Finance Limited	10,00,00,000	10,00,00,000
Centrum Retail Services Limited	2,12,50,00,000	3,00,00,000
Axis Spaces Private Limited	19,75,96,175	16,39,03,826
<b>Subscription to MLD</b>		
Centrum Wealth Management Limited	66,70,93,650	-
<b>MLD repaid including accrued interest*</b>		
Centrum Broking Limited	-	2,00,70,000
Centrum Wealth Management Limited	8,45,20,000	27,98,54,250

\*MLDs were directly purchased from the market by the companies due to the which same is not disclosed by the Company. However, at the time of redemption amount is repaid to related party holding the MLDs as on that date.



Centrum Financial Services Limited  
Significant accounting policies and other explanatory information

25.2 Transaction with related parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Advance taken</b>		
Centrum Retail Services Limited	34,56,00,000	-
<b>Advance repaid</b>		
Centrum Retail Services Limited	34,56,00,000	-
<b>Rent income</b>		
Centrum Capital Limited	68,70,228	2,58,15,416
Centrum Microcredit Limited	750	-
Centrum Retail Services Limited	18,18,487	-
<b>Referral fee income</b>		
Centrum Capital Limited	-	69,05,000
<b>Processing fees income</b>		
Centrum Microcredit Limited	-	16,20,000
<b>Expenses incurred on behalf of the Company</b>		
Centrum Capital Limited	45,54,000	-
Centrum Microcredit Limited	74,800	63,78,975
Centrum Direct Limited	-	-
Centrum Housing Finance Limited	20,429	-
<b>Advisory fees income</b>		
Centrum Wealth Management Limited	7,00,000	-
<b>Interest income</b>		
Centrum Capital Limited	39,51,509	9,41,00,909
Centrum Securities Private Limited	-	28,15,123
Centrum Broking Limited	-	24,38,359
Centrum Wealth Management Limited	-	98,278
Centrum Microcredit Limited	29,69,316	8,71,233
Centrum Retail Services Limited	3,58,992	-
Axis Spaces Private Limited	2,81,70,009	2,92,12,463
<b>Interest expenses</b>		
Centrum Capital Limited	2,18,65,337	6,72,193
Centrum Housing Finance Limited	19,28,768	4,36,986
Centrum Retail Services Limited	2,79,35,410	-
Axis Spaces Private Limited	1,19,50,032	1,53,90,715
<b>Interest expense on MLD</b>		
Centrum Broking Limited	-	1,05,076
Centrum Wealth Management Limited	-	2,87,99,505



Centrum Financial Services Limited  
Significant accounting policies and other explanatory information

25.2 Transaction with related parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Interest subvention (Refer note 20.1)</b>		
Centrum Capital Limited	5,88,68,196	-
<b>Investment service fees expenses</b>		
Centrum Wealth Management Limited	95,70,000	-
<b>Expenses</b>		
<b>Rent expenses</b>		
Centrum Capital Limited	20,06,329	-
Centrum Wealth Management Limited	7,60,084	-
Centrum Retail Services Limited	49,31,067	-
<b>Electricity expenses</b>		
Centrum Retail Services Limited	10,51,938	-
<b>Printing and stationery, postage and courier and telephone expense</b>		
Centrum Retail Services Limited	46,345	-
<b>Travelling expense</b>		
Club71 Holidays Private Limited	27,37,705	30,38,780
<b>Arrangers fees</b>		
Centrum Capital Limited	47,00,000	-
Centrum Wealth Management Limited	3,75,000	-
<b>Placement fees income</b>		
Centrum Capital Limited	31,50,000	-
<b>Reimbursement of expenses</b>		
Centrum Capital Limited	-	58,90,000
Centrum Microcredit Limited	-	-
Centrum REMA LLP	3,67,500	-
Centrum Wealth Management Limited	1,83,750	-
<b>Group allocation income</b>		
Centrum Retail Services Limited	1,54,00,000	1,00,00,000
<b>Group allocation expense</b>		
Centrum Retail Services Limited	-	46,37,513
<b>Security deposit received</b>		
Centrum Capital Limited	-	1,13,55,747
Centrum Retail Services Limited	59,46,312	-



Centrum Financial Services Limited  
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(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Security deposit repaid</b>		
Centrum Capital Limited	9,46,312	1,04,09,435
<b>Corporate Guarantees issued on behalf of the Company</b>		
Centrum Capital Limited	1,70,55,68,182	1,42,82,50,000
<b>Loans and advances(maximum balance)</b>		
Centrum Capital Limited	20,00,00,000	94,84,15,672
Centrum Microcredit Limited	10,00,00,000	8,00,00,000
Centrum Retail Services Limited	25,00,00,000	7,50,00,000
Centrum Securities Private Limited	-	4,94,00,000
Centrum Broking Limited	-	4,15,50,000
Centrum Wealth Management Limited	-	17,24,590
Axis Spaces Private Limited	13,00,00,000	17,29,43,835
<b>Commission and Brokerage expenses</b>		
Centrum Broking Limited	6,34,58,803	19,61,574
<b>Key Management Personnel</b>		
Managerial remuneration		
Mr. Ranjan Ghosh	3,51,08,974	2,21,85,096
<b>Indemnification (Refer note 14.1)</b>		
Centrum Capital Limited	25,00,00,000	-
<b>Compulsory Convertible Debentures</b>		
Centrum Capital Limited	15,09,14,300	-

Closing balances with Related Parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Interest Receivable</b>		
Centrum Securities Private Limited	-	35,862
<b>Commission and Brokerage Payable</b>		
Centrum Broking Limited	-	30,472
<b>Corporate Guarantee received</b>		
Centrum Capital Limited	1,70,55,68,182	1,42,82,50,000
<b>Closing balances -Asset</b>		
Centrum Capital Limited	-	17,09,46,312
Centrum Microcredit Limited	-	23,23,181
Centrum Broking Limited	49,92,482	9,64,38,566
Axis Spaces Private Limited	-	24,29,43,835
<b>Closing balances - Liability</b>		
Centrum Retail Services Limited	59,46,312	-
Centrum Wealth Management Limited	-	1,79,30,724
Axis Spaces Private Limited	-	14,00,96,174
Club7 Holidays Private Limited	9,44,885	6,90,970



Centrum Financial Services Limited  
Significant accounting policies and other explanatory information

26. Commitments and contingencies

(Amount in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Contingent liabilities</b>		
Corporate guarantee	-	5,00,00,000
Income tax under dispute	3,25,50,840	18,62,870
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

27. Segment information

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS - 17 on 'Segment Reporting' specified under section 133 of the Act, read with rules 7 of Companies (Accounts) Rules, 2014. The Company operates in single geographical segment, i.e. domestic.

28. Lease disclosures

Operating lease

a) Where the company is the lessee

Premises are obtained on operating lease. The lease term is 11 month and are renewable/cancellable at the option of the Company. Certain lease agreements contains clause for escalation of lease payments. There are no restriction imposed by lease arrangements. There are no sublease. Lease payment during the year are charged to the Statement of Profit and Loss. There are no non cancellable lease agreements entered by the Company as on 31 March 2019. Rent expense for the year ended 31 March 2019 is Rs. 84,74,172 (31 March 2018 - Rs. 10,79,887).

b) Where the Company is the lessor

The Company has entered in to operating lease arrangement for building which form part of the investment property. The lease has a non cancellable arrangement, lease contains a clause to enable upward revision of the rental charges on an annual basis according to prevailing market conditions. Rent income for the year ended 31 March 2019 is Rs. 86,89,465 (31 March 2018 - Rs. 2,58,15,416)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Minimum future lease receivables</b>		
Not later than one year	26,67,112	2,83,96,944
Later than one year but not later than five years	1,79,11,289	19,07,02,812
Later than five years	31,49,976	28,09,93,372

29. Retirement benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service as per The Payment of Gratuity Act, 1972. The Company has funded retirement benefit. The gratuity benefits are subject to a maximum limit of upto Rs. 20,00,000.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.



Centrum Financial Services Limited

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Expenses recognized in the Statement of Profit or Loss

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	13,46,797	2,65,190
Net interest cost	81,423	11,258
Actuarial (gains)/losses	50,32,390	6,01,773
Past service cost - non-vested benefit recognized during the year	-	-
Past service cost - vested benefit recognized during the year	-	-
Expected contributions by the employees	-	-
Net effect of changes in foreign exchange rates	-	-
Change in asset ceiling	-	-
Expenses recognized in the statement of profit or loss	64,60,610	8,78,221

Balance sheet reconciliation

(Amount in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Opening net liability	10,33,288	1,55,067
Expense recognized in statement of profit or loss	64,60,610	8,78,221
Net liability/(asset) transfer in	-	-
Net (liability)/asset transfer out	-	-
Benefit paid directly by the employer	-	-
Employer's contribution	(5,00,000)	-
Net liability/(asset) recognized in the balance sheet	69,93,898	10,33,288

Table showing change in the present value of projected benefit obligation

(Amount in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Present value of benefit obligation at the beginning of the year	10,33,288	1,55,067
Interest cost	81,423	11,258
Current service cost	13,46,797	2,65,190
Past service cost - non-vested benefit incurred during the year	-	-
Past service cost - vested benefit incurred during the year	-	-
Liability transferred in/acquisitions	-	-
Liability transferred out/divestments	-	-
(Gains)/ losses on curtailment	-	-
Liabilities extinguished on settlement	-	-
Benefit paid directly by the employer	-	-
Benefit paid from the fund	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	79,825	(70,196)
Actuarial (gains)/losses on obligations - due to experience	49,77,564	6,71,969
Present value of benefit obligation at the end of the year	75,18,897	10,33,288



Centrum Financial Services Limited

Significant accounting policies and other explanatory information

Assumptions

Particulars	As at 31 March 2019	As at 31 March 2018
Rate of discounting	7.76% p.a.	7.88% p.a.
Rate of salary increase	5% p.a.	5% p.a.
Rate of employee turnover	5% p.a.	5% p.a.
Retirement age	60 years	58 years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

30. Foreign exchange earnings/outflow

The foreign exchange earnings and outflow is Rs. Nil during the year ended 31 March 2019 (31 March 2018: Rs. Nil)

31. Derivative transactions

The Company has purchased NIFTY Options to hedge interest cost on MLDs. The information on open derivative instrument as at year end is as follows:

31.1 Option contracts outstanding as at 31 March 2019

Particulars	Long position		Short position	
	Number of contracts	Number of units	Number of contracts	Number of units
<1 month	-	-	-	-
1 to 2 months	-	-	-	-
2 to 3 months	565	42,375	115	8,625
3 to 12 months	48	3,600	-	-
>12 months	225	16,875	-	-

31.2 Option contracts outstanding as at 31 March 2018

Particulars	Long position		Short position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	-	-
1 to 2 months	-	-	-	-
2 to 3 months	135	10,125	235	17,625
3 to 12 months	944	70,800	675	50,625
>12 months	415	31,125	115	8,625

32. Rating of Quoted Market linked debentures

Instrument	Amount	Rating
Principle Protected Market Linked Debentures	2,50,00,00,000	CARE PP-MLD A- ; Stable [PP-MLD Single A Minus; Outlook: Stable]





**Centrum Financial Services Limited**

**Significant accounting policies and other explanatory information**

33. During the year, Company has purchased the Supply Chain Finance business as of the closing date of 30 December 2018 as per the Business Transfer Agreement with such NBFC. The loan book taken over amounted to Rs. 6,464,284,850 and goodwill amounting to Rs. 143,185,676 is being generated on such acquisition which will be tested for impairment at each balance sheet date. For the year ended 31 March 2019, the management is of the view that the goodwill should not be impaired.

**34. Corporate social responsibility**

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. The Company has formed CSR committee as per the requirements of the Act. The Company is in the process of identifying activities to be undertaken as specified in Schedule VII of the Act.

Particulars	As at 31 March 2019	As at 31 March 2018
Amount spent	-	-
Amount unspent	14,77,723	13,49,162

**35. Disclosure relating to Employee Stock Option Scheme**

**Details of stock options**

The Company has two employees stock option schemes

**CFSL Employee Incentive Scheme 2018 - Series I**

The Scheme was approved by Board of Directors on 22 March 2018 for issue of 22,81,031 and by the shareholders' in the EGM dated 02 April 2018 Number of options representing 22,81,031 equity shares of Rs. 10 each.

**CFSL Employee Incentive Scheme 2018 - Series II**

The Scheme was approved by Board of Directors on 22 March 2018 for issue of 5,45,000 and by the shareholders' in the EGM dated 02 April 2018 number of options representing 5,45,000 equity shares of Rs. 10 each.

The activity in the (Series-I) and (Series-II) during the year ended 31 March 2019 and 31 March 2018 is set below:



Centrum Financial Services Limited

Significant accounting policies and other explanatory information

Particulars	Number of options	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Series-I : Face value of Rs. 10 each		
Exercise price Rs. 10 each		
Options outstanding as at beginning of the year	-	-
Add: Granted	22,81,031	-
Less: Exercised	-	-
Less: Forfeited	-	-
Less: Lapsed	1,50,000	-
<b>Option outstanding end of the year</b>	<b>21,31,031</b>	-
<b>Exercisable at the end of the year</b>	-	-
Series-II : Face value of Rs. 10 each		
Exercise price Rs. 10 each		
Option outstanding as at beginning of the year	-	-
Add Granted	5,45,000	-
Less : Exercised	-	-
Less: Forfeited	-	-
Less: Lapsed	-	-
<b>Option outstanding as at end of the year</b>	<b>5,45,000</b>	-
<b>Exercisable at the end of the year</b>	-	-

Employees' Stock Options Scheme (ESOS) :

During the year, 28,26,031 Employee Stock Options have been granted to the employees of the Company (Previous year Nil).

The weighted average share price for stock options exercised during the year was Rs.10 (previous year Rs. Nil).

Particulars	Scheme I	Scheme I	Scheme II
Date of grant	03 April 2018	20 June 2018	20 June 2018
Date of board approval	22 March 2018	22 March 2018	22 March 2018
Date of Shareholder's approval	02 April 2018	02 April 2018	02 April 2018
Number of options granted	1,681,031	600,000	545,000
Method of settlement	Equity	Equity	Equity
Vesting period	4 Years	4 Years	5 Years
Weighted average remaining contractual life (Vesting period)	4 Years	4 Years	5 Years
Granted but not vested	1,681,031	600,000	545,000
Vested but not exercised	-	-	-
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA
Exercise period	4 Years	4 Years	5 Years
Weighted Average Fair value of options (granted but not vested) as on grant date	24.20	24.42	24.80
Range of Risk free interest rate	7.55%	8.06%	7.98%
Dividend yield	0%	0%	0%
Expected volatility	16.16%	17.00%	16.06%

Vesting of options is subject to continued employment during the vesting period.

Other Information regarding employee share based payment plan is as below

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Expense arising from employee share based payment plans	1,44,57,469	-
Expense arising from share and stock option Plan	-	-
Total carrying amount at the end of the period of ESOS Reserve	1,44,57,469	-



36. Additional disclosures as required by the Reserve Bank of India

(a) Capital to Risk Assets Ratio (CRAR)

Particulars	As at 31 March 2019	As at 31 March 2018
i. CRAR (%)	23.01%	37.35%
ii. CRAR - Tier I Capital (%)	21.44%	37.04%
iii. CRAR - Tier II Capital (%)	1.57%	0.31%
iv. Amount of hybrid debt raised as tier -II capital	15,09,14,300	-
v. Amount raised by issue of perpetual debt instruments	-	-

(b) Investments

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
(1) Value of investments:		
(i) Gross value of investments		
(a) in India	75,41,43,495	73,88,12,913
(a) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	1,48,09,218	2,11,13,858
(a) outside India	-	-
(iii) Net value of investments		
(a) in India	73,93,34,277	71,76,99,055
(a) outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	3,24,10,734	4,00,00,000
(ii) Add : Provisions made during the year	56,48,435	56,48,438
(iii) Less : Write-off/write back of excess provisions during the year	(2,54,27,804)	(1,32,37,704)
(iv) Closing balance	1,26,31,365	3,24,10,734

(c) Disclosure relating to securitisation

- (i) The Company has not entered into any securitisation transactions during the year ended 31 March 2019 (31 March 2018: Nil)
- (ii) Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction:  
The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction in the current year (31 March 2018: Nil)
- (iii) Details of assignment transactions: There are no assignment transactions undertaken by the Company during the current year (31 March 2018: Nil).

(d) Exposure to real estate sector

Category	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
a) Direct exposure		
(i) Residential mortgages - Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower or that is rented		3,00,00,000
(ii) Commercial real estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based limits	2,20,01,60,802	11,80,00,000
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	-
b) Indirect exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Others	-	-
<b>Total exposure to real estate sector</b>	<b>2,20,01,60,802</b>	<b>14,80,00,000</b>

(e) Exposure to capital markets

Particulars	(Amount in Rs.)	
	As at 31 March 2019	As at 31 March 2018
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	34,73,99,995	4,66,000
ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	37,46,17,448	29,41,72,843
iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipate on of raising resources;	23,80,83,993	-
vii) bridge loans to companies against expected equity flows / issues;	-	-
viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total exposure to capital market</b>	<b>96,01,01,436</b>	<b>29,46,38,843</b>



(f) Penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators during the year ended 31 March 2019 (31 March 2018: Nil).

(g) Provisions and Contingencies

(Amount in Rs.)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2019	For the year ended 31 March 2018
Provisions for depreciation on investment	78,26,285	56,48,438
Provision towards NPA	1,59,08,940	-
Provision made towards Income tax	-27,79,272	2,43,16,425
Other Provision and Contingencies (with details)*	1,51,89,505	21,78,226
Provision for Standard assets	3,09,89,869	55,82,935
	<b>6,71,35,327</b>	<b>3,77,26,024</b>
<b>*Other provisions and contingencies</b>		
Provision for gratuity expense	6,84,745	9,04,723
Provision for leave encashment expense	47,291	12,73,503
Provision for ESOP	1,44,57,469	-
<b>Total</b>	<b>1,51,89,505</b>	<b>21,78,226</b>

(h) Concentration of advances, exposure and NPAs

(Amount in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Concentration of advances</b>		
Total advances to twenty largest borrowers	3,47,41,88,032	2,75,40,87,532
(%) of advances to twenty largest borrowers to total advance	30.65%	80.33%
<b>Concentration of exposures</b>		
Total exposure to twenty largest borrowers/customers	4,11,00,00,000	2,77,54,41,067
(%) of exposure to twenty largest borrowers/customers to total exposure	20.08%	79.79%
<b>Concentration of NPAs</b>		
Total exposure to top four NPA accounts	15,90,89,756	-

(i) Concentration of deposits

The Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposits from earlier years (31 March 2018: Nil).

(j) Sector-wise NPAs

Sector	As at 31 March 2019	As at 31 March 2018
	(% of NPAs to total advances in that sector)	
Agriculture and allied activities	-	-
MSME	-	-
Corporate borrowers	1.50%	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

(k) Draw down from reserves:

There has been no draw down from reserves during the year ended 31 March 2019 (31 March 2018: Nil).

(l) Overseas assets

The Company did not have any joint ventures and subsidiaries abroad as at 31 March 2019 (31 March 2018: Nil).

(m) Derivatives

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives. Hence, no disclosure is made for the same (31 March 2018: Nil).



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(p) Asset liability management

Maturity pattern of certain items of assets and liabilities as at 31 March 2019

Particulars	(Amount in Rs.)								Total	
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 month and upto 6 Months	Over 6 month and upto 1 year	Over 1 year and upto 3 year	Over 3 year and upto 5 year	Over 5 years		
Deposits	-	-	-	-	-	-	-	-	-	-
Advances*	2,71,21,80,013	2,07,59,83,108	1,55,85,60,199	1,39,12,77,627	58,22,87,499	1,99,02,08,033	1,00,15,20,126	2,29,75,630	11,33,49,92,234	
Investments	34,56,00,000	-	-	-	17,99,995	-	-	39,54,46,627	74,28,46,622	
Borrowings	3,79,16,654	47,27,82,604	1,30,51,49,828	1,17,18,73,792	2,67,80,28,419	2,97,65,36,416	1,26,35,51,110	-	9,90,58,38,823	
Foreign Currency assets	-	-	-	-	-	-	-	-	-	
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	

\* Also, refer note 14.2

Maturity pattern of certain items of assets and liabilities as at 31 March 2018

Particulars	(Amount in Rs.)								Total	
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 month and upto 6 Months	Over 6 month and upto 1 year	Over 1 year and upto 3 year	Over 3 year and upto 5 year	Over 5 years		
Deposits	-	-	-	-	-	-	-	-	-	-
Advances*	39,84,86,637	39,93,81,024	55,09,09,554	43,50,91,210	43,79,69,097	1,26,57,28,550	19,08,68,995	-	3,42,84,35,066	
Investments	-	-	-	-	-	-	-	40,31,16,980	70,64,02,179	
Borrowings	19,26,38,051	9,76,38,444	11,63,88,841	28,51,94,375	65,42,12,588	1,92,36,20,399	2,81,15,087	12,63,75,036	3,42,41,82,820	
Foreign Currency assets	-	-	-	-	-	-	-	-	-	
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	

\* Also, refer note 14.2



Centrum Financial Services Limited  
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(o) Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the Company

During the previous year, the Centrum Group had commenced microfinance business in December 2017 and on account of this, the total assets of the group exceeded Rs. 500 crores. Pursuant to RBI Master Direction-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated 01 September 2016 as amended from time to time ("the Regulations"), on "Multiple NBFCs" in the group, each NBFC within the group shall comply with the provisions of systemically important NBFC.

During the previous year, the Company vide letter dated 20 January 2018 ("the letter") had informed RBI about the above developments along with measures proposed to be undertaken by the Company to comply with the Regulations, amongst others being transfer of entire shareholding from Centrum Retail Services Limited to Centrum Capital Limited and planned capital infusion once the approval is received from the RBI on transfer of entire shareholding. The letter also provided an assurance to be in compliance with the Regulations by the end of financial year i.e. 31 March 2018. The Company got approval from RBI vide letter dated 16 February 2018 for transfer of shareholding and accordingly infused equity capital on 28 March 2018 to comply with SBL and GBL. Hence, during period from 01 December 2017 to 27 March 2018, the Company had exceeded the Single Borrower Limit in following 10 instances. There are no instances of Company exceeding the single borrower / group during the year.

For the year ended 31 March 2018

1. Loans given

- i) Redkite Capital Private Limited
- ii) GHV (India) Private Limited
- iii) Anwesa Engineering & Projects Limited
- iv) LMJ International Limited
- v) Jindal Stainless Steelway
- vi) Axis Spaces Private Limited
- vii) Centrum Capital Limited
- viii) Wellspring Healthcare Private Limited
- ix) Visu Leasing & Finance Limited

2. Investments

- i) Waaree Energies Limited

(ii) Group Borrower Limit

For the year ended 31 March 2019 - Nil (31 March 2018: Nil).

(p) Customer complaints:

Particulars	As on 31 March 2019	As on 31 March 2018
(a) Number of complaints pending at the beginning of the year	-	-
(b) Number of complaints received during the year	-	-
(c) Number of complaints redressed during the year	-	-
(d) Number of complaints pending at the end of the year	-	-

(q) Movement in non-performing assets (NPAs)

(Amount in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Net NPAs to net advances (%)	2.89%	-
(ii) Movement of NPAs (gross)		
(a) Opening balance	-	-
(b) Additions during the year	40,90,89,756	1,79,00,000
(c) Reductions during the year	25,00,00,000	1,79,00,000
(d) Closing balance	15,90,89,756	-
(iii) Movement of net NPAs		
(a) Opening balance	-	-
(b) Additions during the year	36,81,80,780	-
(c) Reductions during the year*	22,50,00,000	-
(d) Closing balance	14,31,80,780	-
(iv) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening balance	-	-
(b) Additions during the year	4,09,08,976	1,79,00,000
(c) Write off/ write back of excess provision*	2,50,00,000	1,79,00,000
(d) Closing balance	1,59,08,976	-

\*Refer Note 14.1



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(r) Schedule to the Balance Sheet of "Centrum Financial Services Limited" (as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

Particulars	As at 31 March 2019			As at 31 March 2018		
	Amount outstanding	Amount overdue	Total	Amount outstanding	Amount overdue	Total
<b>Liabilities side :</b>						
1) Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:						
(a) Debentures : Secured	4,05,20,53,188	-	4,05,20,53,188	1,80,01,04,754	-	1,80,01,04,754
: Unsecured	-	-	-	-	-	-
(other than falling within the meaning of public deposits)	-	-	-	-	-	-
(b) Deferred credits	-	-	-	-	-	-
(c) Term loans	6,25,71,83,854	-	6,25,71,83,854	1,55,20,50,261	-	1,55,20,50,261
(d) Inter-corporate loans and borrowing	5,14,61,607	-	5,14,61,607	6,40,69,189	-	6,40,69,189
(e) Commercial paper	-	-	-	-	-	-
(f) Public deposits	-	-	-	-	-	-
(g) Vehicle loan	12,52,787	-	12,52,787	20,55,225	-	20,55,225
(h) Other loans (Borrowings)	15,80,00,000	-	15,80,00,000	22,49,36,384	-	22,49,36,384
<b>Assets side :</b>						
2) Break-up of loans and advances including bills receivables [other than those included in (4) below]						
(a) Secured	11,33,49,92,234	-	11,33,49,92,234	3,14,54,91,231	-	3,14,54,91,231
(b) Unsecured	-	-	-	28,29,43,835	-	28,29,43,835
<b>Total</b>	<b>11,33,49,92,234</b>	<b>-</b>	<b>11,33,49,92,234</b>	<b>3,42,84,35,066</b>	<b>-</b>	<b>3,42,84,35,066</b>
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	-	-	-	-	-	-
(b) Operating lease - Refer note 5 below	-	-	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors:						
(a) Assets on hire	-	-	-	-	-	-
(b) Repossessed assets	-	-	-	-	-	-
(iii) Other loans counting towards AFC activities						
(a) Loans where assets have been repossessed	-	-	-	-	-	-
(b) Loans other than (a) above	-	-	-	-	-	-
4) Break-up of investments :						
<b>Current investments :</b>						
1. Quoted						
(i) Shares: (a) Equity	34,73,99,995	-	34,73,99,995	4,66,000	-	4,66,000
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
2. Unquoted						
(i) Shares: (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (security receipts)	-	-	-	1,48,19,699	-	1,48,19,699
<b>Long term investments :</b>						
1. Quoted						
(i) Shares: (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	5,00,00,000	-	5,00,00,000	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (please specify)	-	-	-	-	-	-
2. Unquoted						
(i) Shares: (a) Equity	-	-	-	-	-	-
(b) Preference	-	-	-	-	-	-
(ii) Debentures and bonds	-	-	-	-	-	-
(iii) Units of mutual funds	-	-	-	-	-	-
(iv) Government securities	-	-	-	-	-	-
(v) Others (Investment and investment property)	34,54,46,627	-	34,54,46,627	35,10,95,062	-	35,10,95,062



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5) Borrower group-wise classification of assets financed as in (2) and (3) above:	Amount net of provision (Refer note 22)			Amount net of provision (Refer note 22)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	16,93,20,000	16,93,20,000
2. Other than related parties	11,27,43,79,684	-	11,27,43,79,684	3,38,19,09,266	11,24,92,060	3,49,44,01,325
<b>Total</b>	<b>11,27,43,79,684</b>	<b>-</b>	<b>11,27,43,79,684</b>	<b>3,38,19,09,266</b>	<b>28,18,12,060</b>	<b>3,66,37,21,325</b>
6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)						
Category	Market Value / Break up or fair value or NAV	Book Value (Net of provisions)	Total	Market Value / Break up or fair value or NAV	Book Value (Net of provisions)	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
2. Other than related parties	73,93,34,277	73,93,34,277	1,47,86,68,555	45,43,80,261	45,43,80,261	90,87,60,523
<b>Total</b>	<b>73,93,34,277</b>	<b>73,93,34,277</b>	<b>1,47,86,68,555</b>	<b>45,43,80,261</b>	<b>45,43,80,261</b>	<b>90,87,60,523</b>
7) Other Information						
Particulars	Amount	Amount	Total	Amount	Amount	Total
(i) Gross non-performing assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	15,90,89,755	-	15,90,89,755	-	-	-
(ii) Net non-performing assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	14,31,80,779.50	-	14,31,80,780	-	-	-
(iii) Assets acquired in satisfaction of debt	-	-	-	-	-	-

Notes:

1. Provisioning norms shall be applicable as prescribed in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions, 2015) whichever is applicable.

2. 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.

3. In respect of investment in property, fair value has been taken on account of amalgamation. Bond and quoted equity shares have been valued as per prevailing market standards.

The figures are not netted with provision against standard assets as it is not a specific provision.

(s) Details of financing of parent company products

The Company has not financed the product of parent company during the year ended 31 March 2019 (31 March 2018: Nil).

(t) Unsecured advances

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Refer note 14) (31 March 2018: Nil).

(u) Off balance sheet SPV sponsored

The Company does not have any off balance sheet SPV sponsored (31 March 2018: Nil).

(v) Related Party Transactions

Refer note 25 for transaction with related parties

(w) Details of non-performing financial assets purchased/sold

The Company has not purchase non-performing assets sold non-performing assets during the year ended 31 March 2019(31 March 2018: Nil).

(x) Registration obtained from other financial sector regulators

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- i. Ministry of Corporate Affairs
- ii. Securities Exchange Board of India
- iii. Reserve Bank of India





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(u) Information on instances of fraud

Instances of fraud for the year ended 31 March 2019

Nature of fraud	No of cases	Amount of Fraud	Recovery	Write-off
Cash embezzlement	Nil	Nil	Nil	Nil

Instances of fraud for the year ended 31 March 2018

Nature of fraud	No of cases	Amount of Fraud	Recovery	Write-off
Cash embezzlement	Nil	Nil	Nil	Nil

(v) Registration obtained from other financial sector regulators

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- i. Ministry of Corporate Affairs

37. Previous year's figures have been regrouped where necessary to conform to this year's classification.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's registration number: 001076N/N500013



Manish Gujral

Partner

Membership no. 105117


Date : 21 May 2019

Place : Mumbai



For and on behalf of the Board of Directors

Centrum Financial Services Limited



Ranjan Ghosh

Managing Director and CEO

DIN : 07592235



Bharat Adnani

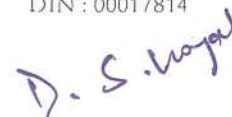
Chief Financial Officer



Shailendra Apte

Director

DIN : 00017814



Dipesh Goyal

Company secretary

