



# **Centrum Wealth Limited**

*(Formerly Known as Centrum Wealth Management Limited)*

## **Annual Report 2022-23**

## Board of Directors

**Steven Pinto**

Executive Director & Chairman

**Sriram Venkatasubramanian**

Non-Executive Director

**Rajesh Srivastava**

Non-Executive Director

**Subhash Kutte**

Independent Director

**R. A. Sankaranarayanan**

Independent Director

**Ghulam Ghouse**

Independent Director

## Key Managerial Personnel

**Mayank Jalan**

Chief Financial Officer

**Snehal Saboo**

Company Secretary

## Corporate Information

### Registered and Corporate Office

Level – 3, Centrum House, C.S.T.  
Road, Vidyanagari Marg, Kalina,  
Santacruz (East), Mumbai 400098

**Tel** – 022 – 42159000

**Email** – [info@centrum.co.in](mailto:info@centrum.co.in)  
[secretarial@centrum.co.in](mailto:secretarial@centrum.co.in)

### Website –

[www.centrumwealth.co.in](http://www.centrumwealth.co.in)

### Statutory Auditor

A.T. Jain & Co.

### Registrar and Share Transfer Agents

Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West),  
Mumbai 400078

**Tel** – 022 – 25946970

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CENTRUM WEALTH LIMITED**

Report on the Audit of the Ind AS Financial Statements

#### **Opinion**

We have audited the accompanying Ind AS financial statements of **Centrum Wealth Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs) 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 Ind AS 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 Ind AS financial statements under the provisions of the Act and 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 on the Ind AS financial statements.

#### **Other Information**

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

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

In connection with our audit of the Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report and Management Discussion and Analysis, 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 Ind AS Financial Statements**

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

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

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
  - g) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of

funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i)(i) and (i)(ii) above, contain any material mis-statement.

- v. The company has not declared or paid any dividend during the year; therefore no reporting is required about compliance to Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For A. T. Jain & Co  
Chartered Accountants  
ICAI Firm Registration No. 103886W

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Sushil T Jain  
Partner  
Membership No. 033809

UDIN: 23033809BGVYPY9293  
Place: Mumbai  
Date: 26.04.2023



### **Annexure 1 to the Independent Auditor's Report**

Referred to in paragraph 1 under the section "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report of even date to the members of Centrum Wealth Limited on the Ind AS Financial Statements for the year ended March 31, 2023

Based on AS 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 the audit procedures performed for the purpose of reporting a true and fair view on the Ind of audit, we report that:

- i. (a)(A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The company has maintained proper records showing full particulars of intangible assets.  
  
(b) As per the information and explanations given to us, the Property, Plant and Equipment was physically verified during the period by the management as per its program. The frequency of verification is reasonable and no material discrepancies have been noticed on such verification.  
  
(c) According to information and explanations provide by the management and audit procedures performed, the company does not hold any immovable properties and hence the requirements under clause 3(i)(c) of the said Order is not applicable to the Company.  
  
(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use of assets) or intangible assets does not arise.  
  
(e) According to the information and explanations provided by the management, the company did not have any proceedings initiated nor pending under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) As explained to us, the company does not own any inventory and therefore the reporting under paragraph 3(ii)(a) of the Order is not applicable.  
  
(b) The company has not availed any working capital limits from banks or financial institutions and therefore the reporting under paragraph 3(ii)(b) of the Order is not applicable.

iii. (a) According to information and explanations given to us, during the year, company has provided loans and made investments in companies.

(A) During the year, company has not provided loans or advances in the nature of Loans, or stood guarantee, or provided security to subsidiaries, joint ventures and associates.

(B) During the year, company has provided loan to parties other than subsidiaries, joint ventures and associates, the details of which are as follows:

(Rs. in Lakhs)

	<b>Loans</b>
Aggregate amount granted/provided during the year - Others	30,500.00
Balance outstanding as at balance sheet date in respect of above - Others	Nil

(b) The terms and conditions of the grant of such Loan is, in our opinion, prima facie, not prejudicial to the company's interest.

(c) In respect of such loans & advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular except for the below case

(Rs in Lakhs)

<b>Name of the Entity</b>	<b>Interest overdue</b>	<b>Due Date</b>	<b>Extent of Delay (In days)</b>
Standard Financial Consultants Pvt Ltd	5.83	31-03-2020	1096
	12.50	30-06-2020	1005
	29.77	30-09-2020	913
	45.80	31-12-2020	821
	45.00	31-03-2021	731
	45.50	30-06-2021	640
	46.00	30-09-2021	548
	46.00	31-12-2021	456
	45.00	31-03-2022	366
	45.50	30-06-2022	275
	46.00	30-09-2022	183
	46.00	31-12-2022	91
	45.00	31-03-2023	1

(d) In respect of loans and advances in the nature of loans, no principal amount was overdue for more than ninety days. However, interest amount overdue for more than ninety days was Rs. 458.90 lakhs.

**(Rs. in Lakhs)**

No. of Cases	Principal Overdue	Interest Overdue	Remarks
1	-	458.90	Company is regularly following up with the party to regularize the Interest overdue.

(e) There were no loans or advances in the nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Therefore, the provisions of Clause 3(iii)(f) of the said Order are not applicable to the Company

- iv. In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company to the extent applicable.
- v. According to information and explanations provided to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, Goods and Service Tax (GST), cess or any other material statutory dues, as applicable, with the appropriate authorities, though there has been a slight delay in few cases which are not serious.

As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Value added tax, duty of customs and duty of Excise. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods and Service Tax, cess and other statutory dues

applicable to the company were in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable except provident fund of Rs. 9.20 lakhs.

(b) According to the information and explanations given to us, there are no material dues of income tax, goods and service tax, cess or any other material statutory dues applicable to the company which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us and the records of the company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. We have been informed by the management that the company does not have any undisclosed income and therefore the provisions of Clause 3(viii) of said Order are not applicable to the company.

ix. (a) In our opinion and according to information and explanations provided to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Therefore, the provisions of Clause 3(ix)(a) of the Order are not applicable to the company.

(b) According to information and explanations provided to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on the documents and records examined by us, the Company has not obtained any term loans during the year and therefore, provisions of Clause 3(ix)(c) of the Order are not applicable to the company.

(d) According to information and explanations provided to us and the procedures followed by us and an overall examination of the financial statements of the Company, we report that no funds raised on short - term basis have been used for long term purposes by the Company.

(e) According to information and explanations provided to us, the company has not raised any funds on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised loans during the year on the pledge of any security held in its subsidiary company and therefore the provisions of Clause 3(ix)(f) of said Order are not applicable to the company.

x. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the

year. Accordingly, provisions of Clause 3(x)(a) of the Order are not applicable to the company.

(b) According to the information and explanations given to us and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or convertible optionally convertible) during the year and therefore, provisions of Clause 3(x)(b) of the Order are not applicable to the company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(2) of the Act, in form ADT – 4, as prescribed under Rule 13 of The Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, reporting under Clause 3(xi)(c) of said Order are not applicable to the company.

xii. In our opinion and according to information and explanations provided to us, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.

xiii. In our opinion and as per information and explanations provided to us by management all the transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required under Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

xiv. (a) In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting commensurate with the size and nature of its business.

- (b) We have considered the report of Internal Auditor for the period under audit while forming an opinion on the Financial Statements.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. (a) According to information and explanations provided to us and audit procedures performed, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) According to the information and explanations given to us and the records of the Company examined by us, the company has not conducted any Non-Banking Financial or Housing Finance activities. Therefore, the provisions of Clause 3(xvi)(c) of the Order are not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of Clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the company, the Group does not have more than one CIC which is part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us, and the records of the company examined by us, the company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- xviii. There has not been any resignation of the statutory auditors during the year and therefore, the provisions of Clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us by the management and the records of the Company examined by us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities and other information accompanying the financial statements, and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all

liabilities falling due within a period of one year from the balance sheet date will get discharged.

- xx. According to the information and explanations given to us by the management and the records of the Company examined by us, there are no unspent amount under section 135(5) of the Act. Accordingly, reporting under Clause 3(xx) of the Order are not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For A.T.Jain & Co.**  
Chartered Accountants  
Firm Registration No: 103886W

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Sushil T Jain  
Partner  
Membership No. : 033809  
UDIN :

Date : 26.04.2023  
Place : Mumbai

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date to the members of **Centrum Wealth Limited** on the Ind AS financial statements for the year ended March 31, 2023]

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Centrum Wealth Limited**("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

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

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

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

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

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

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. A. T. Jain & Co.**  
Chartered Accountants  
FRN Number: 103886W

### **Sushil T Jain**

Partner

Membership No. 033809

UDIN: \_\_\_\_\_

Place: Mumbai

Date: 26.04.2023

**Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)**  
**Statement of Assets and Liabilities as at 31 March 2023**  
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	Note No.	As at	As at
		31-Mar-23	31-Mar-22
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	2	167.58	39.92
Other Intangible assets	3	226.80	219.63
Intangible assets under development	3	152.50	95.90
Right of use of assets	4	421.58	110.26
Financial assets			
(i) Investments	5	4,049.26	361.83
(ii) Loans and Advances	6	895.95	1,492.30
(iii) Other financial assets	7	50.27	29.71
Deferred tax assets (net)	8	259.65	322.90
Other Non-Current Assets	9	766.88	1,072.87
		<u>6,990.47</u>	<u>3,745.32</u>
<b>Current assets</b>			
Financial assets			
(i) Investments	5	70.29	-
(ii) Trade receivables	10	1,492.07	1,772.32
(iii) Cash and cash equivalents	11	13.33	91.58
(iv) Bank balances other than cash and cash equivalents	12	2,000.00	-
(iv) Loans and Advances	6	447.71	-
(v) Other financial assets	7	12.25	6.67
Other current assets	12	1,407.92	1,378.62
		<u>5,443.57</u>	<u>3,249.19</u>
<b>Total</b>		<u><b>12,434.04</b></u>	<u><b>6,994.51</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	2,000.00	2,000.00
Other equity	14	4,260.04	(291.94)
		<u>6,260.04</u>	<u>1,708.06</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease Liabilities	16	101.31	60.37
Provisions	18	378.69	351.44
		<u>480.00</u>	<u>411.81</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	15	3,015.61	1,815.00
(ia) Lease Liabilities	16	317.49	46.63
(ii) Trade Payables			
(a) total Outstanding dues of Micro Enterprises and Small Enterprises	19	-	-
(b) total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		119.15	171.13
(iii) Other financial liabilities	17	442.68	290.56
Provisions	18	1,168.90	1,938.41
Other current liabilities	20	421.76	612.91
Current Tax Liabilities (Net)	21	208.41	-
		<u>5,694.00</u>	<u>4,874.64</u>
<b>Total</b>		<u><b>12,434.04</b></u>	<u><b>6,994.51</b></u>

The accompanying notes are an integral part of these financial statements

As per our report of even date

**For A. T. JAIN & CO.**  
**Chartered Accountants**  
**ICAI Firm registration number: 103886W**

**For and on behalf of the Board of Directors of**  
**Centrum Wealth Limited**

**Sushil T. Jain**  
**Partner**  
**Membership No.: 033809**

**Steven Pinto**  
**Whole Time Director**  
**DIN:00871062**

**Sriram Venkatasubramanian**  
**Non Executive Director**  
**DIN:00169087**

**Place: Mumbai**  
**Date : 26 April, 2023**

**Mayank Jalan**  
**Chief Financial Officer**

**Snehal Saboo**  
**Company Secretary**

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**Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)****Statement of Profit and Loss for the Year ended 31st March, 2023****(All amounts in INR Lakhs, unless otherwise stated)**

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<b>Particulars</b>	<b>Note No.</b>	<b>Year ended 31-Mar-23</b>	<b>Year ended 31-Mar-22</b>
<b>INCOME</b>			
Revenue from operations	22	18,885.86	17,243.42
Other Income	23	176.66	213.49
<b>Total Income</b>		<b><u>19,062.52</u></b>	<b><u>17,456.91</u></b>
<b>EXPENSES</b>			
Employee benefit expenses	24	8,959.76	8,045.72
Finance costs	26	127.75	732.40
Depreciation and amortisation expense	25	163.16	120.92
Other expenses	27	3,699.61	3,298.25
<b>Total expenses</b>		<b><u>12,950.29</u></b>	<b><u>12,197.29</u></b>
<b>Profit/(Loss) before tax</b>		<b>6,112.23</b>	<b>5,259.62</b>
Income tax expense			
- Current tax	28	1,365.18	45.52
- Tax expenses/(credit) relating to earlier years		73.52	28.28
- Deferred tax		77.92	975.85
<b>Profit/(Loss) for the Year - A</b>		<b><u>4,595.62</u></b>	<b><u>4,209.97</u></b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
I. Remeasurement of post employment benefit obligation		(58.31)	(115.98)
II. Income Tax relating to above items		14.68	29.19
<b>Other comprehensive income for the Year- B</b>		<b><u>(43.63)</u></b>	<b><u>(86.79)</u></b>
<b>Total comprehensive income for the Year (A+B)</b>		<b>4,551.98</b>	<b>4,123.18</b>
<b>Earning per Equity Share (in INR)</b>			
Basic		22.98	21.05
Diluted		22.98	21.05

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The accompanying notes are an integral part of these financial statements

As per our report of even date

**For A. T. JAIN & CO.**  
**Chartered Accountants**  
**ICAI Firm registration number: 103886W**

**For and on behalf of the Board of Directors of**  
**Centrum Wealth Limited**

**Sushil T. Jain**  
**Partner**  
**Membership No.: 033809**

**Steven Pinto**  
**Whole Time Director**  
**DIN:00871062**

**Sriram Venkatasubramanian**  
**Non Executive Director**  
**DIN:00169087**

**Place: Mumbai**  
**Date : 26 April, 2023**

**Mayank Jalan**  
**Chief Financial Officer**

**Snehal Saboo**  
**Company Secretary**

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**Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)**

**Cash Flow Statement for the year ended 31 March 2023**

**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	6,112.23	5,259.62
Adjustments for :		
Interest expenses on borrowings measured at amortised cost	66.68	701.32
Interest on lease liability	29.64	13.28
Depreciation and amortization	163.16	120.92
Loss on Write off of Property Plant and Equipment	7.35	9.37
Interest Income from financial assets at amortised cost	(221.60)	(196.34)
Unwinding of Interest on Security Deposits	(4.86)	(3.42)
Unrealised Foreign Exchange Loss / ( Gain)	(0.91)	0.67
Changes in Fair Value of Investments held for trading	(0.872)	(0.05)
Changes in Fair Value of Investments at fair value through profit and loss	80.99	26.51
Allowances for Doubtful debts	334.36	78.08
Liabilities no longer required written back	-	(0.58)
Refund Liabilities	-	(48.00)
Allowance for loans and Security deposits	11.15	545.39
Modification Gain / (Loss)	(5.11)	(20.72)
<b>Operating Profit/ (loss) before working capital changes</b>	<b>6,572.21</b>	<b>6,486.05</b>
Movement in working capital:		
Decrease/(Increase) in Trade receivable	(53.20)	(696.02)
Decrease/ (Increase) in Financial instruments held for trading	(69.41)	-
Decrease/(Increase) in Other financial assets	290.24	232.64
Decrease/(Increase) in Other assets	(26.53)	(737.79)
Increase/(Decrease) Employee benefit obligations	(800.56)	912.39
Increase/(Decrease) Trade Payable & Other financial liabilities	100.15	232.37
Increase/(Decrease) other liabilities	(191.15)	59.93
<b>Net cash generated/ (used) in Operations</b>	<b>5,821.74</b>	<b>6,489.57</b>
Taxes paid Net of Refund	(927.07)	(550.93)
<b>Net cash generated / (used) in Operating Activities ( A )</b>	<b>4,894.67</b>	<b>5,938.64</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Property Plant and Equipment	-	16.55
Purchase of Property Plant and Equipment	(164.75)	(19.14)
Purchase of Intangible assets	(106.29)	(111.70)
Sale/(Purchase) of current investments - Net	0.32	-
Purchase of Non-current investments	(3,768.75)	-
Loans and advances given	(30,500.00)	(1,605)
Collection from loans and advances	30,500.00	1,725
Investment in Fixed Deposits	(2,000.00)	-
Interest Received	31.20	17.52
<b>Net cash generated / (used) in Investing Activities ( B )</b>	<b>(6,008.26)</b>	<b>23.23</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	62,850.61	50,715.00
Repayment of short-term borrowings	(61,650.00)	(56,103.00)
Repayment of lease liabilities	(68.96)	(54.09)
Interest paid	(96.32)	(735.16)
<b>Net cash generated / (used) from Financing Activities ( C )</b>	<b>1,035.33</b>	<b>(6,177.25)</b>
Net increase/ (decrease) in Cash and Cash equivalents (A+B+C)	(78.25)	(215.38)
As at the beginning of the year	91.58	306.96
<b>Closing cash and cash equivalents</b>	<b>13.33</b>	<b>91.58</b>
<b>As at the end of the year</b>		
Cash in hand	1.31	2.76
Balance with scheduled banks-Current accounts	12.03	88.82
<b>Closing cash and cash equivalents</b>	<b>13.33</b>	<b>91.58</b>

The above cash flow statements have been prepared under the indirect method set out in Indian Accounting Standard (AS) -7 'Cash Flow Statement' issued by ICAI.

The accompanying notes are an integral part of these financial statements  
As per our report of even date

**For A. T. JAIN & CO.**  
Chartered Accountants  
ICAI Firm registration number: 103886W

**For and on behalf of the Board of Directors of**  
Centrum Wealth Limited

Sushil T. Jain  
Partner  
Membership No.: 033809

Steven Pinto  
Whole Time Director  
DIN:00871062

Sriram Venkatasubramanian  
Whole Time Director  
DIN : 06940663

Place: Mumbai  
Date : 26 April, 2023

Mayank Jalan  
Chief Financial Officer

Snehal Saboo  
Company Secretary

Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)  
Statement of changes in equity as on 31 March 2023  
(All amounts in INR Lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	31-Mar-23	31-Mar-22
Balance at the beginning of the reporting year	2,000.00	2,000.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the reporting year	2,000.00	2,000.00
Changes in equity share capital during the year	-	-
Balance at the end of the current reporting year	<b>2,000.00</b>	<b>2,000.00</b>

B. Other Equity

As on 31 March 2023

Particulars	Reserves and Surplus		Money received against share warrants	Total
	Securities Premium	Retained Earnings		
Balance at the beginning of the year	1,197.00	(1,498.94)	10.00	(291.94)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the year	1,197.00	(1,498.94)	10.00	(291.94)
Total Comprehensive Income for the year	-	4,551.98	-	4,551.98
Balance at the end of the year	1,197.00	3,053.04	10.00	4,260.04

As on 31 March 2022

Particulars	Reserves and Surplus		Money received against share warrants	Total
	Securities Premium	Retained Earnings		
Balance at the beginning of the year	1,197.00	(5,622.12)	10.00	(4,415.12)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the year	1,197.00	(5,622.12)	10.00	(4,415.12)
Total Comprehensive Income for the year	-	4,123.18	-	4,123.18
Balance at the end of the year	1,197.00	(1,498.94)	10.00	(291.94)

The accompanying notes are an integral part of these financial statements

As per our report of even date

For A. T. JAIN & CO.  
Chartered Accountants  
ICAI Firm registration number: 103886W

For and on behalf of the Board of Directors of  
Centrum Wealth Limited

Sushil T. Jain  
Partner  
Membership No.: 033809

Steven Pinto  
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DIN : 06940663

Place: Mumbai  
Date : 26 April, 2023

Mayank Jalan  
Chief Financial Officer

Snehal Saboo  
Company Secretary

# Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)

## Notes to the Financial Statements for the year ended March 31, 2023

### Corporate Information

Centrum Wealth Limited (Formerly known as Centrum Wealth Management Limited) ('Company' is a Public Limited Company incorporated and domiciled in India. The Company is registered with AMFI as Mutual fund distributor. It is also registered as a Corporate Agent (Composite) with Insurance Regulatory and Development Authority of India (IRDAI). The Company is engaged in the business of Wealth Management of its clients and offers a comprehensive suite of financial products including Mutual Funds to suit client objectives and risk- return profiles based on time tested principles of Asset allocation and diversification. Asset classes offered include Equity, Insurance, Fixed Income and Debt offerings, Real Estate and Alternative Assets. The company also deals in securities. The Company's registered office is in Mumbai, Maharashtra, India.

The company is a subsidiary company of Centrum Retail Services Limited (CRSL) which holds 1,16,56,500 shares aggregating to 58.28% of shareholding.

#### 1.0 Significant accounting policies

##### 1.1 Basis of Preparation

The Financial Statements of the Company have been prepared and presented in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention and on accrual basis of accounting except for the following

- certain financial instruments (including Derivative Instruments) which are measured at fair value and
- defined benefit plan – plan assets measured at fair value.

The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (The 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakh, except otherwise indicated.

##### 1.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II to Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards.

##### 1.3 Current/ Non-current classification:

An asset is classified as current if:

- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelvemonths after the reporting period; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

**Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)**  
**Notes to the Financial Statements for the year ended March 31, 2023**

- (e) it is expected to be settled in normal operating cycle;
- (f) it is held primarily for the purpose of trading;
- (g) it is expected to be settled within twelve months after the reporting period;
- (h) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months.

**1.4 Property, plant and equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation amortization and accumulated impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the intended manner and purposes. When significant parts of plant and equipment are required to be replaced at intervals, the same are capitalised and old component is derecognised.

Subsequent expenditure related to an item of Property, Plant and Equipment is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When a Property plant and Equipment is replaced, the carrying amount of replaced asset is derecognized.

Property, plant and equipment are derecognised from financial statement on disposal. Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss in the year of occurrence.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment

**Depreciation**

Depreciation on Property, Plant and Equipment is provided on straight line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013 or on the basis of useful lives of the assets as estimated by management, whichever is lower.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. Depreciation on Additions to Assets or where any asset has been sold or discarded, is calculated on a Pro-rata basis from the date of such additions or up to the date of such sale or discard as the case may be. Leasehold improvements are amortized over a period of lease or useful life whichever is less. Useful Life of the assets is tabulated below:

<b>Nature of Assets</b>	<b>Estimated useful life</b>
Computers- End Users such as Desktops, Laptops, etc	3 years
Computers- Servers and Networks	6 years
Furniture & Fixtures	10 years
Office Equipments	5 years
Electric Installation and Equipments	10 years
Motor Cars	8 years
Leasehold Improvements	Over the Lease period of the property

# **Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)**

## **Notes to the Financial Statements for the year ended March 31, 2023**

### **Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Acquired intangible assets are initially capitalised at cost, which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortised over the estimated useful economic life of the assets by using straight line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Other Expenses incurred relating to Software during the development stage prior to its intended use, are considered as software development expenditure and disclosed under Intangible Assets under Development.

Intangible assets are amortised over their estimated useful life of 10 years

### **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are recognised in the Statement of Profit or Loss as incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **Intangible assets under development**

The cost of computer software not ready to use before year end are disclosed under Intangible Assets under Development are carried at cost, comprising direct cost and related incidental expenses. They are transferred to Intangible assets once those assets are ready to use.

## **1.5 Borrowing cost**

Borrowing costs include interest expense calculated using the effective interest method. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

# Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)

## Notes to the Financial Statements for the year ended March 31, 2023

### 1.6 Impairment of property, plant and equipment and intangible assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognized in respect of a cash generating unit is allocated to reduce the carrying amount of the assets of the cash generating unit on a pro-rata basis. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 1.7 Revenue recognition

Revenue is measured at transaction price (net of variable consideration) based on the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied

#### Brokerage and commission income

Revenue is recognised at point in time when performance obligation is satisfied as per the contractual terms with the customers. Revenue, where there is no uncertainty as to measurement or collectability of consideration but invoicing has not been completed are recognised as unbilled revenues.

#### Business support services

Revenue is recognised at point in time when performance obligation is satisfied as per the contractual terms with the customers.

#### Refund Liabilities:

Revenue from brokerage is recognised as per the rate specified in the contract and revenue is only recognised when it is highly probable that a significant reversal will not occur. Refund liability (included in other current liabilities) is recognised for expected amount of clawback in relation to the upfront income received. Accumulated experience is used to estimate claw back amount as per the expected value method.

# Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)

## Notes to the Financial Statements for the year ended March 31, 2023

### Income from trading in securities

Income from trading in securities is accounted for when the control of the securities is passed on to the customer, which is generally on sale of securities or at the time of redemption in case of bonds.

### Income from Derivative instruments

Realized Profit/Loss on closed positions of derivative instruments is recognized on final settlement or squaring-up of the contracts. Outstanding derivative contracts are measured at fair value as at the balance sheet date.

### Interest income

Interest income from financial Assets is recognised using effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the EIR includes all transaction cost and fees that are incremental and directly attributable to the acquisition of a financial asset.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the Interest income accrued on credit impaired financial assets are either accounted for as income or written off.

### Profit and Loss of Sale of Investments

Profit / Loss earned on sale of Investments are recognized on trade date basis. Profit / Loss on sale of Investments are determined based on weighted average cost.

### Dividend Income

Dividend Income is recognized when the right to receive payment is established.

### Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

## 1.8 Employee benefits

### Short term obligations

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences and cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

# Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)

## Notes to the Financial Statements for the year ended March 31, 2023

### Defined contribution plans

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due. There are no other obligations other than the contribution payable to the fund.

### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet and will not be reclassified to profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Long-term employee benefits:

These obligations are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 1.9 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

### Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

# **Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)**

## **Notes to the Financial Statements for the year ended March 31, 2023**

### **Deferred tax**

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **Minimum alternate tax (MAT)**

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## **1.10 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **A. Financial assets**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **Debt Instruments**

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset

## Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited) Notes to the Financial Statements for the year ended March 31, 2023

and the cash flow characteristics of the asset. There are three measurement categories into which the Companies classify its debt instruments:

### Classification, recognition and measurement

The company classifies its financial assets in the following measurement categories:

- a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) Those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Business model:** The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows from the sale of asset. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how risks are assessed and managed. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

**Cashflow Characteristics Test:** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

### Measurement:

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting

## Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited) Notes to the Financial Statements for the year ended March 31, 2023

mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

### Equity Instruments

Equity instruments is a contract that evidences residual interest in the assets of the Company after deducting all its liabilities. The Company subsequently measures all equity investments, other than investments in subsidiaries, associates and joint ventures, under the scope of Ind AS 109 at fair value. Changes in the fair value of these instruments are recognized in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Type of instruments	Classification	Rationale for classification	Initial measurement	Subsequent measurement
Debt instruments	Amortized cost	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on principal amount outstanding are measured at amortised cost.	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance Income. Any gain and loss on de-recognition of the financial instrument measured at amortised cost recognised in profit and loss account.
	Fair value through other comprehensive income (FVOCI)	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income

**Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)**  
**Notes to the Financial Statements for the year ended March 31, 2023**

		interest on principal amount outstanding, are measured at FVOCI.		statement.  Interest income, transaction cost and discount or premium on acquisition are recognized in to income statement (finance income) using effective interest rate method.  On de-recognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head.
	Fair value through profit or loss (FVTPL)	Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain and loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which arise.	At fair value.  Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement as other gains/ (losses) in the period in which it arises.  Interest income from these financial assets is included in the Interest income.
Equity instruments	FVOCI	The Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (On an instrument by instrument basis) at fair value through other	At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset	Change in fair value of such instrument are recorded in OCI.  Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)**  
**Notes to the Financial Statements for the year ended March 31, 2023**

		comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.		Dividend income from such instruments are however recorded in income statement.
	FVTPL	When no such election is made, the equity instruments are measured at FVTPL	At fair value. Transaction costs of financial assets expensed to income statement	Change in fair value of such assets are recorded in income statement.

**Investments in subsidiaries, associates and joint ventures**

The Company has elected to measure investments in subsidiaries, associates and joint ventures at cost as per Ind AS 27 – Separate Financial Statements, accordingly measurement at fair value through statement of profit and loss account and related disclosure under Ind AS 109 does not apply.

**(i) Impairment:**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The method and significant judgements used while computing the expected credit losses and information about the exposure at default, probability of default and loss given default have been set out in Note 32.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

**(ii) Derecognition of financial assets:**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## **Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)**

### **Notes to the Financial Statements for the year ended March 31, 2023**

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On de-recognition of a financial asset, the difference between the assets carrying amount and the sum of consideration received and receivable is recognised in Profit or loss.

#### **Write-off policy**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

#### **(i) Financial liabilities and equity instruments :**

Debt and equity instruments issued by entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Classification, recognition and measurement:**

##### **(a) Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the net assets of an entity. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

##### **(b) Financial liabilities:**

#### **Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

#### **Subsequent measurement:**

The financial liabilities are classified for subsequent measurement into following categories:

- at amortised cost
- at fair value through profit or loss (FVTPL)

##### **(i) Financial liabilities at amortised cost:**

The company is classifying the following under amortised cost;

- Borrowings
- Trade and other payables

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### **Notes to the Financial Statements for the year ended March 31, 2023**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **(ii) Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability).

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition only if the criteria in Ind AS 109 are satisfied.

#### **Derecognition:**

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **Derivative financial Instruments:**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### **Reclassification of financial instrument**

The Company reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

After initial recognition, equity instruments and financial liabilities are not reclassified.

# Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)

## Notes to the Financial Statements for the year ended March 31, 2023

### (ii) Offsetting financial instruments :

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

### 1.11 Provisions and Contingencies

Provisions for are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are recognised at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

### 1.12 Cash and cash equivalent:

Cash and cash equivalents in the Statement of Cash flows comprise cash at bank and n hand and short term investments with an original maturity of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **Trade Receivables:**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

### 1.13 Earnings per share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

## **Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)**

### **Notes to the Financial Statements for the year ended March 31, 2023**

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

#### **1.14 Foreign Currency Transactions:**

##### **Functional currency**

The functional currency of the company is Indian Rupees ('INR'). These financial statements are presented in Indian Rupees and the all values are rounded to the nearest Lakh, except otherwise indicated.

##### **Transactions and translations**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

#### **1.15 Lease**

##### **As a lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (1) the contract involves the use of an identified asset
- (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct

## **Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited)**

### **Notes to the Financial Statements for the year ended March 31, 2023**

costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **Transition**

Effective 1st April , 2019, the Company has adopted Ind AS 116, "Leases". Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value.

#### **1.16 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Company. The Managing Director of the Company acts as the chief operating decision maker (CODM) of the Company in accordance with Operating Segment (Ind AS 108), for purpose of assessing the financial performance and position of the Company, and make strategic decisions.

#### **1.17 Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2023

## Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited) Notes to the Financial Statements for the year ended March 31, 2023

### Significant accounting estimates, judgements and assumptions:

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- a. Useful lives of property, plant and equipment:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also needs to be made, when company assesses, whether an asset may be capitalised and which components of the cost of the assets may be capitalised.
- b. Defined benefit plan:** The costs of the defined benefit gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- c. Allowances for uncollected accounts receivable and advances:** Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
- d. Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.
- e. Impairment of Non-Financial assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated

## Centrum Wealth Limited ( Formerly known as Centrum Wealth Management Limited) Notes to the Financial Statements for the year ended March 31, 2023

by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

- f. Impairment of Financial Assets:** The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
- g. Revenue:** The application of Accounting Standard on Revenue Recognition is complex and use of key judgments with respect to multiple deliverables, timing of revenue recognition, accounting of discounts, incentives etc. The management has reviewed such accounting treatment and is satisfied about its appropriateness in terms of the relevant IND AS.
- h. Leases:** The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. The Company uses judgements in assessing whether a contract (or a part of contract) includes a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether in-substance are fixed. The judgment involves assessment of whether the assets included in the contract is fully or partially identified asset based on the facts and circumstances, whether a contract included a lease and non-lease components and if so, separation thereof for the purposes of recognition and measurement, determination of lease term basis, inter-alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both.

2. PROPERTY, PLANT & EQUIPMENT

Particulars	Leasehold Improvement	Electric installation & equipments	Furniture & fixtures	Vehicles	Office equipment	Computer	Total
<b>Gross Block</b>							
As at 31st March, 2021	33.25	3.22	58.60	37.20	25.77	134.65	292.69
Additions			0.50		0.40	18.24	19.14
Disposals / Transfer / Adjustments		(1.68)	(51.67)	(37.20)	(3.62)	(6.27)	(100.44)
As at 31st March, 2022	33.25	1.54	7.42	-	22.55	146.62	211.38
Additions	59.00	0.02	2.72	-	5.22	97.79	164.75
Disposals / Transfer / Adjustments	(23.07)	(1.52)	(0.18)	-	(2.52)	(9.40)	(36.69)
As at 31st March, 2023	69.18	0.04	9.97	-	25.25	235.00	339.44
<b>Accumulated Depreciation</b>							
As at 31st March, 2021	22.34	2.08	40.14	18.78	18.96	120.58	222.89
Depreciation for the year	2.71	0.30	5.42	4.42	3.04	7.21	23.10
Disposals / Transfer / Adjustments		(1.50)	(42.67)	(23.20)	(3.44)	(3.72)	(74.52)
As at 31st March, 2022	25.04	0.88	2.90	0.00	18.56	124.07	171.46
Depreciation for the year	6.02	0.15	0.85	-	1.88	20.83	29.73
Disposals / Transfer / Adjustments	(17.35)	(1.04)	(0.16)	-	(2.34)	(8.44)	(29.32)
As at 31st March, 2023	13.71	-0.00	3.59	0.00	18.11	136.46	171.87
<b>Net Block</b>							
As at 31st March, 2023	55.47	0.04	6.38	-0.00	7.14	98.54	167.58
As at 31st March, 2022	8.21	0.65	4.53	-0.00	3.99	22.55	39.92

3. OTHER INTANGIBLE ASSETS

Particulars	Computer software	Intangible assets under Development	Total
<b>Gross Block</b>			
As at 31st March, 2021	365.65	(0.00)	365.65
Additions	15.80	95.90	111.70
Disposals / Transfer / Adjustments			
As at 31st March, 2022	381.45	95.90	477.35
Additions	49.69	101.55	151.24
Disposals / Transfer / Adjustments		44.95	44.95
As at 31st March, 2023	431.14	152.50	583.64
<b>Accumulated Depreciation</b>			
As at 31st March, 2021	123.41	-	123.41
Depreciation for the year	38.41	-	38.41
Disposals / Transfer / Adjustments	-	-	-
As at 31st Mar, 2022	161.83	-	161.82
Depreciation for the year	42.51	-	42.51
Disposals / Transfer / Adjustments	-	-	-
As at 31st March, 2023	204.34	-	204.34
<b>Net Block</b>			
As at 31st March, 2023	226.80	152.50	379.30
As at 31st March, 2022	219.625	95.90	315.53

Intangible assets under development

(Amount in Rs. Lakhs)

Year ended March 31, 2023	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	70.50	82.00	-	-	152.50
Projects temporarily suspended	-	-	-	-	-

(Amount in Rs.Lakhs)

Year Ended March 31, 2022	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	95.90	-	-	-	95.90
Projects temporarily suspended	-	-	-	-	-

4. Right of use of assets

Particulars	Vehicles	Office Premises	Total
As at 31st March, 2021	17.93	241.87	259.80
Additions		135.37	135.37
Disposals / Transfer / Adjustments		(79.92)	(79.92)
As at 31st March, 2022	17.93	297.32	315.25
Additions	-	453.08	453.08
Disposals / Transfer / Adjustments		(91.63)	(91.63)
As at 31st March, 2023	17.93	658.77	676.70
As at 31st March, 2021	14.49	164.02	178.51
Depreciation for the year	2.78	56.64	59.42
Disposals / Transfer / Adjustments	(0.66)	33.60	32.93
As at 31st March, 2022	17.93	187.06	204.99
Depreciation for the year	-	90.91	90.91
Disposals / Transfer / Adjustments		(40.79)	(40.79)
As at 31st March, 2023	17.93	237.19	255.12
<b>Net Block</b>			
As at 31st March, 2023	-	421.58	421.58
As at 31st March, 2022	-	110.26	110.26

Note: Company has not revalued any of its Property, Plant and Equipment or Intangible assets during the year

Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)  
Notes to the Financial Statements for the year ended 31 March 2023  
(All amounts in INR Lakhs, unless otherwise stated)

5. INVESTMENT	Subsidiary / Joint Venture / Others	As at 31-Mar-23	As at 31-Mar-22
<b>Current</b>			
<b>Investment in debentures held for trading at FVTPL</b>			
Quoted ( No of Debentures: 50 , PY(NIL))	Others	70.29	-
<b>Aggregate Value of Quoted Investments at market value</b>		70.29	-
<b>Aggregate Value of Unquoted Investments</b>		-	-
<b>Aggregate Provision of dimunition in value of investments</b>		-	-
<b>Non Current</b>			
<b>Investment in Equity Instruments at Cost</b>			
Unquoted Fully Paid up Equity shares of Centrum Investment Advisors Limited Face Value : Rs. 10/-, No of Shares : 21,13,000 ( PY: 10,77,630)	Subsidiary	4,049.26	280.52
<b>Investment in Equity Instruments at FVTPL</b>			
Quoted	Others	-	0.32
Unquoted	Others	-	1.51
<b>Investment in Limited Liability Partnerships (LLP) at FVTPL</b>			
Unquoted	Others	125.50	125.50
<b>Aggregate Value of Quoted Investments at market value</b>		-	0.32
<b>Aggregate Value of Unquoted Investments</b>		4,174.76	407.53
<b>Total Current</b>		<u>70.29</u>	<u>-</u>
<b>Total Non-Current</b>		<u>4,174.76</u>	<u>407.85</u>
<b>Less: Allowance for Impairment Loss - Current</b>		-	-
<b>Less: Allowance for Impairment Loss - Non-Current</b>		(125.50)	(46.02)
<b>Total Net Current Investments</b>		<u>70.29</u>	<u>-</u>
<b>Total Net Non-Current Investments</b>		<u>4,049.26</u>	<u>361.83</u>
<b>6. LOANS AND ADVANCES</b>			
(Unsecured, considered good unless otherwise stated)			
<b>Current</b>			
Loans to others - Unsecured		1,003.70	321.40
Less : Loss allowance		(555.99)	(321.40)
<b>Non current</b>			
Loans to others - Unsecured		1,000.20	1,500.00
Less :Loss allowance		(104.25)	(7.70)
<b>Total Current</b>		<u>447.71</u>	<u>-</u>
<b>Total Non-Current</b>		<u>895.95</u>	<u>1,492.30</u>

\* In the absence of security creation against a loan facility, Company is providing 100% of Interest accrued as matter of prudence. Company has accrued interest of Rs. 503.90 lakhs since inception of the loan. The Company has also provided for 10% of the outstanding principal in the current year.

**Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)**  
**Notes to the Financial Statements for the year ended 31 March 2023**  
(All amounts in INR Lakhs, unless otherwise stated)

7. OTHER FINANCIAL ASSETS	As at 31-Mar-23	As at 31-Mar-22
<b>Current</b>		
Interest Receivable	7.90	-
Security Deposits	3.48	4.56
Other receivables	2.50	323.73
Less : Loss Allowance	(1.63)	(321.62)
<b>Non current</b>		
Security Deposits	50.60	29.89
Less : Loss Allowance	(0.33)	(0.18)
<b>Total Current</b>	<b>12.25</b>	<b>6.67</b>
<b>Total Non-Current</b>	<b>50.27</b>	<b>29.71</b>

\*During the Current year, Company has written off Other Receivables of Rs. 320 Lakhs paid according to the del credere arrangement entered by the Company as per MOU dated 1st July, 2019.

8. DEFERRED TAX ASSETS	As at 31-Mar-23	As at 31-Mar-22
<b>Deferred tax asset on account of:</b>		
Business Loss	-	-
Employee related Provisions and liabilities	90.91	145.72
<b>Other Liabilities and Provisions</b>		
Loss Allowance for Debtors and loans	198.98	208.73
Refund Liabilities	1.26	1.26
Others	0.70	0.82
Fair valuation of Financial Instruments	29.24	11.17
<b>Deferred tax liability on account of:</b>		
Depreciation/Amortisation on property plant and equipments and Intangible assets	(23.91)	(44.81)
Others	(37.52)	-
<b>Total</b>	<b>259.65</b>	<b>322.90</b>

**Movement in Deferred Tax Assets / Liabilities for the year ended March 31, 2023**

Particulars	Opening Balance	Charged / (Credited) to Profit & Loss	Closing Balance
Property, plant & equipment	(44.81)	(20.90)	(23.91)
Business Loss	-		-
Employee related Provisions and liabilities	145.72	54.81	90.91
Other Liabilities and Provisions	210.81	47.40	163.42
Investments at FVTPL	11.17	(18.07)	29.24
MAT Credit Entitlement	-		-
<b>Total</b>	<b>322.90</b>	<b>63.24</b>	<b>259.65</b>

**Movement in Deferred Tax Assets / Liabilities for the year ended March 31, 2022**

Particulars	Opening Balance	Charged / (Credited) to Profit & Loss	Closing Balance
Property, plant & equipment	(26.03)	(18.78)	(44.81)
Business Loss	616.44	(616.44)	-
Employee related Provisions and liabilities	86.24	59.48	145.72
Other Liabilities and Provisions	78.51	132.30	210.81
Investments at FVTPL	5.05	6.12	11.17
MAT Credit Entitlement	539.23	(539.23)	-
<b>Total</b>	<b>1,299.44</b>	<b>(976.54)</b>	<b>322.90</b>

9. OTHER NON-CURRENT ASSETS (Unsecured, considered good unless otherwise stated)	As at 31-Mar-23	As at 31-Mar-22
Advance Tax [Net off Provision for Tax -Rs.119.04 lakhs, (Previous year -Rs. 45.52 Lakhs)]	761.66	1,064.88
Prepaid Expenses	5.22	7.99
<b>Total</b>	<b>766.88</b>	<b>1,072.87</b>

**Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)**  
**Notes to the Financial Statements for the year ended 31 March 2023**  
**(All amounts in INR Lakhs, unless otherwise stated)**

**10. TRADE RECEIVABLES**

As at 31-Mar-23	As at 31-Mar-22
507.59	431.49
1,093.18	1,505.31
(108.70)	(164.48)
<b>1,492.07</b>	<b>1,772.32</b>

Unsecured, Considered good - Related Party
Unsecured, Considered good - Others
Less : Loss Allowance
<b>Total</b>

During the Current Year, Company has written off bad debts of Rs. 64.40 Lakhs against old outstanding receivables. Loss Allowance has been reversed to the extent of Bad debts written off .

**Trade Receivables ageing schedule as on 31 March,2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1533.85	18.11	-	-	-	1551.96
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	19.42	1.19	28.20	48.81
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL - Simplified Approach	(55.20)	(4.69)	-19.42	-1.19	-28.20	(108.70)
Net Carrying Amount	1,478.65	13.42	-	-	-	1,492.07

**Trade Receivables ageing schedule as on 31 March,2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,462.47	376.77	-	-	-	1,839.23
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	10.46	39.19	47.92	97.57
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
ECL - Simplified Approach	(33.07)	(33.84)	(10.46)	(39.19)	(47.92)	-164.48
Net Carrying Amount	1,429.40	342.93	-	-	-	1,772.32

**11. CASH AND CASH EQUIVALENTS**

As at 31-Mar-23	As at 31-Mar-22
1.31	2.76
12.03	88.82
<b>13.33</b>	<b>91.58</b>

Cash on hand
Balances with banks -In current accounts

**Total**

**12. Bank Balances other than Cash and Cash Equivalents**

As at 31-Mar-23	As at 31-Mar-22
2,000.00	-
<b>2,000.00</b>	<b>-</b>

Fixed Deposits with maturity more than 3 months but less than 12 months ( Fixed Deposit placed with HDFC Bank against Overdraft
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Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)

Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in INR Lakhs, unless otherwise stated)

12. OTHER CURRENT ASSETS

	As at 31-Mar-23	As at 31-Mar-22
Prepaid Expenses	67.92	53.56
Contract assets	1,340.95	1,337.51
Loans and Advances to Employees and others	18.75	1.53
Less: Loss Allowance	(19.71)	(13.98)
	<b>1,407.92</b>	<b>1,378.62</b>

13. SHARE CAPITAL

	As at 31-Mar-23	As at 31-Mar-22
<b>Authorised Share Capital</b>		
3,00,00,000 equity Shares (Previous Year: 3,00,00,000)	3,000	3,000
Equity shares of Rs. 10 each		
<b>Total</b>	<b>3,000</b>	<b>3,000</b>
<b>Issued, subscribed and fully paid up Share Capital</b>		
2,00,00,000 equity Shares (Previous Year: 2,00,00,000) of Rs. 10 each	2,000	2,000
<b>Total</b>	<b>2,000</b>	<b>2,000.0</b>

13.a Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at 31-Mar-23		As at 31-Mar-22	
	No of shares	Amount	No of shares	Amount
Equity Shares at the beginning of the year - Class A	2,00,00,000	2,000	2,00,00,000	2,000
Add : Shares issued	-	-	-	-
Less : Shares Bought back	-	-	-	-
<b>Equity Shares at the end of the year - Class A equity shares</b>	<b>2,00,00,000</b>	<b>2,000</b>	<b>2,00,00,000</b>	<b>2,000</b>

13.b Rights, preferences and restrictions attached to shares

The Company has two classes of shares - Class A and Class B both of Rs.10 each.

The Company has issued only one class of equity shares - Class A shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

Class B equity shares, shall have differential voting rights (DVR equity shares) of the Company such that the DVR Equity Shares shall carry voting rights in all general meetings

(including extraordinary and annual meetings) of at least 74% (Seventy Four Percent) of the total paid up voting share capital of the Company on a fully diluted basis.

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.

13.c Particulars of shares held by Holding Company

	As at 31-Mar-23	As at 31-Mar-22
<b>Class A Equity Shares</b>		
Centrum Retail Services Limited	1,16,56,500	1,37,26,500

13.d Particulars of shareholders holding more than 5% of aggregate shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	% Held	No of shares	% Held
<b>Class A Equity Shares</b>				
Centrum Retail Services Limited *	1,16,56,500	58.28%	1,37,26,500	68.63%
Centrum Financial Services Limited	20,00,000	10.00%		

\*Out of 1,16,56,500 Shares, 6 shares are held by nominees on behalf of Centrum Retail Services Limited.

**Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)**

**Notes to the Financial Statements for the year ended 31 March 2023**

(All amounts in INR Lakhs, unless otherwise stated)

**13.e Shareholding of promoters**

Promoter Name Class A Equity Shares	As at			As at		
	31 March 2023			31 March 2022		
	No of Shares	%of total Shares	% change	No of Shares	%of total Shares	% change
Centrum Retail Services Limited *	1,16,56,500	58.28%	-15.08%	1,37,26,500	68.63%	1.64%

\*Out of 1,16,56,500 Shares, 6 shares are held by nominees on behalf of Centrum Retail Services Limited.

**14. OTHER EQUITY**

	As at 31-Mar-23	As at 31-Mar-22
Securities premium	1,197.00	1,197.00
Retained earnings	3,053.04	(1,498.94)
Money received against warrants	10.00	10.00
	<b>4,260.04</b>	<b>(291.94)</b>

**Movements in Reserves**

**Securities premium**

Securities Premium is used to record premium on issue of shares. The reserve is utilised as per the provisions of the companies Act 2013

	As at 31-Mar-23	As at 31-Mar-22
Balance at the beginning of the year	1,197.00	1,197.00
Movement during the year	-	-
Balance at the end of the year	<b>1,197.00</b>	<b>1,197.00</b>

**Retained earnings**

Retained Earnings are the profit of the company earned till date net of appropriations

	As at 31-Mar-23	As at 31-Mar-22
Balance at the beginning of the year	(1,498.94)	(5,622.12)
Remeasurement of Post Employment benefits obligations (net of tax)	(43.63)	(86.79)
Profit / (Loss) for the year	4,595.62	4,209.97
Balance at the end of the year	<b>3,053.04</b>	<b>(1,498.94)</b>

**Money received against warrants**

	As at 31-Mar-23	As at 31-Mar-22
Balance at the beginning of the year	10.00	10.00
Movement during the year	-	-
Balance at the end of the year	<b>10.00</b>	<b>10.00</b>

The company had issued 1 (One Only) warrant convertible into Equity Shares, to the holding company Centrum Retail Services Limited. Each Warrant is convertible into either i) 1,00,000 equity share of Rs. 10 each pari – passu in all respect including dividend & voting rights with existing equity shares of the company or ii) into 1,00,000 equity shares having Differential Voting Rights of the company having face value of Rs. 10 (Rupees Ten Only) each (“DVR Equity Shares”). (such that the DVR Equity Shares shall carry voting rights in all general meetings (including extraordinary and annual meetings) of at least 74% (Seventy – Four Percent) of the total paid up voting share capital of the company on a fully diluted basis being valid for a period of 5 (five) years or such other maximum period as permissible under the applicable law. In case of non-exercise of warrant within the period of 5 years, the same shall stand forfeited and the money received against the same shall not be refunded by the company.

As at 31st March, 2023 the Warrant was pending to be converted into Equity Shares of ₹. 10/- each.

Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)  
Notes to the Financial Statements for the year ended 31 March 2023  
(All amounts in INR Lakhs, unless otherwise stated)

15. BORROWINGS	As at 31-Mar-23	As at 31-Mar-22
<b>Current (unsecured)</b>		
Loan from related parties	1,150.00	1,415.00
Loan from others	-	400.00
<b>Note : Loans from related parties</b> (Short Term loan - Interest Rate - 14%, repayable at the end of the term on 31st March,24)		
<b>Current (secured)</b>		
Bank Overdraft ( Overdraft facility against Fixed deposit , Rate of Interest- 0.5%+ FD Rate to be renewed annually)	1,865.61	-
<b>Non-current (unsecured)</b>		
<b>Total Current</b>	<u>3,015.61</u>	<u>1,815.00</u>
<b>Total Non-Current</b>	<u>-</u>	<u>-</u>
<b>16. Lease Liabilities</b>	<b>As at 31-Mar-23</b>	<b>As at 31-Mar-22</b>
<b>Non Current</b>		
Lease Liability	317.49	60.37
<b>Current</b>		
Lease Liability	101.31	46.63
<b>Total Non-Current</b>	<u>317.49</u>	<u>60.37</u>
<b>Total Current</b>	<u>101.31</u>	<u>46.63</u>
<b>17. OTHER FINANCIAL LIABILITIES</b>	<b>As at 31-Mar-23</b>	<b>As at 31-Mar-22</b>
<b>Current</b>		
Expenses Payable	433.19	287.87
Payable to Staff	9.49	2.69
<b>Non-current</b>		
<b>Total Current</b>	<u>442.68</u>	<u>290.56</u>
<b>Total Non-Current</b>	<u>-</u>	<u>-</u>
<b>18. Provisions</b>	<b>As at 31-Mar-23</b>	<b>As at 31-Mar-22</b>
<b>Provision for Gratuity</b>		
Current	250.47	197.73
Non current	230.36	206.15
<b>Provision for Compensated Absences</b>		
Current	37.40	29.84
Non current	142.99	145.29
<b>Provision for other employee benefits</b>		
Current	881.04	1,710.84
Non current	5.34	-
<b>Total Current</b>	<u>1,168.90</u>	<u>1,938.41</u>
<b>Total Non-Current</b>	<u>378.69</u>	<u>351.44</u>
<b>19. TRADE PAYABLES</b>	<b>As at 31-Mar-23</b>	<b>As at 31-Mar-22</b>
Total Outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	119.15	171.13
<b>Total</b>	<u>119.15</u>	<u>171.13</u>

As on 31-Mar-23	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2- 3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	119.15	-	-	-	119.15
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As on 31-Mar-22	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2- 3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	166.24	4.90	-	-	171.13
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**20. OTHER CURRENT LIABILITIES**

	As at 31-Mar-23	As at 31-Mar-22
Refund liabilities	5.00	5.00
Statutory Dues	402.21	601.36
Other Payables	14.54	6.55
<b>Total</b>	<b>421.76</b>	<b>612.91</b>

**21. Current Tax Liabilities (Net)**

	As at 31-Mar-23	As at 31-Mar-22
Provision for tax for the year ( Net of Advance tax and TDS paid of Rs. 1156.77 lakhs)	208.41	-
	<b>208.41</b>	<b>-</b>

**22. REVENUE FROM OPERATIONS**

	Year ended 31-Mar-23	Year ended 31-Mar-22
<b>Revenue from contract with customers</b>		
Brokerage & Commission	15,548.88	14,626.29
Business Support Service Fees	2,055.60	1,334.76
Adjustments for : Refund liabilities (created) /Written back	-	48.00
<b>Revenue from trading in financial instruments</b>		
Profit /Loss from Trading in Securities (Net)	1,281.38	1,234.37
<b>Total</b>	<b>18,885.86</b>	<b>17,243.42</b>

**23. OTHER INCOME**

	Year ended 31-Mar-23	Year ended 31-Mar-22
Interest Income from financial assets at ammortised cost	221.60	196.34
Interest on Income Tax Refund	19.12	18.88
Unwinding of Interest on Security Deposits	4.86	3.42
Miscellaneous Income	6.24	0.59
<b>Other non-operating Income</b>		
Fair Value Gain / (Loss) on Investments held for trading	0.87	-
Fair Value Gain / (Loss) on Other Investments	(81.14)	(26.46)
Modification Gain / (Loss) on Lease	5.11	20.72
<b>Total</b>	<b>176.66</b>	<b>213.49</b>

**Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)**  
**Notes to the Financial Statements for the year ended 31 March 2023**  
(All amounts in INR Lakhs, unless otherwise stated)

<b>24. EMPLOYEE BENEFITS EXPENSE</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Salaries	8,477.93	7,695.60
Contributions to provident and other funds	453.34	347.29
Staff welfare expenses	28.49	2.82
<b>Total</b>	<b>8,959.76</b>	<b>8,045.72</b>
<b>25. DEPRECIATION AND AMORTIZATION EXPENSE</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Depreciation and Amortization expense	163.16	120.92
<b>Total</b>	<b>163.16</b>	<b>120.92</b>
<b>26. FINANCE COSTS</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Interest on Borrowings	66.68	701.32
Bank Charges	0.70	0.65
Interest on Employee Benefit Expense	30.03	14.25
Interest on delay in payment of statutory dues	0.71	0.99
Interest on Lease Liability	29.64	13.28
Other Borrowing Cost	-	1.91
<b>Total</b>	<b>127.75</b>	<b>732.40</b>
<b>27. OTHER EXPENSES</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Payments to Auditor	8.30	8.30
Business Promotion Expenses	180.83	112.83
Commission and Brokerage	974.60	1,264.78
Communication and Internet Expenses	16.26	14.44
IT repairs and Maintenance	133.95	76.86
Electricity Expenses	29.27	16.71
Legal & Professional Fees	826.39	449.59
Director Sitting Fees	17.70	11.10
Business Support Services	632.52	373.15
Data Subscription expenses	22.23	15.23
Office Expenses	78.69	50.34
Rent Rates & Taxes	185.98	167.25
Repairs & Maintenance	5.68	12.58
Travelling & Conveyance	170.02	55.99
Insurance	47.25	27.13
(Recoveries) / Allowances for trade receivables and loans	345.66	623.47
Foreign Exchange gain/loss ( Net)	4.85	0.67
Training Expenses	0.50	0.42
Miscellaneous Expenses	18.94	17.43
<b>Total</b>	<b>3,699.61</b>	<b>3,298.25</b>
<b>Note: Payments to Auditor</b>		
For Audit	6.50	6.50
For Taxation and Other Matters	1.80	1.80
For Reimbursement of expenses	-	-
<b>Total</b>	<b>8.30</b>	<b>8.30</b>
<b>28. INCOME TAX EXPENSE</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Current tax	1,365.18	45.52
Tax expenses/(credit) relating to earlier years	73.52	28.28
<b>Total Current Tax Expense</b>	<b>1,438.70</b>	<b>73.80</b>

Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)

Notes to the Financial Statements for the year ended 31 March 2023

(All amounts in INR Lakhs, unless otherwise stated)

Deferred tax	Year ended	Year ended
	31-Mar-23	31-Mar-22
Decrease (increase) in deferred tax assets	77.92	975.85
(Decrease) increase in deferred tax liabilities	-	-
<b>Total Deferred Tax Expense</b>	<b>77.92</b>	<b>975.85</b>
<b>Total Income Tax Expense</b>	<b>1,516.62</b>	<b>1,049.65</b>

The reconciliation of estimated Income tax at Statutory income tax rate to Income tax expense report in the statement of profit and loss is as follows

Profit / (Loss) before taxes	6,112.23	5,259.62
Indian Statutory Income tax Rate - 25.168% ( 2021-22 - 25.168%)	1,538.33	1,323.74
Rate change impact on deferred tax	2.35	47.57
Adjustment in current tax of previous years	73.52	28.28
Reversal of excess Deferred Tax Asset	(24.14)	-
Losses / Disallowances for which no deferred Income tax	(74.50)	(854.52)
Reversal of MAT	-	510.95
Others	1.06	(6.37)
<b>Total Income tax expense</b>	<b>1,516.62</b>	<b>1,049.65</b>

29. Analytical Ratios

Ratio	Numerator	Denominator	Year ended 31-Mar-23	Year ended 31-Mar-22	Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	0.96	0.67	43%	Increase in Current assets during the year
Debt- Equity Ratio	Borrowings	Equity	0.48	1.06	-55%	Increase in Owned funds has lead to improvement in the Ratio
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	1.58	1.99	-21%	The Ratio has been calculated on Gross Basis, However on a net debt basis , Ratio has improved.
Return on Equity Ratio	Net Profit After Tax	Average Shareholder Equity	29%	NA	NA	Increase in Net Shareholders Equity
Inventory turnover Ratio	NA	NA	NA	NA	NA	-
Trade Receivables turnover ratio	Net Credit sales for the year	Average Trade receivables	9.95	8.35	19%	Collection efficiency improvement
Trade Payables turnover ratio	Net Credit Purchases	Average Trade Payables	23.07	17.34	33%	Due to nature of business
Net Capital turnover ratio	Net Sales	Working Capital	-8.01	-3.14	NA	Due to Improvement in Net Current Assets
Net Profit ratio	Net Profit After Tax	Net Sales	24%	24%	-0.33%	
Return on capital employed	Earnings before Interest & Taxes	Equity +Borrowings	98%	144%	-32%	Increase in Shareholders Equity in Borrowing in Current Financial year
Return on investment	NA	NA	NA	NA	NA	

30. Earnings Per Share (EPS) – Ind AS 33

Particulars	(Rs. in Lakhs)	
	For the year ended 31st March , 2023	For the year ended 31st March , 2022
Face Value per equity share in Rupees	10	10
<b>Basic Earning per share</b>	<b>22.98</b>	<b>21.05</b>
Net profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders	4,595.62	4,209.97
Weighted Average number of equity shares used as denominator for calculating Basic EPS	2,00,00,000	2,00,00,000
<b>Diluted Earnings per share</b>	<b>22.98</b>	<b>21.05</b>
Net profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders	4,595.62	4,209.97
Weighted Average number of equity shares used as denominator for calculating Diluted EPS	2,01,00,000	2,01,00,000
<b>Reconciliation of Weighted average number of shares outstanding</b>		
Weighted Average number of equity shares used as denominator for calculating Basic EPS	2,00,00,000	2,00,00,000
Total Weighted Average potential Equity Shares	1,00,000	1,00,000
Weighted Average number of equity shares used as denominator for calculating Diluted EPS	2,01,00,000	2,01,00,000

31. Disclosure regarding dues to Micro, small and Medium Enterprises

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2023 together with interest paid /payable are required to be furnished. The aforementioned is based on the responses received by the company to its inquiries with suppliers with regard to applicability under the said Act.

32. Contingent liabilities and Commitments  
Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as liability	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.10.00 lacs for 31st March 2023 ( PY:Rs.57.50 lakhs as on 31st March, 2022).

33. Capital

The company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and requirements of the financial covenants. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities or sell assets to reduce debts. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated.

### 34. Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of its financial risk such as credit risk, liquidity risk and market risk. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

#### Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligation as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking in to account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limit are set accordingly.

The company considers the possibility of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk arises from cash and cash equivalents, loans, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

#### Credit Risk Management

The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

#### Definition of Default

For Trade receivables, definition of default has been considered at 365 days past due after looking at the historical trend of receiving the payments.

A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

#### Impairment of Financial assets

The Company has following assets that are subject to expected credit loss model:

- Trade receivables for provision of services.
- Loans carried at amortised cost.
- Other receivables.

#### Trade & Other Receivables:

The expected loss rates are based on the payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables as per the Internal Valuation with a management overlay.

#### Cash and Bank balances:

The Company held cash and bank balance of INR 13.33 Lakhs at March 31, 2023 (March 31, 2022: INR 91.58 Lakhs). The same are held with bank and financial institution counterparties with good credit rating therefore have limited exposure to credit risk.

#### Loans:

All of the entity's debt investments and certain loans at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers instruments to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

#### Measurement of Expected Credit Losses

The company has applied a three-stage approach to measure expected credit losses (ECL) on loans. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, Company uses information that is relevant and available without undue cost or effort. This includes Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The company assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors. For the purpose of individual evaluation of impairment factors such as internally collected data on customer payment record, utilization of granted credit limits and information obtained during the periodic review of customer records such as audited financial statements, budgets and projections are considered.

In determining whether the credit risk on a financial asset has increased significantly, the company considers the change in the risk of a default occurring since initial recognition.

The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from Company's internally developed statistical models and other historical data.

#### Probability of Default (PD)

Borrowers have been classified into two asset classes - Corporate and Retail. For Corporate borrowers, PD has been mapped using the credible external rating study. For retail borrowers, due to insufficiency of historical data proxy of PD has been mapped from other portfolio of same entity. In case entity does not have any other portfolio, then rating of CCL (group company) has been used to compute PD.

#### Loss Given Default (LGD)

Historical recovery is usually considered to calculate Loss Given Default (LGD). For all stages, cases (DPD > 90) are considered while arriving at historical LGD. Recovery period for all the cases are 6 months, the capping is based on assumption that maximum recovery gets incurred within 6 months of default and after that recovery is negligible. For Company significant data for computation of LGD was not available. Hence, Basel reference is used for LGD. Accordingly we have used 65% as LGD which corresponds against Senior Unsecured Claims.

#### Exposure at default (EAD)

Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.

#### Reconciliation of loss allowance provision – Trade Receivables, Loans, Security Deposits, Investments and Other financial assets

(Rs. in Lakhs)

Reconciliation of Loss Allowance	Loss Allowance measured at 12 month expected losses			
	Trade receivables	Loans	Other financial Assets	Contract assets
Loss allowance as on 31 March 2021	98.02	9.05	96.46	2.36
Add: Changes in loss allowances	66.46	320.05	225.34	11.62
Loss allowance as on 31 March 2022	164.48	329.10	321.80	13.98
Bad debts written off - Reversed from Loss allowance	(64.41)	-	(320.00)	-
Add: Changes in loss allowances	8.63	331.14	0.16	5.73
Loss allowance as on 31 March 2023	108.70	660.24	1.96	19.71

#### Market Risk

Market Risk is the risk of loss of future earning, fair values or future cash flow that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Carrying amount	Traded risk	Non traded risk	Carrying amount	Traded risk	Non traded risk
<b>Assets</b>						
Cash and cash equivalents	1.31	-	1.31	2.76	-	2.76
above	12.03	-	12.03	88.82	-	88.82
Derivative financial instruments	-	-	-	-	-	-
Trade Receivables	1,492.07	-	1,492.07	1,772.32	-	1,772.32
Loans	1,343.66	-	1,343.66	1,492.30	-	1,492.30
Investments - at cost	4,049.26	-	4,049.26	280.52	-	280.52
Investments - at FVOCI	-	-	-	-	-	-
Investments - at FVTPL	70.29	70.29	-	80.99	0.32	80.67
Other financial assets	62.52	-	62.52	36.38	-	36.38
			-			
<b>Liabilities</b>						
Trade payables	119.15	-	119.15	171.13	-	171.13
Derivative Financial Instruments	-	-	-	-	-	-
Borrowings (other than Debt securities)	3,015.61	-	3,015.61	1,815.00	-	1,815.00
Other financial liabilities	442.68	-	442.68	290.56	-	290.56

The Company manages market risk through its treasury department, which evaluate and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

**Interest Rate Risk**

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management. There are no Variable rate borrowings as at end of the reporting periods.

**Foreign Currency Risk**

The Company's exposures to unhedged foreign currency risk as at the end of the reporting periods expressed in INR are as follows

Particulars	(Amount in Rs.)	
	As at March 31, 2023	As at March 31, 2022
Loan & Advances to related parties	-	-
Loan & Advances to others	-	-
Trade Receivable	Rs.22,40,657 (USD 27,270.07 @ closing rate of 1 USD = 82.2164)	Rs.3,47,205 (USD 4,580.12 @ closing rate of 1 USD = 75.8071)

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Particulars	(Rs. in Lakhs)	
	Impact on Profit before Tax	
	March 31, 2023	March 31, 2022
INR / USD Sensitivity increase by 5%	1.12	0.17
INR / USD Sensitivity decrease by 5%	(1.12)	(0.17)

**Liquidity Risk**

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity through rolling forecasts on the basis of expected cash flows, positions and ensure that the company is able to meet its financial obligations at all times including contingencies.

The details regarding the contractual maturities of significant non derivative financial liabilities as on March 31, 2023 are as follows:

Particulars	Within 1 Year	1-2 Years	2-4 years	Total
Secured Borrowings	-	-	-	-
Unsecured Borrowings	3,015.61	-	-	3,015.61
Trade Payable	119.15	-	-	119.15
Other financial liabilities	442.68	-	-	442.68

The details regarding the contractual maturities of significant non derivative financial liabilities as on March 31, 2022 are as follows:

Particulars	Within 1 Year	1-2 Years	2-4 years	Total
Secured Borrowings	-	-	-	-
Unsecured Borrowings	1,815.00	-	-	1,815.00
Trade Payable	171.13	-	-	171.13
Other financial liabilities	290.56	-	-	290.56

The amounts disclosed in the table are the contractual undiscounted cash flows.

Centrum Wealth Limited ( Formerly Known as Centrum Wealth Management Limited)

Notes to the Financial Statements for the year ended 31 March 2023

35: Fair Value Measurements

A. Accounting classification and fair values

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(INR in Lakhs)

Financial Assets and Liabilities as at 31 March 2023	Carrying value			Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>																
Investments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	70.29	70.29	-	-	70.29	70.29	-	-	-	-	-	-	-	-	70.29
Other Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others ( Investment in LLP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	1,492.07	1,492.07	-	-	-	-	-	-	-	-	-	-	1,492.07	1,492.07	1,492.07
Loans and Advances	895.95	447.71	1,343.66	-	-	-	-	-	-	-	-	-	-	1,343.66	1,343.66	1,343.66
Cash and Cash equivalents	-	13.33	13.33	-	-	-	-	-	-	-	-	-	-	13.33	13.33	13.33
Other Financial Assets	50.27	2,012.25	2,062.52	-	-	-	-	-	-	-	-	-	-	2,062.52	2,062.52	2,062.52
<b>Total</b>	<b>946.23</b>	<b>4,035.64</b>	<b>4,981.87</b>	-	-	<b>70.29</b>	<b>70.29</b>	-	-	-	-	-	-	<b>4,911.58</b>	<b>4,911.58</b>	<b>4,981.87</b>
<b>Financial Liabilities</b>																
Borrowings	-	3,015.61	3,015.61	-	-	-	-	-	-	-	-	-	-	3,015.61	3,015.61	3,015.61
Trade Payables	-	119.15	119.15	-	-	-	-	-	-	-	-	-	-	119.15	119.15	119.15
Lease liabilities	101.31	119.15	220.46	-	-	-	-	-	-	-	-	-	-	220.46	220.46	220.46
Other Financial Liabilities	-	1,168.90	1,168.90	-	-	-	-	-	-	-	-	-	-	1,168.90	1,168.90	1,168.90
<b>Total</b>	<b>101.31</b>	<b>4,422.82</b>	<b>4,524.12</b>	-	-	-	-	-	-	-	-	-	-	<b>4,524.12</b>	<b>4,524.12</b>	<b>4,524.12</b>

Financial Assets and Liabilities as at 31 March 2022	Carrying value			Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
<b>Financial Assets</b>																
Investments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Equity Shares	0.32	-	0.32	-	-	0.32	0.32	-	-	-	-	-	-	-	-	0.32
Others ( Investment in LLP)	125.50	-	125.50	-	-	125.50	125.50	-	-	-	-	-	-	-	-	125.50
Trade receivables	-	1,772.32	1,772.32	-	-	-	-	-	-	-	-	-	-	1,772.32	1,772.32	1,772.32
Loans and Advances	1,492.30	-	1,492.30	-	-	-	-	-	-	-	-	-	-	1,492.30	1,492.30	1,492.30
Cash and Cash equivalents	-	91.58	91.58	-	-	-	-	-	-	-	-	-	-	91.58	91.58	91.58
Other Financial Assets	29.71	6.67	36.38	-	-	-	-	-	-	-	-	-	-	36.38	36.38	36.38
<b>Total</b>	<b>1,647.83</b>	<b>1,870.57</b>	<b>3,518.41</b>	-	-	<b>125.82</b>	<b>125.82</b>	-	-	-	-	-	-	<b>3,392.58</b>	<b>3,392.58</b>	<b>3,518.41</b>
<b>Financial Liabilities</b>																
Borrowings	-	1,815.00	1,815.00	-	-	-	-	-	-	-	-	-	-	1,815.00	1,815.00	1,815.00
Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Financial Liabilities	3,123.77	-	3,123.77	-	-	-	-	-	-	-	-	-	-	3,123.77	3,123.77	3,123.77
<b>Total</b>	<b>3,123.77</b>	<b>1,815.00</b>	<b>4,938.77</b>	-	-	-	-	-	-	-	-	-	-	<b>4,938.77</b>	<b>4,938.77</b>	<b>4,938.77</b>

\* All Investments are disclosed except for Investments in Equity Instruments of subsidiaries held at cost ( FY 22-23 Rs.4,049.26 Lakhs, FY 21-22 Rs.280.52 Lakhs)

**B. Measurement of fair value**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

**C. Fair Value Hierarchy**

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits etc were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

### 36. Leases

#### Transition to IND AS 116

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the Incremental borrowing as on date of initial application.

The details of Right of Use assets held by the Company is as follows :

Particulars	Vehicles	Office premises	Total
<b>Balance as at March 31,2021</b>	<b>3.44</b>	<b>77.84</b>	<b>77.84</b>
Additions	-	135.37	135.37
Disposals and transfers	(0.66)	(46.32)	(46.32)
Depreciation	(2.78)	(56.64)	(56.64)
<b>Balance as at March 31,2022</b>	<b>-</b>	<b>110.25</b>	<b>110.25</b>
Additions	-	453.08	453.08
Disposals and transfers	-	(50.84)	(50.84)
Depreciation	-	(90.91)	(90.91)
<b>Balance as at March 31,2023</b>	<b>-</b>	<b>421.57</b>	<b>421.57</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expenses in the statement of Profit and Loss. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 10%.

The following is the movement in lease liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance as at beginning of the year</b>	106.99	101.29
Additions	433.58	127.36
Finance cost accrued during the period	29.64	13.28
Deletions	(52.81)	(67.57)
Payment of lease liabilities	(98.60)	(67.37)
<b>Balance as at end of the year</b>	<b>418.79</b>	<b>106.99</b>

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2023	As at 31 March 2022
upto 3 months	34.43	13.75
3 to 6 months	34.43	13.77
6 to 12 months	69.71	27.71
1 year to 3 year	243.08	64.69
More than 3 years	126.60	-
<b>Total</b>	<b>508.25</b>	<b>119.92</b>

Rental payments for short term leases and assets not considered as leases under IND AS 116 was Rs.176.12 lakhs for FY 2022-23 (PY: 187.39 lakhs).

### 37. Assets pledged as Security

The Carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	(Rs. in Lakhs)	
		31 March,2023	31 March,2022
Non-Current Assets			
Fixed Deposits	12	2,000.00	-
<b>Total Assets pledged as Security</b>		<b>2,000.00</b>	<b>-</b>

38. The Current assets, Loans & Advances (including capital advances) have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the balance sheet. Current assets, Loans & Advances (including capital advances) are subject to Confirmation and Reconciliation. Other known liabilities are adequate and not in excess of what are required.

### 39. Key Managerial Person Compensation

Particulars	(Rs. in Lakhs)	
	31 March,2023	31 March,2022
Short term employee benefits	600.80	356.44
Post-employment benefits	26.14	12.61
Long term employment benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>626.94</b>	<b>369.05</b>

Note: Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at end of each year and accordingly have not been considered in the above information.

Note 40: Related party Transactions for the Year Ended 31 Mar 2023

Nature of Relationship	Name of Party
Holding Company	Centrum Retail Services Limited
Ultimate Holding Company	Centrum Capital Limited
Key Managerial Personnel	Mr. Ganashyam.S (Resigned on Jan 31, 2023)
Key Managerial Personnel	Ms. Arpita Vinay (Resigned on Jan 31, 2023)
Key Managerial Personnel	Mr. Steven Pinto (w.e.f Feb 03, 2023)
CFO	Mr. Mayank Jalan
Company Secretary	Ms. Snehal Saboo
Non-Executive Director	Mr. Rajesh Srivastava (From 23 Nov 22)
Independent Director	Mr. Subhash Kutte
Non-Executive Director	Ms. Deepa Poncha (till Oct 17, 2022)
Non-Executive Director	Mr. Sriram Venkatasubramanian ( From 3rd Feb 23)
Independent Director	Mr. R A Sankaranarayanan ( From 3rd Feb 23)
Independent Director	Mr. Ghulam Mohammed Ghouse ( From 3rd Feb 23)
Wholly owned Subsidiary	Centrum Investments Advisors Limited
Fellow Subsidiary	Centrum Insurance Brokers Limited
Fellow Subsidiary	Centrum Alternative Investment Managers Limited
Fellow Subsidiary	Centrum Capital Advisors Limited
Fellow Subsidiary	Centrum Broking Limited
Fellow Subsidiary	Centrum Financial Services Limited
Fellow Subsidiary	Unity Small Finance Bank Limited
Fellow Subsidiary	Centrum International Services Pte Ltd
Fellow Subsidiary	Centrum Microcredit Ltd
Fellow Subsidiary	Acorn Fund Consultants Private Limited (Till Jan 2023)
Promoter Group Entity of Ultimate Holding Company	JBCG Advisory Services Pvt Ltd
Entity control by KMP of Ultimate Holding Co Company	BG Advisory Services LLP
Private Company in which Director is interested	Prowess Advisors Private Limited
Promoters significance influence	Centrum Fiscal Private Limited
Promoter of Ultimate Holding Company	Businessmatch Services (India) Pvt Ltd
Entity in which Director of Ultimate Holding company has significant influence	Western Habitat
Entity in which Director of Ultimate Holding company has significant influence	Axis Spaces Private Limited
Entity in which Director of Ultimate Holding company has significant influence	Acapella Foods & Restaurants Pvt Ltd

Figures in Rs. INR

Name of the related party	Description	Transaction during	Receivable / (Payable)	Transaction during	Receivable / (Payable)
		Year Ended 31-03-2023	As at 31-03-2023	Year Ended 31-03-2022	As at 31-03-2022
Centrum Capital Limited	Brokerage, Commission & Other Income	3,03,425	-	41,89,425	-
	Brokerage - Expenses	34,17,434	-	30,62,713	-
	Marketing and Branding	10,00,000	-	10,00,000	-
	Reimbursement- Income	75,000	-	75,000	-
	MLD Proceed on Redemption	1,24,35,95,830	-	1,92,17,36,565	-
	Investment in CCL's MLD	1,19,49,59,160	-	1,55,28,84,090	-
	Sundry Creditors	-	-	-	(8,61,202)
Centrum Retail Services Limited	Inter-Corporate Deposits Taken	6,09,85,00,000	-	4,89,00,00,000	-
	Inter-Corporate Deposits repaid	6,12,50,00,000	-	4,75,08,77,070	-
	Inter-Corporate Deposits Given	32,00,00,000	-	16,05,00,000	-
	Inter-Corporate Deposits Taken Back	32,00,00,000	-	16,05,00,000	-
	Business Support Services - Expenses	4,75,00,001	-	2,80,00,000	-
	Electricity - Expenses	20,68,749	-	10,97,977	-
	Telephone and Leased Line - Expenses	3,47,494	-	5,89,347	-
	Rent - Expenses	1,42,89,004	-	1,38,77,316	-
	Interest - Expenses	60,62,959	-	1,60,12,907	-
	Staff Welfare Expenses	1,60,001	-	-	-
	Brokerage, Commission & Other Income	25,03,193	-	45,57,509	-
	Miscellaneous Income- Rent Reimbursement	60,000	-	25,000	-
	Interest - Income	99,726	-	9,88,055	-
	Investment in CRSL NCD's/MLD's	2,00,31,32,880	-	1,62,08,71,330	-
	MLD Proceed on Redemption	74,23,22,960	-	1,33,40,65,000	-
	Purchase of CIAL Shares	37,68,74,680	-	-	-
	Loan Payable	-	(11,50,00,000)	-	(14,15,00,000)
Sundry Debtors	-	6,25,107	-	-	
Sundry Creditors	-	(1,70,711)	-	(94,575)	
Share Warrants	-	(10,00,000)	-	(10,00,000)	
Centrum Financial Services Limited	Inter-Corporate Deposits Taken	-	-	25,00,000	-
	Inter-Corporate Deposits repaid	-	-	31,25,00,000	-
	Interest Expenses	-	-	2,07,46,936	-
	Reimbursement- Rent & Other Exp	-	-	86,033	-
	Business Support Services – Others	-	-	4,42,24,304	-
	Brokerage & Commission - Income	-	-	9,00,000	-
	Sundry Debtors	-	-	-	9,00,000
	MLD Proceed on Redemption	-	-	31,43,43,760	-
Unity Small Finance Bank Limited	Brokerage, Commission-Income	12,46,523	-	-	-
	Rent Expenses	-	-	85,188	-
	Sale of Fixed Assets	-	-	5,368	-
	Sale of Motor Vehicle	-	-	14,00,206	-
	Business Support Services – Others	-	-	6,50,000	-
	Reimbursement- Income	8,40,331	-	2,70,122	-
	MLD Proceed on Redemption	2,91,33,96,552	-	26,24,04,000	-
Sundry Debtors	-	12,46,523	-	6,50,000	
Centrum Broking Limited	Inter-Corporate Deposits Given	2,73,00,00,000	-	-	-
	Inter-Corporate Deposits Taken Back	2,73,00,00,000	-	-	-
	Brokerage, Commission & Other Income	12,13,64,293	-	15,61,43,404	-
	Brokerage Income - Equity Business Associate	2,00,83,019	-	91,49,869	-
	Referral Commission- Income	16,65,289	-	-	-
	Reimbursement- Income	65,000	-	1,10,000	-

Note 40: Related party Transactions for the Year Ended 31 Mar 2023

Centrum Broking Limited	Interest Income	10,47,124	-	-	-
	Professional Fee- Expenses	46,52,199	-	-	-
	Referral Commission - Expenses	87,71,248	-	-	-
	Trading Account Expenses	45,807	-	1,03,550	-
	Membership & Subscription expenses	4,56,367	-	1,96,200	-
	Other Office Expenses	2,34,015	-	-	-
	Sundry Debtors	-	5,29,76,231	-	3,83,49,325
	Sundry Creditors	-	(16,34,748)	-	-
Margin Account Balance	-	35,548	-	(1,722)	
Centrum Capital Advisors Ltd	Brokerage & Commission - Income	28,87,500	-	-	-
	Reimbursement- Expenses	-	-	1,89,575	-
	Reimbursement- Income	-	-	3,16,690	-
	Purchase of NCD's & MLD's	41,03,61,823	-	-	-
	Sundry Debtors	-	10,090	-	-
Centrum Alternative Investment Managers Limited	Brokerage & Commission - Income	(3,51,451)	-	7,28,28,642	-
	Sundry Debtors	-	-	-	43,64,625
Acorn Fund Consultants Private Limited	Investment in Equity Shares	-	-	-	1,51,000
Centrum Investment Advisors Limited	Referral Commission - Income	9,29,16,906	-	10,31,30,890	-
	Reimbursement- Income	1,83,600	-	1,98,843	-
	Sale of Fixed Assets	-	-	1,84,041	-
	Investment in Equity Shares	-	40,49,26,210	-	2,80,51,530
Centrum Insurance Brokers Limited	Purchase of Fixed Assets	-	-	2,009	-
	Reimbursement- Income	22,100	-	36,123	-
	Sale of Fixed Assets	-	-	65,500	-
JBCG Advisory Services Pvt Ltd	Brokerage & Commission - Income	38,70,000	-	36,82,500	-
	Sundry Debtors	-	20,67,900	-	1,81,223
BG Advisory Services LLP	Brokerage & Commission - Income	4,37,500	-	5,50,000	-
	Sundry Debtors	-	4,94,375	-	-
Centrum Microcredit Ltd	Brokerage & Commission - Income	-	-	1,95,00,000	-
	Investment in NCD 's	-	-	25,00,00,000	-
Centrum International Services Pte Ltd	Professional Fee	2,48,29,106	-	1,11,17,000	-
Businessmatch Services (India) Pvt Ltd	Brokerage & Commission - Income	1,41,62,500	-	-	-
Acapella Foods & Restaurants Pvt Ltd	Other Office Expenses	30,11,506	-	-	-
Axis Spaces Pvt Ltd	Sundry Debtors	-	6,21,500	-	-
Western Habitat	Brokerage & Commission - Income	25,15,000	1,91,251	-	-
Centrum Fiscal Private Limited	Business Support Services - Expenses	60,000	-	-	-
Prowess Advisors Private Limited	Sale of Acorn Shares	1	-	-	-
Key Managerial Personnel	Salaries and other employee benefits to KMP's	6,26,93,525	-	3,69,04,755	-
<b>Directors</b> Mr. Subhash Kutte Mr. Subhash Kutte Mr.Rajesh Srivastava Mr.Steven Pinto  Mr. Rajesh Nanavaty till 03.08.2021 Mr.Siddhartha Sengupta till 26.08.2021	Director Sitting Fees	6,00,000	-	3,90,000	-
	Reimbursement Expenses	54,868	-	-	-
	Director Sitting Fees	6,00,000	-	1,80,000	-
	Director Sitting Fees	5,70,000	-	3,00,000	-
	Director Sitting Fees	-	-	90,000	-
	Director Sitting Fees	-	-	1,50,000	-

#### 41. Segment Information

The Managing Director of the Company acts as the chief operating decision maker (CODM) of the Company in accordance with Operating Segment (Ind AS 108), for purpose of assessing the financial performance and position of the Company, and make strategic decisions.

The Company is engaged mainly in distribution of Mutual Funds, Insurance policies, trading of securities and distribution of other financial products. The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments.

Company has two reporting segments; viz Broking and Business support services and Securities trading .

**Broking and Business support services :** This segment includes distribution of various financial products including Mutual funds, Insurance policies, alternative investments and referral services.

**Securities Trading :** This segment includes trading in Unlisted shares, debentures and other securities.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. The Company's operations are primarily in India, accordingly there is no reportable secondary geographical segment.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments.

Particulars	( Rs. In Lakhs)	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22
<b>Segment Revenue</b>		
a. Brokerage, Commission and Business support services	17,604.48	16,009.05
b. Securities Trading	1,281.38	1,234.37
Less: Inter Segment Revenue		-
Add: Unallocated		-
<b>Total revenue from operations</b>	<b>18,885.86</b>	<b>17,243.42</b>
<b>Identifiable Operating expenses</b>		
a. Brokerage & Commission	974.60	1,264.78
b. Securities Trading		-
<b>Total segment operating expenses</b>	<b>974.60</b>	<b>1,264.78</b>
i. Unallocated expenses	11,847.93	10,200.11
ii. Other Income	176.66	213.49
iii. Finance cost	127.75	732.40
<b>Profit/(Loss) before tax</b>	<b>6,112.23</b>	<b>5,259.63</b>

**Segment wise disclosure for revenues received as Insurance intermediation and other income from Insurers as per regulation 31 (2) of the Insurance regulatory and development authority of India ( Registration of corporate agents) Regulations, 2015**

(Rs. In Lakhs)

Particulars	Year Ended 31-Mar-23	Year Ended 31-Mar-22
<b>Brokerage earned from selling of Insurance policies</b>		
Bajaj Allianz Life Insurance Company	44.66	57.42
Bharti Axa Life Insurance Company	991.99	536.19
HDFC Life Insurance Company Limited	586.19	192.92
Bajaj Allianz General Insurance Company Limited	1.87	3.54
HDFC Ergo General Insurance Company Limited	0.61	1.10
ICICI Lombard General Insurance Company Limited	9.78	8.15
Care Health Insurance Company Limited	15.50	10.73
Max Bupa Health Insurance Company	-	0.38
Aditya Birla Health Insurance Company	0.20	-
<b>Total</b>	<b>1,650.80</b>	<b>810.44</b>

#### 42. Employee Benefits

##### (a) Long term employee benefit obligations

The leave obligations cover the Company's liability for casual and earned leave.

The compensated absences charge for the year ended March 31, 2023 amounting to Rs. 5.26 lakhs (March 31, 2022 Rs. 54.29 lakhs) has been charged in the Statement of Profit and Loss.

**(b) Post employment obligations****Defined contribution plans**

The company also contributes on a defined contribution basis to employees' provident fund.

Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the period towards defined contribution plan

Particulars	(Rs. in lakhs)	
	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Employer's Contribution to Provident Fund	357.85	269.18

**Defined benefit plans****Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan.

Particulars	(Rs. in lakhs)		
	Present value of obligation	Fair value of plan assets	Total
<b>As at April 01, 2021</b>	<b>459.33</b>	<b>248.45</b>	<b>210.88</b>
Current service cost	58.22	-	58.22
Interest expense/(income)	30.37	16.12	14.25
<b>Total amount recognised in profit and loss</b>	<b>88.59</b>	<b>16.12</b>	<b>72.46</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amount (Liability Transferred Out/ Divestments)	-	(5.49)	5.49
Actuarial (Gains)/losses on obligations	8.63	-	8.63
Actuarial (Gains)/losses on obligations	(0.37)	-	(0.37)
Actuarial (Gains)/losses on obligations	50.82	-	50.82
Actuarial (Gains)/losses on obligations	60.04	-	60.04
<b>Total amount recognised in other comprehensive income</b>	<b>119.12</b>	<b>(5.49)</b>	<b>115.98</b>
Employer contributions	-	4.07	(4.07)
Benefit payments	(40.93)	(40.93)	(81.87)
<b>As at March 31, 2022</b>	<b>626.10</b>	<b>222.22</b>	<b>403.88</b>
Particulars	Present value of obligation	Fair value of plan assets	Total
<b>As at April 01, 2022</b>	<b>626.10</b>	<b>222.22</b>	<b>403.88</b>
Current service cost	80.18	-	80.18
Interest expense/(income)	45.23	15.20	30.03
<b>Total amount recognised in profit and loss</b>	<b>125.41</b>	<b>15.20</b>	<b>110.21</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amount (Liability Transferred in/ Acquisition )	-	(6.33)	6.33
Actuarial (Gains)/losses on obligations	38.29	-	38.29
Actuarial (Gains)/losses on obligations	-	-	-
Actuarial (Gains)/losses on obligations	(20.84)	-	(20.84)
Actuarial (Gains)/losses on obligations	72.82	-	72.82
<b>Total amount recognised in other comprehensive income</b>	<b>90.28</b>	<b>(6.33)</b>	<b>96.60</b>
Employer contributions	-	129.87	(129.87)
Benefit paid	(63.39)	(63.39)	-
<b>As at March 31, 2022</b>	<b>778.40</b>	<b>297.57</b>	<b>480.83</b>
The net liability disclosed above relates to gratuity are as follows:			
Particulars	31st March, 2023	31st March, 2022	
Fair value of plan assets	297.57	222.22	
Present value of funded obligations	778.40	626.10	
<b>Funded Status Surplus/(Deficit)</b>	<b>(480.83)</b>	<b>(403.88)</b>	
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(480.83)</b>	<b>(403.88)</b>	

Categories of plan assets are as follows:			
Particulars	31st March, 2023	31st March, 2022	
Insurer managed funds	297.57	222.22	
<b>Total</b>	<b>297.57</b>	<b>222.22</b>	

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

Particulars	31st March, 2023	31st March, 2022
Expected Return on Plan Assets	6.84%	6.84%
Rate of Discounting	6.84%	6.84%
Rate of Salary Increase	8.00%	8.00%
Rate of Employee Turnover	10.00%	10.00%
Mortality Rate during Employment	Indian Assured	Indian Assured
	Lives Mortality	Lives Mortality
	(2012-14)	(2012-14)

**Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on Profit and Loss					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Discount rate	1.00%	1.00%	(34.77)	(36.14)	38.89	40.53
Salary Increase	1.00%	1.00%	22.86	22.87	(22.97)	(22.40)
Employee Turnover	1.00%	1.00%	3.75	3.15	(4.25)	(3.64)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Risk exposure**

**Interest Rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Employer expected contributions**

Expected contributions to post-employment benefit plans for the year ending March 31, 2023 are Rs. 2,50,46,763/- year ending March 31, 2022 are Rs 1,97,73,261/-.

The weighted average duration of the defined benefit obligation is 15 years (March 31, 2023 – 15 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a	Between 2-	Over 5 years	Total
	year	5 years		
<b>March 31, 2023</b>				
Defined benefit obligation (gratuity)	191.16	300.73	728.85	<b>1,220.74</b>
<b>March 31, 2022</b>				
Defined benefit obligation (gratuity)	69.32	256.68	712.42	<b>1,038.42</b>

**43. Additional Regulatory Information****(i) Title deeds of immovable properties not held in name of the company**

The Company does not have any Immovable properties.

**(ii) Fair Value of Investment Property**

The Company does not have any Investment Property.

**(iii) Revaluation of Property, plant and equipment**

The Company has not revalued its property, plant and equipment and intangible assets during the current or previous year.

**(iv) Loans or Advances in the nature of loans to Directors, KMPs, Promoters and related parties**

The Company has not granted any Loans and Advances in the nature of loans to promoters, directors, KMPs and the related parties that are repayable on demand or without specifying any terms of repayment.

**(v) Details of Benami Property held**

There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.

**(vi) Borrowings against current assets**

The Company has availed Bank overdraft facility against Fixed Deposit, However no Quarterly returns or statements of current assets returns were required to be filed with the Bank.

**(vii) Wilful Defaulter**

The Company is not declared a wilful defaulter by any bank or financial institution or other lender.

**(viii) Relationship with Struck off Companies**

Company does not have any transaction with Companies that have been struck off under section 248 or section 560 of the Companies Act.

**(ix) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction of charges pending to be registered with the Registrar of Companies.

**(x) Compliance with number of layer of Companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.

**(xi) Utilisation of Borrowed funds and share premium**

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries"); or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the company shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**44. Additional Information**

**(i) Undisclosed Income**

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.

**(ii) Details of Crypto Currency or Virtual Currency**

Company has not made traded in Crypto currency or Virtual Currency.

**(iii) Corporate Social Responsibility (CSR)**

The Company is covered under the provisions of section 135 of the Companies Act, 2013, However, Company was not required to spend any amount towards CSR during the year.

45. Previous year figures are re-grouped/re-arranged wherever necessary to conform to current year's classification.

46. The financials statements have been approved for issue by the Company's Board of Directors on April 26, 2023.

**As per our attached report of even date**

**For A.T. Jain & Co.**

**Firm Registration No. 103886W**

**For and on behalf of the Board of Directors of  
Centrum Wealth Limited**

**Steven Pinto  
Whole Time Director  
DIN:00871062**

**Sriram Venkatasubramanian  
Whole Time Director  
DIN:00169087**

**Sushil T. Jain  
Partner  
Membership Number: 033809  
Place: Mumbai  
Date : 26 April, 2023**

**Mayank Jalan  
Chief Financial Officer**

**Snehal Saboo  
Company Secretary**