



Centrum Financial Services Limited

Annual Report 2017-18

Directors' Report

To
The Members,
Centrum Financial Services Limited,

Your Directors are pleased to present their Annual Report together with the Audited Financial Statements for the period ended March 31, 2018.

Financial highlights

Particulars	Year ended March 31, 2018*	Year ended March 31, 2017
Total Revenue	70,46,00,885	38,60,35,110
Total Expenses	67,64,09,378	30,11,09,080
Profit/ (Loss) before tax	2,81,91,507	8,49,26,030
Less: Taxation Expenses	1,23,16,425	3,01,31,912
Profit /(Loss) after tax	38,75,082	5,47,94,118
Balance of profit/ (loss) for earlier years	1,20,00,000	0
Transfers to reserve/profit or loss for the year	7,75,016	1,09,58,824
Balance carried forward	7,55,39,830	7,24,39,764

PERFORMANCE OF THE COMPANY

Financial Performance

The Gross income from operations of the Company increased from Rs. 36,32,07,637 in 2016-17 to Rs. 51,13,40,014 in financial year 2017-18. The net profit under review is Rs. 38.75,082 in 2017-18 as against net profit of Rs. 5,47,94,118 due to hiring new team and infrastructure costs to build a sustainable platform.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Annual Report.

Performance of business and Significant Events during the financial year

Last year, the Company started activities in full swing and has increased business operations in terms of assets, number of customers as well as geographic reach. Further, the company has taken certain new initiatives such as financial intermediaries, real estate solutions, SME and Supply Chain Financing.

In all the segments in the Company operates, it strives to excel in innovative customer solutions along with good sustainable asset growth, as this is the key driver for our success.



Towards this end, the Company endeavours to invest in infrastructure (geographic spread), people, processes and technology as it believes that these are vital elements for achieving transformative success while mitigating various risks. Further During the year, the Company has enhanced the Management team and as at March 31, 2018, the Company has a strong workforce of 46 employees. New recruitments were made across various departments like business, risk, credit and others.

The Company has shifted its focus from unsecured lending to secured lending. In line with our change in credit and lending strategy, we have reduced our exposure per counter party to below Rs. 25 crores.

We are pleased to report that the Company has made significant progress in automating its loan and supply chain business and is in the midst of transitioning completely onto the IT platform for the entire loan book.

With a view to have best practices of corporate governance as well market intelligence the Company has inducted Independent Directors with long standing reputations and enviable track records.

The Company has in the current fiscal received capital infusion of Rs. 59 crores. Its CRAR currently stands at 37.35%. Further the Company is now a Systemically Important Non-Banking Financial Company- Non Deposit Accepting (NBFC-ND-SI). With an asset size of 34284 Lacs.

Resources

The Company has raised funds through a mix of borrowings. During the year, the net borrowings have increased from Rs. 284,90,90,185 as at March 2017 to Rs. 3,42,41,82,821 as at March 2018, on account of increased business operations.

Transfer to reserves

The Board of directors has transferred Rs. 7,75,016/- to general reserves.

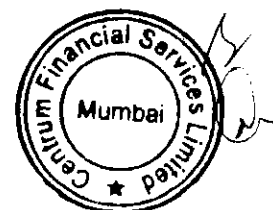
Changes in Share Capital

During the period under review, the authorized share capital of the company was raised to Rs. 100 crores.

The Company had made a rights issue to Centrum Capital Limited. The paid up equity share capital of the Company was raised to Rs. 56,86,19,420/- at Rs. 30.02/- per equity share, having face value of Rs. 10 per share.

Dividend

In order to conserve the resources, your Directors do not recommend any dividend for the financial year 2017-18.



Subsidiaries, Joint Venture and Associate Companies

Centrum Retail Services Limited (CRSL) was the holding company of Centrum Financial Services Limited.

In order to simplify the holding structure and bring the Company directly under Centrum Capital Limited (CCL), the operating holding company of the group, the entire shareholding was transferred from CRSL to CCL post the receipt of approvals from RBI. It is proposed that, subject to receipt of the requisite approvals, CCL would hold 100% shareholding in the Company. Thus, with effect from March 9, 2018, CCL is the holding company of Centrum Financial Services Limited.

The Company had a subsidiary, Agrata Mercantile Private Limited, which in turn held a wholly owned subsidiary, M/s. Shree Srinivas Realtors Private Limited. The subsidiaries were amalgamated with the Company vide NCLT order dated March 9, 2018 and the merger was effective from March 28, 2018.

Material changes and commitments affecting the financial position of the Company between the end of financial year and date of report

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and date of the report except that the NCLT approved the merger of subsidiaries and the merger was effective from March 28, 2018.

Auditors and Auditors' Report

Walker Chandio & Co LLP, Chartered Accountants are the statutory auditors of the Company from F.Y. 2017-18 to F.Y. 2021-22.

A resolution for the appointment of Walker Chandio & Co LLP, Chartered Accountants (FRN: 001076N/N500013) as Auditors is being placed for ratification of their appointment at the forthcoming Annual General Meeting.

Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Shivam Sharma, Practising Company Secretary to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Auditor is appended herewith as an annexure to the report. **(Annexure A)**

There is no adverse remark, qualifications or reservation in the Secretarial Audit Report.



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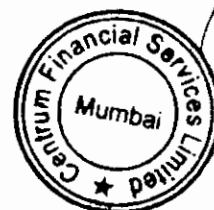
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Internal Auditors & their Report

During the year under review, Hemant Goyal and Associates, Chartered Accountants, were appointed as Internal Auditors of the Company for the Financial Year 2017-18. In their report(s) on the Internal Audit of your Company, they have not submitted any material qualifications, reservations or adverse remarks or disclaimers.

Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company Mr. Rishad Byramjee retires by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Shailendra Apte is the Whole Time Director of the Company with effect from December 21, 2015.

Mr. Ranjan Ghosh was appointed as a CEO of the Company with effect from August 01, 2016. Thereafter he was appointed as the Managing Director of the Company with effect from August 17, 2016.

Mr. Rajesh Nanavaty resigned as the independent Director of the Company w.e.f. October 12, 2017

Mr. Subhash Kutte resigned as the independent Director of the Company w.e.f. December 14, 2017.

Mr. Harish Engineer was appointed as an Additional Director in the capacity of an Independent Director with effect from August 19, 2017.

Mr. G S Sundararajan was appointed as an Additional Director in the capacity of an Independent Director with effect from October 12, 2017.

Mr. Bharat Adnani is the Chief Financial Officer of the Company.

Ms. Ruta Sabnis is the Company Secretary of the Company,

Meetings of the Board and Committees

Details of meetings of the Board and Committees held during the year are set out in following table.

Particulars	Board	Audit Committee	Nomination & Remuneration Committee	Independent Directors Committee	CSR Committee
Number of Meetings	6	5	4	1	1
Dates of	24.05.2017,19.08.2017,	24.05.2017,	12.10.2017,	20.02.2018	19.08.2017



Meetings	12.10.2017, 14.12.2017, 20.02.2018, 22.03.2018	19.08.2017, 12.10.2017, 14.12.2017, 20.02.2018	19.08.2017, 20.02.2018, 22.03.2018		
No. of meetings attended by Directors/ Committee members					
Ranjan Ghosh	6	NA	NA	NA	NA
Rajesh Nanavaty	1	1	NA	NA	1
Subhash Kutte	3	3	2	NA	NA
Rishad Byramjee	6	NA	4	NA	NA
Shailendra Apte	6	5	4	NA	1
Harish Engineer	4	1	2	1	NA
G S Sundararajan	4	2	2	1	NA

Six meetings of the Board were held during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 (the "Act").

None of the non-executive directors and independent directors had any pecuniary relationships or transactions with the Company during the year under review, apart from receiving sitting fees for attending board and committee meetings.

Risk Management Framework

The Company has a robust risk management practice that enables it to mitigate and manage risks in its businesses. The risk function is structured to operate independently from the business groups.

The credit and risk functions independently evaluates proposals based on well-established sector specific internal frameworks, in order to identify, mitigate and allocate risks as well as to enable risk-based pricing of assets. Regulatory and process risks are identified, mitigated and managed by a separate group.

The Company has a risk management framework to inform the Board/ Credit Committee about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.



Particulars of loans given, investment made, guarantee given, and securities provided

In terms of Section 186(11) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, loans made, guarantees given or securities provided by the Company are exempted from compliance with the requirements of Section 186 of the Companies Act, 2013.

Loan to purchase shares of the company

During the year under review, the Company has not given loan to any person in its employment to purchase shares of the Company. Accordingly, disclosures required to be made under Section 67(3) of the Companies Act, 2013 are not applicable to the Company.

Related Party Transactions

The Policy on Related Party Transactions is enclosed as an annexure to this report. **(Annexure B)**

Policy on Related Party Transactions

All related party transactions that were entered during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Accordingly, particulars of contracts or arrangements with related party referred to in section 188(1) along with the justification for entering into such contract or arrangement in form AOC-2 does not form part of the report.

Particulars of employees and related disclosures

The information required pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, has been appended herewith as an annexure to the report.

Further, the information required pursuant to Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, has also been appended herewith as an annexure to the report.

The Board of Directors affirms that the remuneration paid to employees of the Company is as per the Policy on Director's appointment and remuneration for Directors, Key Managerial Personnel and other Employees and none of the employees listed in the said Annexure/Information is related to any Directors of the Company. **(Annexure C)**

Particulars of Deposits

Your Company being a 'Non-Deposit taking Non-Banking Financial Company' has not accepted deposits during the year under review and shall not accept any deposits from the



public without obtaining prior approval of the RBI. Accordingly, the disclosure requirements under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

Disclosures by Directors

The Directors on the Board have submitted notice of interest under Section 184(1) and intimation under Section 164(2). All Independent Directors have also given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

Declaration by Independent Directors

All Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Act, stating that they meet the criteria of Independence as provided in sub-section (6) of the Act and are not disqualified from continuing as Independent Directors.

Audit Committee

The constitution of the Audit Committee as on March 31, 2018, is as follows:

Name	Category	Designation in Committee
Harish Engineer	Independent Director	Chairman
G S Sundararajan	Independent Director	Member
Shailendra Apte	Whole Time Director	Member

Nomination & Remuneration Committee

The constitution of the Nomination & Remuneration Committee as on March 31, 2018, is as follows:

Name	Category	Designation in Committee
Mr. G S Sundararajan	Independent Director	Chairman
Rishad Byramjee	Non-Executive Director	Member
Harish Engineer	Independent Director	Member
Shailendra Apte	Whole Time Director	Member

Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the auditors and external agencies, the reviews performed by Management and the relevant Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls are adequate and effective.

Pursuant to Section 134 of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;



- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Policy of the Company on Director's Appointment and Remuneration for Directors, Key Managerial Personnel and other Employees

The Company follows the group policy on Director's Appointment and Remuneration for Directors, Key Managerial Personnel and other Employees.

Performance evaluation

The Board of Directors carried out an annual evaluation of the Board itself, its Committees and individual Directors. The entire Board carried out performance evaluation of each Independent Director excluding the Independent Director being evaluated. The Nomination Remuneration Committee also carried out evaluation of every director's performance.

The evaluation was done after taking into consideration inputs received from the Directors, setting out parameters of evaluation. Evaluation parameters of the Board and Committees were mainly based on Disclosure of Information, Key functions of the Board and Committees, responsibilities of the Board and Committees, etc. Evaluation parameters of individual directors the Board and Independent Directors were based on Knowledge to perform the role, Time and Level of Participation, Performance of Duties and Level of Oversight and Professional Conduct etc.

Independent Directors in their separate meeting also evaluated the performance of Non-Independent Directors, Chairman of the Board and the Board as a whole.

Corporate social responsibility

The Company needs to make expenditure towards Corporate Social Responsibility (CSR) as per the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder.

As on the date of this report, the Committee is comprised of:

Sr. No.	Name	Category	Designation in Committee
1	Mr. Ranjan Ghosh	Managing Director & CEO	Chairman
2	Mr. Harish Engineer	Independent Director	Member



The CSR Committee at their meeting held has recommended to the Board an amount of **Rs.13,49,162/-** as expenditure to be incurred on the CSR activities of the Company during the F.Y.2017-18. Centrum Group has formed a trust named "Centrum Foundation" to enable collective initiative of all CSR activities within the group. Various CSR projects are being evaluated and are in the process of getting finalized

Vigil Mechanism

The Company follows the group policy on Vigil Mechanism.

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

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

The Company does not have any foreign exchange earnings or outgo.

Human Resource and Employee Relationship

There is an ongoing emphasis on building a progressive Human Resources culture within the organization. Structured initiatives that foster motivation, team work and result-orientation continue to be addressed.

Your Directors further state that during the period under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Financial Control and Adequacy

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Testing of such control systems forms a part of the audit.

The Board wish to state that the internal financial controls with reference to financial statements as designed and implemented by the Company are adequate.

Extract of annual return

An extract of annual return in Form MGT-9 is provided as an annexure to this report. **(Annexure D)**

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings



General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review.

1. Details relating to Deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of equity shares (including sweat equity shares) and ESOS to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future except the NCLT order for amalgamation mentioned hereinabove.
5. There was no instance of non-exercising of voting rights in respect of shares purchased directly by the employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 and hence no information has been furnished.

Acknowledgements

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them.

The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in your Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company across all levels, resulting in successful performance during the year.

**By order of the Board
For Centrum Financial Services Limited**



Ranjan Ghosh
Managing Director & CEO
DIN:07592235



Shailendra Apte
Whole Time Director
DIN: 00017814



Place: Mumbai
15.05.2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry structure and developments

NBFC has come to be recognised as one of the systemically important components of the financial system which has shown consistent year-on-year growth.

They play an important role in furthering entrepreneurship and financial inclusion agenda by complementing the banking sector in delivering credit to the unbanked segments of society, especially to the micro, small, medium and emerging client segment. The success of NBFCs can be clearly attributed to better product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and better understanding of their customer segments.

B. Opportunities and Threats

Today, the banking system is clearly constrained in terms of expanding their lending activities. This backdrop has opened big space for NBFC to increase their share of lending activities. The role of NBFCs has also gained importance with government strong focus on promoting entrepreneurship and financial inclusion. NBFC which adopt flexibility, innovation and digitization and operate within laid down risk appetite will set themselves for high growth.

NBFCs operate under certain regulatory constraints particularly on liability side and accessing credit information and this needs to be addressed to help NBFCs realize their full potential. NBFC themselves need to learn and not repeat mistakes made by banking industry. NBFC needs to be rightly capitalized and build scale with appropriate credit, operational & compliance control which will enable NBFC to perform their roles with efficiency.

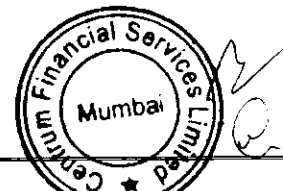
C. Outlook

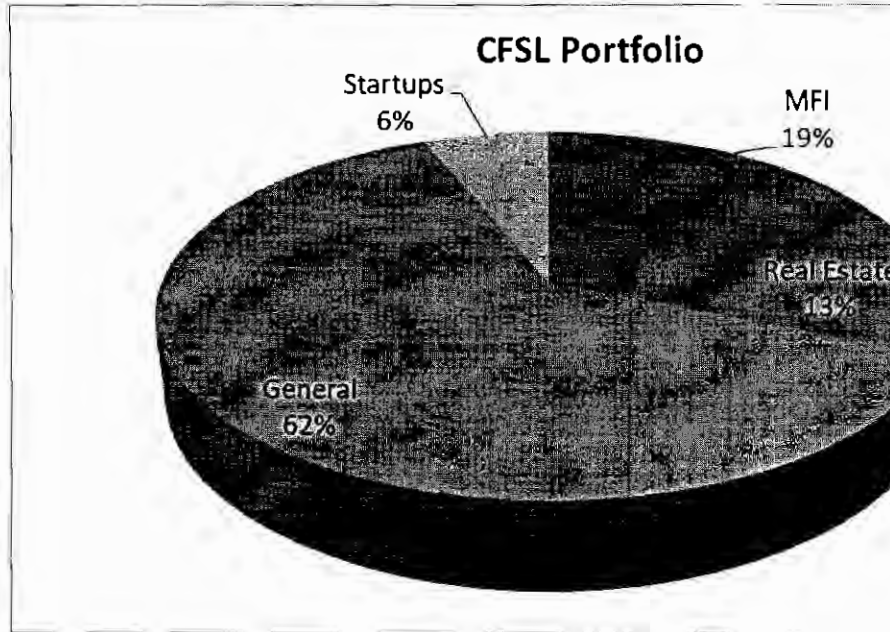
With the ongoing stress in the banks, NBFCs have an opportunity to increase market share and also fill the latent credit demand for micro, small, medium and emerging client segment. Their contribution to the economy is expected to grow in double digits. While bank will compete on low cost of funds and strong corporate relationships, NBFCs can script success based on flexible processes, ability to take quick credit calls and structuring deals with risk mitigating solution.

NBFC that are able to create a sustainable proposition in terms of client segment, product and size will step ahead in the race.

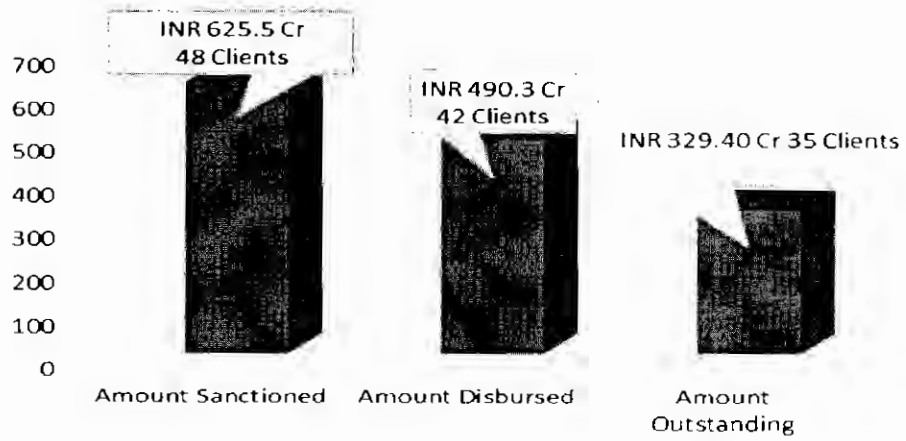
D. Performance of the Company

The business of the Company comprises term loans and working capital loans for Small and Medium Enterprises, Real estate developers and inventory financing of dealers and suppliers





CFSL Credit Underwriting FY18



The product portfolio of the Company includes:

E. Commercial Finance

With the focus area being SMEs, mid-market companies and smaller affiliates of larger companies, CFSL's Commercial Finance and structured credit solutions offer a tailor made approach to advising credit needs of its clients.

For the purpose of working capital or moderate-sized expansions, we provide loans of up to Rs. 25 crores, primarily on the basis of business credentials and cash flow prospects. However, most term loans are adequately collateralised with fixed and current asset property and equity shares.

F. Financial Intermediaries

In the 'Financial Intermediaries' segment, the main objective is to support financial institutions (NBFCs) that are serving the unbanked/less banked segments of the population.

CFSL is working with Microfinance Institutions; NBFCs lending to MSMEs (Micro, Small and Medium Enterprises), etc, to enhance their ability to extend credit to the masses after doing appropriate due-diligence on the entity's operating methodology, financials, promoter and management background, governance practices, IT system etc.

CFSL engages with these institutions to offer products and services ranging from funding as term loan, structured credit, and also towards arranging debt, equity, insurance and related products through Centrum Group companies.

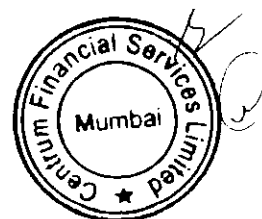
G. Supply Chain Financing Solutions

- **Dealers Finance**

This Invoice Discounting financing facility is available for channel partners of Company's SME clients. It enables the conversion of their receivables into cash which in turn improves liquidity resulting into a healthy and continuous cash flow for the businesses.

- **Receivables Discounting Finance**

This Receivables Discounting facility helps Corporates encash their Receivables before time, to help the Business grow rapidly and avoid Cash Flow issues



H. Real Estate Solutions

CFSL's Real Estate business vertical provides construction finance, take-out financing, promoter financing and acquisition financing for real estate projects being developed across India. Within the sector, the focus is on mid-income to affordable housing projects being developed in Tier 1 and 2 cities like Mumbai, Delhi NCR, Bangalore, Hyderabad, Pune, Chennai, Kolkata and Ahmedabad.

The capital is provided through combination of Term Loans, Working Capital Loans or Non-Convertible Debentures. The Company typically prefers to invest in cash-flow generating ongoing projects, which are RERA registered and have all approvals in place.

I. Major Risks, Concern & Possible Mitigation

Industry Related Risks

The Risk of lending to SME clients, coupled with the overall economic scenario where:

- GNPA levels of SCBs expected to reach 10.8% in March18 and 11.1% in Sep18.
- RBI Financial Stability report points at significant increase in stressed advances in Mining and Engineering spaces however it also points at reduction in Cement, Basic metals and Auto segments.

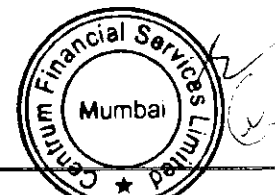
The continued Headwinds faced by the Real Estate Sector. Observed trend of delay in sharing of security by Public and Private Sector Banks.

CFSL steps to take on the above mentioned challenges:

- Emphasis on cash flows of the borrower and debt serviceability in addition to the available security (C. 93% of the existing portfolio is either secured by specific receivables or hard/liquid collateral).
- Following the 3 pair of eyes principle where RM, Credit analyst and Risk look at the proposal independently before it is put up for approvals.
- Monitoring the deferrals and covenants on a monthly basis.
- Specialist credit officer for Real Estate Cases with independent market connections
- Cash flow covers and security covers both being considered for Real Estate Cases

Major Initiatives during the year

1. The Company expanded its product mix by starting lending to segments such as Secured Commercial Finance, Financial Intermediaries, Reals Estate lending including inventory funding, developer funding etc, and Supply Chain Financing. Accordingly, the gross portfolio assets recorded 8.36% growth



J. Material developments in human resources / industrial relations front, including number of people employed.

Human Capital

We have built out the team cautiously picking professionals from the relevant market basis specific skills required. Strong leadership had been a big pull along with our entrepreneurial culture which we have established over years by living this approach in each of our endeavour.

We are still in the business build out phase and hence have a very individualistic approach towards employee engagement and development, we understand that employee engagement is a wholesome exercise which involves competitive compensation, skill development, recognition, growth and conducive environment that fosters learning and innovation. All our efforts are towards creating this kind of an ecosystem.

Employee count

Employee headcount increased from 10 in FY17 to 46 in FY18.

K. Financial Performance

(Rs.in Lakhs)

	2017-18	2016-17
Total Income	7046	3860
Profit after Tax	39	548
Net worth	17093	11056
Loan Book	34284	31640
Borrowings	34242	28491

• Total Income:

The Total income registered a growth of 83% to reach Rs. 7046 Lakhs in FY 17-18 from

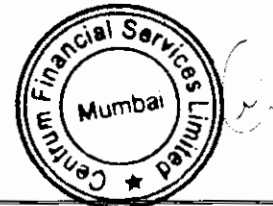
Rs. 3860 Lakhs in FY 16-17. The increase in income was mainly on account of Increase in Loan book & Increase in Other income such as interest on FD, Income from Advisory services, Rental income, etc.

• Net Worth:

The Company's net worth increased by 55% to reach Rs.17093 Lakhs in FY 2017-18 from Rs. 11056 Lakhs in FY16-17. The increase is mainly on account of profit earned in the current year of Rs. 39 Lakhs and equity infusion of Rs. 5998 Lakhs.

• Loan Book:

The Loan Book stood at Rs. 34284 Lakhs during the year under review. The Company's loan portfolio comprises: Real Estate Finance, Supply Chain Finance, Commercial Finance and Financial Institution Finance.



- **Borrowings:**

During the financial year, the Company has successfully raised Rs.18100 Lakhs from banks and Financial Institution.

- **Internal Control Systems:**

Centrum Financial Services Ltd has established thorough internal control systems to monitor and check if all financial statements are issued with complete integrity and reliability. The senior management is fully involved in prudent lending and due diligence exercises to protect the Company's loan asset portfolio. The loan approval process involves origination and sourcing of business, credit appraisal and credit approval by various committees, including the Credit Committee, Risk Management Committee and so on. There are maker-checker controls built in for all loan approval and disbursement processes.

The Company has appointed Hemant Goyal & Associates as its internal auditor and Walker Chandiook & Co. LLP as its Internal Financial Control auditor to conduct comprehensive audits of functional areas and operations to examine the adequacy of, and compliance with policies, plans and statutory requirements.

The Company has adequate internal control systems and procedures covering all financial and operating functions commensurate with the size and nature of operations. Continuous efforts are being made to see that the controls are designed to provide a reasonable assurance with regard to maintaining of accounting controls and protecting assets from Unauthorised use or losses. The Audit Committee looks into all internal control aspects and advises corrective actions, as and when required.

The internal control system has been developed to ensure accurate and reliable financial reporting and preparation of financial statements in accordance with applicable laws, Regulations and generally accepted accounting principles.


Cautionary Statement/Disclaimer (for this Report)

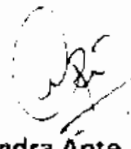
Certain statements in this Report which describe the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document, due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business, as well as its



ability to implement the strategy. The Company does not undertake to update these statements.

**By order of the Board
For Centrum Financial Services Limited**


**Ranjan Ghosh
Managing Director & CEO
DIN:07592235**


**Shailendra Apte
Whole Time Director
DIN: 00017814**



**Place: Mumbai
18.05.2018**



Shivam Sharma & Associates
Company Secretaries
B.Com, ACS

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Centrum Financial Services Limited
2nd Floor, Bombay Mutual Building,
Dr. D. N Road, Fort, Mumbai - 400 001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by compliance of applicable statutory provisions and the adherence to good corporate practices by **Centrum Financial Services Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Other applicable acts:

The Company is a Non deposit taking Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI). Therefore, there are specific legal requirement applicable to the Company such as prudential norms by Reserve Bank of India issued by time to time regarding which the Company has complied with the following:



Shivam Sharma & Associates
Company Secretaries
B.Com, ACS

- (a) As reported, the Company has complied half yearly compliances prescribed by RBI for these types of Companies.
- (b) The Company has filed required forms with RBI related to annul compliances. The Company has submitted all the documents called by RBI time to time in a prescribed manner.
- (c) The Company declared that it has not accepted any deposit from public or any other during the audit period.

We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with respect to Board and General Meetings (SS-1 and SS-2) specified by The Institute of Company Secretaries of India;

During the year under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The couple of forms required to be filed under the provisions of the companies act, 2013 were filed after the statutory period along with the additional filing fees.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried out unanimously at Board Meetings and Committee Meetings and recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



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We further report that during the year under report, the company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

We further report that during the year under audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

- i. During the audit period under review, the sanction of the National Company Law Tribunal is sought u/s 230 to 232 of the Companies Act, 2013 to a scheme of Merger by Absorption of Shree Srinivas Realtors Private Limited (Step-Down Subsidiary) and Agarta Mercantile Private Limited (Subsidiary Company) and with itself i.e. Centrum Financial Services Private Limited (Holding Company).
- ii. During the audit period under review, the Company has re-classified its Authorised Share Capital by way of Conversion of Preference Share into Equity Shares.
- iii. During the audit period under review, the Company has increase the authorised share capital from Rs. 38,00,00,000/- to Rs. 1,00,00,00,000/-.
- iv. During the audit period under review, the Company has allotted 19,978,522 Equity Shares of Rs.10/- each at premium of Rs. 30.02/-

For Shivam Sharma & Associates



Shivam Sharma
(Proprietor)

M.No.: A35727, CP. No.: 16558

Place: Mumbai

Date: 16th May, 2018

Note: This report is to be read with our letter of even date that is annexed as **Annexure I** and forms an integral part of this report.



Shivam Sharma & Associates
Company Secretaries
B.Com, ACS

ANNEXURE I

To,

The Members,
Centrum Financial Services Limited
2nd Floor, Bombay Mutual Building,
Dr. D. N Road, Fort, Mumbai - 400 001.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Shivam Sharma & Associates



Shivam Sharma
(Proprietor)
M.No.: A35727, CP. No.: 16558
Place: Mumbai
Date: 16th May, 2018





CENTRUM FINANCIAL SERVICES LIMITED

RELATED PARTY TRANSACTIONS POLICY

Preamble:

Centrum Financial Services Limited ("the Company") and its group is professionally managed and has good corporate governance and internal control system.

The Board of Directors ("the Board") of the Company understands the importance of stakeholders' confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest inflicting any apprehension in the minds of the stakeholders, the Board of the Company, acting upon recommendation of its Audit Committee ("the Committee"), has adopted the following policy and procedures with respect to Related Party Transactions ("RPTs") of the Company.

This Policy is also in conformance with the Company's Code of Conduct for Business and Ethics which provides that all directors and senior management personnel are required to disclose all potential or actual conflict of interest, which may be against the interest of the Company and take actions to eliminate such conflict, if so required.

1. Objective

- 1.1 The policy is framed not only in the best interests of its stakeholders but also in due compliance with the requirements of the Companies Act, 2013 ("the Act") and other applicable laws of the country. Further, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("the Listing regulations"), a policy needs to be formulated to deal with RPTs including formulating a policy on materiality of RPTs. This policy therefore lays down the mechanism to deal with RPTs.
- 1.2 The Company is required to disclose the Policy on dealing with RPTs each year in its Financial Statements as well as in its website.

2. Definitions

"Arms' length transactions" means transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and the Companies Act, 2013.

"Board" means the Board of Directors of the Company.

"Key Managerial Personnel" or "KMP" shall have the same meaning referred to in the Companies Act, 2013.



“Material Related Party Transaction” means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds such limit of the annual consolidated turnover of the Company as per the Listing Regulations and contracts or arrangements given under Rule 15 of the Companies (Meetings of Board and its Powers) Rule, 2014 requiring shareholders’ approval.

“Ordinary Course of Business” means transactions that are necessary, normal and incidental to the business, the objects of the Company permit such activity, there is a historical practice and pattern of frequency (not an isolated transaction), has connection with the normal business carried on by the Company.

“Related Party” is a party as defined in sub-section (76) of Section 2 of the Act and the Listing Regulations (if applicable).

“Related Party Transaction” means any transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged or not.

“Relative” means relative as defined under the Companies Act, 2013.

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following acts / Listing Regulations / regulations / rules, as amended from time to time.

1. The Companies Act, 2013 or the rules framed thereon;
2. Reserve Bank of India Guidelines;
3. Listing Regulations (if applicable);
4. Securities Contracts (Regulation) Act, 1956;
5. SEBI Act, 1992;
6. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
7. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
8. SEBI (Prohibition of Insider Trading) Regulations, 2015.

3. General Guideline

All Related Party Transactions shall be referred to the Audit Committee. The Audit Committee shall also approve any subsequent modification of RPTs. The onus will be on the Accounts department to refer RPTs or potential RPTs to the Audit Committee.

All Material Related Party Transactions shall require approval of the shareholders vide a special resolution and all the Related Parties of the Company shall abstain from voting on such resolutions irrespective of whether they are interested in that particular Material Related Party Transaction or not.



Provided however that the Transactions entered into between the Company and a wholly-owned subsidiary of the Company where,

- (i) the accounts of the subsidiary are consolidated with the Company; and
- (ii) approved by the shareholders at a general meeting

shall not require approval of either Audit Committee or the Shareholders.

The Audit Committee / Board may give suitable directions / guidelines to implement the same.

4. Identification of RPTs

- 4.1 Each Director and "KMP" and other Related Party shall promptly notify the Audit Committee of any material interest that such person or relative of such person had, has or may have in a RPT, by providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her relative together with additional information about the RPT that the Board or Audit Committee may reasonably request.
- 4.2 The Company prefers that the notice of any RPT is given well in advance, so that the Audit Committee / the Board has adequate time to obtain and review information about the proposed RPT.
- 4.3 The Board/ Audit Committee shall determine whether a transaction does, in fact, constitute a RPT requiring compliance with this Policy.

5. Review and approval of RPTs

- 5.1 All RPTs shall require approval of Audit Committee;
- 5.2 RPTs shall be referred to the next regularly scheduled meeting(s) of Audit Committee for its review and approval;
- 5.3 The Audit Committee, in order to review a RPT, shall be provided with all relevant material information of the RPT, including the terms of the transaction, the purpose of the business transaction, the benefits to the Company and to the Related Party, and any other relevant matters.
- 5.4 Any member of the Audit Committee who has an interest in any RPT shall recuse himself or herself and abstain from discussion and voting on the approval of such RPTs.
- 5.5 The Board shall approve all RPTs which are not at arm's length and/ or which are not in the ordinary course of business.



5.6 All Material Related Party Transactions shall require approval of the shareholders, based on recommendation of the Board, through special resolution passed at the general meeting. However, approval of the shareholders would not be required to be obtained by the Company for such material RPTs as defined under the Listing Regulations.

6. Criteria for approving RPTs

In determining whether to approve a RPT, the Audit Committee shall consider the following factors, among others, to the extent relevant to the RPT:

- 6.1 Whether the terms of the RPT are fair and on 'arms' length basis' to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- 6.2 Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
- 6.3 Whether the RPT would affect the independence of an Independent Director;
- 6.4 Whether the proposed RPT includes any potential reputational risk issues that may arise as a result of or in connection with the proposed RPT;
- 6.5 Whether subsequent ratification of the proposed RPT is allowed and would be detrimental to the Company;
- 6.6 Whether the RPT would present an improper conflict of interest for any director or KMP of the Company, taking into account the size of the transaction, the overall financial position of the director, KMP or other Related Party, the direct or indirect nature of the director's, KMP's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee deems relevant;
- 6.7 If the Audit Committee determines that a RPT should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the RPT, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

7. RPTs that do not require prior Audit Committee review

- 7.1 The Audit Committee shall also be entitled to grant omnibus approval ("Omnibus Approval") for a class of transactions which are repetitive in nature, as per the procedure specified for approving RPTs in this Policy.
- 7.2 In addition to the criteria specified in paragraph 7.1 above, the Audit Committee shall be required to specify in the Omnibus Approval:
 - (i) Name(s) of the Related Party, nature, period of transaction and maximum amount of the proposed RPTs;



- (ii) The indicative base price/current contracted price and the formula for variation in the price if any; and
 - (iii) Such other conditions as the Audit Committee may deem fit;
 - (iv) In the event the need for a class of RPTs cannot be foreseen or the details specified in (i) to (iii) above are not available, the Audit Committee may grant Omnibus Approval for such RPTs provided each transaction does not exceed 1,00,00,000/- (Rupees One crore).
- 7.3 Audit Committee shall review, the details of actual RPTs entered into by the Company pursuant to each of the Omnibus Approvals on a quarterly basis.
- 7.4 The Omnibus Approvals shall be valid for a period not exceeding one year and shall require fresh approvals from the Audit Committee after the expiry of 1 (one) year from the grant of each approval.
- 7.5 Any transaction that involves the providing of compensation to a director or KMP in connection with his or her duties to the Company or any of its subsidiaries or associates including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- 7.6 Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- 7.7 Any transaction arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Act.
- 7.8 Reimbursement of pre-incorporation expenses incurred by a Related Party as approved by the Board of Directors.
- 7.9 Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder.

8. RPTs not approved under this Policy

- 8.1 In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy by the Audit Committee, prior to its consummation, it shall report such transaction to the Audit Committee which shall follow the procedure laid down in this Policy.
- 8.2 In any case, save as otherwise provided in the Policy, where the Audit Committee determines not to ratify a RPT that has been commenced without its prior approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission or revision of the transaction.



9. Disclosures

Appropriate disclosures as required under the Act and the Listing Regulations shall be made in the Financial Statements, Board's Report, Stock Exchanges and website of the Company.

10. Applicability

In the event of any provisions contained in this Policy is inconsistent with the provisions contained in the Listing Regulations, Companies Act, 2013 or Accounting Standards, etc. or any amendments thereto, (Regulatory Acts), the provisions contained in the Regulatory Acts shall prevail.

11. Amendments

This Policy may be amended by the Board at any time and is subject to the (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines from the SEBI.

Note:

Last reviewed on:

Version:



Annexure

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 134(3)(0) of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

In accordance with the CSR Policy of the Company, the CSR initiatives were focused on the following pre-identified areas:

- a. The CSR activities shall be undertaken as per CSR policy of the Company by way of projects or programs or activities (either new or ongoing) in India, excluding the activities undertaken in pursuance of the normal course of business. The Company shall give preference to the local area and areas around it from where it operates, for spending the amount earmarked for CSR activities.
- b. The Board may decide to undertake CSR activities approved by the CSR Committee directly through employees of the Company or through a registered trust or a registered society or an entity established by the Company or subsidiary or associate company under Section 8 of the Companies Act, 2013 or otherwise and subject to conditions as specified in the CSR Rules.
- c. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.
- d. CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities, approved by the Board on the recommendation of CSR Committee, but shall not include:
 - i) any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
 - ii) CSR projects or programs or activities that benefit only the employees and their families.
 - iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- e. The Company may fulfill the CSR obligation by way of a donation to a fund established /approved by the Government or any other appropriate authority on the recommendation of the CSR Committee.

f. CSR activities include:-

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iv) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- v) Ensuring environmental sustainability, ecological balances, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- vi) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of arts, setting up of public libraries, promotion and development of traditional arts and handicrafts;
- vii) Measures for the benefit of armed forces veterans, war widows and their dependents,
- viii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- ix) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
- x) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- xi) Rural development projects.

The CSR Policy of the Company can be accessed on the web link: www.centrum.co.in.

2. The Composition of the CSR Committee:

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the "Act"), the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (CSR Committee). As on March 31, 2018, the composition of the CSR Committee was as follows:

Sr.	Name	Category	Designation in Committee
1	Mr. Ranjan Ghosh	Managing Director & CEO	Chairman
2	Mr. Harish Engineer	Independent Director	Member
3	Mr. G S Sundararajan	Independent Director	Member

3. Average net profit of the Company for last three financial years: Rs. 6,74,58,101
4. Prescribed CSR Expenditure [Rounded off] (two percent of the amount as in item 3 above):
Rs.13,49,162
5. Details of CSR spent during the financial year 2017-18 and previous years.
- a. Total amount to be spent for the financial year: Rs.13,49,162
- b. Total Aggregate Amount to be spent: Rs. 2027558
- b. Amount unspent, if any: Rs. 2027558
- c. Manner in which the amount spent during the financial year:

During the Financial Year 2017-18, the Company has not spent any amount for CSR activities.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount in its Board Report:

The CSR Committee at their meeting held has recommended to the Board an amount of Rs.13,49,162/- as expenditure to be incurred on the CSR activities of the Company during the F.Y.2017-18. Centrum Group has formed a trust named "Centrum Foundation" to enable collective initiative of all CSR activities within the group. Various CSR projects are being evaluated and are in the process of getting finalized.

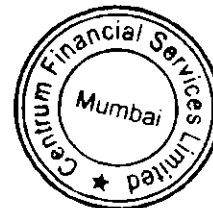
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company:

The CSR Committee confirms that the implementation and monitoring of the CSR Policy of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf
Centrum Financial Services Limited
Sd/-
Shailendra Apte
Director

For and on behalf of
Centrum Financial Services Limited
Sd/-
Ranjan Ghosh (Chairman-CSR)

Name	Designation & Nature of Duties	Remuneration (in Rs.)	Qualification	Experience (Years)	Date of commencement of Employment	The Last employment held	Percentage of Equity shares held by the Employee in the Company within the meaning of clause III of sub rule (2) above	Whether Employee is a relative of any Director or manager of the Company and if so, name of such director or manager
Ranjan Ghosh	MD & CEO	1.21 Crore p.a.	Masters of Business Administration from The University of Northern Iowa - USA & Bachelor of Electrical Engineering from Jadavpur University, Kolkata	Close to 25 years	01/Aug/2016	Standard Chartered Bank	Nil	No
Chirag Doshi	Regional Head Commercial Finance	8.33lakhs p.m.	MBA Saumaya College	15years	02 nd January, 2018	SCB Bank	Nil	No
Sandeep Agarwal	Real Estate Head	8.33lakhs p.m.	MBA- ISB' 2007	15years	12 th October, 2017	Kotak Bank	Nil	No



ANNEXURE D- of Directors' Report

Extract of Annual Return as on the financial year ended on March 31, 2018

FORM No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U65910MH1993PLC192085
ii.	Registration Date	27th January, 1993
iii.	Name of the Company	Centrum Financial Services Limited
iv.	Category / Sub-Category of the Company	Public Company/Limited by shares
v.	Address of the Registered office & Corporate Office and Contact details	Reg. Office: Bombay Mutual Building, 2 nd Floor, Dr. D N Road, Fort, Mumbai. Corporate Office : Centrum House, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400098. Tel Number : 022 4215 9000
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, C-101, 247 Park L.B.S. Marg, Vikhroli (W) Mumbai 400 083 Tel No: +91 22 49186000

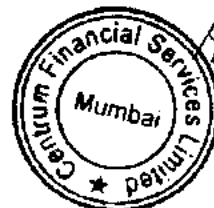
II. Principal Business activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company i

Sr. No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total turnover of the Company
1	99711352	Other Credit Granting Services	72.57%

III. Particulars of Holding, Subsidiary and Associate Companies as on March 31, 2018

Sr No	Name and Address of the Company	CIN	Holding/ Subsidiary / Associate	%	Applicable section
1	Centrum Capital Limited Corporate Office :Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai-400098	L65990MH1977PLC019986	Holding Company	100	2(46)



IV) Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

A. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	1/4/2017				31/03/2018			
	Demat	Physical	Total	% of Total share capital	Demat	Physical	Total	% of Total share
A. Promoters								
(1) Indian								
(a) Individuals/ HUF	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-
(d) Bodies Corp.	36,883,414	6	36,883,420	100	56,861,936	6	56,861,942	100
(e) Banks / FI	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-
Sub Total (A)(1):-	36,883,414	6	36,883,420	100	56,861,936	6	56,861,942	100
(2) Foreign	-	-	-	-	-	-	-	-
(a) NRI Individuals	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-
Sub Total (A)(2):-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	36,883,414	6	36,883,420	100	56,861,936	6	56,861,942	100
B. Public Shareholding								
(1) institutions	-	-	-	-	-	-	-	-
(a) Mutual Funds	-	-	-	-	-	-	-	-
(b) Banks FI	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-
* Financial Institutions	-	-	-	-	-	-	-	-
* Government Companies	-	-	-	-	-	-	-	-
* State Financial Corporation	-	-	-	-	-	-	-	-
* Market Makers	-	-	-	-	-	-	-	-
* Any Other	-	-	-	-	-	-	-	-
* Otc Dealers (Bodies Corporate)	-	-	-	-	-	-	-	-
* Private Sector Banks	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-
(2) Non-institutions	-	-	-	-	-	-	-	-
(a) Bodies Corp	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-
* N.R.I. (Non-Repatriate)	-	-	-	-	-	-	-	-
* N.R.I. (Repatriate)	-	-	-	-	-	-	-	-
* Trust	-	-	-	-	-	-	-	-
* Hindu Undivided Family	-	-	-	-	-	-	-	-
* Employee	-	-	-	-	-	-	-	-
* Clearing Members	-	-	-	-	-	-	-	-
* Depository Receipts	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-
C. Total shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
GrandTotal(A + B + C)	36,883,414	6	36,883,420	1	56,861,936	6	56,861,942	100



B) Shareholding of Promoters

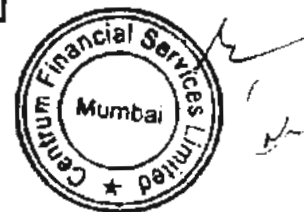
Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		1/4/2017			31/03/2018			
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares #	
1	Centrum Retail Services Limited	36883420	100	0	-	-	-	-
2	Centrum Capital Limited	0	0	0	56861936	100	-	-

C) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters & Holders of GDRS / ADRs): NIL

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
NIL					

D) Shareholding of Directors and Key Managerial Personnel: NIL

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
NIL					



INDEBTEDNESS

Particulars	Secured loans excluding deposits (Rs)	Unsecured loans (Rs)	Deposits (Rs)	Total Indebtedness (Rs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,455,990,185	393,100,000	-	2,849,090,185
ii) Interest accrued but not due	-	95,814,669	-	95,814,669
Total (i+ii+iii)	2,455,990,185	488,914,669	-	2,944,904,854
Change in indebtedness during the financial year				
Addition (Net)	820,165,649	16,186,260	0	836,351,909
Reduction	-	-	-	-
Exchange difference	-	-	-	-
Net change	820,165,649	16,186,260	0	836,351,909
Indebtedness at the end of financial year 31/03/2018				
i) Principal Amount	3,248,086,645	176,096,175	-	3,424,182,820
ii) Interest due but not paid	28,069,189	-	-	28,069,189
iii) Interest accrued but not due	-	329,004,754	-	329,004,754
Total (i+ii+iii)	3,276,155,834	505,100,929	-	3,781,256,763



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director/ Whole Time Director/Manager

Particulars of remuneration	Ranjan Ghosh MD & CEO	Shailendra Apte Whole Time Director (&)
Gross Salary Per anum	12,185,036	-
a) Salary as per provisions contained in section 17(1) of	-	-
b) Value of perquisites u/s 17(2) income Tax Act, 1961	-	-
c) Profits in lieu of salary u/s 17(3) of the Income Tax	-	-
Stock option	-	-
Sweat Equity	-	-
Commission	-	-
>as a % of profit	-	-
>others	-	-
Others (please specify)	-	-

Mr. Shailendra Apte did not receive any remuneration as he was drawing the salary from the holding Company

B. Remuneration to other directors: NIL

C. Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD

Particulars of remuneration	Mrs. Ruta Sabnis Company Secretary	Mr. Bharat Adnani Chief Financial Officer(*)
Gross Salary	575,052	-
a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
Stock option	-	-
Sweat Equity	-	-
Commission	-	-
>as a % of profit	-	-
>others	-	-
Others (please specify)	-	-

Mrs. Ruta Sabnis was appointed as Company Secretary of the Company w.e.f from 01.01.2017

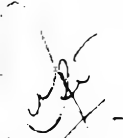
Mr. Bharat Adnani was appointed as the CFO of the Company w.e.f 16.12.2016 and is drawing salary from the ultimate holding Company

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

There were no penalties/punishments/compounding of offences for the year ended March 31, 2018

For and on Behalf of the Board of Directors.
Centrum Financial Services Limited


Ranjan Ghosh
Managing Director & CEO
DIN: 07592235


Shailendra Apte
Whole Time Director
DIN: 00017814



16.05.2018

Financial Statements

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Indiabulls Finance Centre
S B Marg, Elphinstone (W)
Mumbai 400013
India

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Independent Auditor's Report

To the Members of Centrum Financial Services Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Centrum Financial Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



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

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 24 May 2017, expressed an unmodified opinion on those statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);



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

- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 16 May 2018 as per Annexure II expressed unmodified opinion; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

Walker Chandniok & Co. LLP

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



Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: 16 May 2018

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

Annexure to the Independent Auditor's Report of even date to the members of Centrum Financial Services Limited on the financial statements for the year ended 31 March 2018

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) The Company is a non-banking finance company, primarily engaged in the business of lending and does not hold any inventories. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
 - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal is regular; and the schedule of payment of interest has been stipulated and the receipts of the interest are regular; and
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) The Company has not made any investment or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Accordingly, the provision of section 185 and 186 of the Act is not applicable to the Company.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



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

Annexure I (Contd)

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

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	1,862,870	Assessment Year 2010-11	Commissioner of Income Tax (Appeals) Income Tax	CIT Appeal is filed on 10 January 2018

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company has no loans or borrowings payable to the government.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.



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

Annexure I (Contd)

- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

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



Manish Gujral
Partner
Membership No.:105117

Place: Mumbai
Date: 16 May 2018

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

Annexure II

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

1. In conjunction with our audit of the financial statements of Centrum Financial Services Limited ("the Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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



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

Annexure II (Contd)

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018 based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Walker Chandniok & Co. LLP

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



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

Place: Mumbai
Date: 16 May 2018

Centrum Financial Services Limited
Balance Sheet

(Amount in Rs.)

Particulars	Note no.	As at 31 March 2018	As at 31 March 2017
Equity and liabilities			
Shareholders' funds			
Share capital	3	56,86,19,420	36,88,34,200
Reserve and surplus	4	1,14,06,56,994	73,68,11,902
		1,70,92,76,414	1,10,56,46,102
Non-current liabilities			
Long-term borrowings	5	2,07,81,10,522	1,58,11,00,000
Other long-term liabilities	6	29,38,18,135	9,58,14,669
Deferred tax liabilities (net)	12	-	1,22,086
Long-term provisions	7	60,56,082	84,99,192
		2,37,79,84,739	1,68,55,35,947
Current liabilities			
Short-term borrowings	8	26,09,36,384	61,04,55,252
Trade payables	9	2,22,19,225	37,05,919
Other current liabilities	6	1,16,77,18,730	88,97,95,682
Short-term provisions	7	3,68,76,933	4,00,39,522
		1,48,77,51,272	1,54,39,96,376
Total		5,57,50,12,425	4,33,51,78,424
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	75,19,481	49,29,314
Intangible assets	10	1,49,97,643	4,65,288
Intangible assets under development	10	1,47,15,000	-
		3,72,32,124	54,14,602
Non-current investments	11	59,75,61,424	27,91,33,604
Deferred tax assets (net)	12	1,28,26,560	-
Other non-current assets	13	31,29,14,356	33,99,54,533
Long-term loans and advances	14	1,31,18,02,284	5,79,21,622
		2,23,51,04,624	67,70,09,759
Current assets			
Current investments	15	13,56,03,051	17,82,47,460
Cash and bank balances	16	72,69,61,101	13,02,30,318
Short-term loans and advances	14	2,16,62,81,967	3,13,72,59,590
Other current assets	13	27,38,29,558	20,70,16,755
		3,30,26,75,677	3,65,27,54,063
Total		5,57,50,12,425	4,33,51,78,424

The accompanying notes 1 to 34 form an integral part of the financial statements
As per our report of even date

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

Manish Gujral
Partner
Membership No.: 105117



Date: 16 May 2018
Place: Mumbai

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

Ranjan Ghosh
CEO and Managing Director
DIN: 07592235

Bharat Adnan
Chief Financial Officer

Date: 16 May 2018
Place: Mumbai

Shailendra Apte
Director
DIN: 00017814

Rum Sabnis
Company Secretary



Centrum Financial Services Limited
Statement of Profit and Loss

(Amount in Rs.)

Particulars	Note no.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	17	51,13,40,014	36,32,07,637
Other income	18	19,32,60,871	2,28,27,473
Total revenue (i)		70,46,00,885	38,60,35,110
Expenses			
Employee benefits expense	19	9,57,53,004	1,76,47,072
Finance cost	20	45,64,82,120	24,55,45,496
Depreciation and amortization expense	10&11	84,54,293	3,84,846
Other expenses	21	8,16,25,354	1,45,85,845
Provisions and write offs	22	3,40,94,607	2,29,45,821
Total expenses (ii)		67,64,09,378	30,11,09,080
Profit before tax (iii) = (i) - (ii)		2,81,91,507	8,49,26,030
Tax expense			
(a) Current tax		2,52,65,070	2,50,24,652
(b) Deferred tax (credit)/charge		(1,29,48,646)	51,07,260
(c) Income tax for earlier years		1,20,00,000	-
Profit after tax		38,75,082	5,47,94,118
Earnings per equity share			
Basic	25	0.10	1.49
Diluted		0.10	1.49
[Nominal value of shares Rs.10 each (31 March 2017: Rs. 10)]			

The accompanying notes 1 to 34 form an integral part of the financial statements
As per our report of even date

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



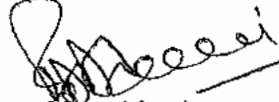
Manish Gujral
Partner
Membership No.: 105117



Date : 16 May 2018
Place : Mumbai

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

Ranjan Ghosh
CEO and Managing Director
DIN: 07592235



Bharat Adnani
Chief Financial Officer

Shalendra Apte
Director
DIN: 00017814



Rohit Sabnis
Company Secretary



Date : 16 May 2018
Place : Mumbai



Centrum Financial Services Limited
Cash flow statement

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flows from the operating activities:		
Net profit before tax	2,81,91,507	8,49,26,030
Adjustments for:		
Depreciation and amortisation expenses	84,54,293	3,84,846
Provision for standard assets	55,82,935	29,45,821
Shares issue expenses	58,90,000	-
Loan written off	2,71,77,177	-
Loss on sale of shares	3,23,29,267	-
Gratuity provision	8,78,221	-
Diminution in value of investment	13,34,495	4,00,00,000
Interest on fixed deposits	(2,61,33,575)	(2,28,17,473)
Profit on sale of investments	(2,20,65,024)	-
Unrealised gain on options	(3,93,86,977)	-
Interest income on bonds	(20,21,918)	-
Rental income	(2,58,15,416)	-
Operating profit before working capital adjustments	(55,85,015)	10,54,39,224
Adjustments for working capital changes:		
Increase/(decrease) in current liabilities	27,79,23,047	79,80,18,748
Increase/(decrease) in trade payables	1,85,13,306	-
Increase/(decrease) in other liabilities	19,80,03,466	9,07,24,545
Increase/(decrease) in long-term provision	(33,04,054)	32,08,959
Increase/(decrease) in short-term provision	(87,62,801)	(29,13,949)
Increase/(decrease) in non-current liabilities	(1,22,086)	1,22,086
Increase/(decrease) in long-term loans and advances	(1,27,18,07,018)	(4,33,80,301)
Increase/(decrease) in short-term loans and advances	97,09,77,624	(1,39,17,56,067)
(Increase)/decrease in non-current assets	(2,20,77,380)	(49,85,174)
(Increase)/decrease in current assets	(2,74,25,826)	(5,42,17,088)
Cash flows (used in) operating activities	12,63,33,262	(49,97,39,017)
Direct tax paid (net)	(2,43,16,425)	(3,01,31,912)
Net Cash flows (used in) operating activities (A)	10,20,16,837	(52,98,70,929)
B. Cash flows from investing activities:		
Proceeds from sale of options (net)	1,18,95,567	-
Rental income	2,58,15,416	-
Interest income on fixed deposits	2,61,33,575	2,28,17,473
Interest income on bonds	20,21,918	-
Purchase of mutual funds	(3,79,05,00,000)	-
Proceeds from sale of mutual funds	3,80,06,69,456	-
Proceeds from sale of shares	4,58,70,638	-
Purchase of fixed assets	(3,46,23,377)	(52,78,083)
Purchases of investments	(33,39,26,133)	(48,56,42,920)
Cash flows (used) in investing activities (B)	(24,66,42,940)	(46,81,03,530)
C. Cash flows from financing activities:		
Proceeds from issuance of equity shares (including securities premium)	59,97,55,230	(2,24,16,167)
Shares issue expenses	(58,90,000)	-
Proceeds from long-term borrowing (net)	49,70,10,522	1,15,81,27,593
Proceeds from/(Repayment of) short-term borrowing (net)	(34,95,18,868)	74,91,778
NCD issue expenses	-	(3,23,77,951)
Cash flows generated from financing activities (C)	74,13,56,884	1,11,08,25,253
Net increase in cash and cash equivalents (A+B+C)	59,67,30,782	11,28,50,794
Cash and cash equivalents at the beginning of the year	13,02,30,318	1,73,79,524
Cash and cash equivalents at the end of the year	72,69,61,100	13,02,30,318



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Centrum Financial Services Limited
Cash flow statement

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Reconciliation of cash and cash equivalents as above with cash and bank balances (refer note 16)		
Cash and cash equivalent as at end of the year as per above	72,69,61,100	13,02,30,318
Total cash and bank balances at the end of the year	72,69,61,101	13,02,30,318

Note :

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

ii) Figures in brackets indicate cash outflows.

The accompanying notes 1 to 34 form an integral part of the financial statements
As per our report of even date

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



Manish Gujral
Partner
Membership No.: 105117

Date : 16 May 2018
Place : Mumbai



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



Ranjan Ghosh
CEO and Managing Director
DIN: 07592235



Bharat Adnani
Chief Financial Officer

Date : 16 May 2018
Place : Mumbai



Shailendra Apte
Director
DIN: 00017814



Ruta Sabnis
Company Secretary



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 3: Share capital

(Amount in Rs.)

Particulars	As at	As at
	31 March 2018	31 March 2017
Authorised		
100,000,000 (Previous year 37,999,900) equity shares of Rs.10 each	1,00,00,00,000	37,99,99,000
10,000 (Previous year 10,000) 9% Cumulative convertible preference shares of 10 paisa each	-	1,000
Total	1,00,00,00,000	38,00,00,000
Issued, subscribed and fully paid up		
56,861,942 Equity shares (Previous year: 36,883,420) of Rs.10 each fully paid up	56,86,19,420	36,88,34,200
Total	56,86,19,420	36,88,34,200

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of equity shares	Amount in Rs.	Number of equity shares	Amount in Rs.
Number of equity shares at the beginning of the year	3,68,83,420	36,88,34,200	3,68,83,420	36,88,34,200
Add: Equity shares issued during the year	1,99,78,522	19,97,85,220	-	-
Number of equity shares at the end of the year	5,68,61,942	56,86,19,420	3,68,83,420	36,88,34,200

3.2 Terms/rights attached to equity shares

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

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

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

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

Shareholder	As at 31 March 2018		As at 31 March 2017	
	Number of equity shares	% of Holding	Number of equity shares	% of Holding
Centrum Capital Limited*	5,68,61,942	100%	-	-
Centrum Retail Services Limited	-	-	3,68,83,420	100%
Total	5,68,61,942	100%	3,68,83,420	100%

* 6 shares are held in the name of nominees of the Company and for which Centrum Capital Limited is the beneficiary. There was change in shareholding and shares held by Centrum Retail Services Limited was transferred to Centrum Capital Limited based on approval received from Reserve Bank of India on 16 February 2018.

3.4 Utilization of funds raised during the year

The Company had issued 19,978,522 shares during the year for the purpose of business use. The Company has utilized the funds for the stated purpose and there is no unutilized fund as at the end of the year.



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Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 4: Reserves and surplus

(Amount in Rs.)

Particulars	As at	As at
	31 March 2018	31 March 2017
Securities premium account		
Opening balance	63,58,89,709	66,82,67,660
Add: Premium on issue of equity shares	39,99,70,010	-
Less: Securities premium utilised during the year	-	(3,23,77,951)
Balance as at end of the year	1,03,58,59,719	63,58,89,709
Statutory reserve (under section 45IC of RBI Act, 1934)		
Opening balance	2,84,82,429	1,75,23,605
Add: Transferred during the year	7,75,016	1,09,58,824
Balance as at end of the year	2,92,57,445	2,84,82,429
Statement of Profit and Loss		
Opening balance	7,24,39,764	2,86,04,470
Add: Profit for the year	38,75,082	5,47,94,118
Less: Transferred to statutory reserve fund for current year	(7,75,016)	(1,09,58,824)
(20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)		
Balance as at end of the year	7,55,39,830	7,24,39,764
Total	1,14,06,56,994	73,68,11,902

Note 5: Long-term borrowings

(Amount in Rs.)

Particulars	Non-current portion		Current maturities	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Secured, considered good :				
Redeemable, non-convertible Market Linked Debentures	1,29,36,00,000	1,47,11,00,000	17,75,00,000	65,49,00,000
Term loans				
From banks	58,80,43,413	11,00,00,000	83,24,10,298	20,82,843
From others	5,63,70,934	-	7,52,25,616	5,52,090
Unsecured :				
Intercorporate deposits	14,00,96,175	-	-	-
	2,07,81,10,522	1,58,11,00,000	1,08,51,35,914	65,75,34,933
Less : Current maturities disclosed under "other current liabilities", (Refer note 6)			(1,08,51,35,914)	-65,75,34,933
Total	2,07,81,10,522	1,58,11,00,000	-	-

Note 5.1 Details of security

i) During the financial year ended 31 March 2016 and 31 March 2017, the Company had raised Rs. 2,126,000,000 through issue of 21,260 secured, redeemable, non-cumulative, unlisted, unrated, non-convertible, principal protected Market Linked Debentures bearing a face value of Rs. 100,000 each by way of private placement.

These Market Linked Debentures are secured against first pari passu charge over present and future receivables with minimum security cover of 100 percent of the issued amount and identified immovable property.

ii) Term loan from banks are secured against pari passu charge over all book debts and corporate guarantee from Centrum Capital Limited.

iii) Intercorporate deposits include unsecured deposit from Axis Spaces Private Limited repayable on 31 July 2019.

iv) Term loan from banks and others includes vehicle loans secured against respective vehicles for which the loans were availed from HDFC Bank Limited and Kotak Mahindra Prime Limited. Term loan from others include loan from Tata Capital Financial Services Limited which is secured against pari passu charge over all book debts and corporate guarantee from Centrum Capital Limited.



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

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

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	24,10,298	1,35,43,160	15,45,00,253	17,04,53,711
10.00% to 10.99%	83,00,00,000	42,00,00,000	-	1,25,00,00,000
11.00 to 11.99%	-	-	-	-
Total	83,24,10,298	43,35,43,160	15,45,00,253	1,42,04,53,711

5.2.2 Terms of repayment of term loans from banks as on 31 March 2017 (Amount in Rs.)

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	20,82,843	-	-	20,82,843
10.00% to 10.99%	-	-	-	-
11.00 to 11.99%	-	11,00,00,000	-	11,00,00,000
Total	20,82,843	11,00,00,000	-	11,20,82,843

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

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	2,25,616	1,20,934	-	3,46,550
10.00% to 10.99%	7,50,00,000	5,62,50,000	-	13,12,50,000
Total	7,52,25,616	5,63,70,934	-	13,15,96,550

5.2.4 Terms of repayment of term loans from others as on 31 March 2017 (Amount in Rs.)

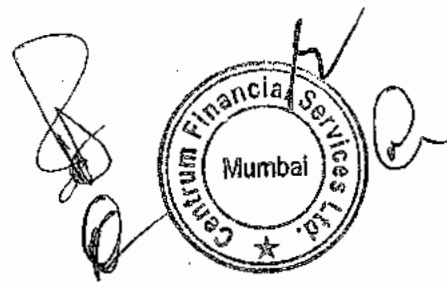
Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
9.00% to 9.99%	5,52,090	-	-	5,52,090
10.00% to 10.99%	-	-	-	-
Total	5,52,090	-	-	5,52,090

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

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
11.00% to 11.99%	-	14,00,96,175	-	14,00,96,175
Total	-	14,00,96,175	-	14,00,96,175

5.2.6 Terms of repayment of intercorporate deposits as on 31 March 2017 (Amount in Rs.)

Particulars	Upto 1 year	1 to 3 years	More than 3 years	Total
Rate of interest				
11.00% to 11.99%	-	-	-	-
Total	-	-	-	-



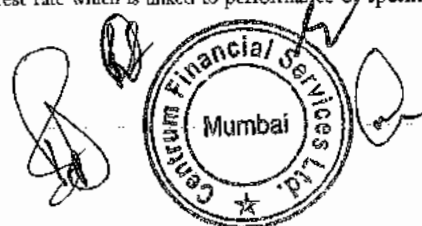
Centrum Financial Services Limited
Summary of significant accounting policies and other explanatory information

5.2.7 Terms of repayment of MLD as on 31 March 2018

(Amount in Rs.)

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

Note : The above mentioned debentures are Market Linked Debentures carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. Hence, the interest rate/range cannot be ascertained.



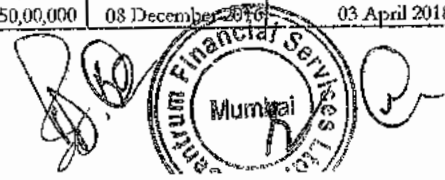
Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

5.2.8 Terms of repayment of MLD as on 31 March 2017

(Amount in Rs.)

Particulars	Type	Amount as at 31 March 2017	Current	Non-current	Issue date	Maturity date
CFSL/MLD/01	-	19,40,00,000	-	19,40,00,000	01 February 2016	05 June 2019
CFSL/MLD/02	-	4,50,00,000	-	4,50,00,000	11 February 2016	19 June 2019
CFSL/MLD/03	-	3,30,00,000	-	3,30,00,000	22 February 2016	02 July 2019
CFSL/MLD/04	-	2,40,00,000	-	2,40,00,000	17 March 2016	27 July 2019
CFSL/MLD/05	-	2,30,00,000	2,30,00,000	-	22 March 2016	20 April 2017
CFSL/MLD/06	-	3,35,00,000	-	3,35,00,000	05 April 2016	14 August 2019
CFSL/MLD/07	-	7,90,00,000	-	7,90,00,000	03 May 2016	10 September 2019
CFSL/MLD/08	-	4,80,00,000	-	4,80,00,000	20 May 2016	27 September 2019
CFSL/MLD/09	Type 1	1,15,00,000	-	1,15,00,000	06 June 2016	14 October 2019
CFSL/MLD/09	Type 2	1,75,00,000	-	1,75,00,000	06 June 2016	14 October 2019
CFSL/MLD/10	Type 1	1,25,00,000	-	1,25,00,000	15 June 2016	23 October 2019
CFSL/MLD/10	Type 2	2,75,00,000	-	2,75,00,000	15 June 2016	23 October 2019
CFSL/MLD/11	Type 1	1,65,00,000	-	1,65,00,000	24 June 2016	04 November 2019
CFSL/MLD/11	Type 2	8,60,00,000	-	8,60,00,000	24 June 2016	04 November 2019
CFSL/MLD/12	Type 1	4,25,00,000	4,25,00,000	-	04 July 2016	08 August 2017
CFSL/MLD/12	Type 2	3,30,00,000	-	3,30,00,000	04 July 2016	11 November 2019
CFSL/MLD/12	Type 3	3,05,00,000	3,05,00,000	-	04 July 2016	27 October 2017
CFSL/MLD/12	Type 4	2,00,00,000	2,00,00,000	-	04 July 2016	08 August 2017
CFSL/MLD/13	Type 1	2,25,00,000	2,25,00,000	-	05 July 2016	09 August 2017
CFSL/MLD/13	Type 2	3,00,00,000	3,00,00,000	-	05 July 2016	09 August 2017
CFSL/MLD/14	Type 2	1,75,00,000	1,75,00,000	-	19 July 2016	11 November 2017
CFSL/MLD/14	Type 3	2,05,00,000	-	2,05,00,000	19 July 2016	26 November 2019
CFSL/MLD/15	Type 1	1,40,00,000	1,40,00,000	-	29 July 2016	21 November 2017
CFSL/MLD/15	Type 2	75,00,000	-	75,00,000	29 July 2016	06 December 2019
CFSL/MLD/16	Type 1	2,75,00,000	-	2,75,00,000	03 August 2016	12 September 2018
CFSL/MLD/17	Type 2	2,80,00,000	2,80,00,000	-	22 August 2016	15 December 2017
CFSL/MLD/17	Type 3	2,41,00,000	-	2,41,00,000	22 August 2016	30 December 2019
CFSL/MLD/17	Type 4	1,00,00,000	1,00,00,000	-	22 August 2016	26 September 2017
CFSL/MLD/18	-	1,00,00,000	-	1,00,00,000	26 August 2016	03 January 2020
CFSL/MLD/19	Type 1	1,35,00,000	1,35,00,000	-	02 September 2016	07 October 2017
CFSL/MLD/19	Type 2	3,75,00,000	3,75,00,000	-	02 September 2016	28 December 2017
CFSL/MLD/19	Type 3	1,30,00,000	-	1,30,00,000	02 September 2016	10 January 2020
CFSL/MLD/19	Type 4	50,00,000	-	50,00,000	02 September 2016	12 October 2018
CFSL/MLD/20	-	3,00,00,000	-	3,00,00,000	16 September 2016	22 January 2020
CFSL/MLD/21	Type 1	1,00,00,000	1,00,00,000	-	28 September 2016	02 November 2017
CFSL/MLD/21	Type 2	3,00,00,000	3,00,00,000	-	28 September 2016	21 January 2018
CFSL/MLD/21	Type 3	4,00,00,000	-	4,00,00,000	28 September 2016	05 February 2020
CFSL/MLD/21	Type 4	1,75,00,000	1,75,00,000	-	28 September 2016	21 January 2018
CFSL/MLD/22	Type 1	1,00,00,000	-	1,00,00,000	01 October 2016	08 February 2020
CFSL/MLD/22	Type 2	1,50,00,000	1,50,00,000	-	01 October 2016	21 November 2017
CFSL/MLD/22	Type 3	2,50,00,000	-	2,50,00,000	01 October 2016	20 November 2018
CFSL/MLD/22	Type 4	1,00,00,000	1,00,00,000	-	01 October 2016	24 January 2018
CFSL/MLD/22	Type 5	1,00,00,000	1,00,00,000	-	01 October 2016	24 January 2018
CFSL/MLD/23	-	2,00,00,000	2,00,00,000	-	13 October 2016	06 February 2018
CFSL/MLD/24	Type 1	1,00,00,000	-	1,00,00,000	20 October 2016	11 December 2018
CFSL/MLD/24	Type 2	1,00,00,000	1,00,00,000	-	20 October 2016	24 November 2017
CFSL/MLD/25	Type 1	5,00,00,000	5,00,00,000	-	26 October 2016	20 February 2018
CFSL/MLD/25	Type 2	6,00,00,000	6,00,00,000	-	26 October 2016	20 February 2018
CFSL/MLD/25	Type 3	4,00,00,000	-	4,00,00,000	26 October 2016	11 March 2020
CFSL/MLD/26	-	2,00,00,000	2,00,00,000	-	03 November 2016	27 February 2018
CFSL/MLD/27	Type 1	2,50,00,000	-	2,50,00,000	10 November 2016	19 March 2020
CFSL/MLD/27	Type 2	1,00,00,000	-	1,00,00,000	10 November 2016	24 March 2020
CFSL/MLD/28	Type 1	3,35,00,000	3,35,00,000	-	25 November 2016	20 March 2018
CFSL/MLD/29	Type 1	4,50,00,000	-	4,50,00,000	01 December 2016	09 April 2020
CFSL/MLD/29	Type 2	2,00,00,000	2,00,00,000	-	01 December 2016	31 March 2018
CFSL/MLD/29	Type 3	6,00,00,000	-	6,00,00,000	01 December 2016	09 April 2020
CFSL/MLD/29	Type 4	3,00,00,000	-	3,00,00,000	01 December 2016	13 April 2020
CFSL/MLD/29	Type 5	2,50,00,000	2,50,00,000	-	01 December 2016	31 March 2018
CFSL/MLD/30	Type 1	2,39,00,000	2,39,00,000	-	02 December 2016	05 January 2018
CFSL/MLD/30	Type 2	1,00,00,000	-	1,00,00,000	02 December 2016	15 April 2020
CFSL/MLD/31	Type 1	1,50,00,000	-	1,50,00,000	08 December 2016	03 April 2018

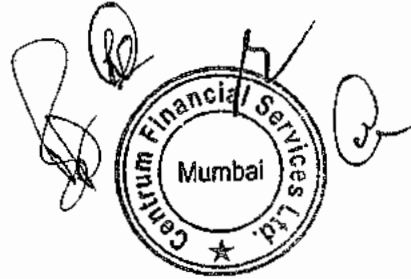


Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

(Amount in Rs.)

Particulars	Type	Amount as at 31 March 2017	Current	Non-current	Issue date	Maturity date
CFSL/MLD/31	Type 2	1,50,00,000	-	1,50,00,000	08 December 2016	11 December 2018
CFSL/MLD/31	Type 3	1,00,00,000	-	1,00,00,000	08 December 2016	16 April 2020
CFSL/MLD/32	-	1,10,00,000	1,10,00,000	-	14 December 2016	18 January 2018
CFSL/MLD/33	Type 3	4,00,00,000	-	4,00,00,000	20 December 2016	28 April 2020
CFSL/MLD/33	Type 4	1,25,00,000	-	1,25,00,000	20 December 2016	03 May 2020
CFSL/MLD/34	Type 1	4,50,00,000	-	4,50,00,000	27 December 2016	05 May 2020
CFSL/MLD/34	Type 2	1,50,00,000	-	1,50,00,000	27 December 2016	05 May 2020
CFSL/MLD/34	Type 3	3,00,00,000	-	3,00,00,000	27 December 2016	10 May 2020
CFSL/MLD/34	Type 5	1,50,00,000	-	1,50,00,000	27 December 2016	22 April 2018
CFSL/MLD/34	Type 6	2,00,00,000	-	2,00,00,000	27 December 2016	22 April 2018
CFSL/MLD/35	Type 1	2,50,00,000	-	2,50,00,000	30 December 2016	14 May 2020
CFSL/MLD/35	Type 2	1,50,00,000	-	1,50,00,000	30 December 2016	26 April 2018
CFSL/MLD/35	Type 3	1,50,00,000	-	1,50,00,000	30 December 2016	08 May 2020
CFSL/MLD/35	Type 4	1,00,00,000	-	1,00,00,000	30 December 2016	08 May 2020
CFSL/MLD/35	Type 5	3,00,00,000	-	3,00,00,000	30 December 2016	08 May 2020
CFSL/MLD/35	Type 6	3,00,00,000	-	3,00,00,000	30 December 2016	26 April 2018
CFSL/MLD/36	Type 1	1,00,00,000	-	1,00,00,000	02 January 2017	14 May 2020
CFSL/MLD/36	Type 2	1,50,00,000	-	1,50,00,000	02 January 2017	15 June 2020
Total		2,12,60,00,000	65,49,00,000	1,47,11,00,000		



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 6: Other liabilities

(Amount in Rs.)

Particulars	Long-term		Current	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current maturities of long-term borrowings (Refer note 5)	-	-	1,08,51,35,914	65,75,34,933
Bank overdraft	-	-	-	13,63,33,322
Interest accrued and due on intercorporate deposit payable	-	-	2,80,69,189	6,31,67,406
Interest on Market Linked Debentures	29,38,18,135	9,58,14,669	3,51,86,619	2,95,15,064
Other payables				
Inter company payables	-	-	30,472	-
Statutory dues payable	-	-	1,46,93,775	25,20,967
Others	-	-	46,02,761	7,23,990
Total	29,38,18,135	9,58,14,669	1,16,77,18,730	88,97,95,682

Note 7: Provisions

(Amount in Rs.)

Particulars	Long-term		Short-term	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Provision for employee benefits (Refer note 30)				
Gratuity	10,07,469	1,46,525	25,819	8,542
Compensated absences/leave encashment	-	2,21,861	14,23,690	30,980
Others				
Provision for diminution in value of investment	-	-	2,67,62,296	4,00,00,000
Contingent provision against standard assets	50,48,613	81,30,806	86,65,128	-
Total	60,56,082	84,99,192	3,68,76,933	4,00,39,522

Note 8: Short-term borrowings

(Amount in Rs.)

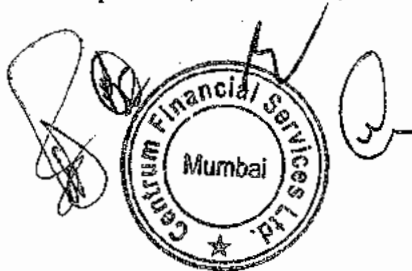
Particulars	As at	As at
	31 March 2018	31 March 2017
Secured:		
Loans repayable:		
Loans repayable on demand to financial institutions	22,49,36,384	18,23,55,252
Intercorporate deposits	-	3,50,00,000
	22,49,36,384	21,73,55,252
Unsecured:		
Inter corporate deposits (repayable on demand)	3,60,00,000	39,31,00,000
	3,60,00,000	39,31,00,000
Total	26,09,36,384	61,04,55,252

Note 9: Trade payable

(Amount in Rs.)

Particulars	As at	As at
	31 March 2018	31 March 2017
Trade payables		
Due to Micro, Small and Medium Enterprises	-	-
Others	2,22,19,225	37,05,919
Total	2,22,19,225	37,05,919

*For the year ended 31 March 2018, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under Micro Small and Medium Enterprise Development Act, 2006. Therefore, no amount is required to be disclosed under the Act.



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

Note 10: Fixed assets

(Amount in Rs.)

Description of assets	Gross block			Depreciation			Net block		
	As at 01 April 2017	Additions	Deductions	As at 31 March 2018	As at 01 April 2017	For the year	Deductions	As at 31 March 2018	As at 31 March 2018
Property, plant and equipment									
Computer hardware	3,41,345	23,85,458	-	27,26,803	57,534	4,64,164	-	5,21,698	22,05,105
Office equipment	8,862	2,92,532	-	3,01,394	1,107	55,558	-	56,665	2,44,729
Air conditioner	-	5,52,073	-	5,52,073	-	1,74,765	-	1,74,765	3,77,308
Building	12,72,500	-	-	12,72,500	18,645	20,148	-	38,793	12,33,707
Vehicles	35,68,659	-	-	35,68,659	1,84,766	4,23,778	-	6,08,544	29,60,115
Furniture and fixtures	-	5,33,508	-	5,33,508	-	34,991	-	34,991	4,98,517
Subtotal (A)	51,91,366	37,63,571	-	89,54,937	2,62,052	11,73,404	-	14,35,456	75,19,481
Intangible assets									
Computer software	7,94,585	6,22,824	-	14,17,409	3,09,297	2,21,362	-	5,30,659	8,86,750
Goodwill on amalgamation (Refer note 24)	-	1,55,21,982	-	1,55,21,982	-	14,11,089	-	14,11,089	1,41,10,893
Subtotal (B)	7,94,585	1,61,44,806	-	1,69,39,391	3,09,297	16,32,451	-	19,41,748	1,49,97,643
Intangible assets under development	-	1,47,15,000	-	1,47,15,000	-	-	-	-	1,47,15,000
Subtotal (C)	-	1,47,15,000	-	1,47,15,000	-	-	-	-	1,47,15,000
Total (A+B+C)	59,85,951	3,46,23,377	-	4,06,09,328	5,71,349	28,05,855	-	33,77,204	3,72,32,124

Previous year

(Amount in Rs.)

Description of assets	Gross block			Depreciation			Net block		
	As at 01 April 2016	Additions	Deductions	As at 31 March 2017	As at 01 April 2016	For the year	Deductions	As at 31 March 2017	As at 31 March 2017
Property, plant and equipment									
Computer hardware	-	3,41,345	-	3,41,345	-	57,534	-	57,534	2,83,811
Office equipment	-	8,862	-	8,862	-	1,107	-	1,107	7,755
Building	-	12,72,500	-	12,72,500	-	18,645	-	18,645	12,53,855
Vehicles	-	35,68,659	-	35,68,659	-	1,84,766	-	1,84,766	33,83,893
Subtotal (A)	-	51,91,366	-	51,91,366	-	2,62,052	-	2,62,052	49,29,314
Intangible assets									
Computer software	7,07,868	86,717	-	7,94,585	1,86,503	1,22,794	-	3,09,297	4,85,288
Subtotal (B)	7,07,868	86,717	-	7,94,585	1,86,503	1,22,794	-	3,09,297	4,85,288
Total (A+B)	7,07,868	52,78,083	-	59,85,951	1,86,503	3,84,846	-	5,71,349	54,14,602

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Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 11: Non-current investments - at cost, unquoted

(Amount in Rs.)

Sr. No.	Particulars	Number of shares / units		Partly paid / Fully paid	Amount	
		As at 31 March 2018	As at 31 March 2017		As at 31 March 2018	As at 31 Mar 2017
(A)	Investment in equity instruments					
	Oasis Counsel and Advisory Private Limited	-	1	Fully paid	-	10
(B)	Investment in subsidiary					
	Agrata Mercantile Private Limited equity shares	-	9,900	Fully paid	-	27,91,33,594
(C)	Investment property					
	Centrum House (7th Floor)#	1	-		35,67,43,500	-
	Depreciation on property (accumulated).				(56,48,438)	-
(D)	Investment in bonds					
	Yes Bank Perpetual Subordinated Additional Tier I bonds	50	-		5,20,21,918	-
(E)	Investment in debentures					
	Waaree Energies Limited - WEL-14%-1-8-19-PVT	195	-		19,44,44,444	-
	Total	246	9,901		59,75,61,424	27,91,33,604
	Aggregate value of unquoted investments				59,75,61,424	27,91,33,604
	Total				59,75,61,424	27,91,33,604

#The title deed of the immovable property is held in the name of the Shree Srinivas Realtors Private Limited which was transferred as a result amalgamation as stated in note 24 to the financial statements. The Company is in the process of transferring the title of the property in its name.



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 12: Deferred tax asset (net)

(Amount in Rs.)

Particulars	As at	As at
	31 March 2018	31 March 2017
Deferred tax liability		
Unrealised gain on options	1,09,57,457	2,19,625
Gross deferred tax liability	1,09,57,457	2,19,625
Deferred tax assets		
Gratuity provision	2,87,461	32,153
Leave encashment provision	3,96,071	65,386
Depreciation on fixed assets	3,27,601	-
Provision for interest of debentures disallowed under IT Act	1,85,86,465	-
Provision for diminution in value of investments	3,71,256	-
Provision for standard assets	38,15,163	-
Gross deferred tax asset	2,37,84,017	97,539
Net deferred tax asset / (liability)	1,28,26,560	(1,22,086)

Note 13: Other assets

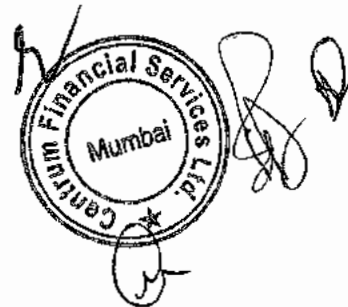
(Amount in Rs.)

Particulars	Non-current		Current	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Deposits with original maturity more than 12 months	31,29,14,356	33,99,54,533	-	-
Interest accrued but not due on loans	-	-	3,09,06,060	12,52,66,199
Amount receivable from related parties	-	-	9,87,61,747	4,16,88,287
Fair value of outstanding options	-	-	9,35,25,730	-
Other receivables	-	-	2,77,41,504	2,50,49,123
Unamortised processing fees	-	-	1,18,43,751	-
Prepaid expenses	-	-	27,79,744	30,61,581
Loan processing fees receivable	-	-	76,62,000	-
Other current assets	-	-	6,09,022	1,19,51,567
Total	31,29,14,356	33,99,54,533	27,38,29,558	20,70,16,757

Note 14: Loans and advances

(Amount in Rs.)

Particulars	Non-current		Current	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Loans and advances towards financing activities				
Secured, considered good				
Loans	1,23,42,09,264	2,67,24,590	1,91,12,81,967	70,89,33,520
Unsecured, considered good				
To related parties	-	-	17,00,00,000	87,06,22,560
To others	2,79,43,835	-	8,50,00,000	1,55,77,03,510
	1,26,21,53,099	2,67,24,590	2,16,62,81,967	3,13,72,59,590
Advance tax and tax deducted at source (net of provision)	4,96,49,185	3,11,97,032	-	-
Total	1,31,18,02,284	5,79,21,622	2,16,62,81,967	3,13,72,59,590



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 15: Current investments

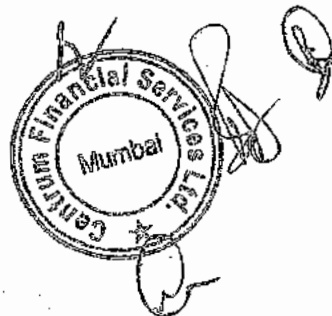
(Amount in Rs.)

Particulars	As at	As at
	31 March 2018	31 March 2017
Quoted : Investment in equity shares		
10,000 equity shares(31 March 2017: 555,555 equity shares) of Rs. 10 each fully paid of Adlabs Entertainment Limited	17,99,995	9,99,99,900
Unquoted : Investment in debentures and units		
Debentures		
Waaree Energies Limited - WEL-14%-1-8-19-PVT	5,55,55,556	-
Security receipts ('SR')		
India SME Asset Reconstruction Company limited		
16,625 SR(31 March 2017 16,625 SR) ISARC -GPIL / 2014-15 Trust	3,80,00,000	3,80,00,000
5,974 SR(31 March 2017 5,974 SR) ISARC - SIDBI - 2 / 2009-10 Trust Scheme B	4,02,47,500	4,02,47,500
Total investments	13,56,03,051	17,82,47,400
Total	13,56,03,051	17,82,47,400
Aggregate value of quoted investments	17,99,995	9,99,99,900
Aggregate value of unquoted investments	13,38,03,056	7,82,47,500
Total	13,56,03,051	17,82,47,400

Note 16: Cash and bank balances

(Amount in Rs.)

Particulars	As at	As at
	31 March 2018	31 March 2017
Cash and cash equivalents		
Cash on hand	2,49,637	2,25,076
Balances with banks		
- in current account	62,67,11,464	13,00,05,242
	62,69,61,101	13,02,30,318
Other bank balances		
- Deposits with original maturity less than 12 months	10,00,00,000	-
Total	72,69,61,101	13,02,30,318



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 17: Revenue from operations

(Amount in Rs.)

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
Interest on term loans	41,75,94,172	33,66,89,576
Interest on loans against shares	3,69,76,732	2,10,27,961
Interest on debentures	-	3,00,000
Loan processing fees	5,67,69,110	51,90,100
Total	51,13,40,614	36,32,07,637

Note 18: Other income

(Amount in Rs.)

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
Interest on fixed deposits	2,61,33,575	2,28,17,473
Advisory fees	5,03,00,000	-
Unrealised gain on options	3,93,86,977	-
Realised gain on options	1,18,95,567	-
Interest income on bonds	20,21,918	-
Profit on sale of investments	1,01,69,457	-
Liabilities written back	1,66,44,302	-
Rental income (Refer note 29)	2,58,15,416	-
Other non operating income	1,08,93,659	10,000
Total	19,32,60,871	2,28,27,473

Note 19: Employee benefits expense

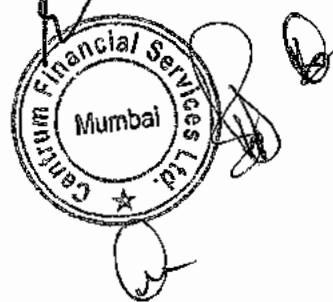
(Amount in Rs.)

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
Salaries, bonus and allowances	8,89,77,873	1,68,44,734
Contribution to provident fund	37,45,112	4,63,226
Gratuity expense (Refer note 30)	9,04,723	97,248
Leave encashment expense	12,73,503	1,97,762
Staff welfare expenses	8,51,793	44,102
Total	9,57,53,004	1,76,47,072

Note 20: Finance cost

(Amount in Rs.)

Particulars	For the year ended	For the year ended
	31 March 2018	31 March 2017
Interest expense		
Interest expense on loans from banks	9,26,25,176	3,30,66,462
Interest on intercorporate deposits	5,55,89,563	9,14,41,986
Interest of market linked debentures	30,14,91,220	12,02,39,609
Interest on late payment of statutory dues	94,438	15,600
Amortisation of ancillary borrowing cost	66,56,249	7,59,000
Bank charges	25,474	22,839
Total	45,64,82,120	24,55,45,496



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Note 21: Other expenses

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent (Refer note 29)	10,79,887	1,67,960
Business promotion expenses	4,92,609	71,505
Rates and taxes	65,32,112	-
Repairs and maintenance	15,69,974	5,440
Travelling expenses	46,24,142	22,75,391
Legal and professional fees	2,29,29,587	1,04,90,944
Auditor's remuneration		
- Audit fee	18,47,638	1,15,000
- Tax audit fee	94,025	57,500
Insurance premium	96,462	16,082
Loss on sale of investments	3,23,29,267	-
Fees and subscription	5,17,277	57,642
Printing and stationary	2,40,245	20,583
Telephone expenses	3,78,653	1,70,237
Director's sitting fees	10,64,000	3,15,875
Exchange transaction charges	1,51,281	2,38,512
Other expenses	76,78,195	5,83,174
Total	8,16,25,354	1,45,85,845

Note 22: Provision and write offs

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Contingent provision against standard assets	55,82,935	29,45,821
Diminution in value of investments	13,34,495	2,00,00,000
Loans written off during the year (net of recoveries)	2,71,77,177	-
Total	3,40,94,607	2,29,45,821

Note 23: Corporate social responsibility

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. The Company has formed CSR committee as per the requirements of the Act.

- a) Gross amount required to be spent by the Company during the year Rs.1,700,000 (Previous year Rs Nil)
b) Amount spent during the year on

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	-	-	-
On purposes other than above	-	-	-

Particulars (previous year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	-	-	-
On purposes other than above	-	-	-



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1. Background

Centrum Financial Services Limited (the 'Company' or 'CPSL') is a Company domiciled in India and incorporated on 27 January 1993 under the provisions of the Companies Act, 1956. The Company has received a certificate of registration from the Reserve Bank of India ('RBI') on 14 August 2009 to carry on the business of Non-Banking Financial Institution (NBFC) activities without accepting public deposits. The Company has become Systematically Important - Non Deposit accepting NBFC w.e.f. 01 December 2017 in accordance with RBI/DNBR/2016-17/45 Master Direction DNBR, PD. 008/05.10.119/2016-17.

2. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read together with rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) Amendment Rules, 2016 and the provisions of the RBI as applicable to an NBFC. The financial statements have been prepared on an accrual basis and under the historical cost convention, unless otherwise stated. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy mentioned in points 2.1(s).

2.1 Summary of significant accounting policies

(a) Use of estimates

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

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

(b) Cash flow statements

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

(c) Revenue recognition

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

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

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

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

(iv) Realized profit/loss on closed positions of derivative instruments is recognised on final settlement of the underlying contracts. Outstanding derivative contracts in the nature of options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded exchange, for such instruments.

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

(d) Property, plant and equipment

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

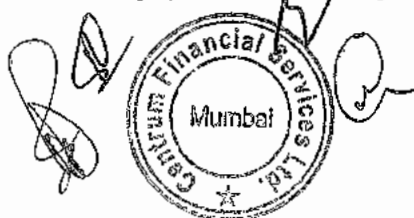
(e) Intangible assets

The Company capitalizes software and related implementation cost where it is reasonable estimated that the software has an enduring useful life. Software is amortized over management estimate of its useful life of 6 years.

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

(f) Depreciation on tangible assets/amortisation expense on intangible assets

Depreciation on assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The goodwill is created on account of amalgamation with effect from 01 April 2017. The Company has used the following rates to provide depreciation on its assets.



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

Useful life estimated by the Company

Asset type	Estimated useful life
Office equipment	3 years
Computers hardware	3 years
Computers software	6 years
Furniture and fittings	10 years
Vehicle	8 years
Building	60 years
Goodwill	11 years

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

(g) Impairment of assets

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

(h) Investments

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

(i) Foreign currency transactions

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

(j) Retirement and other employee benefits

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

Compensated absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(k) Income taxes

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

Current tax

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



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Deferred taxation

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

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

Minimum alternate tax

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

(l) Provisions, contingent liabilities and contingent assets

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

(m) Leases

Where the Company is the lessor

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

Where the Company is the lessee

Lease arrangements where the lessor effectively retains, substantially, all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term. There is no rent equalisation reserve.

(n) Earnings per share

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

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

(o) Cash and cash equivalents

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

(p) Asset classification and provisioning/write-off of assets

Loans are classified as standard and non-performing assets in accordance with Company's policy. A loan is classified as NPA, where interest/installment is overdue for a period of 90 days and above, from the day it becomes due.

Loans are provided for/written off, in accordance with Company's policy, subject to the minimum provision required as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.



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Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

(q) Borrowing cost

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

The Company has issued certain non-convertible debentures, the return of which is linked to performance of specified indices over the tenure of the debentures. Such component of the return on debentures is fair valued at year end. (The resultant 'net unrealised loss or gain' on the fair valuation is recognised in the Statement of Profit and Loss).

(r) Operating cycle

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

(s) Change in accounting policy

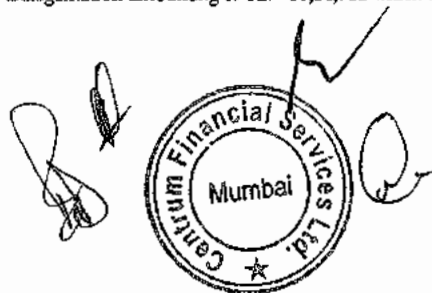
Ancillary borrowing cost

During the current year, the Company has changed its policy for accounting of ancillary borrowing costs from recording it in the year in which these were incurred to amortising such costs over the tenure of the underlying borrowings.

Had the Company applied the accounting policy as in the previous year, the profit for the year would have been lower by Rs. 11,843,750.

(t) Amalgamation

The Company has amalgamated with two entities namely Shree Srinivas Realtors Private Limited ('SSRPL') and Agrata Mercantile Private Limited (AMPL) w.e.f. 01 April 2017. The amalgamation was in the nature of purchase accounting for which has been done following the net assets method as per Accounting Standard ("AS") 14 issued by the Institute of Chartered Accountants of India ("ICAI"). The assets and liabilities have been taken over at their fair values which has resulted in Goodwill on amalgamation amounting to Rs. 155,21,982 which has been amortised over a period of 11 years as considered reasonable by the management.



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

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

25. Earnings per equity share (EPS)

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net profit after tax for basic EPS	38,75,082	5,47,94,118
Net profit after tax for diluted EPS	38,75,082	5,47,94,118
Weighted average number of equity shares in computing the basic earnings per share	3,71,02,363	3,68,83,420
Weighted average number of equity shares in computing the diluted earnings per share	3,71,02,363	3,68,83,420
Basic earnings per share (Rs.)	0.10	1.49
Diluted earnings per share (Rs.)	0.10	1.49

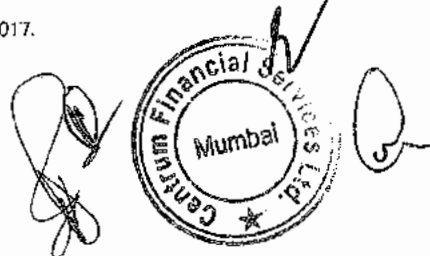
26. Related party disclosure

As per the requirement of Accounting Standards 18- On Related Party Disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

26.1 Name of related parties

Nature of relationship	Name of the party
Holding company	Centrum Capital Limited
Enterprises in which KMP are able to exercise control or have significant influence	Centrum Retail Services Limited Centrum Microcredit Private Limited Centrum Securities Private Limited Centrum Housing Finance Limited Centrum Wealth Management Limited Businessmatch Services (I) Private Limited Centrum Broking Limited Centrum Direct Limited Centrum Defence System Limited BG Advisory Services LLP Buyforex India Limited Centrum Alternatives LLP Commonwealth Centrum Advisors Limited Centrum International Services PIE Centrum Infrastructure Advisory Limited Centrum Capital Holdings LLC Centrum Securities LLC Centrum Insurance Brokers Limited Centrum Investment Advisors Limited Krish and Ram Forex Private Limited Centrum REMA LLP Pyxis Finvest Limited Agrata Mercantile Private Limited* Shree Srinivas Realtors Private Limited*
Key Management Personnel (KMP)	Mr. Ranjan Ghosh (Managing Director)

*Companies have been amalgamated with CRSL effective from 01 April 2017.



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

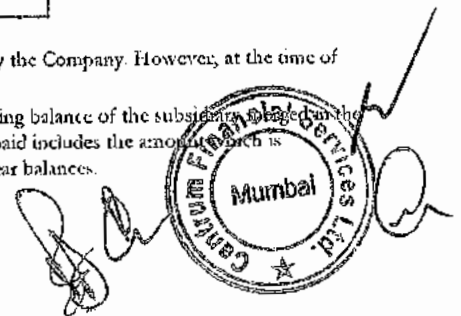
26.2 Transaction with related parties

(Amount in Rs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Transactions during the year		
Issue of equity shares including securities premium		
Centrum Capital Limited	59,97,55,230	-
Loans given		
Centrum Capital Limited	68,25,00,000	1,22,78,91,599
Centrum Microcredit Private Limited	8,00,00,000	-
Centrum Retail Services Limited	7,50,00,000	-
Centrum Securities Private Limited	-	98,00,000
Centrum Broking Limited	-	4,15,50,000
Centrum Wealth Management Limited	17,24,590	4,61,84,598
Shree Srinivas Realtors Private Limited	-	10,17,084
Agrata Mercantile Private Limited	-	2,52,50,000
Centrum Infrastructure Advisory Limited	-	2,90,00,000
Loan taken		
Centrum Capital Limited	30,00,00,000	-
Centrum Housing Finance Limited	10,00,00,000	-
Centrum Retail Services Limited	3,00,00,000	25,00,00,000
Businessmatch Services (I) Private Limited	-	1,50,00,000
Loan repaid		
Centrum Capital Limited	30,00,00,000	-
Centrum Housing Finance Limited	10,00,00,000	-
Centrum Retail Services Limited	3,00,00,000	25,00,00,000
Businessmatch Services (I) Private Limited	-	1,50,00,000
MLD repaid including accrued interest*		
Centrum Broking Limited	2,00,70,000	-
Centrum Wealth Management Limited	27,98,54,250	-
Loan repayment		
Centrum Capital Limited#	1,38,09,15,672	84,83,81,267
Centrum Securities Private Limited	4,94,00,000	-
Centrum Broking Limited	4,15,50,000	-
Centrum Microcredit Private Limited	8,00,00,000	-
Centrum Retail Services Limited	7,50,00,000	-
Centrum Wealth Management Limited	17,24,590	4,61,84,598
Centrum Infrastructure Advisory Limited	-	17,76,95,503
Rental income		
Centrum Capital Limited	2,58,15,416	-
Referral fee income		
Centrum Capital Limited	69,05,000	-
Processing fees income		
Centrum Microcredit Private Limited	16,20,000	-
Expenses incurred on behalf of the Company		
Centrum Microcredit Private Limited	63,78,975	-
Centrum Direct Limited	-	72,500

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

Loan repayment received from the party includes an amount of Rs. 110,000,000 which existed in the opening balance of the subsidiary company of the Company. Hence, the opening balance is not disclosed in previous year figures. Also, the security deposit repaid includes the amount which is incorporated in the books due to amalgamation due to which opening balance is not disclosed in previous year balances.

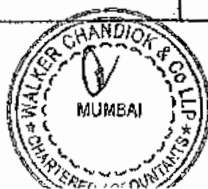


Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income		
Centrum Capital Limited	9,41,00,909	7,84,00,353
Centrum Securities Private Limited	28,15,123	67,09,951
Centrum Broking Limited	24,38,359	6,25,052
Centrum Wealth Management Limited	98,278	24,04,472
Shree Srinivas Realtors Private Limited	-	44,863
Agrata Mercantile Private Limited	-	33,31,617
Centrum Microcredit Private limited	8,71,233	-
Centrum Infrastructure Advisory Limited	-	2,09,94,031
Interest expenses		
Centrum Capital Limited	6,72,193	7,46,959
Centrum Housing Finance Limited	4,36,986	-
Interest expense on MLD		
Centrum Broking Limited	1,05,076	-
Centrum Wealth Management Limited	2,87,99,505	-
Reimbursement of expenses		
Centrum Capital Limited	58,90,000	-
Group allocated expenses		
Centrum Retail Services Limited	46,37,513	-
Centrum Capital Limited	-	-
Security deposit received		
Centrum Capital Limited	1,13,55,747	-
Security deposit repaid		
Centrum Capital Limited	1,04,09,435	-
Corporate Guarantee taken		
Centrum Capital Limited	1,42,82,50,000	41,00,00,000
Debit note raised		
Centrum Retail Services Limited	1,00,00,000	-
Legal and professional fees		
Centrum Retail Services Limited	-	9,50,814
Centrum Capital Limited	-	9,40,500
Loans and advances (maximum balance)		
Centrum Capital Limited	94,84,15,672	77,20,81,546
Centrum Microcredit Private Limited	8,00,00,000	-
Centrum Retail Services Limited	7,50,00,000	25,00,00,000
Centrum Securities Private Limited	4,94,00,000	4,94,00,000
Centrum Broking Limited	4,15,50,000	4,15,50,000
Centrum Wealth Management Limited	17,24,590	3,31,63,898
Shree Srinivas Realtors Private Limited	-	10,17,084
Agrata Mercantile Private Limited	-	2,52,50,000
Centrum Infrastructure Advisory limited	-	17,56,95,503
Commission and Brokerage expenses		
Centrum Broking Limited	19,61,574	3,09,91,845
Key Management Personnel		
Managerial remuneration		
Mr. Ranjan Ghosh	2,21,85,096	-



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017
Interest receivable		
Centrum Capital Limited	-	2,64,901
Centrum Securities Private Limited	35,862	61,61,987
Centrum Broking Limited	-	5,62,547
Shree Srinivas Realtors Private Limited	-	44,377
Agrata Mercantile Private Limited	-	29,98,455
Interest accrued and due		
Centrum Capital Limited	-	13,46,267
Businessmatch Services (I) Private Limited	-	1,79,05,487
Centrum Direct Limited	-	9,98,361
Rent payable		
Centrum Capital Limited	-	7,23,990
Commission and Brokerage Payable		
Centrum Broking Limited	30,472	30,472
Closing balances - Asset		
Centrum Capital Limited	17,09,46,312	75,34,35,948
Centrum Microcredit Private Limited	23,23,181	-
Centrum Broking Limited	9,64,38,566	4,15,50,000
Centrum Securities Private Limited	-	4,94,00,000
Closing balances - Liability		
Shree Srinivas Realtors Private Limited	-	10,17,084
Agrata Mercantile Private Limited	-	2,52,50,000
Centrum Wealth Management Limited	1,79,30,724	-

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

Loan repayment received from the party includes an amount of Rs. 110,000,000 which existed in the opening balance of the subsidiary merged in the Company. Hence, the opening balance is not disclosed in previous year figures. Also, the security deposit repaid includes the amount which is incorporated in the books due to amalgamation due to which opening balance is not disclosed in previous year balances

27. Commitments and contingencies

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017
Contingent liabilities		
Corporate guarantee	5,00,00,000	-
Income tax under dispute	18,62,870	-
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

28. Segment information

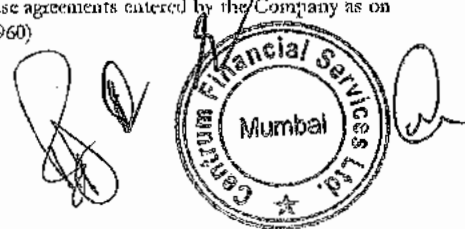
The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS - 17 on 'Segment Reporting' specified under section 133 of the Act, read with rules 7 of Companies (Accounts) Rules, 2014. The Company operates in single geographical segment,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

29. Lease disclosures

Operating lease

a) Where the company is the lessee

Premises are obtained on operating lease. The lease term is 11 month and are renewable/cancellable at the option of the Company. Certain lease agreements contains clause for escalation of lease payments. There are no restriction imposed by lease arrangements. There are no sublease. Lease payment during the year are charged to the Statement of Profit and Loss. There are no non cancellable lease agreements entered by the Company as on 31 March 2018. Rent expense for the year ended 31 March 2018 is Rs. 1,079,887 (31 March 2017 - Rs. 167,960)



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

b) Where the Company is the lessor

The Company has entered in to operating lease arrangement for building which form part of the investment property. This lease has a non cancellable arrangement of 11 years, lease contains a clause to enable upward revision of the rental charges on an annual basis according to prevailing market conditions. Rent income for the year ended 31 March 2018 is Rs. 25,815,416 (31 March 2017- Rs. Nil)

Particulars	As at 31 March 2018	As at 31 March 2017
Minimum future lease receivables		
Not later than one year	2,83,96,944	-
Later than one year but not later than five years	19,07,02,812	-
Later than five years	28,09,93,372	-

30. Retirement benefits

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

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Expenses recognized in the Statement of Profit or Loss for current year purpose (Amount in Rs.)

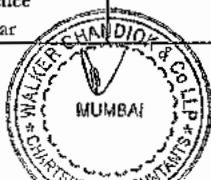
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	2,65,190	14,431
Net interest cost	11,258	4,602
Actuarial (gains)/losses	6,01,773	78,215
Past service cost - non-vested benefit recognized during the year	-	-
Past service cost - vested benefit recognized during the year	-	-
(Expected contributions by the employees)	-	-
(Gains)/losses on curtailments and settlements	-	-
Net effect of changes in foreign exchange rates	-	-
Change in asset ceiling	-	-
Expenses recognized in the statement of profit or loss	8,78,221	97,248

Balance sheet reconciliation (Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017
Opening net liability	1,55,067	57,819
Expense recognized in statement of profit or loss	8,78,221	97,248
Net liability/(asset) transfer in	-	-
Net (liability)/asset transfer out	-	-
(Benefit paid directly by the employer)	-	-
(Employer's contribution)	-	-
Net liability/(asset) recognized in the balance sheet	10,33,288	1,55,067

Table showing change in the present value of projected benefit obligation (Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of benefit obligation at the beginning of the year	1,55,067	57,819
Interest cost	11,258	4,602
Current service cost	2,65,190	14,431
Past service cost - non-vested benefit incurred during the year	-	-
Past service cost - vested benefit incurred during the year	-	-
Liability transferred in/ acquisitions	-	-
(Liability transferred out/ divestments)	-	-
(Gains)/ losses on curtailment	-	-
(Liabilities extinguished on settlement)	-	-
(Benefit paid directly by the employer)	-	-
(Benefit paid from the fund)	-	-
The effect of changes in foreign exchange rates	-	-
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(70,196)	11,606
Actuarial (gains)/losses on obligations - due to experience	6,71,969	66,609
Present value of benefit obligation at the end of the year	10,33,288	1,55,067



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Assumptions

Particulars	As at 31 March 2018	As at 31 March 2017
Rate of discounting	7.88% p.a.	7.96% p.a.
Rate of salary increase	5% p.a.	5% p.a.
Rate of employee turnover	5% p.a.	5% p.a.
Retirement age	58 years	58 years
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

31. Foreign exchange earnings/outgo

The foreign exchange earnings and outflow is Rs. Nil during the year ended 31 March 2018 (31 March 2017: Rs. Nil)

32. Derivative transactions

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

32.1 Option contracts outstanding as at 31 March 2018

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

32.2 Option contracts outstanding as at 31 March 2017

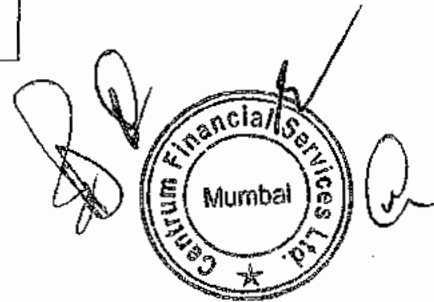
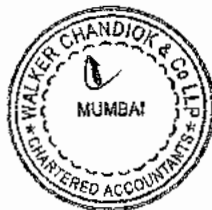
Particulars	Long position		Short position	
	Number of contracts	Number of units	Number of contracts	Number of units
Maturity grouping				
<1 month	-	-	-	-
1 to 2 months	-	-	-	-
2 to 3 months	75	5,625	-	-
3 to 12 months	480	36,000	490	36,000
>12 months	865	64,875	705	52,875

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

The Company is categorised as NFBC - NDSI with effective from 01 December 2017 pursuant to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('Master Direction') issued by Reserve Bank of India dated 01 September 2016. Accordingly all the disclosures as per Master Direction are disclosed for the year ended 31 March 2018. Since the Master directions were not applicable for the year ended 31 March 2017, previous year disclosure is not made.

(a) Capital to Risk Assets Ratio (CRAR)

Particulars	As at 31 March 2018
i. CRAR (%)	37.35%
ii. CRAR - Tier I Capital (%)	37.04%
iii. CRAR - Tier II Capital (%)	0.31%
iv. Amount of subordinated debt raised as tier -II capital	-
v. Amount raised by issue of perpetual debt instruments	-



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

(b) Investments

(Amount in Rs.)

Particulars	As at 31 March 2018
(1) Value of investments	
(i) Gross value of investments	
(a) in India	73,88,12,913
(a) outside India	-
(ii) Provisions for depreciation	
(a) in India	2,11,13,858
(a) outside India	-
(iii) Net value of investments	
(a) in India	75,99,26,771
(a) outside India	-
investments	
(i) Opening balance	4,00,00,000
(ii) Add : Provisions made during the year	56,48,438
(iii) Less : Write-off / write-back of excess provisions during the year	-1,32,37,704
(iv) Closing balance	5,88,86,142

(c) Disclosure relating to securitisation

i) The Company has not entered into any securitisation transactions during the year ended 31 March 2018.

(ii) Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction:

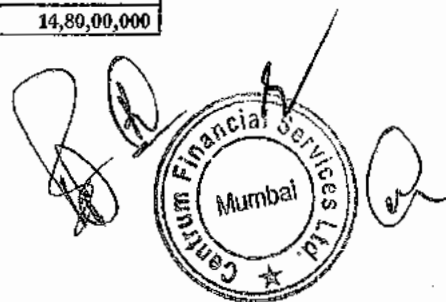
☐ The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction in the current year.

(iii) Details of assignment transactions: There are no assignment transactions undertaken by the Company during the current year.

(d) Exposure to real estate sector

(Amount in Rs.)

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



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

(e) Exposure to capital markets

(Amount in Rs.)

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

(f) Penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators during the year ended 31 March 2018.

(g) Provisions and Contingencies

(Amount in Rs.)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2018
Provisions for depreciation on investment	56,48,438
Provision towards NPA	
Provision made towards Income tax	2,43,16,425
Other Provision and Contingencies (with details)*	21,78,226
Provision for Standard assets	55,82,935
	3,77,26,024
*Other provisions and contingencies	
Provision for gratuity expense	9,04,723
Provision for leave encashment expense	12,73,503
Total	21,78,226

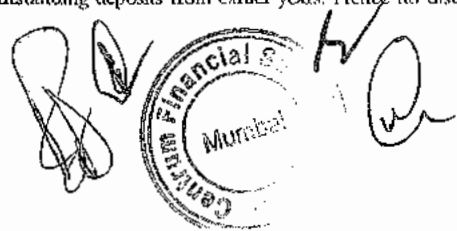
(h) Concentration of advances, exposure and NPAs

(Amount in Rs.)

Particulars	As at 31 March 2018
Concentration of advances	
Total advances to twenty largest borrowers	2,75,40,87,532
(%) of advances to twenty largest borrowers to total advances of the Company	80.33%
Concentration of exposures	
Total exposure to twenty largest borrowers/customers	2,77,54,41,067
(%) of exposure to twenty largest borrowers/customers to total exposure of the Company	79.79%
Concentration of NPAs	
Total exposure to top four NPA accounts	

(i) Concentration of deposits

The Company has not accepted any deposits during the current year. Also there are no outstanding deposits from earlier years. Hence no disclosure required.



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

(j) Sector-wise NPAs

Sector	As on
	31 March 2018
Agriculture and allied activities	-
MSME	-
Corporate borrowers	-
Services	-
Unsecured personal loans	-
Auto loans	-
Other personal loans	-

(k) Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2018.

(l) Overseas assets

The Company did not have any joint ventures and subsidiaries abroad as at 31 March 2018.

(m) Derivatives

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives. Hence, no disclosure is made for the same.



Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

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

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

The Company vide letter dated 20 January 2018 ("the letter") had informed RBI about the above developments along with measures proposed to be undertaken by the Company to comply with the Regulations, amongst others being transfer of entire shareholding from Centrum Retail Services Limited to Centrum Capital Limited and planned capital infusion once the approval is received from RBI on transfer of entire shareholding. The letter also provided an assurance to be in compliance with the Regulations by the end of financial year i.e. 31 March 2018. During the brief period from 01 December 2017 to 27 March 2018, the Company had exceeded the Single Borrower Limit in following 10 instances. The Company got approval from RBI vide letter dated 16 February 2018 for transfer of shareholding and accordingly infused equity capital on 28 March 2018 to comply with SBL and GBL.

Single borrower limit

1. Loans given

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

2. Investments

- i) Waaree Energies Limited

Group borrower limit

Nil

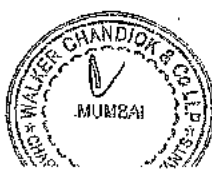
(p) Customer complaints:

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

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

(Amount in Rs.)

Particulars	As at 31 March 2018
(i) Net NPAs to net advances (%)	-
(ii) Movement of NPAs (gross)	
(a) Opening balance	-
(b) Additions during the year	1,79,00,000
(c) Reductions during the year	1,79,00,000
(d) Closing balance	-
(iii) Movement of net NPAs	
(a) Opening balance	-
(b) Additions during the year	-
(c) Reductions during the year	-
(d) Closing balance	-
(iv) Movement of provisions for NPAs (excluding provision on standard assets)	
(a) Opening balance	-
(b) Additions during the year	1,79,00,000
(c) Write off/ (write back) of excess provision	1,79,00,000
(d) Closing balance	-



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Centrum Financial Services Limited

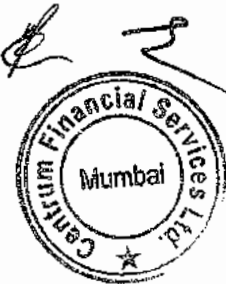
Summary of significant accounting policies and other explanatory information

(a) Asset liability management

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

(Amount in Rs.)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 month and upto 6 Months	Over 6 month and upto 1 year	Over 1 year and upto 3 year	Over 3 year and upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	39,84,86,637	39,93,81,024	55,09,09,554	43,50,91,210	38,24,13,541	1,07,12,84,105	19,08,68,995	-	3,42,84,35,066
Investments	-	-	-	-	10,88,40,755	19,44,44,444	-	40,31,16,980	70,64,02,179
Borrowings	19,26,38,051	9,76,38,444	11,63,88,841	28,51,94,375	65,42,12,588	1,92,36,20,399	2,81,15,087	12,63,75,036	3,42,41,82,820
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-




5) Borrower group-wise classification of assets financed as in (2) and (3) above:	Amount net of provision (Refer note 26)			Amount net of provision (Refer note 26)		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	2,52,50,000	2,52,50,000
(b) Companies in the same group	-	17,00,00,000	17,00,00,000	-	84,54,03,032	84,54,03,032
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
Total	-	17,00,00,000	17,00,00,000	-	87,06,53,032	87,06,53,032
6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)						
Category	Market Value / Break up or fair value or NAV	Book Value (Net of provisions)		Market Value / Break up or fair value or NAV	Book Value (Net of provisions)	
1. Related Parties						
(a) Subsidiaries	-	-	-	27,91,33,594	27,91,33,594	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
Total	-	-	-	27,91,33,594	27,91,33,594	-
7) Other Information						
Particulars	Amount	Amount		Amount	Amount	
(i) Gross non-performing assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	-	-	-	-	-	-
(ii) Net non-performing assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	-	-	-	-	-	-
(iii) Assets acquired in satisfaction of debt	-	-	-	-	-	-

Notes:

- Provisioning norms shall be applicable as prescribed in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
- All accounting standards and guidance notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.
- In respect of investment in property, fair value has been taken on account of amalgamation. For investment in mutual funds, NAV has been taken for calculation of fair value.

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

(s) Details of financing of parent company products

The Company has not financed the product of parent company during the year ended 31 March 2018.

(t) Unsecured advances

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

(u) Off balance sheet SPV sponsored

The Company does not have any off balance sheet SPV sponsored.

(v) Related Party Transactions

Refer note no. 26 for transaction with related parties

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

The Company has not purchase non-performing assets sold non-performing assets during the year

(x) Information on instances of fraud

There are no instances of frauds during the year ended 31 March 2018

(y) Registration obtained from other financial sector regulators

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

- Ministry of Corporate Affairs



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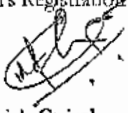


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Centrum Financial Services Limited
Summary of significant accounting policies and other explanatory information

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

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



Manish Gujral
Partner
Membership No.: 105117

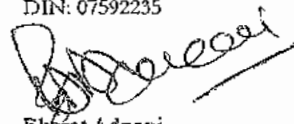
Date : 16 May 2018
Place : Mumbai



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



Ranjan Ghosh
CEO and Managing Director
DIN: 07592235

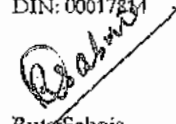


Bharat Adnani
Chief Financial Officer

Date : 16 May 2018
Place : Mumbai



Shailendra Apte
Director
DIN: 00017311



Ruta Sabnis
Company Secretary

