

# B. V. Dalal & Co.

Chartered Accountants

C/o. Bhogilal C. Shah & Co.,  
2A, 1st floor, Shree Pant Bhuvan, Sandhurst Bridge, Mumbai - 400007.  
Tel. : (022) 23677077, 23610939 Fax : 23636472.  
E-mail : bvdandco@mtnl.net.in

*K. B. Dalal* B.Com, F.C.A. C.P.A. (USA)

*M. S. Shah* B.Com, F.C.A.

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
Centrum Broking Limited

### Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Centrum Broking Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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

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



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## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the Information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and its profit and its cash flows for the period ended on that date.

## Report on legal and other regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that :
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
  - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) on the basis of the written representations received from the directors, as on 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director, in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in Annexure B; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - (i) the Company has disclosed the impact on pending litigations on its financial position in its financial statements;
    - (ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well



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as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 29.

For B. V. Dalal & Co.  
Chartered Accountants  
Firm's registration No. 114214W



*Manori Shah*

Manori Shah  
Partner  
Membership No. 104640  
Mumbai, May 25, 2017

# B. V. Dalal & Co.

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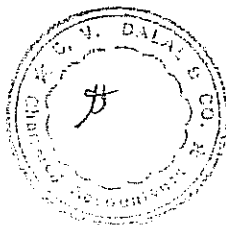
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*M. S. Shah* B.Com,F.C.A.

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the period ended 31<sup>st</sup> March 2017, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size and nature of its business. As explained to us, no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable properties. Therefore the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (ii) (a) The Company is not holding any inventories during the year. Therefore the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Act. Therefore the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public. Therefore the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) As explained to us, the Central Government has not prescribed the maintenance of Cost Records under section 148(1). Therefore the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanation given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Cess and other material statutory dues were in arrears, as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, as on 31<sup>st</sup> March 2017 there are no amounts which have not been deposited with statutory authorities on account of any dispute.



CENTRUM BROKING LIMITED

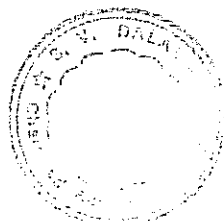
BALANCE SHEET AS AT 31ST MARCH 2017.

	Note No.	31.3.2017	31.3.2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	21,93,40,020	21,93,40,020
(b) Reserves and Surplus	3	9,39,14,100	7,73,63,875
<b>2. Non-current liabilities</b>			
(b) Other Long term liabilities	4	2,80,000	1,00,000
(c) Long-term Provisions	5	28,78,827	27,20,698
<b>3. Current liabilities</b>			
(a) Short-term Borrowings	6	28,07,95,641	8,72,56,911
(b) Trade payables	7	45,01,42,517	61,03,40,922
(c) Other current liabilities	8	8,40,44,470	10,93,69,809
(d) Short-term provisions	9	10,91,022	4,41,626
<b>TOTAL</b>		<b>1,13,24,86,597</b>	<b>1,10,69,33,861</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	10	62,90,070	52,52,659
(b) Non-current investments	11	-	70,74,838
(c) Deferred tax assets (net)	12	11,33,13,509	11,33,13,509
(d) Long-term loans and advances	13	8,63,57,605	6,26,26,942
<b>2. Current assets</b>			
(a) Current Investments	14	1,99,01,641	-
(b) Trade receivables	15	50,99,54,516	55,74,77,306
(c) Cash and cash equivalents	16	30,46,90,290	29,52,39,578
(d) Short-term loans and advances	17	9,12,95,673	6,52,65,736
(e) Other current assets	18	6,83,293	6,83,293
<b>TOTAL</b>		<b>1,13,24,86,597</b>	<b>1,10,69,33,861</b>
Summary of significant accounting policies	1		


The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For B. V. Dalal & Co.  
Chartered Accountants

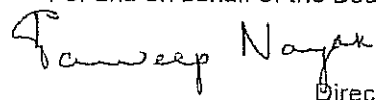
  
Manori Shah  
Partner  
Membership No. 104640  
Mumbai, May 25, 2017

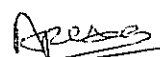


Director

  
CFO

For and on behalf of the Board

  
Director

  
Company Secretary

Mumbai, May 25, 2017

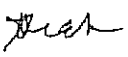
CENTRUM BROKING LIMITED

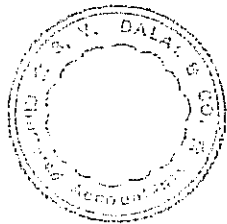
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017.


	Note No.	1.4.2016 - 31.3.2017 ₹	1.7.2015 - 31.3.2016 ₹
<b>Continuing Operations</b>			
<b>I. INCOME</b>			
Revenue from operations	19	368,250,479	218,866,454
Other Income	20	40,333,790	10,906,667
<b>Total Revenue</b>		<b>408,584,269</b>	<b>229,773,121</b>
<b>II. EXPENSES</b>			
Employee benefit expense	21	215,130,407	119,026,687
Other expenses	22	147,665,931	72,724,465
<b>Total Expenses</b>		<b>362,796,338</b>	<b>191,751,152</b>
<b>Earnings before extraordinary items, interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>45,787,931</b>	<b>38,021,969</b>
Finance Costs	23	27,374,008	12,456,061
Depreciation and amortization expense		1,863,698	1,003,204
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>16,550,225</b>	<b>24,562,704</b>
Tax expenses :			
Current Tax		-	-
Deferred tax		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the period from continuing operations</b>		<b>16,550,225</b>	<b>24,562,704</b>
<b>Earnings per equity share :</b>			
Basic		0.85	1.26
Diluted		0.85	1.26
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

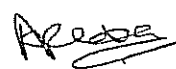
As per our report of even date  
For B. V. Dalal & Co.  
Chartered Accountants

  
Manori Shah  
Partner  
Membership No. 104640  
Mumbai, May 25, 2017



Director  
  
CFO

For and on behalf of the Board

Director  
  
Company Secretary

Mumbai, May 25, 2017

CENTRUM BROKING LIMITED

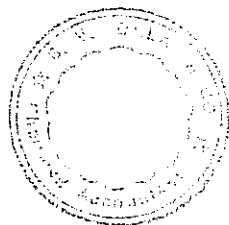
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	1.4.2016 - 31.3.2017 Rs.	1.7.2015 - 31.3.2016 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITES</b>		
Profit / (Loss) before tax	1,65,50,225	2,45,62,704
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	18,63,698	10,03,204
Interest expense	2,73,74,008	1,24,56,061
Interest income	(1,86,11,792)	(1,02,92,231)
Dividend income	(2,82,776)	(6,00,899)
Profit on sale of investments	(2,14,14,844)	-
<b>Operating profit before working capital changes</b>	<b>54,78,519</b>	<b>2,71,28,839</b>
Movements in working capital :		
Increase / (decrease) in trade payables	(16,01,98,405)	50,85,29,107
Increase / (decrease) in long term / short term provisions	8,07,525	5,54,795
Increase / (decrease) in other long term / short term liabilities	(2,51,45,339)	7,16,52,184
Decrease / (increase) in trade receivables	4,75,22,790	(43,54,04,835)
Decrease / (increase) in long term / short term loans and advances	(4,97,60,600)	(5,58,86,504)
Decrease / (increase) in other current / non-current assets	-	-
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(18,12,95,510)</b>	<b>11,65,73,586</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(29,01,109)	(8,01,204)
Interest received	1,86,11,792	1,02,92,231
Dividends received	2,82,776	6,00,899
Purchase of Investments	(1,99,01,641)	-
Sale of Investments	2,84,89,682	-
Decrease / (increase) in fixed deposits	(96,00,000)	(5,50,00,000)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>1,49,81,500</b>	<b>(4,49,08,074)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) from long-term / short-term borrowings	19,35,38,730	(3,81,45,522)
Interest paid	(2,73,74,008)	(1,24,56,061)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>16,61,64,722</b>	<b>(5,06,01,583)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(1,49,288)</b>	<b>2,10,63,929</b>
Cash and cash equivalents at the beginning of the year	8,59,39,578	6,48,75,649
Cash and cash equivalents at the end of the year	8,57,90,290	8,59,39,578
	<b>(1,49,288)</b>	<b>2,10,63,929</b>

As per our report of even date  
For B. V. Dalal & Co.  
Chartered Accountants

*Manori Shah*

Manori Shah  
Partner  
Membership No. 104640  
Mumbai, May 25, 2017



Director

*[Signature]*  
CFO

For and on behalf of the Board

*Jamseer Nayer*  
Director

*[Signature]*  
Company Secretary

Mumbai, May 25, 2017

## CENTRUM BROKING LIMITED

### NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

(i) System of Accounting:

The Financial Statements have been prepared on the basis of historical cost convention, in accordance with applicable accounting standards and on the principles of a going concern. All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

(ii) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

(iii) Revenue Recognition

- a. Revenue from Brokerage activities is accounted for on the trade date of transaction.
- b. Revenue from Portfolio Management Services (PMS) is accounted for as per the terms of the contract.

(iv) Foreign Currency Transactions

Income & expenses in foreign currencies are converted at the exchange rate prevailing on the date of transactions. Foreign currency monetary assets & liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange differences arising at the time of settlement of transactions, are recognized in the Profit & Loss account.

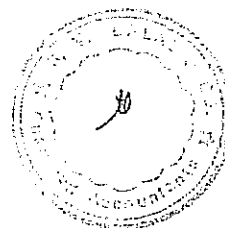
(v) Fixed Assets:

Tangible Assets

Tangible fixed Assets are stated at cost less accumulated depreciation / impairment losses, if any.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation / impairment losses, if any.





(vi) Depreciation:

- a) Depreciation is provided on a pro rata basis on the straight line method over the useful lives of the assets in the manner prescribed by Schedule II of the Companies Act, 2013.
- b) Depreciation on addition/deletion to fixed assets have been provided on pro-rata basis with reference to the date of addition/deletion.

(vii) Investments:

Long term investments are stated at cost after deducting provision, if any, made for permanent diminution in the values. Current Investment, if any, are stated at lower of cost and net realizable value

(viii) Accounting for Taxes on Income:

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

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for, using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Opening balance of deferred tax asset on accumulated carry forward business losses has not been reversed during the year. The Company has also not recognised Deferred tax asset / liability on depreciation on fixed assets to the extent of reversal of deferred tax asset / liability on depreciation.

(ix) Leases

Lease rentals on operating lease arrangements are charged to the profit and loss account, in accordance with Accounting Standard 19 on Leases issued by the Institute of Chartered Accountants of India (ICAI).



(x) Borrowing Costs:

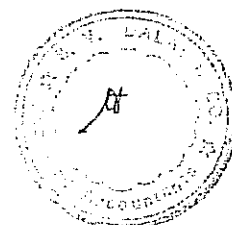
Borrowing costs attributable to the acquisition and construction of assets are capitalised as part of the cost of respective assets upto the date when such asset is ready for its intended use. Other borrowing costs are charged to the revenue.

(xi) Retirement Benefits:

- a) Contributions are made under the relevant rules/statute to the Provident and Employee Pension Fund. All such contributions are charged to the Profit and Loss Account for the year on accrual basis.
- b) Contribution to the Gratuity Fund is made on the basis of actuarial valuation as at the close of the year.
- c) Leave encashment liability is provided for on the basis of actuarial valuation as at the close of the year.

(xii) Provisions and Contingent liabilities:

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
  - i the company has a present obligation as a result of a past event.
  - ii a probable outflow of resources is expected to settle the obligation and
  - iii the amount of the obligation can be reliably estimated.
- b) Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognized to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.
- c) Contingent Liability, if material, is disclosed in the case of
  - i a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
  - ii a possible obligation, unless the probability of outflow of resources is remote



CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 2 : SHARE CAPITAL

	31.3.2017	31.3.2016
Authorised shares :		
5,00,00,000 Equity Shares of Rs. 10 each (Previous Year : 6,00,00,000 Equity Shares of Rs. 10 each)	50,00,00,000	50,00,00,000
1,00,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each	10,00,00,000	10,00,00,000
	<u>60,00,00,000</u>	<u>60,00,00,000</u>
Issued, subscribed and fully paid up shares :		
1,94,34,002 Equity Shares of Rs. 10 each	19,43,40,020	19,43,40,020
25,00,000 10% Cumulative Redeemable Preference Shares of Rs. 10 each	2,50,00,000	2,50,00,000
	<u>21,93,40,020</u>	<u>21,93,40,020</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31.3.2017		31.3.2016	
	No.		No.	
<b>Equity Shares</b>				
At the beginning of the period	1,94,34,002	19,43,40,020	1,94,34,002	19,43,40,020
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<u>1,94,34,002</u>	<u>19,43,40,020</u>	<u>1,94,34,002</u>	<u>19,43,40,020</u>
	31.3.2017		31.3.2016	
	No.		No.	
<b>Preference Shares</b>				
At the beginning of the period	25,00,000	2,50,00,000	-	-
Add : Issued during the period through conversion of Inter-corporate Deposit	-	-	25,00,000	2,50,00,000
<b>Outstanding at the end of the period</b>	<u>25,00,000</u>	<u>2,50,00,000</u>	<u>25,00,000</u>	<u>2,50,00,000</u>

b. Terms / rights attached to equity shares

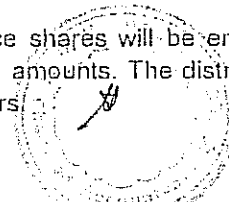
The company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share.

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

c. Terms / rights attached to preference shares

The company has only one class of preference shares having a par value of ` 10 per share. The preference shares are redeemable after 20 years from the date of issue or earlier as decided by the board of directors. The shares carry a right to receive 10% dividend till redemption.

In the event of liquidation of the company, the holders of preference shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of preference shares held by the shareholders.



CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

d. Details of shareholders holding more than 5% shares in the company

Equity

	31.3.2017		31.3.2016	
	No.	% holding	No.	% holding
M/s Centrum Capital Ltd.	1,92,90,666	99.26	1,92,90,666	99.26

Preference

	31.3.2017		31.3.2016	
	No.	% holding	No.	% holding
M/s Centrum Capital Ltd.	25,00,000	100.00	25,00,000	100.00

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTE 3 : RESERVES AND SURPLUS

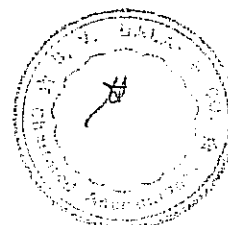
	31.3.2017	31.3.2016
<u>Securities Premium Reserve :</u>		
Opening Balance	63,54,07,000	63,54,07,000
Surplus / (Deficit) in the statement of profit and loss account		
Opening Balance	(55,80,43,125)	(58,26,05,829)
Add : Profit / (Loss) for the year	1,65,50,225	2,45,62,704
	<u>(54,14,92,900)</u>	<u>(55,80,43,125)</u>
	<u>9,39,14,100</u>	<u>7,73,63,875</u>

NOTE 4 : OTHER LONG TERM LIABILITIES

	31.3.2017	31.3.2016
Deposits	2,80,000	1,00,000
	<u>2,80,000</u>	<u>1,00,000</u>

NOTE 5 : LONG TERM PROVISIONS

	31.3.2017	31.3.2016
Provision for Leave Encashment	28,78,827	27,20,698
	<u>28,78,827</u>	<u>27,20,698</u>



CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

**NOTE 6 : SHORT TERM BORROWINGS**

	31.3.2017	31.3.2016
Bank Overdraft	1,90,88,730	-
Short Term Loan from Holding Company	22,01,56,911	8,72,56,911
Short Term Loan from Related Parties	4,15,50,000	-
	<u>28,07,95,641</u>	<u>8,72,56,911</u>

The Bank Overdraft is secured against clients shares paid for by the company. It is repayable on demand and carries interest @ 9.25%.

**NOTE 7 : TRADE PAYABLES**

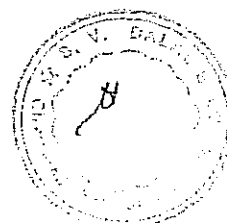
	31.3.2017	31.3.2016
Sundry Creditors		
Due to Micro, Small & Medium Enterprises	-	-
Due to Others	45,01,42,517	61,03,40,922
	<u>45,01,42,517</u>	<u>61,03,40,922</u>

**NOTE 8 : OTHER CURRENT LIABILITIES**

	31.3.2017	31.3.2016
Book Overdraft from Banks	43,58,060	-
Other Payables	7,96,86,410	10,93,69,809
	<u>8,40,44,470</u>	<u>10,93,69,809</u>

**NOTE 9 : SHORT TERM PROVISIONS**

	31.3.2017	31.3.2016
Provision for Leave Encashment	3,67,570	3,94,503
Provision for Gratuity	7,23,452	47,123
	<u>10,91,022</u>	<u>4,41,626</u>

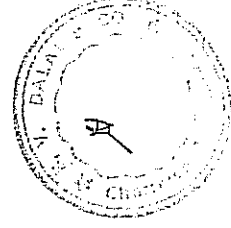


CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 10 : TANGIBLE ASSETS

FIXED ASSETS	GROSS BLOCK AT COST		TOTAL DEPRECIATION		NET BLOCK		
	As at 1.4.2016	Additions / Deductions / Adjustments	As at 1.4.2016	For the period 1.4.2016 - 31.3.2017	Upto 31.3.2017	As at 31.3.2017	As at 31.3.2016
1. Furniture & Fixtures	3,97,846	-	81,738	39,719	1,21,457	2,76,389	3,16,108
2. Vehicles	63,39,012	-	53,14,986	4,18,078	57,33,064	6,05,948	10,24,026
3. Office Equipment	3,96,31,369	29,01,109	3,57,18,844	14,05,901	3,71,24,745	54,07,733	39,12,525
	4,63,68,227	29,01,109	4,11,15,568	18,63,698	4,29,79,266	62,90,070	52,52,659
Previous Year (1.7.15 - 31.3.16)	4,55,67,023	8,01,204	4,01,12,364	10,03,204	4,11,15,568	52,52,659	54,54,659



CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 11 : NON - CURRENT INVESTMENTS

	31.3.2017	31.3.2016
<b>Trade - Unquoted</b>		
70,694 shares of Bombay Stock Exchange Ltd.	-	70,74,838
	-	70,74,838

NOTE 12 : DEFERRED TAX ASSETS (NET)

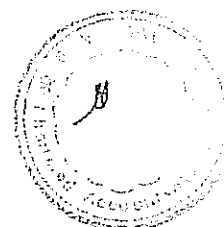
	31.3.2017	31.3.2016
<b>Deferred Tax Asset</b>		
Loss Carried Forward	11,33,13,509	11,33,13,509
<b>Deferred Tax Asset</b>	11,33,13,509	11,33,13,509

NOTE 13 : LONG TERM LOANS AND ADVANCES

	31.3.2017	31.3.2016
<b>Security Deposits (Unsecured, considered good)</b>		
Deposits with Stock Exchanges	4,62,75,000	2,12,75,000
Other Deposits	17,69,651	17,69,651
<b>Other loans and advances</b>		
Employee Benefit Trust	37,70,000	37,70,000
Loans to Employees	1,91,00,000	74,75,000
Advance Income Tax (net of provision for taxation)	1,53,37,469	2,82,31,806
Advance Fringe Benefit Tax (net of provision for taxation)	1,05,485	1,05,485
	8,63,57,605	6,26,26,942

NOTE 14 : CURRENT INVESTMENTS

	31.3.2017	31.3.2016
<b>Trade - Quoted</b>		
180 Debentures of CFSL NIFTY 50 200417	1,99,01,641	-
	1,99,01,641	-



CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

**NOTE 15 : TRADE RECEIVABLES**

	31.3.2017	31.3.2016
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period of six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	1,21,23,342	2,54,24,430
	<u>1,21,23,342</u>	<u>2,54,24,430</u>
<b>Other receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	49,78,31,174	53,20,52,876
	<u>49,78,31,174</u>	<u>53,20,52,876</u>
	<u>50,99,54,516</u>	<u>55,74,77,306</u>

**NOTE 16 : CASH AND BANK BALANCES**

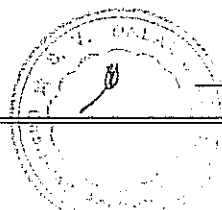
	31.3.2017	31.3.2016
<b>Cash and cash equivalents</b>		
Balances with banks :		
On current accounts	8,56,60,514	8,59,15,338
Cash on hand	1,29,776	24,240
<b>Other bank balances</b>		
Deposits with original maturity of more than 3 months but less than 12 months	21,89,00,000	20,93,00,000
	<u>30,46,90,290</u>	<u>29,52,39,578</u>

**NOTE 17 : SHORT TERM LOANS AND ADVANCES**

	31.3.2017	31.3.2016
<b>Unsecured, considered good unless stated otherwise</b>		
Advances recoverable in cash or kind or for value to be received	7,41,98,981	5,64,71,087
Service Tax Credit	1,70,96,692	87,94,649
	<u>9,12,95,673</u>	<u>6,52,65,736</u>

**NOTE 18 : OTHER CURRENT ASSETS**

	31.3.2017	31.3.2016
<b>Unsecured, considered good unless stated otherwise</b>		
Other receivables	6,83,293	6,83,293
	<u>6,83,293</u>	<u>6,83,293</u>





CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 19 : REVENUE FROM OPERATIONS

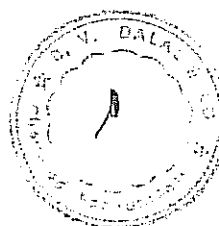
	1.4.2016 - 31.3.2017 ₹	1.7.2015 - 31.3.2016 ₹
Brokerage Income	245,433,674	147,855,840
Depository Charges	2,552,157	1,260,860
Consultancy Fees	120,264,648	69,749,754
	<u>368,250,479</u>	<u>218,866,454</u>

NOTE 20 : OTHER INCOME

	1.4.2016 - 31.3.2017 ₹	1.7.2015 - 31.3.2016 ₹
Interest	18,611,792	10,292,231
Dividend	282,776	600,899
Capital Gains	21,414,844	-
Miscellaneous Income	24,378	13,537
	<u>40,333,790</u>	<u>10,906,667</u>

NOTE 21 : EMPLOYEE BENEFIT EXPENSE

	1.4.2016 - 31.3.2017 ₹	1.7.2015 - 31.3.2016 ₹
Salaries, Bonus & Gratuity	201,570,591	111,984,137
Contribution to Provident and other funds	10,645,468	5,497,995
Staff Welfare Expenses	2,914,348	1,544,555
	<u>215,130,407</u>	<u>119,026,687</u>



CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 22 : OTHER EXPENSES

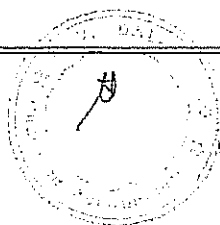
	1.4.2016 - 31.3.2017 ₹	1.7.2015 - 31.3.2016 ₹
Rent, Rates & Taxes	43,395,363	28,165,120
Printing & Stationery	1,728,682	879,507
Travelling & Conveyance	6,351,911	3,935,890
Payment to Auditor	205,000	130,000
Repairs & Maintenance	418,456	361,953
Professional & Consultancy Charges	67,273,299	20,095,354
Membership & Subscription	1,115,043	524,054
Books & Periodicals	46,681	35,031
Telephone & Lease Line Expenses	2,751,083	1,750,136
Depository Charges - CDSL	1,059,000	934,099
Insurance	198,861	94,525
Electricity Charges	1,419,355	1,122,940
Postage & Courier Charges	835,172	377,151
Entertainment	3,413,851	2,619,938
Franking Charges	273,450	153,590
Conference Expenses	1,366,650	536,575
Net Loss due to Dealing Error	1,602,476	2,521,623
Computer / Software Expenses	4,782,664	2,612,384
Exchange / Clearing House Expenses / Transaction Charges	4,848,278	1,193,479
Loss on Foreign Exchange	33,351	47,393
Miscellaneous Expenses	4,547,305	4,633,723
	<u>147,665,931</u>	<u>72,724,465</u>

Payment to Auditor

	1.4.2016 - 31.3.2017 ₹	1.7.2015 - 31.3.2016 ₹
Audit Fees	150,000	120,000
Fees for Other Services	55,000	10,000
	<u>205,000</u>	<u>130,000</u>

NOTE 23 : FINANCE COSTS

	1.4.2016 - 31.3.2017 ₹	1.7.2015 - 31.3.2016 ₹
Interest	21,645,311	9,814,471
Finance Charges	5,728,697	2,641,590
	<u>27,374,008</u>	<u>12,456,061</u>



**NOTE 24 : GUARANTEES**

Guarantees given on behalf of company by banks Rs. 43.58 crs (previous year Rs. 41.00 crs)

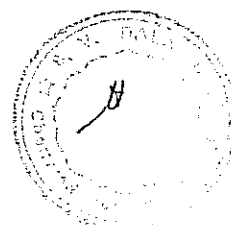
**NOTE 25 : EARNINGS / EXPENDITURE IN FOREIGN CURRENCY**

Particulars	1.4.16 to 31.3.17 Rs.	1.7.15 to 31.3.16 Rs.
<b>Earning</b>		
Consultancy income	18,90,180	5,76,859
<b>Expenditures</b>		
Traveling & Conveyance	56,723	30,391
Computer Expenses	19,26,118	10,90,004
<b>TOTAL EXPENDITURE</b>	<b>19,82,841</b>	<b>11,20,395</b>

**NOTE 26 : GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on leaving the services of the Company at 15 days salary (last drawn basic salary) for each completed year of service. The scheme is funded with one insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognized in the profit and loss account, the funding status and amounts recognized in the balance sheet for gratuity plan.



## Profit and Loss account

### Net employee benefit expense (recognized in Employee Cost)

Expenses Recognized in the Income Statement	March 31, 2017 Rs..	March 31, 2016 Rs.
Current Service Cost	13,46,823	7,28,588
Interest Cost	4,68,154	2,94,915
Expected Return on Plan Assets	(4,64,379)	(3,33,308)
Recognition of Transition Liability	NIL	NIL
Actuarial (Gain) or Loss	7,57,656	(26,317)
Expense Recognized in Profit and Loss Account	21,08,254	6,63,878

## Balance Sheet

### Details of Provision for gratuity

Amount Recognized in the Balance Sheet	March 31, 2017 Rs.	March 31, 2016 Rs.
Liability at the end of the year	(73,81,891)	(58,44,614)
Fair Value of Plan Assets at the end of the year	66,58,439	57,97,491
Amount Recognized in the Balance Sheet	(7,23,452)	(47,123)

### Changes in the present value of defined benefit obligation are as follows:

Changes in Benefit Obligation	March 31, 2017 Rs.	March 31, 2016 Rs.
Liability at the beginning of the Period	58,44,614	47,37,584
Interest Cost	4,68,154	2,94,915
Current Service Cost	13,46,823	7,28,588
Settlement	NIL	NIL
Liability Transfer In	NIL	NIL
Benefit Paid	(10,24,383)	NIL
Actuarial (gain)/loss on obligations	7,46,683	83,527
Liability at the end of the year	73,81,891	58,44,614

### Changes in the fair value of plan assets are as follows:

Changes in Fair Value of Plan Assets	March 31, 2017 Rs.	March 31, 2016 Rs.
Opening fair value of plan assets	57,97,491	53,54,339
Contributions	14,31,925	NIL
Benefit Paid	(10,24,383)	NIL
Actuarial gain/(loss) to be recognized	(10,973)	1,09,844
Expected Return on Plan Assets	4,64,379	3,33,308
Fair Value of Plan Assets at the end of the year	66,58,439	57,97,491



Balance Sheet Reconciliation	March 31, 2017 Rs.	March 31, 2016 Rs.
Opening Net Liability	47,123	(6,16,755)
Expense as above	21,08,254	6,63,878
Transfer from other company	NIL	NIL
Transfer to other company	NIL	NIL
Employers Contribution	(14,31,925)	NIL
Amount Recognized in Balance Sheet	7,23,452	47,123

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2017	March 31, 2016
Invested with Insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

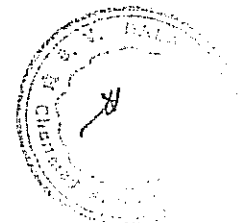
The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Actuarial Assumptions	March 31, 2017	March 31, 2016
Retirement Age	60	60
Attrition Rate	2.00%	2.00%
Future Salary Rise	4.00%	4.00%
Rate of Discounting	7.57%	8.01%
Rate of Return on Plan Assets	7.57%	8.01%
Mortality Table	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)

The estimates for future salary increase, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous year are as follows:

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Defined benefit obligation	(73,81,891)	(58,44,614)
Plan assets	66,58,439	57,97,491
Surplus / (deficit)	(7,23,452)	(47,123)
Experience adjustments on plan liabilities	3,51,600	(1,07,127)
Experience adjustments on plan assets	(10,973)	1,09,844



**NOTE 27 : EARNINGS PER SHARE**

In terms of Accounting Standard 20 'Earnings per Share (EPS)' notified by the Companies (Accounting Standards) Rules, 2006, the EPS has been calculated as under :

No.	Particulars	1.4.16 to 31.3.17 Rs.	1.7.15 to 31.3.16 Rs.
(a)	Net Profit / (Loss) as per Profit & Loss Account	1,65,50,225	2,45,62,703
(c)	Net Profit / (Loss) for the year attributable to equity shareholders	1,65,50,225	2,45,62,703
(d)	Weighted Average number of equity shares used as denominator for calculating EPS	1,94,34,002	1,94,34,002
(e)	Earnings per share of Rs.10 each (Basic & Diluted)	0.85	1.26

**NOTE 28 : RELATED PARTY DISCLOSURES****A) List of Related Parties:**

Associates with whom transactions have been entered into in the ordinary course of business:

Centrum Capital Limited  
Centrum Financial Services Limited  
Centrum Wealth Management Limited  
Centrum Direct Limited  
Centrum Retail Services Limited

**Key Management Personnel:**

Mr. K. Sandeep Nayak  
Mr. V. Sriram  
Mr. Pradeep Oak  
Mr. Rajesh Nanavaty

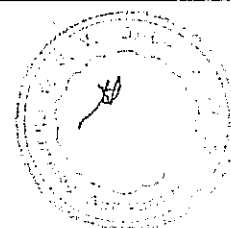
Relatives of Key Management Personnel/ Having Controlling Interest where transactions have taken place:

Ms. Priya Sandeep Nayak



B) Transaction with related parties:

Nature of Transactions	Associates	Key Managerial Personnel	Total
	2017	2017	2017
<b>Loans and advances taken</b>			
-Centrum Capital Limited	61,50,00,000		61,50,00,000
-Centrum Financial Services Ltd.	4,15,50,000		4,15,50,000
<b>Repayment of Loans and advances taken</b>			
-Centrum Capital Limited	48,21,00,000		48,21,00,000
<b>Commission &amp; Professional Fees Received</b>			
-Centrum Capital Limited	14,04,095		14,04,095
-Centrum Financial Services Ltd.	2,69,49,418		2,69,49,418
<b>Brokerage &amp; Commission &amp; DP Income Received</b>			
-Key Managerial Personal and Relatives		37,608	37,608
-Centrum Capital Limited Brokerage	1,75,223		1,75,223
-Centrum Capital Limited DP Income	274		274
-Centrum Capital Limited Delayed Charges	4,373		4,373
-Centrum Direct Limited	17,160		17,160
-Centrum Direct Limited Delayed Charges	22,902		22,902
-Centrum Financial Services Ltd.	15,80,797		15,80,797
<b>Brokerage &amp; Commission Paid</b>			
-Centrum Wealth Management Ltd.	7,86,59,078		7,86,59,078
<b>Professional &amp; Consultancy Charges Paid</b>			
-Centrum Wealth Management Ltd.	4,73,23,042		4,73,23,042
<b>Rent Paid</b>			
-Centrum Capital Limited	154,92,744		1,54,92,744
<b>Remuneration</b>			
-K. Sandeep Nayak		79,96,800	79,96,800
-V. Sriram		58,25,004	58,25,004
-Pradeep Oak (Part of the year)		20,97,525	20,97,525
<b>Interest Expense</b>			
-Centrum Capital Limited	1,99,65,426		1,99,65,426
-Centrum Financial Services Ltd.	6,25,052		6,25,052
<b>Travelling Expenses (including purchase of foreign exchange)</b>			
-Centrum Direct Limited	56,723		56,723
<b>Reimbursement of expenses</b>			
-Centrum Retail Services Limited	43,60,993		43,60,993
-Centrum Wealth Management Ltd.	84,00,000		84,00,000



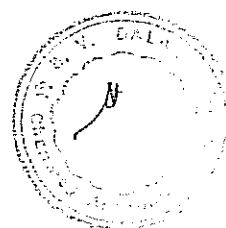
<b>Corporate Guarantees Received</b>			
-Centrum Capital Limited	70,75,00,000		70,75,00,000
<b>Rent Payable</b>			
- Centrum Capital Limited	2,42,67,382		2,42,67,382
<b>Interest Payable</b>			
-Centrum Capital Limited	1,79,68,883		1,79,68,883
-Centrum Financial Services Ltd.	5,62,547		5,62,547
<b>Closing Balances:</b>			
<b>Payables</b>			
-Centrum Capital Limited	22,01,56,911		22,01,56,911
-Centrum Retail Services Limited	7,25,646		7,25,646
-Centrum Wealth Management Ltd.	20,13,112		20,13,112
-Centrum Direct Ltd.	56,723		56,723
<b>Receivables</b>			
-Centrum Financial Services Ltd.	30,472		30,472

Note: No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables.

#### NOTE 29 : DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the company had specified bank notes and other denomination notes as defined in the MCA Notification GSR 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. The denomination wise SBNs and other notes as per the said notification is given below :

Particulars	SBNs* (Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand on November 8, 2016	18,500	5,829	24,329
(+) permitted receipts	-	1,45,000	1,45,000
(-) permitted payments	-	(69,547)	(69,547)
(-) Amount deposited in banks	(18,500)	-	(18,500)
Closing cash in hand as on December 30, 2016	-	81,282	81,282



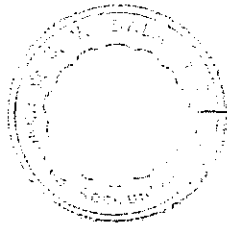


\*For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number SO 340E, dated 8<sup>th</sup> November 2016.

For B. V. Dalal & Co.  
Chartered Accountants  
Firm's Registraion No. 114214W

*Manori Shah*

Manori Shah  
Partner  
Membership No. 104640  
Mumbai, May 25, 2017



Director

*[Signature]*

CFO

For and on behalf of the Board

*Tanveer Nayak*  
Director

*Acessa*

Company Secretary

Mumbai, May 25, 2017