



Centrum Broking Limited

Annual Report 2018-19

Contents

- Board Of Directors
- Corporate Information
- Directors Report
- Financial Statements

Board of Directors

Rajnish Bahl

Director

Rajesh Nanavaty

Non- Executive Director

Subhash Kutte

Independent Director

Sandeep Nayak

Whole Time Director

Amitava Neogi

Whole Time Director

Corporate Resources

Pradeep Oak

Chief Financial Officer

Apexa Vashi

Company Secretary

Corporate Information

Corporate Office

Centrum House, CST Road,
Vidyanagari Marg, Kalina,
Mumbai 400098

Registered Office

2nd Floor, Bombay Mutual
Building, Dr. D.N. Road, Fort
Mumbai 400001

Tel – 022 – 42159000

Email – info@centrum.co.in

Website –

www.centrumbroking.com

DIRECTORS' REPORT

To
The Members,
Centrum Broking Limited,

Your Directors are pleased to present their Twenty Fifth Annual Report together with the Audited Financial Statements for the period ended March 31, 2019.

FINANCIAL HIGHLIGHTS

(Rs.in Lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net revenue from operations	7907.04	6046.97
Add: Other income	309.81	222.79
Total Income	8216.85	6269.764
Total Expenses	7157.35	4459.36
Profit before finance cost, depreciation, exceptional items and taxes	1059.50	1810.40
Less: Finance costs	932.98	477.67
Profit before depreciation, exceptional items and taxes	126.52	1332.73
Less: Depreciation	43.24	26.01
Profit before exceptional items and taxes	83.28	1306.72
Add/(Less): Exceptional items	0.00	0.00
Profit before taxes	83.28	1306.72
Less: Provision for current taxation	336.57	278.87
Less: Short Provision for earlier year	12.11	0.00
Add : Provision for MAT credit	336.57	278.87
Add: Provision for deferred taxation	58.76	0.00
Profit/ (Loss) after taxes available for appropriation.	129.93	1306.72
Less : Proposed Dividend	0.00	0.00
Less : Provision of Dividend Tax	0.00	0.00
Balance to be carried to Balance sheet	129.93	1306.72

FINANCIAL PERFORMANCE

The Gross income from operations of the Company is Rs. 8216.85 lacs in FY2018-19 as against Rs. 6269.76 lacs in the previous year. The net profit under review is Rs.129.93 lacs as against Rs. 1306.72 lacs in the previous year.

TRANSFER TO RESERVES

The Board of Directors has proposed transfer of Rs. 14,33,330 from Securities premium reserve to capital redemption reserve, due to buyback of shares.

SHARE CAPITAL

During the period under review:

- 1,43,333 (One Lac Forty Three Thousand Three Hundred and Thirty Three only) equity shares (representing 0.74% of the total number of equity shares in the paid-up equity share capital of the Company) were bought back during the year at a price of Rs. 35/- (Rupees Thirty Five only) per equity share ("Buyback Offer Price") for an aggregate amount of Rs. 50,16,655/-, (Rupees Fifty Lacs Sixteen Thousand Six Hundred and Fifty Five only) ("Buyback Offer Size") being 1.13% (which is within 25%) of the fully paid-up equity share capital and free reserves (including share premium account) as per the audited accounts of the Company for the financial year ended March 31, 2018. The buyback process was completed and the shares were extinguished on February 27, 2019.
- Centrum Capital Limited has transferred 94,50,000 shares to Centrum Retail Services Limited by executing a share purchase agreement dated March 22, 2019.

Subsequent to the above, Centrum Capital Limited holds 98,40,669 shares (51.01%) and Centrum Retail Services Limited holds 94,50,000 shares (48.99%).

As on March 31, 2019, the Company had authorized share capital of Rs. 60,00,00,000/- (Sixty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rs. Ten) each and 1,00,00,000 (One Crores) Preference Shares of Rs. 10/- of which issued, subscribed and paid-up equity share capital was Rs. 19,29,06,690 comprising of 1,92,90,669 equity shares of Rs.10/- each and Preference shares were Rs. 2,50,00,000 comprising of 25,00,000 Cumulative Redeemable Preference shares of Rs. 10/- each.

DIVIDEND

In order to conserve the resources, your Directors do not recommend any dividend for the financial year 2018-19.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture and associate Company as on the date of end of the Financial Year 2018-19, hence AOC-1 does not form part of the report.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes or commitments affecting the financial position of the Company between the end of financial year and date of the report.

AUDITORS AND AUDITORS' REPORT

M/s. Bhogilal C. Shah & Co., Chartered Accountants, were appointed in the 23rd Annual General Meeting as Statutory Auditors of the Company for the term commencing from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting.

With Regards the notes in the Auditors' Report, we wish to submit that the notes to the accounts referred to in the Auditors Report are self – explanatory.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year under review, Mr. Rajesh Nanavaty was re-designated as Non-Executive Director of the Company from Independent Director w.e.f August 13, 2018, whose office shall be liable to retire by rotation.

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
Number of Meetings	4	4	1
Dates of Meetings	1. May 25, 2018 2. July 31, 2018 3. October 30, 2018 4. January 31, 2019	1. May 25, 2018 2. July 31, 2018 3. October 30, 2018 4. January 31, 2019	1. July 31, 2018
No. of meetings attended by Directors/ Committee members	As given Below	As given below	As given Below
K Sandeep Nayak	4	4	NA
Rajesh Nanavaty	3	3	0
Rajnish Bahl	3	NA	1
Subhash Kutte	4	4	1
Amitava Neogi	4	NA	NA

Four 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").

RISK MANAGEMENT POLICY

The Company has in place a Risk Management Policy and Guidelines wherein all material risks faced by the Company are identified and assessed.

With volatility and fluctuations in the nature of business in which the Company operates, it is exposed to various risks and uncertainties. Since such variations can cause deviations in operations and affect the financials of the company, the focus on risk management continues to be high.

Centrum's risk management strategy consists of continuous monitoring of the capital markets vis a vis Client obligations, advise clients based on a thorough in-house research, taking margins as a deposit, maintaining speed of trade execution, reliability of access and delivery of service, all enable the Company to safeguard it against defaulting its financial exposure in the markets due to inability of clients to meet their obligations.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN, AND SECURITIES PROVIDED

Details of loans, guarantees and investments have been disclosed in the Financial Statements forming part of this Annual Report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were at an 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 parties referred to in Section 188(1), along with the justification for entering into such contracts or arrangements in form AOC-2 does not form part of the report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of Directors who were in receipt of remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:-

Name	Designation & Nature of Duties	Age (Years)	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.
Mr. Koni Sandeep Nayak	Whole time Director	49	1,50,74,281	B.Com, ICWA, CA	25	23/03/2011	HSBC Invest Direct Limited	Nil	NA
Mr. Amitava Neogi	Whole time Director	57	91,80,800	MMS (Finance), DBF, B.Com (Hons.)	24	05/04/2018	DSP Merrill Lynch	Nil	NA

The statement containing names of other employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

DISCLOSURES BY DIRECTORS

The Directors on the Board have submitted a notice of interest under Section 184(1) and intimation under Section 164(2) of the Companies Act, 2013. All Independent Directors have also given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

AUDIT COMMITTEE

The constitution of the Audit Committee as on March 31, 2019 is as follows:

Name	Category	Designation in Committee
Mr. Subhash Kutte	Independent Director	Chairman
Mr. Rajesh Nanavaty	Non-Executive Director	Member
Mr. K.Sandeep Nayak	Executive Director	Member

NOMINATION & REMUNERATION COMMITTEE

The constitution of the Nomination & Remuneration Committee as on March 31, 2019 is as follows:

Name	Category	Designation in Committee
Mr. Rajnish Bahl	Non-executive Director	Chairman
Mr. Subhash Kutte	Independent Director	Member
Mr. Rajesh Nanavaty	Non-Executive 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.

PERFORMANCE EVALUATION

During the year under review the provisions of Section 134 relating to performance evaluation of Directors and related matters are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

Provisions of Section 135 of the Companies Act, 2013 concerning the constitution of Corporate Social Responsibility Committee and related matters are not applicable to the Company.

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.

DETAILS OF FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	For period ended	
	31.03.2019	31.03.2018
Foreign exchange earned in terms of actual inflows	11,89,701	5,96,783
Foreign exchange outgo in terms of actual outflows	19,12,477	11,89,862

HUMAN RESOURCE AND EMPLOYEE RELATIONSHIP

There is an ongoing emphasis on building a progressive work 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 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 annexed to this Report as **Annexure B** and also uploaded on the website of the Company i.e. www.centrumbroking.com

POLICIES AND DISCLOSURE REQUIREMENTS

'Policy for selection and appointment of Directors and their remuneration' is shown as **Annexure A**.

In terms of provisions of the Companies Act, 2013 the Company has adopted Nomination and Remuneration Policy.

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.
5. There were 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.
6. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not made and maintained

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

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year. Your Directors look forward to the continued support of all stakeholders in the future.

**By order of the Board
For Centrum Broking Limited**

**K. Sandeep Nayak
Director
DIN: 03281505**

**Amitava Neogi
Director
DIN: 00831985**

**Place: Mumbai
Date: 08.05.2019**

Annexure A
CENTRUM BROKING LIMITED

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

1. OBJECTIVE & APPLICABILITY

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.3. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.4. To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
- 1.5. To develop a succession plan for the Board and to regularly review the plan;
- 1.6. Applicability:
 - a) Directors (Executive and Non-Executive)
 - b) Key Managerial Personnel
 - c) Senior Management Personnel

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time Director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and

2.4.5. Such other officer as may be prescribed.

2.5. Senior Management means Senior Management means one level below the Executive Directors on the Board.

3. ROLE OF COMMITTEE

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

3.1.3. Recommend to the Board, appointment including the terms and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level with the objective of having a Board with diverse backgrounds and experience in business, education and public service and recommend to the Board his / her appointment.

Characteristics expected of all Directors include independence, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position. In evaluating the suitability of individual Board members, the Committee considers many factors, including general understanding of marketing, finance, operations, management, public policy, legal, governance and other disciplines. The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholders' interests through the exercise of sound judgment, using its diversity of experience.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

In determining whether to recommend a Director for re-election, the Committee also considers the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board.

3.2.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding three/Five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.4. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increment to the existing remuneration/compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination & Remuneration Committee and approved by the Board.

Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). Provided that the amount of such fees shall be subject to ceiling/limits as provided under Companies Act, 2013 and rules thereunder or any other enactment for the time being in force.

Overall remuneration practices should be consistent with recognised best practices.

Following are the criteria for making payments to Non – Executive directors:

1. Number of the Board/ Committee meetings attended
2. Contribution during the Meeting.
3. Informal Interaction with the Management
4. Active Participation in strategic decision making

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, Client Visit, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

4. CONSTITUTION OF COMMITTEE:

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the committee is an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the NRC but shall not chair such committee. The meetings of the Committee shall be held at such regular intervals as may be required. The Company Secretary of the Company shall act as the Secretary of the Committee.

5. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 5.1** Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

- 5.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 5.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 5.4 Determining the appropriate size, diversity and composition of the Board;
- 5.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 5.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 5.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 5.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 5.9 Recommend any necessary changes to the Board; and
- 5.10 Considering any other matters, as may be requested by the Board.

6. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- 6.1 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 6.2 To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company.
- 6.3 To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 6.4 To consider any other matters as may be requested by the Board.
- 6.5 Professional indemnity and liability insurance for Directors and senior management.

7. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

8. APPLICABILITY TO SUBSIDIARIES

This policy may be adopted by the Company's subsidiaries subject to suitable modifications and approval of the Board of Directors of the respective subsidiary companies.

9. REVIEW AND AMMENDMENT

1. The NRC or the Board may review the Policy as and when it deems necessary
2. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this policy, if it thinks necessary
3. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance officer where there is any statutory changes necessitating the change in this policy.

10. COMPLIANCE RESPONSIBILITY

Compliance of this policy shall be the responsibility of the CFO of the Company who shall have the power to ask for any information or clarification from the management in this regard.

Annexure B

Extract of Annual Return as on the financial year ended on March 31, 2019

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	U67120MH1994PLC078125
ii.	Registration Date	02-May-94
iii.	Name of the Company	Centrum Broking Limited
iv.	Category / Sub-Category of the Company	Public Company/Limited by shares
v.	Address of the Registered office & Corporate Office and Contact details	Registered Office : Bombay Mutual Building, 2 nd Floor, Dr. D N Road, Fort, Mumbai. Contact : Tel Number : 022 2266 2434 Corporate Office : Centrum House, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400098. Contact : Tel Number : 022 4215 9000
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II . PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company is stated:-

Sr. No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total turnover of the Company
1	Security Brokage Services	99715210	62.28%
2	Financial Consultancy Services	99715910	37.72%

III. Particulars of Holding, Subsidiary and Associate Companies as on 31st March, 2016

Sr No	Name and Address of the Company	CIN	Holding/ Associate	Subsidiary/ %	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				% Change during the year
	01-Apr-18				31-Mar-19				
	Demat	Physical	Total	% of Total share capital	Demat	Physical	Total	% of Total share capital	
A. Promoters									
(1) Indian									
(a) Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	1,92,90,669	1,92,90,669	99.26%	-	1,92,90,669	1,92,90,669	100.00%	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub Total (A)(1):-	-	1,92,90,669	1,92,90,669	99.26%	-	1,92,90,669	1,92,90,669	100.00%	-
(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)	-	1,92,90,669	1,92,90,669	99.26%	-	1,92,90,669	1,92,90,669	100.00%	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govet(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	-	7,887	7,887	0.041%	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	1,35,446	1,35,446	0.697%	-	-	-	-	-
(c) Others (specify)	-	-	-	-	-	-	-	-	-
* N.R.I. (Non-Repatriation)	-	-	-	-	-	-	-	-	-
* N.R.I. (Repatriation)	-	-	-	-	-	-	-	-	-
* Trust	-	-	-	-	-	-	-	-	-
* Hindu Undivided Family	-	-	-	-	-	-	-	-	-
* Employee	-	-	-	-	-	-	-	-	-
* Clearing Members	-	-	-	-	-	-	-	-	-
* Depository Receipts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	1,43,333	1,43,333	0.0074	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	1,43,333	1,43,333	0.0074	-	-	-	-	-
C. Total shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GrandTotal(A + B + C)	-	1,94,34,002	1,94,34,002	100.00%	-	1,92,90,669	1,92,90,669	100.00%	-

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
		01-Apr-18			31-Mar-19			
		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 Capital Limited	1,92,90,669	99.26	-	98,40,669	51.01	-	48.2500
	Total	1,92,90,669	99.26	-	98,40,669	51.01		48.2500

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

Sr. No.	Name	Shareholding .		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		Cumulative Shareholding	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
		NIL			

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
	(Rs)	(Rs)	(Rs)	(Rs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	42,21,56,911	-	-
ii) Interest due but not paid	-	2,95,21,958	-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	-		-	-
Change in indebtedness during the financial year				
Addition (net)	25,63,60,000	1,85,80,00,000	-	-
Reduction	-	1,95,96,56,911	-	-
Exchange difference	-		-	-
Net change	-			-
Indebtedness at the end of financial year 31/03/2019				
i) Principal Amount	18,72,53,941	32,05,00,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18,72,53,941	32,05,00,000	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of remuneration	K .Sandeep Nayak, Whole Time Director	Amitava Neogi, Whole Time Director	Pradeep Oak, CFO	Apexa Vashi, Company Secretary
Gross Salary				
a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	1,50,74,281	91,80,800	30,00,000	8,18,589
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)	-	-	-	-

B. Remuneration to other directors - NIL

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

There were no penalties/punishments/compounding of offences for the year ended 31st March, 2019

**By order of the Board
For Centrum Broking Limited**

**K. Sandeep Nayak
Director
DIN:03281505**

**Amitava Neogi
Director
DIN: 00831985**

**Place: Mumbai.
Date: May 08, 2019**

Auditors Report

BHOGILAL C. SHAH & CO.

CHARTERED ACCOUNTANTS

2A, Shree Pant Bhuvan, 1st floor, Sandhurst Bridge, Mumbai 400 007.
Phone : 2361 0939

PARTNERS :

VIRENDRA B. SHAH

B.Com., L.L.B., F.C.A.

SNEHAL V. SHAH

B. Com., F.C.A., M.M. (U.S.A.)

SURIL V. SHAH

B. Com., A.C.A., M.B.A. (U.S.A.)

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Centrum Broking Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Centrum Broking Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

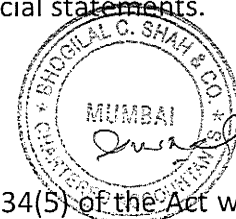
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

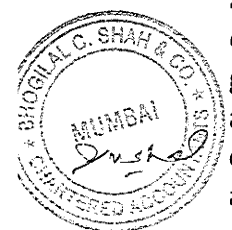
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

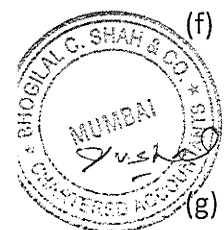
Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on 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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that :
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 31st March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 standalone 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) No amounts were required to be transferred to the Investor Education and Protection Fund by the Company.

For Bhogilal C. Shah & Co.
Chartered Accountants
Firm's registration No. 101424W



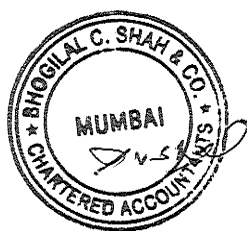
A handwritten signature in black ink, appearing to read "Suril Shah".

Suril Shah
Partner
Membership No. 42710
Mumbai, May 8, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

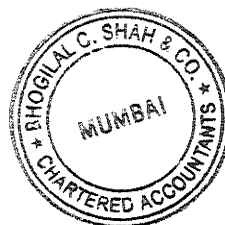
The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the period ended 31st March 2019, we report that :

- (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, Goods & Services Tax, Cess and any other statutory dues with the appropriate authorities during the year except for Profession Tax and Stamp Duty which have not been paid due to absence of proper mechanism for making payment in the respective states. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods & Services Tax, Cess and other material statutory dues were in arrears, as at 31st March 2019 for a period of more than six months from the date they became payable except for Profession Tax amounting to Rs. 1,47,603 and Stamp Duty amounting to Rs. 21,71,968 which have not been paid due to absence of proper mechanism for making payment in the respective states.
- (b) According to the information and explanations given to us, as on 31st March 2019 there are no amounts which have not been deposited with statutory authorities on account of any dispute.



- (viii) There are no loans or borrowings from financial institutions, banks or government. There are no debenture holders. Therefore the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offering or further public offer during the year. There are no term loans. Therefore the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Bhogilal C. Shah & Co.
Chartered Accountants
Firm's registration No. 101424W



Suril Shah

Suril Shah
Partner

Membership No. 42710
Mumbai, May 8, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Centrum Broking Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

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

Auditor's responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

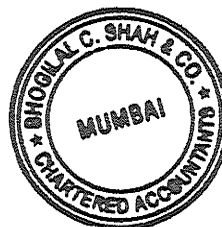
Inherent limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bhogilal C. Shah & Co.
Chartered Accountants
Firm's registration No. 101424W



A handwritten signature in black ink, appearing to read "Suril Shah".

Suril Shah
Partner
Membership No. 42710
Mumbai, May 8, 2019

Financial Statements

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 amortization / 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 realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

In case the company is liable to pay tax U/s. 115JB of the Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized as an asset (MAT Credit Entitlement) only if there is convincing evidence for realisation of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

(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 capitalized 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

BALANCE SHEET AS AT 31ST MARCH 2019.

	Note No.	31.3.2019	31.3.2018
I. <u>EQUITY AND LIABILITIES</u>			
1. Shareholders' Funds			
(a) Share Capital	2	217,906,690	219,340,020
(b) Reserves and Surplus	3	233,995,261	224,585,690
2. Non-current liabilities			
(a) Long-term Borrowings	4	4,851,731	-
(b) Other Long term liabilities	5	653,000	455,000
(c) Long-term Provisions	6	4,826,462	4,989,001
3. Current liabilities			
(a) Short-term Borrowings	7	501,872,494	422,156,911
(b) Trade payables	8	634,945,027	830,325,921
(c) Other current liabilities	9	81,066,414	79,760,407
(d) Short-term provisions	10	6,520,533	7,072,681
TOTAL		<u>1,686,637,612</u>	<u>1,788,685,631</u>
II. <u>ASSETS</u>			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	23,789,719	8,053,137
(c) Deferred tax assets (net)	12	119,189,355	113,313,509
(d) Long-term loans and advances	13	240,175,181	228,476,385
2. Current assets			
(a) Trade receivables	14	695,494,869	829,226,744
(b) Cash and cash equivalents	15	575,461,750	550,169,264
(c) Short-term loans and advances	16	32,526,738	58,763,299
(d) Other current assets	17	-	683,293
TOTAL		<u>1,686,637,612</u>	<u>1,788,685,631</u>
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 Bhogilal C. Shah & Co.
Chartered Accountants
Firm Registration No. : 101424W

For and on behalf of the Board

Director

Director

Suril Shah
Partner
Membership No. 42710
Mumbai, May 8, 2019

CFO

Company Secretary

Mumbai, May 8, 2019

CENTRUM BROKING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019.

	Note No.	31.3.2019	31.3.2018
Continuing Operations			
I. INCOME			
Revenue from operations	18	790,704,227	604,696,880
Other Income	19	30,981,217	22,279,090
Total Revenue		821,685,444	626,975,970
II. EXPENSES			
Employee benefit expense	20	395,514,186	268,733,473
Other expenses	21	320,221,021	177,202,312
Total Expenses		715,735,207	445,935,785
Earnings before extraordinary items, interest, tax, depreciation and amortization (EBITDA) (I) - (II)		105,950,237	181,040,185
Finance Costs	22	93,297,612	47,767,139
Depreciation and amortization expense		4,324,188	2,601,456
Profit / (Loss) before extraordinary items and tax		8,328,437	130,671,590
Tax expenses :			
Current Tax		33,657,456	27,887,408
Deferred tax		(5,875,846)	-
MAT Credit Entitlement		(33,657,456)	(27,887,408)
Short Provision for earlier years		1,211,387	-
Total tax expenses		(4,664,459)	-
Profit / (Loss) for the period from continuing operations		12,992,896	130,671,590
Earnings per equity share :			
Basic		0.67	6.72
Diluted		0.67	6.72
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 Bhogilal C. Shah & Co.
Chartered Accountants
Firm Registration No. : 101424W

For and on behalf of the Board

Director	Director
CFO	Company Secretary

Suril Shah
Partner
Membership No. 42710
Mumbai, May 8, 2019

Mumbai, May 8, 2019

CENTRUM BROKING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

	31.3.2019	31.3.2018
	Rs.	Rs.
CASH FLOW FROM OPERATING ACTIVITES		
Profit / (Loss) before tax	8,328,437	130,671,590
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	4,324,188	2,601,456
Provision for doubtful debts	154,593,613	-
Interest expense	93,297,612	47,767,139
Interest income	(29,927,733)	(21,186,907)
Profit on sale of investments	-	1,901,641
Operating profit before working capital changes	230,616,117	161,754,919
Movements in working capital :		
Increase / (decrease) in trade payables	(195,380,894)	380,183,403
Increase / (decrease) in long term / short term provisions	(714,687)	8,091,833
Increase / (decrease) in other long term / short term liabilities	1,504,007	(4,109,062)
Decrease / (increase) in trade receivables	(20,861,738)	(319,272,228)
Decrease / (increase) in long term / short term loans and advances	39,468,658	(85,034,621)
Decrease / (increase) in other current / non-current assets	683,293	-
Net cash flow generated from / (used in) operations	55,314,756	141,614,244
Taxes paid (net of refund received)	(26,142,280)	(24,551,785)
Net cash flow from / (used in) operating activities (A)	29,172,476	117,062,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(20,060,770)	(4,364,523)
Interest received	29,927,733	21,186,907
Purchase of Investments	-	-
Sale of Investments	-	18,000,000
Decrease / (increase) in fixed deposits	(80,358,378)	(80,599,225)
Net cash flow from / (used in) investing activities (B)	(70,491,415)	(45,776,841)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buyback of Equity Shares	(5,016,655)	-
Proceeds / (Repayment) from long-term / short-term borrowings	84,567,314	141,361,270
Interest paid	(93,297,612)	(47,767,139)
Net cash flow from / (used in) financing activities (C)	(13,746,953)	93,594,131
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(55,065,892)	164,879,749
Cash and cash equivalents at the beginning of the year	250,670,039	85,790,290
Cash and cash equivalents at the end of the year	195,604,147	250,670,039
	(55,065,892)	164,879,749

As per our report of even date
For Bhogilal C. Shah & Co.
Chartered Accountants
Firm Registration No. : 101424W

For and on behalf of the Board

Director
Director

Suril Shah
Partner
Membership No. 104640
Mumbai, May 8, 2019

CFO
Company Secretary

Mumbai, May 8, 2019

CENTRUM BROKING LIMITED**NOTES TO THE ACCOUNTS****NOTE 2 : SHARE CAPITAL**

	31.3.2019	31.3.2018
Authorised shares :		
5,00,00,000 Equity Shares of Rs. 10 each (Previous Year : 6,00,00,000 Equity Shares of Rs. 10 each)	500,000,000	500,000,000
1,00,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each	100,000,000	100,000,000
	600,000,000	600,000,000
Issued, subscribed and fully paid up shares :		
1,92,90,669 Equity Shares of Rs. 10 each (Previous Year : 1,94,34,002 Equity Shares of Rs. 10 each)	192,906,690	194,340,020
25,00,000 10% Cumulative Redeemable Preference Shares of Rs. 10 each	25,000,000	25,000,000
	217,906,690	219,340,020

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

	31.3.2019		31.3.2018	
	No.		No.	
Equity Shares				
At the beginning of the period	19,434,002	194,340,020	19,434,002	194,340,020
Less : Buyback during the period	143,333	1,433,330	-	-
Outstanding at the end of the period	19,290,669	192,906,690	19,434,002	194,340,020
Preference Shares				
At the beginning of the period	2,500,000	25,000,000	2,500,000	25,000,000
Add : Issued during the period through conversion of Inter-corporate Deposit	-	-	-	-
Outstanding at the end of the period	2,500,000	25,000,000	2,500,000	25,000,000

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

	31.3.2019		31.3.2018	
	No.	% holding	No.	% holding
M/s Centrum Capital Ltd.	9,840,663	51.01	19,290,666	99.26
M/s Centrum Retail Services Ltd.	9,450,000	48.99	-	-

Preference

	31.3.2019		31.3.2018	
	No.	% holding	No.	% holding
M/s Centrum Capital Ltd.	2,500,000	100.00	2,500,000	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

	31.3.2019	31.3.2018
<u>Securities Premium Reserve :</u>		
Opening Balance	635,407,000	635,407,000
Less : Utilized for premium on buyback of equity shares	3,583,325	-
	631,823,675	635,407,000
Less : Transferred to Capital Redemption Reserve	1,433,330	-
	630,390,345	635,407,000
<u>Capital Redemption Reserve :</u>		
Opening Balance	-	-
Add : Transferred from Securities Premium Reserve	1,433,330	-
	1,433,330	-
Surplus / (Deficit) in the statement of profit and loss account		
Opening Balance	(410,821,310)	(541,492,900)
Add : Profit / (Loss) for the year	12,992,896	130,671,590
	(397,828,414)	(410,821,310)
	233,995,261	224,585,690

NOTE 4 : LONG TERM BORROWINGS

	31.3.2019	31.3.2018
Car Loan	4,851,731	-
	4,851,731	-

CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 5 : OTHER LONG TERM LIABILITIES

	31.3.2019	31.3.2018
Deposits	653,000	455,000
	<u>653,000</u>	<u>455,000</u>

NOTE 6 : LONG TERM PROVISIONS

	31.3.2019	31.3.2018
Provision for Leave Encashment	4,826,462	4,989,001
	<u>4,826,462</u>	<u>4,989,001</u>

NOTE 7 : SHORT TERM BORROWINGS

	31.3.2019	31.3.2018
From Bank - Secured		
Bank Overdraft	181,372,494	-
From Others - Unsecured		
Short Term Loan from Holding Company	-	282,656,911
Short Term Loan from Associate Company	243,000,000	-
Short Term Loan from Others	77,500,000	139,500,000
	<u>501,872,494</u>	<u>422,156,911</u>

The Bank Overdraft is secured against shares of clients. It is repayable on demand and carries interest @ 9.65%.

NOTE 8 : TRADE PAYABLES

	31.3.2019	31.3.2018
Sundry Creditors		
Due to Micro, Small & Medium Enterprises	-	-
Due to Others	634,945,027	830,325,921
	<u>634,945,027</u>	<u>830,325,921</u>

NOTE 9 : OTHER CURRENT LIABILITIES

	31.3.2019	31.3.2018
Current maturities of long term borrowings - Secured	1,029,716	-
Statutory Dues	56,985,480	17,286,601
Other Payables	23,051,218	62,473,806
	<u>81,066,414</u>	<u>79,760,407</u>

CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 11 : TANGIBLE ASSETS

FIXED ASSETS	GROSS BLOCK AT COST			TOTAL DEPRECIATION			NET BLOCK			
	As at 1.4.2018	Additions / Adjustments	Deductions / Adjustments	As at 31.3.2019	As at 1.4.2018	For the year 2018-19	Deductions / Adjustments	Upto 31.3.2019	As at 31.3.2019	As at 31.3.2018
1. Furniture & Fixtures	572,444	4,038,668	-	4,611,112	168,041	182,588	-	350,629	4,260,483	404,403
2. Vehicles	6,339,012	6,495,805	-	12,834,817	6,022,062	359,026	-	6,381,088	6,453,729	316,950
3. Office Equipment	46,722,403	9,526,297	-	56,248,700	39,390,619	3,782,574	-	43,173,193	13,075,507	7,331,784
	53,633,859	20,060,770	-	73,694,629	45,580,722	4,324,188	-	49,904,910	23,789,719	8,053,137
Previous Year	49,269,336	4,364,523	-	53,633,859	42,979,266	2,601,456	-	45,580,722	8,053,137	6,290,070

CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 10 : SHORT TERM PROVISIONS

	31.3.2019	31.3.2018
Provision for Leave Encashment	1,151,662	1,239,717
Provision for Leave Travel Allowance	3,632,778	-
Provision for Gratuity	1,736,093	5,832,964
	<u>6,520,533</u>	<u>7,072,681</u>

NOTE 12 : DEFERRED TAX ASSETS (NET)

	31.3.2019	31.3.2018
Deferred Tax Asset		
Loss Carried Forward	71,526,162	113,313,509
Provision for Doubtful Debts	45,017,660	-
Depreciation	2,645,533	-
Deferred Tax Asset	<u>119,189,355</u>	<u>113,313,509</u>

NOTE 13 : LONG TERM LOANS AND ADVANCES

	31.3.2019	31.3.2018
Security Deposits (Unsecured, considered good)		
Deposits with Stock Exchanges	172,594,898	162,615,000
Other Deposits	2,654,651	3,423,051
Other loans and advances		
Employee Benefit Trust	-	3,770,000
Loans to Employees	-	19,100,000
MAT Credit Entitlement	61,934,085	28,276,629
Advance Income Tax (net of provision for taxation)	2,886,062	11,186,220
Advance Fringe Benefit Tax (net of provision for taxation)	105,485	105,485
	<u>240,175,181</u>	<u>228,476,385</u>

CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 14 : TRADE RECEIVABLES

	31.3.2019	31.3.2018
Unsecured, considered good unless stated otherwise		
Outstanding for a period of six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	36,923,501	12,452,770
Unsecured, considered doubtful	154,593,613	-
	<u>191,517,114</u>	<u>12,452,770</u>
Less : Provision for Doubtful Debts	154,593,613	-
	<u>36,923,501</u>	<u>12,452,770</u>
Other receivables		
Secured, considered good	-	-
Unsecured, considered good	658,571,368	816,773,974
	<u>658,571,368</u>	<u>816,773,974</u>
	<u>695,494,869</u>	<u>829,226,744</u>

NOTE 15 : CASH AND BANK BALANCES

	31.3.2019	31.3.2018
Cash and cash equivalents		
Balances with banks :		
On current accounts	185,678,609	249,806,709
Cash on hand	59,820	127,358
Cheques on hand	9,865,718	735,972
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	379,857,603	299,499,225
	<u>575,461,750</u>	<u>550,169,264</u>

NOTE 16 : SHORT TERM LOANS AND ADVANCES

	31.3.2019	31.3.2018
Unsecured, considered good unless stated otherwise		
Advances recoverable in cash or kind or for value to be received	32,526,738	58,763,299
	<u>32,526,738</u>	<u>58,763,299</u>

CENTRUM BROKING LIMITED

NOTES TO THE ACCOUNTS

NOTE 17 : OTHER CURRENT ASSETS

	31.3.2019	31.3.2018
Unsecured, considered good unless stated otherwise		
Other receivables	-	683,293
	-	683,293

NOTE 18 : REVENUE FROM OPERATIONS

	31.3.2019	31.3.2018
Brokerage Income	401,477,076	367,836,605
Depository Charges	8,273,549	3,717,934
Consultancy Fees	248,162,431	178,357,911
Late / Delayed Payment Charges	132,791,171	54,784,430
	790,704,227	604,696,880

NOTE 19 : OTHER INCOME

	31.3.2019	31.3.2018
Interest	29,927,733	21,186,907
Miscellaneous Income	1,053,484	1,092,183
	30,981,217	22,279,090

NOTE 20 : EMPLOYEE BENEFIT EXPENSE

	31.3.2019	31.3.2018
Salaries, Bonus & Gratuity	370,644,850	249,390,721
Contribution to Provident and other funds	17,865,313	15,859,582
Staff Welfare Expenses	7,004,023	3,483,170
	395,514,186	268,733,473

CENTRUM BROKING LIMITED**NOTES TO THE ACCOUNTS****NOTE 21 : OTHER EXPENSES**

	31.3.2019	31.3.2018
Rent, Rates & Taxes	15,302,812	38,492,617
Printing & Stationery	1,958,186	2,073,422
Travelling & Conveyance	7,071,279	7,156,601
Payment to Auditor	280,000	205,000
Repairs & Maintenance	658,943	432,860
Professional & Consultancy Charges	86,228,842	74,842,374
Membership & Subscription	3,509,612	1,262,422
Books & Periodicals	118,522	64,550
Telephone & Lease Line Expenses	8,353,689	3,325,826
Depository Charges - CDSL	1,013,769	1,078,080
Insurance	523,761	251,516
Electricity Charges	2,211,943	1,902,055
Postage & Courier Charges	1,519,730	1,293,240
Business Promotion & Entertainment	5,224,726	9,442,978
Franking Charges	1,030,073	1,091,239
Conference Expenses	2,698,168	4,720,930
Net Loss due to Dealing Error	3,226,874	7,625,576
Computer / Software Expenses	10,305,473	5,195,114
Exchange / Clearing House Expenses / Transaction Charges	4,871,928	9,287,461
Loss on Sale of Investments	-	1,901,641
Loss on Foreign Exchange	86,676	37,884
Provision for Doubtful Debts	154,593,613	-
Miscellaneous Expenses	9,432,402	5,518,926
	320,221,021	177,202,312

Payment to Auditor

	31.3.2019	31.3.2018
Audit Fees	225,000	150,000
Fees of Other Services	55,000	55,000
	280,000	205,000

NOTE 22 : FINANCE COSTS

	31.3.2019	31.3.2018
Interest	86,371,009	42,193,688
Finance Charges	6,926,603	5,573,451
	93,297,612	47,767,139

NOTE 23: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31.03.2019	31.03.2018
	Rs.	Rs.
Claims against the Company not acknowledged as debt	5,26,010	5,26,010

Future cash outflows in respect of above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and has disclosed the same as contingent liabilities in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

NOTE 24: EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

Particulars	1.04.2018 to 31.03.2019	1.04.2017 to 31.03.2018
	Rs.	Rs.
Earning		
Consultancy income	11,89,701	5,96,783
Expenditure		
Traveling & Conveyance	73,063	--
Computer Expenses	18,39,414	11,89,862
TOTAL EXPENDITURE	19,12,477	11,89,862

NOTE 25: 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 summaries 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, 2019 Rs..	March 31, 2018 Rs.
Current Service Cost	22,48,988	16,74,284
Net Interest Cost	447,971	54,765
Actuarial (Gain) or Loss	458,305	24,49,294
Past Service Cost-Vested Benefit Recognized During the Period	NIL	12,17,198
Expense Recognized in Profit and Loss Account	31,55,264	53,95,541

Balance Sheet

Details of Provision for gratuity

Amount Recognized in the Balance Sheet	March 31, 2019 Rs.	March 31, 2018 Rs.
Liability at the end of the year	(120,72,327)	(125,58,598)
Fair Value of Plan Assets at the end of the year	103,36,234	67,25,634
Amount Recognized in the Balance Sheet	(17,36,093)	(58,32,964)

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

Changes in Benefit Obligation	March 31, 2019 Rs.	March 31, 2018 Rs.
Liability at the beginning of the Period	125,58,598	73,81,891
Interest Cost	9,64,500	5,58,809
Current Service Cost	22,48,988	16,74,284
Past Service Cost-Vested Benefit Recognized During the Period	NIL	12,17,198
Settlement	NIL	NIL
Liability Transfer In	NIL	NIL
Benefit Paid	(40,90,382)	(691,697)
Actuarial (gain)/loss on obligations	3,90,623	24,18,113
Liability at the end of the year	120,72,327	125,58,598

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

Changes in Fair Value of Plan Assets	March 31, 2019 Rs.	March 31, 2018 Rs.
Opening fair value of plan assets	67,25,634	66,58,439
Contributions	72,52,135	2,86,029
Benefit Paid	(40,90,382)	(6,91,697)
Actuarial gain/(loss) to be recognized	(67,682)	(31,181)
Expected Return on Plan Assets	5,16,529	5,04,044
Fair Value of Plan Assets at the end of the year	103,36,234	67,25,634

Balance Sheet Reconciliation	March 31, 2019 Rs.	March 31, 2018 Rs.
Opening Net Liability	58,32,964	723,452
Expense as above	31,55,264	53,95,541
Transfer from other company	NIL	NIL
Transfer to other company	NIL	NIL
Employers Contribution	(72,52,135)	(2,86,029)
Amount Recognized in Balance Sheet	17,36,093	58,32,964

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

Particulars	March 31, 2019	March 31, 2018
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, 2019	March 31, 2018
Retirement Age	60	60
Attrition Rate	For service 4 years and below 15.00% p.a. For service 5 years and above 10.00% p.a.	For service 4 years and below 15.00% p.a. For service 5 years and above 10.00% p.a.
Future Salary Rise	5.00%	5.00%
Rate of Discounting	7.48%	7.68%
Rate of Return on Plan Assets	7.48%	7.68%
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, 2019 Rs.	March 31, 2018 Rs.
Defined benefit obligation	(120,72,327)	(1,25,58,598)
Plan assets	103,36,234	67,25,634
Surplus / (deficit)	(17,36,093)	(58,32,964)
Experience adjustments on plan liabilities	2,48,906	(3,12,067)
Experience adjustments on plan assets	(67,682)	(31,181)

NOTE 26: 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	1.04.2018 to 31.03.2019 Rs.	1.04.2017 to 31.03.2018 Rs.
(a)	Net Profit / (Loss) as per Profit & Loss Account	1,29,92,896	13,06,71,590
(c)	Net Profit / (Loss) for the year attributable to equity shareholders	1,29,92,896	13,06,71,590
(d)	Weighted Average number of equity shares used as denominator for calculating EPS	1,92,90,669	1,94,34,002
(e)	Earnings per share of Rs.10 each (Basic & Diluted)	0.67	6.72

NOTE 27: 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 Retail Services Limited
Centrum ESPS Trust
Centrum Microcredit Limited

Key Management Personnel:

Mr. K. Sandeep Nayak, Chief Executive Officer
Mr. Pradeep Oak, Chief Financial Officer
Mr. Rajesh Nanavaty, Director
Mr. Amitava Neogi, Director
Mr. Apex Vashi, Company Secretary

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

Ms. Aditi R. Nanavaty
Ms. Jasmine R. Nanavaty
Mr. Alok Nanavaty
Ms. Prachi Oak
Nanavaty Associates
V. K. Nanavaty Shares & Stock Brokers
R. V. Nanavaty HUF

B) Transaction with related parties:

Nature of Transactions	Associates Rs.	Key Managerial Personnel Rs.	Total Rs.
	2018-2019	2018-2019	2018-2019
Loans and advances taken			
-Centrum Capital Limited	130,75,00,000		130,75,00,000
-Centrum Wealth Management Limited	39,30,00,000		39,30,00,000
Repayment of Loans and advances taken			
-Centrum Capital Limited	159,01,56,911		159,01,56,911
-Centrum Wealth Management Limited	15,00,00,000		15,00,00,000
Brokerage & Commission Received			
-Key Managerial Personal and Relatives		82,612	82,612
-Centrum Capital Limited Brokerage	5,14,897		5,14,897
-Centrum Capital Limited Delayed Charges	24,934		24,934
-Centrum Capital Limited DP Charges	14,929		14,929
-Centrum Wealth Management Limited Brokerage	44,002		44,002
-Centrum Wealth Management Limited Delayed Charges	2,383		2,383
-Centrum Wealth Management Limited DP Charges	115		115
-Centrum ESPS Trust	9,35,806		9,35,806
-Centrum Financials Services Limited Commission	6,15,55,950		6,15,55,950
-Centrum Financials Services Limited Brokerage	18,92,489		18,92,489
-Centrum Financials Services Limited Delayed Charges	1,042		1,042
-Centrum Financials Services Limited DP Charges	9,322		9,322
-Centrum Retail Services Ltd.-Brokerage	3,86,909		3,86,909
-Centrum Retail Services Ltd.- Delayed Charges	48,116		48,116
-Centrum Retail Services Ltd.- Commission	1,82,68,500		1,82,68,500
-Centrum Microcredit Ltd.- Commission	51,07,000		51,07,000
-Centrum Investments Advisors Ltd.-Other Income	9,37,368		9,37,368
- Expenses Recovered			
-Centrum Capital Ltd.	1,50,000		1,50,000
-Centrum Alternative LLP	1,50,000		1,50,000
Rent Paid			
-Centrum Retail Services Limited	1,21,32,362		1,21,32,362

Professional Fees Paid			
-Centrum Alternative LLP	1,06,16,027		1,06,16,027
Remuneration paid			
-K Sandeep Nayak		1,50,74,281	1,50,74,281
-Amitava Neogi		91,80,800	91,80,800
-Apexa Vashi		8,18,589	
Interest Expense			
-Centrum Capital Limited	6,70,70,855		6,70,70,855
-Centrum Wealth Management Limited	2,88,986		2,88,986
- Expenses Reimbursed			
-Centrum Retail Services Ltd(Support Staff)	7,82,131		7,82,131
Fixed Assets Purchased			
-Centrum Alternative LLP	1,73,175		1,73,175
Corporate Guarantees Received			
-Centrum Capital Limited	150,75,00,000		150,75,00,000
Closing Balances:			
Receivables			
-Centrum ESPS Trust	8,08,069		8,08,069
Payables			
-Centrum Wealth Management Limited - Loan	24,30,00,000		24,30,00,000
-Centrum Wealth Management Limited	9,99,23,815		9,99,23,815
-Centrum Retail Services Limited	11,84,76,601		11,84,76,601
-Centrum Wealth Managers Limited	10,00,073		10,00,073
-Centrum Financial Services Limited	51,56,463		51,56,463

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 28 : EMPLOYEES' PROVIDENT FUND

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain

allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

NOTE 29: PREVIOUS YEAR COMPARATIVES

The figures for the previous year have been regrouped / rearranged wherever necessary to confirm current year's classification.

M/s. Bhogilal C. Shah & Co.
Chartered Accountants
Firm's Registration No. 101424W

For and on behalf of the Board

Director

Director

Suril Shah
Partner
Membership No.42710

Mumbai, May 8, 2019

CFO

Company Secretary

Mumbai, May 8, 2019