



# Centrum Broking Limited

Annual Report 2020-21

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## Board of Directors

*(as on date of this Report)*

**Mr. K Sandeep Nayak**

Whole-time Director

**Mr. Nischal Maheshwari**

Whole-Time Director

**Mr. Rajesh Nanavaty**

Non-executive Director

**Mr. Subhash Kutte**

Independent Director

**Mr. Subrata Kumar Mitra**

Independent Director

## Corporate Resources

**Mr. Rohit Jain**

Chief Financial Officer

**Mr. Balakrishna Kumar**

Company Secretary

## Corporate Information

**Registered Office:**

2<sup>nd</sup> Floor, Bombay Mutual Building, Dr.  
D.N. Road, Fort Mumbai 400001

**Corporate Office:**

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

**Tel** – 022 – 42159000

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

**Website** – [www.centrumbroking.com](http://www.centrumbroking.com)

**Statutory Auditors:**

M/s. Bhogilal C. Shah & Co.

**Registrar & Share Transfer Agent:**

**Link Intime India Private Limited  
(Equity Shares)**

C 101, 247 Park, LBS Rd, Surya Nagar,  
Gandhi Nagar, Vikhroli West, Mumbai -  
400083

Tel: 022-4918 6000

**NSDL Database Management Limited  
(Preference Shares)**

Kamala Mills Compound, 11th Floor,  
Trade World, D Wing, Times Tower,  
Lower Parel, Mumbai – 400013

Tel: 022-2499 4200

# Directors Report

## Directors' Report

To  
The Members  
Centrum Broking Limited,

Your Directors are pleased to present their Twenty-seventh Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2021.

### Financial Results:

The Company's financial performance for the financial year ended March 31, 2021 is summarized below:  
(Amount in Rs. lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net revenue from operations	5,017.95	5,872.84
Add: Other income	326.16	282.69
<b>Total Income</b>	<b>5,344.11</b>	<b>6,155.53</b>
Less: Total Expenses	(5,192.03)	(4,645.88)
<b>Profit / (Loss) before finance cost, depreciation, exceptional items and taxes</b>	<b>152.08</b>	<b>1,509.65</b>
Less: Finance costs	(205.82)	(554.43)
<b>Profit / (Loss) before depreciation, exceptional items and taxes</b>	<b>(53.74)</b>	<b>955.22</b>
Less: Depreciation	(65.80)	(92.47)
<b>Profit / (Loss) before taxes</b>	<b>(119.54)</b>	<b>862.75</b>
Less: Income Tax Expense	161.07	(1,001.17)
<b>Profit / (Loss) after taxes for the year</b>	<b>41.53</b>	<b>(138.42)</b>
Other Comprehensive Income/(Expense) for the year <b>(will not be reclassified to profit or loss)</b>	(8.32)	(10.24)
Total Comprehensive Income	<b>33.21</b>	<b>(148.66)</b>
Less : Proposed Dividend	0	0
Less : Provision of Dividend Tax	0	0
<b>Balance to be carried to Balance sheet</b>	<b>41.53</b>	<b>(138.42)</b>

### Financial Performance and State of Company's affairs:

The Company's Brokerage Income increased from Rs. 3,177.23 lakhs in FY 2019-20 to Rs. 3,794.03 lakhs in FY 2020-21 thereby witnessing a Y-o-Y growth of 19.41%. The total revenue decreased from Rs. 6,155.53 lakhs in FY 2019-20 to Rs. 5,344.11 lakhs in FY 2020-21 i.e. change of -13.18. The profit after tax for the FY 2020-21 stood at Rs. 41.53 lakhs compared to loss after tax of Rs. 138.42 lakhs in FY 2019-20.

### Transfer to Reserves:

The Company does not propose to transfer any amount to the reserve account.

**Dividend:**

With a view to conserve resources taking into consideration the profit for the year and the future fund requirements, your Directors do not recommend any dividend for the financial year 2020-21.

**Subsidiaries, Joint Venture and Associate Companies:**

The Company did not have any subsidiary, joint venture or associate companies during the financial year 2020-21, hence AOC-1 does not form part of this report.

**Share Capital:**

There were no changes in the share capital of the Company during the financial year ended March 31, 2021.

**Material Changes and Commitments affecting the financial position of the Company:**

The onset of Covid-19 pandemic in February 2020 in India resulted in a nation-wide lockdown on March 25, 2020. Detailed repercussions and updates on the business of the Company is provided in the **Annexure-A** pertaining to Management Discussion and Analysis.

**Change in the Nature of Business:**

There has been no change in the nature of business of the Company during the financial year 2020-21.

**Extract of Annual Return:**

An extract of annual return in Form MGT-9 is attached herewith as **Annexure-B**.

**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 regard to 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.

**Reporting of Frauds**

There were no instances of frauds during the financial year under review which were required to be reported by the Statutory Auditors to the Audit Committee and/or Board under Section 143(12) of Companies Act, 2013 and Rules framed thereunder.

**Secretarial Audit:**

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. DSP & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

Copy of the Secretarial Audit Report is provided as **Annexure-C**.

**Cost Auditor:**

The provisions of Section 148(3) of the Companies Act, 2013 is not applicable to the Company.

**Directors and Key Managerial Personnel:**

Mr. Rajasekhara Reddy resigned as an Independent Director of the Company with effect from June 5, 2020. Mr. Amitava Neogi, who was a Whole-Time Director of the company, resigned vide his letter dated August 31, 2020 with effect from the end of business hours of August 31, 2020. Mr. Rajnish Bahl (DIN: 01699047), who was a Non-Executive Director of the company, resigned vide his letter dated January 28, 2021 with immediate effect citing personal reasons.

Your Directors place on record their appreciation for the valuable contribution made by Mr. Reddy, Mr. Neogi and Mr. Bahl for his insights, opinions and guidance provided to the Company during the tenure of his Directorship.

Mr. Rohit Jain was appointed as the Chief Financial Officer and Mr. Balakrishna Kumar was appointed as the Company Secretary of the Company at the Board Meeting held on June 19, 2020. At the Extraordinary General Meeting of the Company held on January 14, 2021, the Members approved the re-appointment of Mr. K Sandeep Nayak for a term of 3 (three) years ending on December 07, 2023.

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

**Meetings of the Board and its Committees:**

Details of meetings of the Board and committees held during the financial year are set out in following table:

<b>PARTICULARS</b>	<b>BOARD</b>	<b>AUDIT COMMITTEE</b>	<b>NOMINATION &amp; REMUNERATION COMMITTEE</b>
<b>Number of Meetings</b>	4	4	1
<b>Dates of Meetings</b>	1. June 19, 2020 2. August 18, 2020 3. October 30, 2020 4. February 02, 2021	1. June 19, 2020 2. August 18, 2020 3. October 30, 2020 4. February 02, 2021	June 19, 2020
<b>Attendance of Directors / Committee members</b>	As given below		
K Sandeep Nayak	4	NA	NA
Rajesh Nanavaty	4	4	NA

Rajnish Bahl	2	NA	1
Subhash Kutte	4	4	1
Amitava Neogi	2	NA	NA
Nischal Maheshwari	3	NA	NA
Subrata Kumar Mitra	3	3	NA

**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. Centrum's risk management strategy enables the Company to safeguard itself against defaulting in its financial obligations/exposure in the markets due to the inability of clients to meet their obligations.

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

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2021, are set out in Notes accompanying the Standalone Financial Statements of the Company.

**Related Party Transactions:**

There were 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.

All related party transactions entered into by the Company are pursuant to the Omnibus approvals granted by the Audit Committee and/or ratified by the Audit Committee of the Company. All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

**Internal Financial Control and Adequacy:**

The Company has sound internal financial controls commensurate to the size and nature of its business. The Company periodically reviews the internal financial controls in the light of new statutes, changes in the business models, adoption of new technology solutions etc.

The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. During the financial year under review, no material or serious observations have been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.



### **Particulars of Employees and Related Disclosures:**

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate **Annexure** which forms a part of this report. In terms of Section 136 of the Act, the said Annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to Mr. Balakrishna Kumar, Company Secretary of the Company.

### **Disclosures by Directors:**

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

### **Committees of the Board:**

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

### **Audit Committee:**

The constitution of the Audit Committee as on March 31, 2021 was as follows:

<b>Name</b>	<b>Category</b>	<b>Designation in Committee</b>
Mr. Subhash Kutte	Independent Director	Chairman
Mr. Subrata Kumar Mitra	Independent Director	Member
Mr. Rajesh Nanavaty	Non-executive Director	Member

The details of meetings held along with the Attendance of the Committee members are provided hereinabove under the head "Meetings of the Board and its Committees."

### **Nomination & Remuneration Committee:**

The constitution of the Nomination & Remuneration Committee as on March 31, 2021 was as follows:

<b>Name</b>	<b>Category</b>	<b>Designation in Committee</b>
Mr. Subhash Kutte	Independent Director	Chairman
Mr. Subrata Kumar Mitra	Independent Director	Member
Mr. Rajesh Nanavaty	Non-executive Director	Member

The details of meetings held along with the Attendance of the Committee members are provided hereinabove under the head "Meetings of the Board and its Committees."

### **Directors Responsibility Statement:**

Pursuant to Section 134 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Directors of the Company state that:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profits of the Company for the financial year ended March 31, 2021;
- iii. the directors 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;
- iv. the directors have prepared the annual accounts on a going concern basis; and
- v. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Secretarial Standards:**

The company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**Performance Evaluation:**

The Directors on the Board of the Company independently evaluated the performance of the Board as a whole, its Committee, the Chairperson and individual directors (excluding the director being evaluated) by filling the evaluation /question sheet and submitted it to the Chairman.

While reviewing, the directors, *inter alia*, considered key functions and responsibilities of the Board as mentioned in the Companies Act, 2013. The evaluation was done after taking into consideration inputs received from the Directors, setting out parameters of evaluation. Evaluation parameters of the Board and Committees were mainly based on Disclosure of Information, Key functions of the Board and Committees, responsibilities of the Board and Committees, etc.

**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 are as below:

Particulars	(Rs. in lakhs)	
	2020-21 (in Rs.)	2019-20
Foreign exchange earned in terms of actual inflows	10.34	17.94
Foreign exchange outgo in terms of actual outflows	13.55	22.65

**Human Resources 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. The Company, being part of the Centrum Group, has in place an Internal Committee to receive and redress complaints pertaining to sexual harassment. 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.

### **Nomination and Remuneration Policy**

The Company has framed a Remuneration Policy pursuant to Section 178 of the Companies Act, 2013. The Policy is provided in **Annexure-D** to this report.

### **General**

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

- a. Details relating to Deposits covered under Chapter V of the Companies Act, 2013;
- b. Issue of equity shares with differential rights as to dividend, voting or otherwise;
- c. Issue of equity shares (including sweat equity shares) and ESOS to employees of the Company under any scheme;
- d. 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; and
- e. There were no instances of non-exercising of voting rights in respect of shares purchased directly by the employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 and hence no information has been furnished.

### **Acknowledgements:**

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 and exhibiting their confidence in its management 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  
Wholetime Director  
DIN: 03281505**

**Nischal Maheshwari  
Wholetime Director  
DIN: 00279658**

Place: Mumbai  
Date: June 07, 2021

## ANNEXURE-A

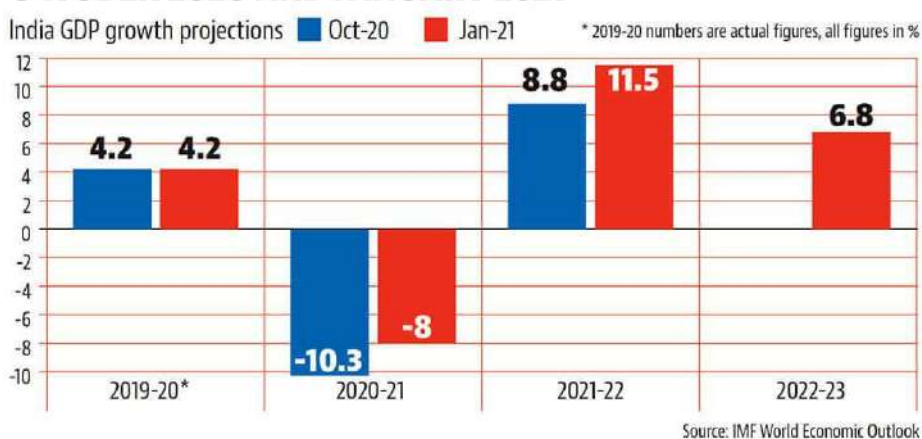
### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **1. Economy Overview:**

The Impact of the Corona Virus pandemic has been largely disruptive in terms of economic activity and loss of human lives. As India was settling into the major reforms of GST and demonetisation, Covid and the resulting slowdown in business activities had an adverse impact on our gradually recovering economy.

India recorded a de-growth of 24% and 7.5% in GDP in the first and second quarters of the financial year 2020-21 respectively. Despite the inevitable challenges, we have been able to emerge from the crisis, largely backed by strong policy initiatives by the Government and a positive outlook for economic recovery. At present, Moody's is projecting economic growth of 9.5% in FY2022, while the Economic Survey 2020-21 has projected the economy to grow 11%, a shade higher than the Reserve Bank of India (RBI)'s projection of 10.5%. These estimates reflect India's resilience, strength, and determination to overcome the present crisis.

#### **IMF WEO GROWTH PROJECTION FOR INDIA IN OCTOBER 2020 AND JANUARY 2021**



#### **2. Economic Highlights – FY 2020-21**

**Economic Performance:** India remained a preferred investment destination with Foreign Direct Investments (FDI) pouring in amidst the global asset shifts towards equities and prospects of a quicker recovery in emerging economies. India is expected to record a V-shaped recovery demonstrated by a sustained resurgence in high frequency indicators such as power demand, e-way bills, GST collection and steel consumption amongst others. The country is expected to have a Current Account Surplus of 2% of GDP in FY2021, which is a historic high after 17 years.

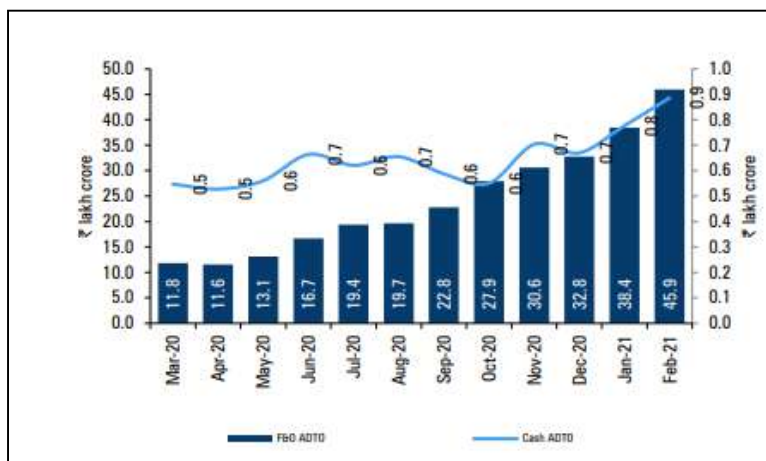
**Fiscal Developments:** The monthly GST collection during the year crossed ₹ 1 lakh crore (US\$ 13.70 billion) consecutively for the 3 months, reaching its highest levels in December 2020. Additionally, the reforms in tax administration have strengthened transparency and accountability incentivising tax compliance.

Focus on healthcare: The outbreak of COVID-19 has highlighted the need for a robust healthcare infrastructure. As a response to the crisis, India imposed an early lockdown, to break the chain of the virus spreading. Surplus capital was allocated to improve the healthcare systems of the country by way of oxygen plants, hospital beds and ramping up the production of the vaccine. Free vaccines were offered to citizens at Government run hospitals. India stood as the fastest economy to roll-out 10 lakh vaccines in 6 days and also emerged as a leading supplier of the vaccine to neighbouring countries.

### 3. Industry Overview

The Indian brokerage industry has seen a surge in volumes during the last financial year. The overall market Average Daily Turnover (ADTO) has almost doubled from ₹14.4 lakh crore in Q3 FY2020 to ₹31.1 lakh crore in Q3 FY2021. The addition in the client base has also been on similar lines with active clients increasing 67% YoY to approximately 1.63 crore; with substantial participation from New to Market customers from tier II and III cities. The factors attributable to the resulting robust accretion are awareness and acceptance of equities as an investment class by millennials, relative underperformance of a large number of mutual fund schemes and low yields in fixed income assets. In addition to this, the ADTO has shown a rising trend notably during the lockdown period due to optimism in the equity market along with increased retail participation.

#### Industry ADTO Trajectory



### 4. Business Overview

#### A. Institutional Equities

The Institutional Equities business at Centrum Broking Limited, offers Broking Services in secondary markets including IPOs/QIPs, catering to domestic and international institutional investors. The client profile includes domestic mutual funds, insurance companies, foreign portfolio investors and private equity players. A 20 member focused research team and a strong sales and dealing team helps offer value added services. Over the years, the team has come out with multi-bagger stock ideas on a regular basis. It uses a differentiated research process for large, mid, and small cap companies and offers detailed coverage on both established as well as under-researched, undervalued, under-owned scrips.

## **B. Retail Broking**

Centrum Broking's Retail division provides holistic solutions across equity broking, portfolio management and depository services. Products include Equities, Derivatives, Currencies, Mutual Funds and Primary market offers. It offers Demat services being registered as a Depository Participant with Central Depository Services Limited (CDSL) and is a trading member with the NSE and BSE. The Technical and Derivatives desk provides short term as well as positional ideas, which are best suited for traders.

### **5. Highlights:**

#### **A. Institutional Equities**

As the lockdown was announced initially, markets tumbled and there was a sense of fear and panic amongst investors. A few days into the lockdown, the Government and RBI announced relief measures for industry as well as investors, bringing back confidence. The business was able to seamlessly integrate efforts between the trading team that worked from offices and the sales and research teams that worked from home, resulting in superior service to clients. As markets gathered steam and hit fresh highs, the business saw a significant increase in its trading volumes, resulting in its market share almost doubling compared to the previous year.

During the year, the business increased its focus on large cap stocks and further strengthened its mid cap coverage to offer a balanced mix of scrips to clients. It strengthened its Research and Sales teams to bring more companies under coverage as well as reach out to more domestic and foreign institutions. It hosted two marquee virtual investor conferences – ***Punarutthan – The Resurgence*** that showcased companies with a strong growth potential and ability to bounce back from the pandemic and ***Nakshatra – The Shining Stars***, which focussed on Mid & Small cap companies that have the potential to transform into Large caps. Both conferences were well attended by Investors and Corporates.

#### **B. Retail Broking:**

As the business was impacted significantly in the months of April and May 2020, due to the lockdown, it was decided to consolidate and centralise the dealing operations in three cities - Mumbai, Delhi and Chennai, thereby optimizing the cost of servicing customers. The business continued to focus on servicing customers acquired through the Group's Wealth business franchise - Centrum Wealth Limited (CWL). This, along with a leaner organisation structure and bullish sentiment in the stock markets, resulted in significant business recovery from June 2020.

In the early phase of the pandemic, nearly 100% of employees were moved onto a staggered work from home schedule without any disruption. While existing customers continued to be serviced efficiently, acquisition of new accounts saw a slowdown, largely due to lockdown restrictions. To combat this, the business launched online and paperless account opening via 'E-KYC', which enabled a contactless account opening process. However, the HNI segment was slow in adopting this, and the year saw acquisitions normalise only in the third quarter, once lockdown restrictions were further eased.

During the year, the revamped web trading application - Centrum Aero was launched. Combined with an advanced charting tool built with CHART IQ, an international charting

application, the portal offers over 100 Indicators, multiple chart types, analytics for intraday and positional views along with screeners for in-depth stock analysis and tracking fundamental and technical data, besides viewing financial information on listed companies. Centrum Aero perfectly complements Centrum Wave, our mobile trading application used by traders/investors.

## **6. Outlook:**

### **A. Institutional Equities**

In FY2022, the business aspires to capture a higher market share by deepening relationships with existing clients and growing its client base. It plans on hiring additional senior research analysts to further increase its sectoral coverage. Backed by the favourable responses received for its earlier investor conferences, the business plans to host additional thematic conferences. Additionally, it expects its international client outreach in South East Asia, USA, UK and Europe to gain significant traction.

### **B. Retail Broking**

The business expects to further grow by servicing customers acquired by the Group's Wealth franchise and scale up the HNI business in partnership with Centrum Wealth Limited. The technology initiatives of paperless on-boarding relaunched with an assisted interface should help boost contactless account opening in the HNI segment. Additionally, the business plans to tie-up with Banks to offer their clients our service propositions.

## **7. Human Resources:**

During FY2021, the health of our employees was the Company's top priority. At the same time, business continuity had to be ensured. Businesses were quick to adapt to the new normal of working from home, however effective collaboration and transitioning was key. Issues and questions resulting from this huge change at the workplace was anticipated well and employees were kept posted through frequent communication. Centrum's agility was tested well in adoption and execution of constant advisories from Central, State Government, Municipal and Local Health bodies. All necessary assistance for Online medical consultations, Medclaim, Hospitalization, Vaccination, Covid tests were extended to employees and their families.

In this new virtual world, constant engagement with employees was critical and People Practices had to be innovated. Virtual webinars on Covid awareness, Managing Psychological Positivity, Nutrition and Virtual Fitness Competitions were arranged. To enable Learning, several Online Training programs (Product and Skill based) and Knowledge sharing sessions were organized. We hosted our first ever Virtual Awards Ceremony and it was very well received.

Progress was made in widening our digital footprint by introducing online-paperless Claims Reimbursement across all Group Companies, launching an E-Recruitment Module, making available necessary documents (Form 16, Relieving letters and Salary slips) online for current members and Alumni.

## **8. Opportunities and Threats:**

### **A. Opportunities**

Financial services sector growth can be attributed to rise in equity markets and improvement in corporate earnings. The Indian equity market is expanding in terms of listed companies and market capitalization, widening the playing field for brokerage firms. The sophisticated products segment is growing rapidly, reflected in the steep rise in growth of derivatives trading. With increasing retail penetration, there is immense potential to get larger numbers participating in equity and other financial instruments.

The relaxation of foreign investment rules has received a positive response from the Insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies.

In the last quarter of FY 2021, IPOs in India raised nearly \$3 billion, aided by ample liquidity and foreign investors as well as retail stock-pickers looking for new ideas to invest in. Despite a sharp surge in Covid-19 cases, a large number of companies are expected to announce IPOs in FY2022.

### **B. Threats**

Due to the mutation in the virus and the outbreak of the second wave, the extended COVID-induced restrictions are expected to impact the liquidity position of companies in the BFSI sector. Furthermore, this may lead to consequential effects on the credit quality along the supply chain.

The pandemic has impacted the financial services sector in multiple ways right from business continuity issues and operational considerations to the overall financial outlook. As financial services companies are mobilising and taking steps to mitigate these impacts, they will likely face short to long-term repercussions on both profitability as well as the balance sheet.

## **9. Risk Management**

For Centrum, an effective risk management policy lies at the core of our business philosophy, which is centred on delivering higher and better returns to its stakeholders. With ups and downs, volatility and fluctuations in the financial business in which the Company operates, Centrum is exposed to various risks and uncertainties in the normal course of business. Since such variations can cause deviations in the results from operations and affect the Group's financial performance, the focus on risk management continues to be high. Centrum's risk management strategy has product neutrality, speed of trade execution, reliability of access and delivery of service at its core. Multiple products and diverse resource streams enable the Company to ensure continued offering of customised solutions to suit client needs at all times – good and bad.

State-of-the-art technology, experienced professionals, a highly qualified IT team for in-house software development, coupled with adequate back-up systems and compliance with regulatory norms insulate Centrum from the vagaries of the financial business.



## **11. Internal Controls and their Adequacy**

The Company has always focused on maintaining a strong internal control system, which is commensurate to its size and nature of operations. The Company's internal controls are structured in a manner that ensure reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies, laws, and accounting standards.

With a strong monitoring system in place, the Company has an Audit Committee, the details of which have been provided in the Directors' Report. The Audit Committee regularly reviews the Internal Audit Reports as well as the findings and recommendations of the Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, *inter alia*, their views on the adequacy of internal control systems and keeps the Board of Directors posted with its observations.

### **Cautionary Statement**

*This document contains statements about expected future events, financial and operating results of the businesses, which are forward-looking. By their nature, forward-looking statements require the businesses to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Centrum Broking Limited's Annual Report, FY 2020-21.*

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

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

**Nischal Maheshwari  
Wholetime Director  
DIN: 00279658**

Place: Mumbai  
Date: June 07, 2021

**ANNEXURE-B**  
Form No. MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31/03/2021**  
*[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:**

<b>i.</b>	CIN	<b>U67120MH1994PLC078125</b>
<b>ii.</b>	Registration Date	May 2, 1994
<b>iii.</b>	Name of the Company	Centrum Broking Limited
<b>iv.</b>	Category / Sub-Category of the Company	Public Company / Limited by shares
<b>v.</b>	Address of the Registered office and contact details	Registered Office: Bombay Mutual Building, 2nd Floor, Dr. D N Road, Fort, Mumbai. Contact : Tel Number : 022 2266 2434 Corporate Office: Centrum House, Vidaynagari Marg, Kalina , Santacruz (East), Mumbai 400098. Contact : Tel Number : 022 4215 9000
<b>vi.</b>	Whether listed company	No
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>For Equity Shares:</b> Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078 Tel No: +91 22 25946970 Fax No: +91 22 25946969  <b>For Preference Shares:</b> NSDL Database Management Limited Kamala Mills Compound, 11th Floor, Trade World, D Wing, Times Tower, Lower Parel, Mumbai – 400013 Tel No: +91 22 2499 4200

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1	Security Brokerage Services	99715210	75.61
2.	Financial Consultancy Services	99715910	21.01



Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh  (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
Others(Bodies Corporate)	9450000	-	9450000	48.99	9450000	-	9450000	48.99	0
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19290669	-	19290669	100	19290669	-	19290669	100	0

**ii. Shareholding of Promoters (Equity)**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		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	9840669	51.01	Nil	9840669	51.01	Nil	Nil
	<b>Total</b>	<b>9840669</b>	<b>51.01</b>	<b>Nil</b>	<b>9840669</b>	<b>51.01</b>	<b>Nil</b>	<b>Nil</b>

### iii. Change in Promoters' Shareholding

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	9840669	51.01	9840669	51.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	9840669	51.01	9840669	51.01

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

SR. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Centrum Retail Services Limited	9450000	48.99	9450000	48.99

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
	(Rs)	(Rs)	(Rs)	(Rs)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	940.58		-	<b>940.58</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>940.58</b>		<b>-</b>	<b>940.58</b>
<b>CHANGE IN INDEBTEDNESS DURING THE FINANCIAL YEAR</b>				
Addition (net)	7,061.28		-	<b>7,061.28</b>
Reduction	7,852.24		-	<b>7,852.24</b>
Exchange difference	-	-	-	-
<b>Net change</b>	<b>(790.97)</b>		<b>-</b>	<b>(790.97)</b>
<b>INDEBTEDNESS AT THE END OF FINANCIAL YEAR</b>				
i) Principal Amount	149.61	-	-	<b>149.61</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>149.61</b>	<b>-</b>	<b>-</b>	<b>149.61</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		K Sandeep Nayak	Amitava Neogi*	Nischal Maheshwari	
	Gross salary	60.53	29.01	216.47	306.01
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission- as % of profit - others, specify...	-	-	-	-
	Others, Performance Bonus	-	-	-	-
	Total (A)	60.53	29.01	216.47	306.01

\*Mr. Amitava Neogi resigned as Wholetime Director of the Company on August 31, 2020

### B. Remuneration to other Directors (Rs. In lakhs):

Sl. No.	Particulars of Remuneration	Name of other Directors		Total Amount
		Mr. Subhash Kutte	Mr. S.K. Mitra	
	<u>Independent Directors</u>			
	· Fee for attending board committee meetings	3.90	2.7	6.60
	· Commission	-	-	-
	· Others, please specify	-	-	-
	Total (1)	3.90	2.70	6.60
		<b>Mr. Rajesh Nanavaty</b>		
	<u>Other Non-Executive Directors</u>			
	· Fee for attending board committee meetings	3.60		3.60
	· Commission	-		-
		-		-

	- Others, please specify		
	Total (2)	3.60	3.60
	Total (B)=(1+2)	10.20	10.20
	Total Managerial Remuneration		316.,22
	Overall Ceiling as per the Act	As per Section 197, Special Resolution is passed for appointment and remuneration of all Whole-time Directors.	

**B. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD (Rs. In lakhs):**

Sl. No.	Particulars of Remuneration	Designation		
		Company Secretary*	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	5.65	31.21	36.86
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
<b>6.</b>	<b>Total</b>	<b>5.65</b>	<b>31.21</b>	<b>36.86</b>

Mr. Balakrishna Kumar and Mr. Rohit Jain were appointed as the Company Secretary and Chief Financial Officer respectively on June 18, 2020

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. Directors</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

**C. Other Officers In Default**

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

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

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

**Nischal Maheshwari  
Wholetime Director  
DIN: 00279658**

Place: Mumbai  
Date: June 07, 2021





## **DSP & ASSOCIATES**

Company Secretaries (FRN S2020MH752100)

B-202 Celestial, Next to Lodha Imperia

Tank Road, Bhandup (W), Mumbai -400078

Cel: 8433934373 Email: sangitalvi4596@gmail.com

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### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
**Centrum Broking Limited**  
**Mumbai**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Centrum Broking Limited** (CIN U67120MH1994PLC078125) and having its registered office at 2nd Floor, Bombay Mutual Building, Dr. D. N. ROAD, Fort, Mumbai – 400001 (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



## DSP & ASSOCIATES

Company Secretaries (FRN S2020MH752100)

B-202 Celestial, Next to Lodha Imperia

Tank Road, Bhandup (W), Mumbai -400078

Cel: 8433934373 Email: sangitadalvi4596@gmail.com

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I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable)**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(as applicable as the Company is a material subsidiary of its Holding Company which is a Listed Entity)**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(As applicable)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(As applicable)**



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- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable)**
- (ii) As informed to us by the management, as per the Management Representation Letter, the Company has complied with the requirements of general laws like Stamp Act and Registration Act, Direct and Indirect taxation laws, Labour laws, Economic and Commercial Laws w.r.t. returns/records etc. as are applicable to the Company. Further the Management has identified and confirmed compliance with the following Industry specific laws as applicable to the Company:

1. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
2. Securities and Exchange Board of India (Investment Advisers) Regulations, 2013
3. Securities and Exchange Board of India (Research Analysts) Regulations, 2014
4. Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020
5. Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992
6. Securities and Exchange Board of India (Intermediaries) Regulations, 2008
7. Cyber Laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meetings and General Meetings.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(as applicable as the Company is a material subsidiary of its Holding Listed Company)**



## DSP & ASSOCIATES

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### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decisions of the Board and committees thereof, were taken unanimously whereas few were carried out with requisite majority and no dissenting views have been recorded.

**I further report that** on review of compliance mechanism established by the Company and on the basis of the Compliance Certificates issued by the Management which are taken on record by the Board of Directors during their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- As informed by the management, the Company has responded appropriately to notices received from various statutory/ regulatory authorities as well as other parties, including resolving queries raised and/or initiating actions for corrective measures, wherever found necessary.
- Regarding various audits like System audit, Portfolio Management Services Audit, DP Concurrent Audit etc conducted in accordance with the specific laws applicable to the Company, the observations made by the concerned Auditors, as well as the Independent Auditors Report are self-explanatory and are being taken on record for actions thereon by the Board and or committees thereof, as per the regulatory requirements.



## **DSP & ASSOCIATES**

**Company Secretaries (FRN S2020MH752100)**

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**Tank Road, Bhandup (W), Mumbai -400078**

**Cel: 8433934373 Email: sangitalalvi4596@gmail.com**

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**I further report that** during the audit period the company has following specific event/ actions which has bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. –

- i) The Company has vide Ordinary Resolution passed in its Annual General Meeting held on July 30, 2020 approved Special business of contributing to the bonafide charitable and other funds provided that the aggregate amount of the contribution to such funds in a financial year shall not exceed the limits as set out in section 181 or sum of Rs. 1 crore, whichever is higher.
- ii) The Company vide Special Resolution passed in its Extra Ordinary General Meeting held on January 14, 2021 has approved the re-appointment of Mr Koni Sandeep Nayak (DIN: 03281505) as the Whole Time Director of the Company for a period of 3 years commencing from December 08, 2020 to December 07, 2023
- iii) The Company has obtained ISIN to enable dematerialization of preference shares on May 06, 2021.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **DSP & Associates**

**Company Secretaries**

**Sangita P. Dalvi**

**Proprietor**

**ACS-62111 COP-23431**

UDIN: A062111C000426233

Place: Mumbai

Date: June 07, 2021



# DSP & ASSOCIATES

Company Secretaries (FRN S2020MH752100)

B-202 Celestial, Next to Lodha Imperia

Tank Road, Bhandup (W), Mumbai -400078

Cel: 8433934373 Email: sangitaldvi4596@gmail.com

‘Annexure A’

To,  
The Members,  
**Centrum Broking Limited**  
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company
7. On account severe restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid 19 pandemic (which commenced during the last week of March'2020 and continued thereafter), and subsequent lockdown situation throughout the audit period, we for the purpose of completion of our audit have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report.

For **DSP & Associates**  
**Company Secretaries**

**Sangita P. Dalvi**  
**Proprietor**  
**ACS-62111 COP-23431**

UDIN: A062111C000426233

Place: Mumbai  
Date: June 07, 2021

## Annexure-D

### 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;
  - 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.

# Financial Statements

Balance sheet

(Currency: Indian Rupees in lacs)

Particulars	Sch	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	436.67	4,333.96
Bank balance other than cash and cash equivalents above	4	6,664.78	3,797.84
Trade receivables	5	1,689.62	4,194.65
Loans	6	1,070.00	-
Other financial assets	7	1,581.75	5,765.58
<b>Non-financial assets</b>			
Current tax assets (net)	8	240.35	198.20
Deferred tax Assets (Net)	9	1,126.98	962.50
Property, plant and equipment	10	141.60	192.52
Right to use	11	-	76.61
Other intangible assets	12	71.88	75.61
Other non-financial assets	13	88.01	92.36
<b>Total assets</b>		<b>13,111.64</b>	<b>19,689.83</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,945.63	13,748.09
Borrowings (other than debt securities)	15	149.61	940.58
Subordinated liabilities	16	250.00	250.00
Other financial liabilities	17	693.81	451.80
<b>Non-financial Liabilities</b>			
Provisions	18	121.28	78.02
Other non-financial liabilities	19	209.29	357.00
<b>Total liabilities</b>		<b>9,369.62</b>	<b>15,825.49</b>
<b>EQUITY</b>			
Equity share capital	20	1,929.07	1,929.07
Other equity	21	1,812.95	1,935.27
<b>Total equity</b>		<b>3,742.02</b>	<b>3,864.34</b>
<b>Total liabilities and equity</b>		<b>13,111.64</b>	<b>19,689.83</b>

Significant accounting policies and notes to the financial statements

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This is the balance sheet referred to in our report of even date.

As per our report of even date attached

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

For and on behalf of the Board of Directors of  
Centrum Broking Ltd

**K Sandeep Nayak**  
Director  
DIN: 03281505

**Nischal Maheshwari**  
Director  
DIN: 00279658

**Suril Shah**  
Partner  
Membership No: 42710  
Mumbai  
7th June 2021

**Rohit Jain**  
CFO  
Mumbai  
7th June 2021

**Balakrishna Kumar**  
Company Secretary



**Centrum Broking Limited**  
Statement of profit and loss

(Currency: Indian Rupees in lacs)

Particulars	Sch	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from operations</b>			
Fees and commission income	22	5,017.95	5,872.84
Others			-
<b>Total revenue from operations</b>		<b>5,017.95</b>	<b>5,872.84</b>
Other income	23	326.16	282.69
<b>Total income</b>		<b>5,344.11</b>	<b>6,155.53</b>
<b>Expenses</b>			
Finance costs	24	205.82	554.43
Impairment on financial instruments	25	(1.93)	(1,561.23)
Employee benefits expenses	26	3,029.47	4,156.59
Depreciation, amortisation and impairment	10,11, 12	65.80	92.47
Other expenses	27	2,164.49	2,050.52
<b>Total expenses</b>		<b>5,463.65</b>	<b>5,292.78</b>
<b>Profit/(loss) before tax</b>		<b>(119.54)</b>	<b>862.75</b>
<b>Income tax expense:</b>	<b>28</b>		
- Current tax			-
- Deferred tax		(161.07)	1,001.17
<b>Total tax expense</b>		<b>(161.07)</b>	<b>1,001.17</b>
<b>Profit/(loss) for the year</b>		<b>41.53</b>	<b>(138.42)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(11.73)	(14.45)
- Income tax relating to these items		3.41	4.21
<b>Other comprehensive income / (loss) for the year</b>		<b>(8.32)</b>	<b>(10.24)</b>
<b>Total comprehensive income for the year</b>		<b>33.21</b>	<b>(148.66)</b>
<b>Earnings per equity share</b>	<b>29</b>		
- Basic (Rs.)		0.17	(0.72)
- Diluted (Rs.)		0.17	(0.72)

Significant accounting policies and notes to the financial statements  
This is the balance sheet referred to in our report of even date.

1 - 38

As per our report of even date attached

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

**Suril Shah**  
Partner  
Membership No: 42710  
Mumbai  
**7th June 2021**

**For and on behalf of the Board of Directors of  
Centrum Broking Ltd**

**K Sandeep Nayak**  
Director  
DIN: 03281505

**Nischal Maheshwari**  
Director  
DIN: 00279658

**Rohit Jain**  
CFO

**Balakrishna Kumar**  
Company Secretary

Mumbai  
**7th June 2021**

**CENTRUM BROKING LIMITED**
**Cash flow statement**
**(Currency: Indian Rupees in lacs)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Loss before tax as per statement of profit & loss	(119.54)	862.75
<b>Adjustments:</b>		
Non cash and non operating adjustments	-	
Depreciation and amortisation expenses - IGAAP	65.80	65.54
Depreciation and amortisation expenses - Ind AS	-	26.92
Allowance on financial assets	(1.93)	(1,561.23)
Employee Stock Options	58.92	162.50
Remeasurement of post employment benefit obligations	(11.74)	-10.24
Interest expense - IGAAP	182.15	520.58
Interest expense - subordinated debt	23.67	22.15
Interest expense - leases	-	11.71
Unwinding of interest on loans to employees and security deposit	-	(1.45)
Interest income	(325.75)	(277.28)
<b>Operating cash flows before working capital changes</b>	<b>(128.42)</b>	<b>(178.06)</b>
Movement in working capital		
Increase/(decrease) in other non-financial liabilities	(171.39)	(334.78)
Increase/(decrease) in provisions	43.26	0.88
Increase/(decrease) in other financial liabilities	325.68	59.48
Increase/(decrease) in trade payables	(5,802.45)	7,398.64
(Increase)/decrease in trade receivables	2,505.02	3,908.89
(Increase)/decrease in other financial assets	4,183.84	(3,935.13)
(Increase)/decrease in other non-financial assets	6.29	136.51
<b>Cash generated from operations</b>	<b>961.83</b>	<b>7,056.43</b>
Direct taxes paid	(42.15)	(168.28)
<b>Net cash flow used in operating activities</b>	<b>(A) 919.68</b>	<b>6,888.15</b>
<b>B. Cash flow from investing activities</b>		
(Purchase) / sale of property, plant and equipments (including intangible asset under development and right to use)	65.46	(75.97)
(Increase)/decrease in Fixed deposits	(2,866.94)	-
Interest received	325.75	277.28
<b>Net cash flow used in investing activities</b>	<b>(B) (2,475.73)</b>	<b>201.31</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / (repayment) from long-term / short-term borrowings	(790.97)	(4,136.95)
Proceeds / (repayment) of Deemed Contribution	(214.45)	-
Loans/ Advances	(1,070.00)	-
Interest paid	(182.15)	(520.58)
Interest paid - lease liability	-	(11.71)
Payment of lease liability	(83.67)	(42.38)
<b>Net cash flow generated / (used) from financing activities</b>	<b>(C) (2,341.24)</b>	<b>(4,711.62)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(3,897.29)</b>	<b>2,377.84</b>
<b>Add: Cash and cash equivalents at beginning of the year</b>	<b>4,333.96</b>	<b>1,956.12</b>
<b>Cash and cash equivalents at end of the year</b>	<b>436.67</b>	<b>4,333.96</b>

As per our report of even date attached

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

**Suril Shah**  
 Partner  
 Membership No: 42710  
 Mumbai  
 7th June 2021

**For and on behalf of the Board of Directors of  
 Centrum Broking Ltd**

**K Sandeep Nayak**      **Nischal Maheshwari**  
 Director                      Director  
 DIN: 03281505              DIN: 00279658

**Rohit Jain**                      **Balakrishna Kumar**  
 CFO                                  Company Secretary

Mumbai  
 7th June 2021

**Centrum Broking Limited**  
**Statement of changes in equity**

(Currency: Indian Rupees in lacs)

**A. Equity share capital**

Particulars	Number	Amount
<b>As at April 1, 2019</b>	1,92,90,669	1,929.07
Changes in equity share capital during the year	-	-
<b>As at March 31, 2020</b>	1,92,90,669	1,929.07
Changes in equity share capital during the period	-	-
<b>As at March 31, 2021</b>	1,92,90,669	1,929.07

**B. Other equity**

Particulars	Retained Earnings	Capital Redemption reserve	Securites premium	Deemed capital contribution - ESOP	Total other equity
<b>As at April 1, 2019</b>	<b>(4,465.42)</b>	<b>14.33</b>	<b>6,303.90</b>	<b>68.62</b>	<b>1,921.43</b>
Profit / (loss) for the year	(138.42)				(138.42)
Other comprehensive income	(10.24)				(10.24)
<b>Total comprehensive income for the year</b>	<b>(148.66)</b>				<b>(148.66)</b>
Addition during the year				162.50	162.50
<b>As at March 31, 2020</b>	<b>(4,614.08)</b>	<b>14.33</b>	<b>6,303.90</b>	<b>231.12</b>	<b>1,935.27</b>
Profit / (loss) for the year	41.53				41.53
Other comprehensive income	(8.32)				(8.32)
<b>Total comprehensive income for the period</b>	<b>33.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.21</b>
Addition during the year	-			58.92	58.92
Less: Deletion during the year	-			(214.45)	(214.45)
<b>As at March 31, 2021</b>	<b>(4,580.87)</b>	<b>14.33</b>	<b>6,303.90</b>	<b>75.59</b>	<b>1,812.95</b>

**Note:**

**a) Capital reserve**

This reserve represents excess of premium payable on redemption of financial liability towards buy back of equity shares issues by the company

**b) Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with provisions of

**c) Deemed capital contribution - ESOP**

Certain employees of the Company have been granted options to acquire equity shares of the Holding Company (Centrum Capital Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over vesting period of such options, to the extent that the Holding Company has not recovered such cost from the Company

As per our report of even date attached

**For M/s. Bhogilal C. Shah & Co.**

Chartered Accountants

Firm's Registration No: 101424W

**Suril Shah**

Partner

Membership No: 42710

Mumbai

7th June 2021

**For and on behalf of the Board of Directors of**  
**Centrum Broking Ltd**

**K Sandeep Nayak**

Director

DIN: 03281505

**Nischal Maheshwari**

Director

DIN: 00279658

**Rohit Jain**

CFO

**Balakrishna Kumar**

Company Secretary

Mumbai

7th June 2021

# Centrum Broking Limited

## Notes to financial statements

For the year ended March 31, 2021

### 1. Background and Significant Accounting Policies

Centrum Broking Limited (“the Company”) was incorporated on 2<sup>nd</sup> May 1994 . The Company is registered as a trading member with leading Stock exchanges, National Exchange of India Limited (‘NSEIL’), BSE Limited (‘BSE’) etc and provides broking services to the clients. The Company is also registered as Depository Participant with Central Depository Services (India) Limited (CDSL).

### 2. Basis of preparation of financial statements

The Financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These Financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value. The Financial statements are presented in Indian Rupees

#### 2.1 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 34

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without it being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

#### a. Financial Instruments

##### Date of recognition

Financial assets and financial liabilities, with the exception of borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The Company recognises borrowings when funds are available for utilisation to the Company.

##### Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## Centrum Broking Limited

### Notes to financial statements (continued)

For the year ended March 31, 2021

#### b. Classification of financial instruments

##### Financial assets:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

By default, all other financial assets are subsequently measured at FVTPL.

#### i. Amortized cost and Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

## Centrum Broking Limited

### Notes to financial statements (continued)

For the year ended March 31, 2021

#### ii. Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss. However, for equity investments in subsidiaries and associates, these are measured at cost as permitted under Ind AS 27.

#### Financial liabilities:

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

##### i. Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

##### ii. Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a Company of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

## Centrum Broking Limited

### Notes to financial statements (continued)

For the year ended March 31, 2021

#### **Financial liabilities and equity instruments**

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

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **c. Reclassification of financial assets and financial liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

#### **d. Impairment of financial assets**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure expected credit losses.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

## Centrum Broking Limited

### Notes to financial statements

For the year ended March 31, 2021

#### e. Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

#### f. Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

#### g. Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

#### h. Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- o In the principal market for the asset or liability, or
- a. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.



## Centrum Broking Limited

### Notes to financial statements

For the year ended March 31, 2021

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments** – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments** – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- **Level 3 financial instruments** – Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

#### **i. Revenue from contract with customer**

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company considers the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.

The Company recognises revenue from the following sources:

- Fee income including advisory fees, referral fees, commission income, and transaction fees is accounted at a point in time as the customer receives and consumes the benefits.
- Brokerage income on securities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date

## Centrum Broking Limited

### Notes to financial statements

For the year ended March 31, 2021

#### **j. Operating leases**

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognized based on contractual terms. Contingent rental payable is recognized as an expense in the period in which it is incurred

#### **k. Earnings per share**

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

#### **l. Foreign currency transactions**

The Financial statements are presented in Indian Rupees which is also functional currency of the Parent. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### **m. Retirement and other employee benefit**

Provident fund and national pension scheme

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

## Centrum Broking Limited

### Notes to financial statements

For the year ended March 31, 2021

#### Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

#### Compensated Absences

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

#### n. Share-based payment arrangements

Certain employees of the Company have been granted equity-settled ESOPs by the ultimate parent company (Centrum Capital Limited). The Company recognizes a cost with respect to the services received from the said employees measured by reference to the fair value of the equity instruments granted by the ultimate parent at the grant date.

The fair value determined at the grant date is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in deemed capital contribution from the ultimate parent, to the extent it is not recovered by the ultimate parent company. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the deemed capital contribution to the extent it is not recovered by the ultimate parent company. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

#### o. Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

## Centrum Broking Limited

### Notes to financial statements (continued)

For the year ended March 31, 2021

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of less their residual values over their useful lives. Depreciation is provided on a straight line method basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Estimated useful lives of the assets are as follows:

<b>Nature of assets</b>	<b>Estimated useful life</b>
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - End user devices, such as desktops, laptops, servers etc.	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

For transition to Ind AS, the Company has elected to continue with carrying value of all of its property, plant and equipment recognised as of 1 April 2018 (transition date) measured as per the previous GAAP notified by MCA rules 2006 and use that carrying value as its deemed cost as of the transition date.

## Centrum Broking Limited

### Notes to financial statements

For the year ended March 31, 2021

#### p. Intangible assets

The Company's intangible assets mainly include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life. Intangibles such as software is amortised over a period of upto 6 years based on its estimated useful life.

#### q. Impairment of non-financial assets

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

#### r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

#### s. Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## Centrum Broking Limited

### Notes to financial statements

For the year ended March 31, 2021

#### t. Income tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax.

- Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

- Current and deferred tax for the year

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

## Centrum Broking Limited

### Notes to financial statements (continued)

For the year ended March 31, 2021

#### u. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the Financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

- Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3. Cash and cash equivalents

(Currency: Indian Rupees in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	-	1.01
Balances with bank in current accounts	436.67	4,332.95
<b>Total</b>	<b>436.67</b>	<b>4,333.96</b>

4. Bank balance other than cash and cash equivalents above

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposit with bank *	6,666.08	3,798.58
Less : Impairment loss allowance	-1.30	-0.74
<b>Total</b>	<b>6,664.78</b>	<b>3,797.84</b>

\* The fixed deposits are pledged with Banks as security towards Bank guarantee issued by the respective bank.

5. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Secured, considered good	698.22	883.84
Unsecured, considered good	1,214.10	3,368.32
Credit impaired	169.20	346.01
Less : Impairment loss allowance - Secured, considered good	-1.99	-1.96
Less : Impairment loss allowance - Unsecured, considered good	-220.71	-55.55
Less : Impairment loss allowance - Credit impaired	-169.20	-346.01
<b>Total</b>	<b>1,689.62</b>	<b>4,194.65</b>

Trade receivables days past due	0 - 30 days past due	31 - 90 days past due	More than 90 days	Total
<b>ECL rate</b>	<b>1.47%</b>	<b>25.51%</b>	<b>39.04%</b>	
<b>March 31, 2021</b>				
Estimated total gross carrying amount at default	1,112.12	21.65	947.75	2,081.52
ECL-Simplified approach	-16.33	-5.52	-370.05	-391.90
<b>Net carrying amount</b>	<b>1,095.80</b>	<b>16.13</b>	<b>577.70</b>	<b>1,689.62</b>
<b>March 31, 2020</b>	<b>1.02%</b>	<b>3.45%</b>	<b>16.97%</b>	
Estimated total gross carrying amount at default	2,321.90	47.55	2,228.72	4,598.17
ECL-Simplified approach	-23.76	-1.64	-378.12	-403.52
<b>Net carrying amount</b>	<b>2,298.14</b>	<b>45.91</b>	<b>1,850.60</b>	<b>4,194.65</b>

Reconciliation of impairment allowance on trade receivables :-

Particulars	Amount
Impairment allowance measured as per simplified approach	
<b>Impairment allowance as per April 01, 2019 -</b>	<b>1,958.57</b>
Add: Addition during the year -	383.37
(Less): Reduction during the year	-1,938.42
<b>Impairment allowance as per March 31, 2020</b>	<b>403.52</b>
Add: Addition during the year -	99.46
(Less): Reduction during the year	-111.07
<b>Impairment allowance as per March 31, 2021</b>	<b>391.91</b>



(Currency: Indian Rupees in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At amortised cost</b>		
Advance to Group Company	1,070.00	
<b>Total (A) - Gross</b>	<b>1,070.00</b>	-
(Less): Impairment loss allowance	-	
<b>Total (A) - Net</b>	<b>1,070.00</b>	-
Secured by tangible assets		
Secured by intangible assets		
Covered by bank/government guarantees		
Unsecured	1,070.00	
<b>Total (B) - Gross</b>	<b>1,070.00</b>	-
(Less): Impairment loss allowance	-	
<b>Total (B) - Net</b>	<b>1,070.00</b>	-
Loans in India		
- Public sector		
- Others	1,070.00	
<b>Total (C) - Gross</b>	<b>1,070.00</b>	-
(Less): Impairment loss allowance	-	
<b>Total (C) - Net</b>	<b>1,070.00</b>	-

#### 7. Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	1,557.22	5,745.18
Other receivables	25.25	21.90
(Less): Impairment loss allowance	(0.72)	(1.50)
<b>Total</b>	<b>1,581.75</b>	<b>5,765.58</b>

#### 8. Current tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax paid in advance (net of provision for tax of Rs. 351.57), (previous year Rs. 351.57)	239.30	197.15
Fringe benefit tax	1.05	1.05
<b>Total</b>	<b>240.35</b>	<b>198.20</b>

#### 9. Deferred tax assets

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

##### Deferred tax assets

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Deferred tax liabilities</u>		
Property, plant and equipments	-	5.42
<b>Deferred tax liabilities (A)</b>	<b>-</b>	<b>5.42</b>
<u>Deferred tax assets</u>		
Impairment allowance for financial assets	114.71	130.45
Employee based payment	35.31	0.24
Fair valuation of security deposits	-	0.42
Deferred revenue	-	2.49
Lease liability	-	30.91
Property, plant and equipments	20.11	-
MAT Credit Entitlement	619.34	619.34
Carried forward business losses	337.51	184.07
<b>Deferred tax assets (B)</b>	<b>1,126.98</b>	<b>967.92</b>
<b>Deferred tax assets (net) [(A)- (B)]</b>	<b>1,126.98</b>	<b>962.50</b>

10. Property, plant and equipment

(Currency: Indian Rupees in lacs)

Particulars	Category of RoU asset				Total
	Furniture and fixtures	Vehicles	Office equipments		
<b>Gross carrying amount as at April 1, 2019</b>					
Opening carrying amount	44.43	68.13	159.78		272.34
Additions	4.71		13.78		18.49
Disposals and transfers		-0.67	-		-0.67
<b>Closing gross carrying amount</b>	<b>49.14</b>	<b>67.45</b>	<b>173.56</b>		<b>290.15</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	1.83	3.59	34.74		40.16
Depreciation charge during the year	4.75	7.73	44.99		57.47
Disposals and transfers	-	-	-		-
<b>Closing accumulated depreciation</b>	<b>6.58</b>	<b>11.32</b>	<b>79.73</b>		<b>97.63</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>42.56</b>	<b>56.13</b>	<b>93.83</b>		<b>192.53</b>
<b>Gross carrying amount as at April 1, 2020</b>					
Opening carrying amount	49.14	67.45	173.56		290.15
Additions	0.48	-	1.63		2.11
Disposals and transfers	-	-	-1.07		-1.07
<b>Closing gross carrying amount</b>	<b>49.62</b>	<b>67.45</b>	<b>174.12</b>		<b>291.19</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	6.58	11.32	79.73		97.63
Depreciation charge during the year	4.84	7.71	39.42		51.97
Disposals and transfers	-	-	-		-
<b>Closing accumulated depreciation</b>	<b>11.42</b>	<b>19.03</b>	<b>119.15</b>		<b>149.60</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>38.20</b>	<b>48.43</b>	<b>54.97</b>		<b>141.60</b>

11. Right to use

Particulars	Category of RoU asset		Total
	Vehicle	Office premises	
<b>Gross carrying amount as at April 1, 2019</b>			
Opening carrying amount	-	149.80	149.80
Additions	-	-	-
Disposals and transfers	-	-19.82	-19.82
<b>Closing gross carrying amount</b>	<b>-</b>	<b>129.98</b>	<b>129.98</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	26.45	26.45
Depreciation charge during the year	-	26.92	26.92
Disposals and transfers	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>53.37</b>	<b>53.37</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>-</b>	<b>76.61</b>	<b>76.61</b>
<b>Gross carrying amount as at April 1, 2020</b>			
Opening carrying amount	-	129.98	129.98
Additions	-	-	-
Disposals and transfers	-	-129.98	-129.98
<b>Closing gross carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	-	53.37	53.37
Depreciation charge during the year	-	-	-
Disposals and transfers	-	-53.37	-53.37
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>

The aggregate depreciation expense on ROU assets is included under Depreciation, amortisation and impairment expense in the statement of Profit and Loss.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 10%.

The following is the movement in lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance as at beginning</b>	<b>83.67</b>	<b>126.05</b>
Additions	-	-
Finance cost accrued during the period	-	11.71
Deletions	83.67	22.46
Payment of lease liabilities	-	31.62
<b>Balance as at end</b>	<b>-</b>	<b>83.67</b>

**Centrum Broking Limited**  
**Notes to financial statement (continued)**

(Currency: Indian Rupees in lacs)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	-	26.21
One to five years	-	74.23
More than five years	-	-
<b>Total</b>	-	<b>100.44</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹348.32 for the year ended March 31, 2021 (previous year ₹ 372.86)

Rental expense recorded for low-value assets that are not shown above as short term leases was ₹8.28 (previous year ₹ 32.28)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**12. Other intangible assets**

Particulars	Total
<b>As at April 1, 2019</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount	8.80
Additions	77.97
Disposals and transfers	
<b>Closing gross carrying amount</b>	<b>86.77</b>
<b>Accumulated depreciation</b>	
Opening accumulated depreciation	3.09
Depreciation charge during the year	8.07
Disposals and transfers	
<b>Closing accumulated depreciation</b>	<b>11.16</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>75.61</b>
<b>Gross carrying amount as at April 1, 2020</b>	
Opening gross carrying amount	86.77
Additions	10.11
Disposals and transfers	
<b>Closing gross carrying amount</b>	<b>96.88</b>
<b>Accumulated depreciation</b>	
Opening accumulated depreciation	11.16
Depreciation charge during the year	13.83
Disposals and transfers	
<b>Closing accumulated depreciation</b>	<b>24.99</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>71.88</b>

**13. Other non-financial assets**

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	88.01	92.36
<b>Total</b>	<b>88.01</b>	<b>92.36</b>

**14. Trade payables**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises	7,945.63	13,748.09
<b>Total</b>	<b>7,945.63</b>	<b>13,748.09</b>

Total outstanding dues of creditors other than micro enterprises and small enterprises includes dues to related parties ₹ 218.58 as at March 31, 2021, (previous year ₹ 6659.73 )

15. Borrowings (other than debt securities)

(Currency: Indian Rupees in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At amortised cost</b>		
<b>Term loan (secured)</b>		
- From financial institutions	37.17	48.52
- From banks	112.44	892.06
- Securitisation liability		-
<b>Term loan (unsecured)</b>		
- From Related parties	-	-
- From others		-
<b>Total (A)</b>	<b>149.61</b>	<b>940.58</b>
Borrowings in India	149.61	940.58
Borrowings outside India		-
<b>Total (B)</b>	<b>149.61</b>	<b>940.58</b>

The Loan from Bank consist of Overdraft , overdraft is secured against client receivables, it is repayable on demand. Loan from Financial instituion consist of Vehicle loan, procured under EMI.

16. Subordinated liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>At amortised cost</b>		
Subordinated debts (Unsecured)		
- 10% Cumulative Preference shares	250.00	250.00
<b>Total (A)</b>	<b>250.00</b>	<b>250.00</b>
Subordinated debt securities in India	250.00	250.00
Subordinated debt securities outside India	-	-
<b>Total (B)</b>	<b>250.00</b>	<b>250.00</b>

17. Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on subordinated debts	103.59	79.91
Lease liability	-	83.67
Leave travel allowance	42.28	44.12
Deposits from sub-brokers	29.05	8.03
Other payables*	518.89	236.07
<b>Total</b>	<b>693.81</b>	<b>451.80</b>

\*Total other payables includes dues payable to related parties ₹ 249.57 as at March 31, 2021, (previuos year ₹ 8.72 )

18. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Employee benefit</b>		
Provision for gratuity (unfunded)	64.49	25.55
Provision for leave encashment	56.79	52.47
<b>Total</b>	<b>121.28</b>	<b>78.02</b>

19. Other non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	209.29	348.46
Contractual Liability - Deferred Revenue	-	8.54
<b>Total</b>	<b>209.29</b>	<b>356.99</b>

**Centrum Broking Limited**
**20. Equity share capital**
**(Currency: Indian Rupees in lacs)**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
<b>Authorised shares</b> 50,000,000 (previous year : 50,000,000) equity shares of Rs. 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
<b>Issued, subscribed &amp; fully paid-up shares</b> 19,290,669 (previous year : 19,290,669) equity shares of Rs 10 each fully paid up	1,92,90,669	1,929.07	1,92,90,669	1,929.07
<b>Total</b>	<b>1,92,90,669</b>	<b>1,929.07</b>	<b>1,92,90,669</b>	<b>1,929.07</b>

**a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
Outstanding at the beginning of the year	1,92,90,669	1,929.07	1,92,90,669	1,929.07
Buyback during the period	-	-	-	-
Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,92,90,669</b>	<b>1,929.07</b>	<b>1,92,90,669</b>	<b>1,929.07</b>

**b) Terms and rights attached to equity shares**

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares of the Company held by the holding/ultimate holding company**

Equity shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Centrum Capital Ltd , the holding Company	98,40,669	51.01	98,40,669	51.01

**d) Details of shareholders holding more than 5% of the shares in the Company**

Equity shareholders	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Centrum Capital Ltd , the holding Company	98,40,669	51%	98,40,669	51%
Centrum Retail Services Limited	94,50,000	49%	94,50,000	49%

**21. Other equity**
**(Currency: Indian Rupees in lacs)**

	As at March 31, 2021	As at March 31, 2020
<b>Retained Earnings</b>		
Opening balance	(4,614.08)	(4,465.42)
Add/Less:		
Profit for the year	41.53	(138.42)
Items of other comprehensive income directly recognised in retained earnings		
Remeasurement of defined benefit plan, net of tax	(8.32)	(10.24)
Less: Appropriations :		
<b>Closing balance</b>	<b>(4,580.87)</b>	<b>(4,614.08)</b>
<b>Capital Redemption Reserve</b>		
Opening balance	14.33	14.33
Add/Less:		
Transferred from Securities Premium	-	-
<b>Closing balance</b>	<b>14.33</b>	<b>14.33</b>
<b>Securities Premium</b>		
Opening balance	6,303.90	6,303.90
Add/Less:		
Transferred to Capital Redemption Reserve	-	-
Utilised due to premium on Buyback of shares	-	-
<b>Closing balance</b>	<b>6,303.90</b>	<b>6,303.90</b>
<b>Deemed capital contribution</b>		
Opening balance	231.12	68.62
Add/Less:		
Addition during the year	58.92	162.50
Redemption during the year	(214.45)	-
<b>Closing balance</b>	<b>75.59</b>	<b>231.12</b>
<b>Grand Total</b>	<b>1,812.95</b>	<b>1,935.27</b>

**22. Fees and commission income**

(Currency: Indian Rupees in lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Brokerage Income	3,794.03	3,177.23
Commission income	27.19	826.58
Asset Management Fees	1,054.20	1,278.66
Other fees	142.53	590.37
<b>Total</b>	<b>5,017.95</b>	<b>5,872.84</b>

**23. Other income**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on income tax refund	-	1.15
Interest on fixed deposits	224.43	277.28
Other interest income	101.32	1.45
Miscellaneous Income	0.41	2.81
<b>Total</b>	<b>326.16</b>	<b>282.69</b>

**24. Finance costs**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>On financial liabilities measured at amortised cost:</b>		
Interest on borrowings (other than debt securities)	60.04	387.85
Interest on subordinated liabilities	23.67	22.15
Other interest expense	1.41	16.85
Other borrowing costs	120.70	127.58
<b>Total</b>	<b>205.82</b>	<b>554.43</b>

**25. Impairment on financial instruments**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>On financial instruments measured at amortised cost:</b>		
Trade receivables	(1.93)	(1,561.23)
<b>Total</b>	<b>(1.93)</b>	<b>(1,561.23)</b>

**26. Employee benefits expenses**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	2,804.69	3,895.04
Contribution to provident and other funds	169.95	185.30
Gratuity expenses	35.54	30.33
Staff welfare expenses	19.29	45.92
<b>Total</b>	<b>3,029.47</b>	<b>4,156.59</b>

27. Others expenses

(Currency: Indian Rupees in lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	348.32	352.94
Brokerage and commission expenses	546.73	105.24
Repairs and Maintenance	10.62	6.12
Rates and Taxes	0.22	11.08
Electricity	20.27	26.02
Insurance	9.84	6.65
Auditors Remuneration	2.90	2.80
Professional & Consultancy Charges	388.10	778.82
Books & Periodicals	0.16	0.58
Travelling and Conveyance	9.06	62.86
Telephone, Lease Line & conference Expenses	60.77	45.48
Printing and Stationery	3.76	12.50
Depository Charges	13.85	11.94
Postage & Courier Charges	2.47	7.36
Business Promotion & Entertainment	18.15	27.11
Franking Charges	6.09	4.47
Technology Expenses	142.41	164.60
Exchange / Clearing House Expenses / Transaction Charges	385.38	225.22
Membership and Subscription	127.87	98.09
Net loss on due to dealing error	22.66	39.62
Net Loss on foreign currency transaction and translation	0.29	0.17
Miscellaneous	44.57	60.86
<b>Total</b>	<b>2,164.49</b>	<b>2,050.52</b>

Breakup of Auditors' remuneration

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit fees	2.25	2.25
Tax audit fees	0.65	0.55
<b>Total</b>	<b>2.90</b>	<b>2.80</b>

28. Income Tax disclosures

a. The components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	-	-
Deferred tax	(164.48)	996.96
<b>Total</b>	<b>(164.48)</b>	<b>996.96</b>

b. Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2021 and March 31, 2020 is, as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	(119.54)	862.75
<b>Tax at India's statutory income tax rate of 29.12% (previous year 29.12%)</b>	<b>(34.81)</b>	<b>251.23</b>
Tax effect of the amount which are not taxable in calculating taxable income :		
- Effect of non-deductible expenses	34.81	(251.23)
- Tax losses and unabsorbed depreciation	153.45	(531.20)
- Other	7.62	(469.97)
<b>Income tax expense at effective tax rate</b>	<b>161.07</b>	<b>(1,001.17)</b>

Centrum Broking Limited  
Notes to financial statement (continued)

c. The following table shows

(Currency: Indian Rupees in lacs)

Particulars	As at March 31, 2020	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2021
<b>Deferred taxes in relation to:</b>				
Property, plant and equipments	(5.42)	25.52		20.11
Impairment allowance for financial assets	130.45	(15.74)		114.71
Employee based payment	0.24	35.07		35.31
Post-employment benefit obligations	-	(3.41)	3.41	-
Fair valuation of security deposits	0.42	(0.42)		-
Deferred revenue	2.49	(2.49)		-
Lease liability	30.91	(30.91)		-
MAT Credit Entitlement	619.34	-		619.34
Carried forward business losses	184.07	153.45		337.51
<b>Net deferred tax asset/(liability)</b>	<b>962.50</b>	<b>161.07</b>	<b>3.41</b>	<b>1,126.98</b>

Particulars	As at March 31, 2019	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2020
<b>Deferred taxes in relation to:</b>				
Property, plant and equipments	(7.29)	1.88		(5.42)
Impairment allowance for financial assets	572.81	(442.36)		130.45
Employee based payment	-	0.24		0.24
Post-employment benefit obligations	-	(4.21)	4.21	-
Fair valuation of security deposits	0.14	0.29		0.42
Deferred revenue	22.51	(20.02)		2.49
Lease liability	36.70	-5.80		30.91
MAT Credit Entitlement	619.34	-		619.34
Carried forward business losses	715.26	(531.19)		184.07
<b>Net deferred tax asset/(liability)</b>	<b>1,959.47</b>	<b>(1,001.18)</b>	<b>4.21</b>	<b>962.50</b>

29. Earnings per equity share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit after tax available for equity shareholders for basic EPS	33.21	(138.42)
Net profit after tax available for equity shareholders for diluted EPS	33.21	(138.42)
Weighted average number of equity shares for basic EPS	1,92,90,669	1,92,90,669
Weighted average number of equity shares for diluted EPS	1,92,90,669	1,92,90,669
<b>Basic earnings per share (INR)</b>	<b>0.17</b>	<b>(0.72)</b>
<b>Diluted earnings per share (INR)</b>	<b>0.17</b>	<b>(0.72)</b>



### 15. Borrowings (other than Debt securities)

#### A) Term loans from financial institutions - Secured

(Currency: Indian Rupees in lacs)

Tenure ( From the date of the Balance Sheet)	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
48-60 months				-
36-48 months				-
24-36 months	9% to 10%	Monthly EMI		-
12-24 months	9% to 10%	Monthly EMI		37.17
upto 12 months	9% to 10%	Monthly EMI	37.17	11.35
			<b>37.17</b>	<b>48.52</b>

#### B) Demand loans from Banks - secured

Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
9 to 10%	Payable on demand	112.44	892.06
		<b>112.44</b>	<b>892.06</b>

### 16.1. Subordinated liabilities

Tenure ( From the date of the Balance Sheet)	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
60-120 months		Redemable on maturity	250.00	250.00
48-60 months				-
36-48 months				-
24-36 months				-
12-24 months				-
upto 12 months	10			-
			<b>250.00</b>	<b>250.00</b>

**30. Employee benefit obligations**

**Employee benefit obligations**

(Currency: Indian Rupees in lacs)

**Defined contribution plans**

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provident fund	143.05	163.07
Pension fund	26.90	22.23
Superannuation fund	-	-

**Defined benefit plans**

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

**Balance Sheet**

	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 1, 2019</b>	120.72	103.36	<b>17.36</b>
Current service cost	29.02	-	29.02
Interest expense/(income)	9.03	7.73	1.30
Return on plan assets	-	-3.06	3.06
Actuarial loss / (gain) arising from change in financial assumptions	-2.08	-	-2.08
Actuarial loss / (gain) arising from change in demographic assumptions	5.98	-	5.98
Actuarial loss / (gain) arising on account of experience changes	7.49	-	7.49
Employer contributions	-	36.58	-36.58
Benefit payments	-27.41	-27.41	-
<b>As at March 31, 2020</b>	<b>142.76</b>	<b>117.21</b>	<b>25.55</b>
Current service cost	33.79	-	33.79
Interest expense/(income)	9.36	7.69	1.68
Return on plan assets	-	-7.67	7.67
Actuarial loss / (gain) arising from change in financial assumptions	0.71	-	0.71
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	3.35	-	3.35
Reversal of the liability	-	-	-
Employer contributions	-	8.26	-8.26
Benefit payments	-8.28	-8.28	-
<b>As at March 31, 2021</b>	<b>181.69</b>	<b>117.20</b>	<b>64.49</b>

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	181.69	142.76
Fair value of plan assets	117.20	117.21
<b>Plan liability net of plan assets</b>	<b>64.49</b>	<b>25.55</b>

**Statement of Profit and Loss**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee Benefit Expenses:		
Current service cost	33.79	29.02
<b>Total</b>	<b>33.79</b>	<b>29.02</b>
Finance cost	1.68	1.30
<b>Net impact on the profit before tax</b>	<b>35.47</b>	<b>30.32</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in interest expense/income	7.67	3.06
Actuarial gains/(losses) arising from changes in demographic assumptions	-	5.98
Actuarial gains/(losses) arising from changes in financial assumptions	0.71	-2.08
Actuarial gains/(losses) arising from changes in experience	3.35	7.49
<b>Net impact on the other comprehensive income before tax</b>	<b>11.73</b>	<b>14.45</b>

**Defined benefit plans assets**

(Currency: Indian Rupees in lacs)

Category of assets (% allocation)	As at March 31, 2021	As at March 31, 2020
<b>Insurer managed funds</b>		
- Government securities		
- Deposit and money market securities	117.20	117.21
- Debentures / bonds		
- Equity shares		
<b>Total</b>	<b>117.20</b>	<b>117.21</b>

**Actuarial assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.49%	6.56%
Salary escalation rate*	0.00% p.a. for the next 1 year, 6.26% p.a. for the next 1 years, starting from the 2nd year, 5.00% p.a. thereafter, starting from the 3rd year	0.00% p.a. for the next 2 years, 6.26% p.a. for the next 1 years, starting from the 3rd year, 5.00% p.a. thereafter, starting from the 4th year
Employee turnover rate	10%	10%

\* takes into account the inflation, seniority, promotions and other relevant factors

**Demographic assumptions**

Mortality in Service : Indian Assured Lives Mortality (2006-08)

**Sensitivity**

Year ended March 31, 2021	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1%	-9.58	10.74
Salary escalation rate	1%	9.59	-7.55
Employee turnover rate	1%	0.13	-0.25

Year ended March 31, 2020	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1%	-8.26	9.29
Salary escalation rate	1%	8.59	-5.70
Employee turnover rate	1%	-0.11	0.01

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

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

**Maturity**

The defined benefit obligations shall mature after year end as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
1st Following Year	29.17	12.25
2nd Following Year	19.67	18.23
3rd Following Year	14.83	15.40
4th Following Year	16.90	12.48
5th Following Year	20.26	13.42
Sum of 6 to 10	82.47	72.49
Sum of 11 years and above	99.75	88.62

## Centrum Broking Limited

### 31. Related party transactions

#### a. Name of related party by whom control is exercised"

- Centrum Capital Limited - Holding company

#### b. Fellow subsidiaries with whom transactions have taken place during the year

- Centrum Retail Services Limited  
 - Centrum Wealth Management Limited  
 - Centrum Financial Services Limited  
 - Centrum Capital Advisory Limited  
 - Centrum Microcredit Limited  
 - Centrum Investments Advisors Limited  
 - Centrum Alternative LLP  
 - Club 7 Holidays Limited  
 - Centrum ESPS Trust

#### c. Key Management Personnel

- K Sandeep Nayak  
 - Amitava Neogi (upto 30.09.2020)  
 - Nischal Maheshwari ( w.e.f 12.12.2019)  
 - Apexa Vashi (till 15.1.20)  
 - Balakrishna Kumar (from 19th June 2020)  
 - Rohit Jain (from 19th June 2020)

#### d. Relatives of Key Management Personnel

- Ms. Aditi Nanavaty  
 - Ms. Jasmine R. Nanavaty  
 - Mr. Alok Nanavaty  
 - Ms. Prachi Oak  
 - Mr. Rajesh Nanavaty  
 - Ms. Sheetal Neogi  
 - Mrs. Smeeta Neogi  
 - Nanavaty Associates  
 - V.K.Nanavaty Shares & Stock Brokers  
 - R.V. Nanavaty HUF  
 - V K Nanavaty HUF  
 - Mr. Subhas Gundappa Kutte  
 - Mr. Nilesh Subhas Kutte

(Currency: Indian Rupees in lacs)

Nature of Transactions	2020-21	2019-2020
<b>A) With Holding Company / Group Companies</b>		
<b>Loans and advances taken / repayment</b>		
- Centrum Retail Services Limited	1,250.00	910.00
- Centrum Wealth Management Limited	-	2,730.00
	-	-
<b>Loans and advances given / repayment</b>		
- Centrum Retail Services Limited	2,320.00	910.00
- Centrum Wealth Management Limited	-	5,160.00
	-	-
<b>Trade Receivable - recovered</b>		
- Centrum Wealth Management Limited	145.00	175.00
	-	-
<b>Brokerage Received</b>		
- Centrum Capital Limited	0.09	1.17
- Centrum Wealth Management Limited	-	0.00
- Centrum Financial Services Limited	0.08	2.87
- Centrum Retail Services Limited	0.06	0.00
	-	-
<b>Delayed Payment Charges Received</b>		
- Centrum Capital Limited	1.68	7.27
- Centrum Wealth Management Limited	0.00	-
- Centrum Financials Services Limited	-	0.03
- Centrum Retail Services Ltd	-	3.66
	-	-
<b>DP Charges Received</b>		
- Centrum Capital Limited	0.02	0.00
- Centrum Wealth Management Limited	0.47	-
- Centrum Financial Services Limited	0.01	-
- Centrum Capital Advisory Limited	0.15	0.05
- Centrum Retail Services Ltd	0.01	-

Nature of Transactions	2020-21	2019-2020
<b>Commission Received</b>	-	-
- Centrum Financial Services Limited	-	639.56
- Centrum Microcredit Limited	-	12.06
	-	-
<b>Consultancy Income Received</b>	-	-
- Centrum Capital Limited	-	27.00
- Centrum Financial Services Limited	-	294.95
	-	-
<b>Expenses Recovered</b>	-	-
- Centrum Capital Limited	1.70	2.10
- Centrum Financials Services Limited	5.38	8.56
- Centrum Retail Services Limited	-	4.84
- Centrum Microcredit Limited	1.05	-
- Centrum Wealth Management Limited	1.92	-
	-	-
<b>Rent Paid</b>	-	-
- Centrum Retail Services Limited	326.38	355.68
- Centrum Wealth Management Limited	-	2.01
	-	-
<b>Commission Paid</b>	-	-
- Centrum Wealth Management Limited	388.42	-
	-	-
<b>Interest Expense Paid</b>	-	-
- Centrum Wealth Management Limited	-	234.95
	-	-
<b>Interest received</b>	-	-
- Centrum Retail Services Ltd	98.32	-
	-	-
<b>Other Expenses Paid</b>	-	-
- Centrum Retail Services Limited	253.95	345.80
- Club 7 Holidays Limited	0.09	22.53
- Centrum Capital Limited	224.45	0.22
- Centrum Wealth Management Limited	0.35	73.25
	-	-
<b>Fixed Assets Purchased</b>	-	-
- Centrum Alternative LLP	0.12	-
	-	-
<b>Corporate Guarantees Received</b>	-	-
- Centrum Capital Limited	13,075.00	15,075.00
	-	-
<b>Closing Balances:</b>	-	-
<b>Receivables</b>	-	-
- Centrum Capital Advisory Limited	0.03	0.05
- Centrum Retail Services Limited	1,070.00	1.32
- Centrum Financial Services Limited	-	318.55
- Centrum Microcredit Limited	0.50	-
	-	-
<b>Payables</b>	-	-
- Centrum Capital Limited	11.05	2,889.07
- Centrum Wealth Management Limited	237.00	-
- Centrum Wealth Management Limited - Trading Ledger	0.00	10.03
- Centrum ESPS Trust	-	0.75
- Centrum Retail Services Limited - Trading Ledger	15.83	2,736.38
- Centrum Retail Services Limited - Others	1.52	8.72
- Centrum Financial Services Limited	202.75	1,023.49
	-	-
<b>B) Transactions with other Related Parties</b>	-	-
<b>Brokerage &amp; Commission Received</b>	-	-
- Key Managerial Personal and Relatives	1.32	0.85
- Centrum ESPS Trust-Brokerage	-	2.78
	-	-
<b>Remuneration paid</b>	-	-
- K Sandeep Nayak	60.54	106.62
- Amitava Neogi (till 30th Septmeber 2020)	29.02	79.30
- Nischal Maheshwari ( from 12th December 2019)	216.48	106.04
- Apexa Vashi (till 15th January 2020)	-	7.52
- Balakrishna Kumar (from 18th June 2020)	5.66	-
- Rohit Jain (from 18th June 2020)	31.21	-

Centrum Broking Limited

32. Fair value measurement

Financial Instrument by Category

(Currency: Indian Rupees in lacs)

	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Asset</b>						
Cash and cash equivalents	-	-	436.67	-	-	4,333.96
Bank balance other than cash and cash equivalents above	-	-	6,664.78	-	-	3,797.84
Trade receivables	-	-	1,689.62	-	-	4,194.65
Loans	-	-	1,070.00	-	-	-
Other financial assets	-	-	1,581.75	-	-	5,765.58
<b>Total Financial Assets</b>	-	-	<b>11,442.81</b>	-	-	<b>18,092.03</b>
<b>Financial Liability</b>						
Trade payables	-	-	7,945.63	-	-	13,748.09
Debt securities including accrued interest	-	-	-	-	-	-
Borrowings (other than debt securities) including accrued interest	-	-	503.20	-	-	1,270.49
Other financial liabilities	-	-	590.23	-	-	371.89
<b>Total Financial Liabilities</b>	-	-	<b>9,039.05</b>	-	-	<b>15,390.47</b>

**Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Financial assets and liabilities measured at amortised cost for which	Fair value hierarchy	As at March 31, 2021		As at March 31, 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>					
Loans	Level 3	1,070.00	1,070.00	-	-
<b>Financial liabilities</b>					
Borrowings (other than debt securities)	Level 2	149.61	149.61	940.58	940.58
Subordinated liabilities	Level 2	250.00	250.00	250.00	250.00
Other financial liabilities	Level 2	693.81	693.81	451.80	451.80

**Notes:**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financials assets, trade payables and other financial liabilities (excluding lease liability) are considered to be approximately equal to their fair values due to their short term nature.

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.

the fair value of the borrowings, subordinated liabilities and lease liability is determined using discounted cash flow analysis.

There are no transfers between levels 1 and 2 during the year.

## Centrum Broking Limited

### 33. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the Company is exposed to, how the Company manages the risk and the related accounting impact in the financial statements.

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### a) Credit risk management

Credit risk is the risk of financial loss, the Company may face due to current / potential inability or unwillingness of a customer or counterparty to meet financial/ contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of receivables. The Company has adopted a policy of dealing with creditworthy counterparties and obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults

#### b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The below table analyses the Company's non-derivative financial liabilities and financial assets into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the below table are the contractual un-discounted cash flows and exclude the impact of netting agreements.

(Currency: Indian Rupees in lacs)							
As at March 31, 2021	Carrying amount	Contractual cash flows					
		Gross nominal inflow/outflow	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
<b>Non-derivative financial liabilities</b>							
Trade payables	7,945.63	7,945.63	7,945.63	-	-	-	-
Borrowings (other than debt securities)	149.61	149.61	115.45	34.16	-	-	-
Subordinated liabilities	250.00	250.00	-	-	-	-	250.00
Other financial liabilities	693.81	693.81	518.89	-	42.28	29.05	103.59
<b>Total</b>	<b>9,039.05</b>	<b>9,039.05</b>	<b>8,579.98</b>	<b>34.16</b>	<b>42.28</b>	<b>29.05</b>	<b>353.59</b>
<b>Non-derivative financial assets</b>							
Cash and cash equivalents	436.67	436.67	436.67	-	-	-	-
Bank balance other than cash and cash equivalents above	6,664.78	6,666.08	1,241.00	246.00	5,109.08	70.00	-
Trade receivables	1,689.62	1,689.62	1,689.62	-	-	-	-
Loans	1,070.00	1,070.00	1,070.00	-	-	-	-
Other financial assets	1,581.75	1,582.40	1,226.85	146.68	-	3.12	205.75
<b>Total</b>	<b>11,442.82</b>	<b>11,444.76</b>	<b>5,664.14</b>	<b>392.68</b>	<b>5,109.08</b>	<b>73.12</b>	<b>205.75</b>

As at March 31, 2020	Carrying amount	Gross nominal inflow/outflow	Contractual cash flows					
			upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year	
<b>Non-derivative financial liabilities</b>								
Trade payables	13,748.09	13,748.09	13,748.09					
Borrowings (other than debt securities)	940.58	940.58	894.79	2.80	5.81		37.17	
Subordinated liabilities	250.00	250.00						250.00
Other financial liabilities	451.80	468.58	242.25	6.18	57.98		81.80	80.37
<b>Total</b>	<b>15,390.47</b>	<b>15,407.24</b>	<b>14,885.13</b>	<b>8.98</b>	<b>63.79</b>		<b>118.97</b>	<b>330.37</b>
<b>Non-derivative financial assets</b>								
Cash and cash equivalents	4,333.96	4,333.96	4,333.96					
Bank balance other than cash and cash equivalents above	3,797.84	3,798.58	1,368.50	246.00	2,184.08			
Trade receivables	4,194.65	4,194.65	4,194.65	-	-		-	-
Loans	-	-	-	-	-		-	-
Other financial assets	5,765.58	5,767.08	21.90	-	-		-	5,745.18
<b>Total</b>	<b>18,092.02</b>	<b>18,094.26</b>	<b>9,919.00</b>	<b>246.00</b>	<b>2,184.08</b>		<b>-</b>	<b>5,745.18</b>

The following table sets out the availability of the Bank's financial assets to support future funding

As at March 31, 2021	Encumbered		Unencumbered		Total
	Pledged as collateral	Other	Available as collateral	Other	
Cash and cash equivalents	-	-	-	436.67	436.67
Bank balance other than cash and cash equivalents	6,666.08	-	-	-	6,666.08
Trade receivables	358.10	-	1,331.52	-	1,689.62
Loans	-	-	1,070.00	-	1,070.00
<b>Total assets</b>	<b>7,024.18</b>	<b>-</b>	<b>2,401.52</b>	<b>436.67</b>	<b>9,862.37</b>

As at March 2020	Encumbered		Unencumbered		Total
	Pledged as collateral	Other	Available as collateral	Other	
Cash and cash equivalents	-	-	-	4,333.96	4,333.96
Bank balance other than cash and cash equivalents above	3,797.84	-	-	-	3,797.84
Trade receivables	1,784.12	-	2,410.52	-	4,194.64
Loans	-	-	-	-	-
<b>Total assets</b>	<b>5,581.96</b>	<b>-</b>	<b>2,410.52</b>	<b>4,333.96</b>	<b>12,326.44</b>

**c. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**i) Price risk**

Price risk exposes the Company to fluctuations in fair values or future cash flows of a financial instrument because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company is not exposed to price risk as at 31 March 2021, previous year NIL

**ii) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is not exposed to currency risk as at 31 March 2021, previous year NIL

**iii) Interest rate risk**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company is not exposed to interest rate risk as at 31 March 2021, previous year NIL



Centrum Broking Limited

34. Maturity analysis of assets and liabilities

(Currency: Indian Rupees in lacs)

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	436.67		436.67	4,333.96		4,333.96
Bank balance other than cash and cash equivalents above	6,594.78	70.00	6,664.78	3,797.84		3,797.84
Trade receivables	1,689.62		1,689.62	4,194.65		4,194.65
Loans	1,070.00		1,070.00	-		-
Other financial assets	1,373.53	208.87	1,582.40	20.40	5,745.18	5,765.58
<b>Non-financial assets</b>						
Non-financial assets						
Current tax assets (net)	-	240.35	240.35	-	198.20	198.20
Deferred tax Assets (Net)		1,126.98	1,126.98		962.50	962.50
Property, plant and equipment	-	141.60	141.60	-	192.53	192.53
Right to use		-	-		76.61	76.61
Other intangible assets		71.88	71.88		75.61	75.61
Other non-financial assets	83.87	4.14	88.01	92.36		92.36
<b>Total assets</b>	<b>11,248.47</b>	<b>1,863.82</b>	<b>13,112.29</b>	<b>12,439.19</b>	<b>7,250.63</b>	<b>19,689.83</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Trade payables			-			-
(i) total outstanding dues of micro enterprises and small enterprises			-			-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,945.63	-	7,945.63	13,748.09	-	13,748.09
Borrowings (other than debt securities)	149.61	-	149.61	903.41	37.17	940.58
Subordinated liabilities	-	250.00	250.00	-	250.00	250.00
Other financial liabilities	561.18	132.64	693.81	298.84	152.97	451.80
<b>Non-financial Liabilities</b>						
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	-	121.28	121.28	-	78.02	78.02
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	209.29	-	209.29	356.99	-	356.99
<b>Total liabilities</b>	<b>8,865.70</b>	<b>503.92</b>	<b>9,369.62</b>	<b>15,307.33</b>	<b>518.16</b>	<b>15,825.48</b>
<b>Net</b>	<b>2,382.77</b>	<b>1,359.90</b>	<b>3,742.67</b>	<b>-2,868.13</b>	<b>6,732.47</b>	<b>3,864.34</b>

Change in liabilities arising from financing activities

Particulars	As at March 31, 2019	Cash flows	Other	As at March 31, 2020	Cash flows	Other	As at March 31, 2021
Subordinated debt securities including accrued interest thereon	307.77	-	22.15	329.91		23.67	353.59
Borrowings other than debt securities including accrued interest thereon	5,077.54	-4,136.96	-	940.58	-790.97		149.61
<b>Total liabilities from financing activities</b>	<b>5,385.31</b>	<b>-4,136.96</b>	<b>22.15</b>	<b>1,270.49</b>	<b>-790.97</b>	<b>23.67</b>	<b>503.19</b>

Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

## Centrum Broking Limited

### 35. Segment information

The Company's Chief financial officer (CFO) and Managing director (MD) have been identified as the Chief Operating Decision Maker, examine the Company's performance on an entity level. The Company has only one reportable segment i.e. Broking. The company does not have any reportable geographical segment. Thus the segment revenue, segment results, total carrying value of segment assets and segment liabilities, total costs incurred to acquire segment assets, total amount of charge of depreciation during the period are all reflected in the financial statements. No single customer contributes more than 10% of the total revenue earned during the year.

### 36. Earning / Expenditure in Foreign currency

(Currency: Indian Rupees in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Earning</b>		
- Consultancy Income	10.35	17.95
<b>Expenditure</b>		
- Travelling	-	5.89
- Subscription	13.55	16.76
<b>Total Expenditure</b>	<b>13.55</b>	<b>22.65</b>

### 37. Dividend paid and proposed

The Company has not declared any dividend during the year. Further, no dividend is proposed for approval at Annual General Meeting.

### 38. Commitments and contingencies

(Currency: Indian Rupees in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against company not acknowledged as debt	146.68	5.26

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

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

**Suril Shah**  
Partner  
Membership No: 42710  
**Mumbai**  
**7th June 2021**

#### For and on behalf of the Board of Directors of Centrum Broking Ltd

**K Sandeep Nayak**  
Director  
DIN: 03281505

**Nischal Maheshwari**  
Director  
DIN: 00279658

**Rohit Jain**  
CFO

**Balakrishna Kumar**  
Company Secretary

**Mumbai**  
**7th June 2021**