



# Centrum Financial Services Limited

Annual Report 2021-22

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## Board of Directors

**Mr. Ranjan Ghosh**

Managing Director & CEO

**Mr. Rishad Byramjee**

Non-executive Director

**Mr. Shailendra Apte**

Non-executive Director

**Mr. G. S. Sundararajan**

Independent Director

**Ms. Dipali Sheth**

Independent Director

**Mr. Siddhartha Sengupta**

Independent Director

## Key Managerial Personnel

(other than MD & CEO)

**Mr. Abhishek Baxi**

Chief Financial Officer

**Ms. Archana Goyal**

Company Secretary

## Corporate Information

**Registered Office:**

2nd 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  
cs@centrum.co.in

**Website** – [www.centrum.co.in](http://www.centrum.co.in)

**Corporate Identification Number:**

U65910MH1993PLC192085

**Statutory Auditors:**

M/s. Shah & Taparia & Co.

**Registrar & Share Transfer Agents:**

**1. Link Intime India Private Limited**

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

**2. NSDL Database Management Limited**

Kamala Mills Compound, 4th Floor, Trade  
World, A Wing, Times Tower, Lower Parel,  
Mumbai - 400 013

# Directors' Report

## DIRECTORS' REPORT

To  
The Members,  
Centrum Financial Services Limited,

Your Directors are pleased to present the Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2022.

### FINANCIAL HIGHLIGHTS

(Amt. in Rs. Crs.)

Particulars	Year ended March 31, 2022 (As per INDAS) (Continued Operations)	Year ended March 31, 2022 (As per INDAS) (Dis- Continued Operations)	Year ended March 31, 2021 (As per INDAS)
Total Revenue	-	79.29	140.85
Total Expenses	3.33	78.70	138.18
Profit/ (Loss) before exceptional items	(3.33)	0.59	2.66
Exceptional Items	-	5.94	-
Profit/ (Loss) after exceptional items from Discontinued Operations	6.53	6.53	-
Less: Taxation Expenses	4.07	4.07	0.84
Profit / (Loss) after tax	(0.87)	2.46	1.82
Other Comprehensive Income	(0.12)	(0.17)	0.03
Total Income post considering other Comprehensive income	(0.99)	2.29	1.85
Balance of profit/ (loss) for earlier years	(14.06)	-	(5.94)
Add: Profit for the year	(0.99)	2.29	1.85
Less: Transfers to reserve*/profit or loss for the year	18.08 (2.77)	-	9.97
Balance carried forward	0.25	-	(14.06)

\*During the financial year ended March 31, 2022, the loans and advances held by the Company were transferred to Unity Small Finance Bank Limited, as required by the RBI License issued on October 12, 2021.

As on the date of transfer, the Company held INR 18.08 Cr in impairment reserve as required by RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020. As on March 31, 2022, the Company does not hold any loans and advances. The Company has grouped it under retained earnings for financial year ended March 31, 2022. The Management has also sought ratification of the same from RBI vide a communication dated March 30, 2022. This amount shall not be available for appropriation pending ratification by RBI.

### FINANCIAL PERFORMANCE

**Discontinued Operations:** The Gross income from Discontinued operations of the Company is ₹ 79.29/- Crore in FY 2021-22 as against ₹ 140.85 in FY 2020-21. The net profit for the year under review is ₹ 2.29/- Crore against net profit of ₹ 1.85 Crore in the previous year.

**Continued Operations:** There have been no NBFC business operations in the Company post the transfer of its business undertaking to Unity Small Finance Bank Limited i.e. November 01, 2021. The Gross income from continued operations of the Company is ₹ NIL/- for the period November 1, 2021 to March 31, 2022 for 5 (five) months in FY 2020-21. The net loss for the year under review post the transfer of its business undertaking to Unity SFB ₹ 3.33/- Crore

### **PERFORMANCE OF BUSINESS AND SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The Reserve Bank of India (“RBI”) on June 18, 2021, granted an ‘in-principle approval’ to the Company to establish a small finance bank in the private sector under Section 22 of the Banking Regulation Act, 1949. Pursuant to this, Unity Small Finance Bank Limited (“Unity SFB”) was incorporated as a subsidiary of the Company on August 25, 2021. Further, RBI vide its letter dated October 12, 2021 granted a banking license to Unity SFB to carry on the Small Finance Bank business. In compliance with the conditions of the RBI license, the Company executed Business Transfer Agreement (BTA) dated October 26, 2021, with Unity SFB for transfer of entire business undertaking of the Company to Unity SFB via slump sale, on a going concern ‘as-is-where-is’ basis. Consequently, all assets and liabilities of the Company were transferred to Unity SFB w.e.f. November 01, 2021.

There have been no NBFC business operations in the Company post the transfer of its business undertaking to Unity SFB i.e. November 01, 2021.

As a part of the conditions for issue of license dated October 12, 2021 to Unity Small Finance Bank Limited, the Company is required to register itself as Core Investment Company (CIC) with RBI. In compliance of the same, the Company has already applied for conversion of the Company from Systemically Important- Non Deposit Accepting- Non Banking Financial Company - Investment and Credit Company, into a Core Investment Company. The approval from RBI is awaited.

During the year Centrum Retail Services Limited (CRSL) has transferred its entire shareholding in the Company to Centrum Capital Limited (CCL), the ultimate holding company. The Company is a wholly-owned subsidiary of CCL with effective from August 23, 2021.

### **RESOURCES**

During the year under review, the Company has redeemed an amount of ₹ 268.5 Crore raised earlier in multiple tranches through private placement by way of issue of secured, listed, rated, redeemable, non-convertible principal protected market linked debentures bearing a face value of ₹ 1,00,000/- each. The Company has also raised an amount of ₹ 25 Crore in multiple tranches by way of issue of Commercial Papers.

Pursuant to the transfer of ‘business undertaking’ of the Company to Unity Small Finance Bank Limited (“Unity SFB”) via slump sale, on a going concern and ‘as-is-where-is’ basis, all the Non-Convertible Debentures and Commercial Papers issued were transferred to Unity SFB w.e.f. November 1, 2021.

### **TRANSFER TO RESERVES**

The Company has not transferred any amount to reserves during the period under review.

### **SHARE CAPITAL**

During the financial year under review, the authorized share capital of the Company has remained unchanged at ₹ 1,50,00,00,000/- and paid up capital is unchanged at ₹ 9,89,56,942/-.

## **DIVIDEND**

In order to conserve resources, your Directors do not recommend any dividend for the financial year 2021-22.

## **LISTING FEES**

The Company's Secured, listed, rated, redeemable, non-convertible principal protected market linked debentures were listed on the BSE Limited. The Company had paid listing fees up to the financial year 2021-22. Pursuant to the Business Transfer Agreement executed on 26th October, 2021, all debt securities of the Company were transferred to Unity Small Finance Bank Limited w.e.f November 1, 2021. BSE Limited approved the delisting of Non-Convertible Debentures in the name of the Company w.e.f. 24th December, 2021.

## **SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

During the Year under review the Company has incorporated following subsidiary companies:

1. Ignis Capital Advisors Limited
2. Unity Small Finance Bank Limited.

Ignis Capital Advisors Limited was transferred to the ultimate holding company of the Company, ie. Centrum Capital Limited with effect from October 01, 2021.

Further, a Report on the performance and financial position of the subsidiaries companies and the salient features of the financial statements in the prescribed form AOC-1 is annexed as **Annexure-A**.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

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

## **AUDITORS AND AUDITORS' REPORT**

M/s Shah & Taparia & Co., Chartered Accountants, Mumbai having firm registration No. FRN 109463W were appointed as the Statutory Auditors of the Company to fill the casual vacancy caused due to resignation of M/s. Haribhakti & Co LLP, for a period of three years from the financial year FY 2021-22 till the conclusion of the Annual General meeting of the Company to be held for the year 2024. Pursuant to Section 141 of the Act, the Auditors have represented that they are not disqualified and continue to be eligible to act as the Auditor of the Company.

There are no observations/ qualifications of the Auditors in their report for the FY 2021-22.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Alwyn Jay & Co, Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is appended herewith as **Annexure – B**.

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

## **INTERNAL AUDITORS & THEIR REPORT**

During the financial year, the Internal Audit of the Company was conducted by M/s. Pinnacle Global Consultancy, Chartered Accounts from April 01, 2021 till September 30, 2021 and M/s F. K Mody &

Co., Chartered Accounts, from October 01, 2021 till March 31, 2022. The reports of these internal auditors were duly deliberated, considered, reviewed or noted by the Audit Committee and the Board meetings of the Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company, Mr. Ranjan Ghosh (DIN: 07592235) retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

There were following changes in the Board/KMPs, during the financial year under review:

1. Mr. Subrata Kumar Mitra (DIN: 00029961) resigned as an Independent Director of the Company with effect from January 25, 2021. The Board places on record its sincere appreciation for valuable services rendered by Mr. Mitra as an Independent Director of the Company.
2. Mr. Ranjan Ghosh (DIN: 07592235) was reappointed as a Managing Director & CEO of the Company for a period of three years with from August 23, 2022 till August 22, 2022, his appointment shall be regularised by the Members at the ensuing general meeting of the Company.

As on March 31, 2022, the Company has the following Key Managerial Personnel:

- 1) Mr. Ranjan Ghosh – Managing Director & Chief Executive Officer
- 2) Mr. Abhishek Baxi – Chief Financial Officer
- 3) Ms. Archana Goyal – Company Secretary

#### **MEETINGS OF THE BOARD AND COMMITTEES**

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

<b>Particulars</b>	<b>Board</b>	<b>Audit Committee</b>	<b>Nomination &amp; Remuneration Committee</b>	<b>Finance Committee</b>
<b>Number of Meetings</b>	7	4	1	10
<b>Dates of Meetings</b>	09.04.2021, 07.05.2021, 25.06.2021, 26.07.2021, 23.08.2021, 20.10.2021, 24.01.2022.	07.05.2021, 26.07.2021, 20.10.2021, 24.01.2022.	31.12.2021.	07.04.2021 20.05.2021 22.06.2021 01.07.2021 27.07.2021 12.08.2021 14.09.2021 27.09.2021 18.10.2021 28.02.2022
	<b>Attendance of Directors/Committee Members</b>			
Mr. Ranjan Ghosh	7	NA	NA	10



Mr. Rishad Byramjee	7	NA	1	NA
Mr. Shailendra Apte	6	4	1	10
Mr. G. S. Sundararajan	7	4	1	NA
Ms. Dipali Sheth	7	NA	1	NA
Mr. S.K. Mitra	7	NA	NA	NA
Mr. Siddhartha Sengupta	7	4	NA	NA

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

None of the Non-Executive Directors and Independent Directors had any pecuniary relationships or transactions with the Company during the year under review, apart from receiving sitting fees for attending board and committee meetings.

#### **INDEPENDENT DIRECTORS’ MEETING**

A meetings of Independent Directors was held on April 12, 2021 and April 08, 2022, as per schedule IV of the Companies Act, 2013.

#### **RISK MANAGEMENT FRAMEWORK**

Prior to the transfer of business to Unity Small Finance Bank Limited, the Company had robust risk management practice that enabled it to mitigate and manage risks in its businesses. The risk function was structured to operate independently from the business groups. There was a risk management framework to inform the Board/ Credit Committee/ Risk Management Committee about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. The Risk Management Committee of the Company met periodically wherein different aspects of probable risks to the business were discussed at length and its mitigants are identified. Since the Company terminated its operations w.e.f November 1, 2021 the said requirement was done away with.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN, AND SECURITIES PROVIDED**

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

#### **LOAN TO PURCHASE SHARES OF THE COMPANY**

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

#### **RELATED PARTY TRANSACTIONS**

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Related Party Transactions Policy. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for prior approval/ratification. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance. Particulars of the material related party transactions are disclosed in the Form AOC-2 and are provided in **Annexure C** to this Report.

#### **POLICY ON RELATED PARTY TRANSACTIONS**

The Policy on Related Party Transactions is uploaded on the website of the company, viz. [www.centrum.co.in](http://www.centrum.co.in)

#### **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 D** which forms a part of this report.

#### **PARTICULARS OF DEPOSITS**

The Company being a 'Non-Deposit taking Systemically Important Non-Banking Financial Company' has not accepted public deposits during the year under review and shall not accept any deposits from the public without obtaining prior approval of the RBI. Accordingly, the disclosure requirements under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

#### **DISCLOSURES BY DIRECTORS**

The Directors on the Board have submitted notice of interest under Section 184(1) and intimation under Section 164(2).

#### **DECLARATION BY INDEPENDENT DIRECTORS**

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

#### **AUDIT COMMITTEE**

The constitution of the Audit Committee as on March 31, 2022, is as follows:

<b>Sr. No</b>	<b>Name</b>	<b>Category</b>	<b>Designation in the Committee</b>
1	Mr. G S Sundararajan	Independent Director	Chairman
2	Mr. Siddhartha Sengupta	Independent Director	Member
3	Mr. Shailendra Apte	Non-Executive Director	Member

#### **NOMINATION & REMUNERATION COMMITTEE**

The constitution of the Nomination & Remuneration Committee as on March 31, 2022, is as follows:

<b>Sr.No</b>	<b>Name</b>	<b>Designation</b>	<b>Designation in the Committee</b>
1	Ms. Dipali Sheth	Independent Director	Chairperson
2	Mr. G S Sundararajan	Independent Director	Member
3	Mr. Rishad Byramjee	Non-Executive Director	Member
4	Mr. Shailendra Apte	Non-Executive Director	Member

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The constitution of the Stakeholders Relationship Committee as on March 31, 2022, is as follows:

<b>Sr. No</b>	<b>Name</b>	<b>Position in the Committee</b>
1	Mr. Shailendra Apte	Chairperson
2	Mr. Ranjan Ghosh	Member

No meeting of the Committee was held during the year.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **POLICY OF THE COMPANY ON DIRECTOR'S APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The Company follows its policy on Director's Appointment and Remuneration for Directors, Key Managerial Personnel and other Employees. The Nomination and Remuneration Policy is appended as **Annexure E**.

## **PERFORMANCE EVALUATION**

The Board of Directors carried out an annual evaluation of the Board itself, its Committees and individual Directors. The entire Board carried out performance evaluation of each Directors.

The evaluation was done after taking into consideration the inputs received from Directors, setting out parameters for evaluation. Evaluation parameters of the Board and Committees were based on Disclosure of Information, Key functions of the Board and Committees, responsibilities of the Board and Committees, etc. Evaluation parameters of individual Directors, the Board and Independent Directors were based on knowledge to perform the role, time and level of participation, performance of duties and level of oversight and professional conduct, etc.

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company needs to make expenditure towards Corporate Social Responsibility (CSR) as per the provisions of Section 135 of the Companies Act, 2013, read with Rules made thereunder and the CSR Policy of the Company. A brief note on CSR Committee, CSR Activities, etc. is enclosed herewith as **Annexure F**.

The Company was not required to incur any CSR Expenditure during the FY 2021-22. Further, the Company does not have any amount outstanding to be spent towards CSR for previous years.

#### **VIGIL MECHANISM**

The Company has a vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013. During the year under review, no instances were reported to the Chief Vigilance Officer (CVO) of the Company. As on March 31, 2022 there were no employees in the Company.

The aforesaid mechanism is available on the website of the Company.

#### **REPORTING OF FRAUDS**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Companies Act, 2013 and Rules framed thereunder.

#### **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.

There was one outward foreign currency transaction amounting to ₹ 41,20,350.93/- (75,000 Singapore Dollars) during the FY 2021-22.

#### **HUMAN RESOURCE AND EMPLOYEE RELATIONSHIP**

The Company initiated many employee engagement activities and structured initiatives that foster motivation, team work and result-orientation. Special measures were taken to keep the team together during Covid times. Employee's safety was given primary importance and 'work from home' was encouraged whenever required.

The Company has adopted "Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace" and has also constituted an Internal Complaints Committee (ICC).

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

As on March 31, 2022 there were no employees in the Company.

### **INTERNAL FINANCIAL CONTROL AND ADEQUACY**

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

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

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

### **EXTRACT OF ANNUAL RETURN**

The Annual Return of the Company as on March 31, 2022, in Form MGT-7 in accordance with Section 92(3) of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014, shall be available on the website of the Company at [www.centrum.co.in](http://www.centrum.co.in)

### **EMPLOYEES STOCK OPTION**

Pursuant to the slump sale of business undertaking all the employees of the Company were transferred to Unity Small Finance Bank Limited w.e.f. November 01, 2021. Post received of consent from all the employees, the ESOPs granted were forfeited in accordance with the Scheme. After due approval of the shareholders the CFSL Employee Incentive Plan, CFSL Employee Incentive Scheme – Series I, CFSL Employee Incentive Scheme – Series II, CFSL Employee Incentive Scheme – Series II,I were rescinded.

Thus, as on March 31, 2022 there are no outstanding options granted by the Company. Further, there are no employees on the rolls of the Company.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

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

### **DEBENTUREHOLDERS RELATED INFORMATION:**

**a. Registrar and Transfer Agents**

**: Link Intime India Private Limited**

C-101, 247 park L B Marg, Vikhroli West,  
Mumbai 400 083

Tel. No. 022 -49186000

Fax No.: 022 - 49186060

Email: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

**: NSDL Database Management Limited**

4th Floor, Trade World A Wing, Kamala Mills  
Compound, Senapati Bapat Marg, Lower Parel,  
Mumbai - 400 013

Tel. No. 022 -4914 2700

**c. Address for Correspondence:**

**1. To the Company:**

<b>Registered Office:</b>	<b>Corporate Office:</b>
Bombay Mutual Building, 2 <sup>nd</sup> Floor, Dr. D.N. Road, Fort, Mumbai - 400001 Tel No: 022 – 22662434; Fax No.: 022 - 22611105 Email: <a href="mailto:info@centrum.co.in">info@centrum.co.in</a> ; <a href="mailto:cs@centrum.co.in">cs@centrum.co.in</a>	Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400098 Tel No.: 022 – 42159000; Fax No.: – 022 42159940 Email: <a href="mailto:info@centrum.co.in">info@centrum.co.in</a> ; <a href="mailto:cs@centrum.co.in">cs@centrum.co.in</a>

**d. Debenture Trustees**

i. Beacon Trusteeship Ltd  
4C & D, Siddhivinayak Chambers,  
Gandhi Nagar, Opp MIG Cricket Club,  
Bandra (East), Mumbai 400 051  
M +91 9969252499  
Website: <http://beacontrustee.co.in/>

**POLICIES AND DISCLOSURE REQUIREMENTS**

In terms of provisions of the Act and RBI regulation the Company has adopted the required policies.

**GENERAL**

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

1. Details relating to Deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. There was no instance of non-exercising of voting rights in respect of shares purchased directly by the employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 and hence no information has been furnished.
4. The Policies of the Company are uploaded on the website of the Company, viz. [www.centrum.co.in](http://www.centrum.co.in)

**ACKNOWLEDGEMENTS**

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

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

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

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

**Shailendra Apte  
Non-Executive Director  
DIN: 00017814**

**Place: Mumbai  
Date: May 30, 2022**

*Note: Annexures D does not form a part of printed version of this report.*

**ANNEXURE A  
FORM AOC-1**

( Pursuant to Section 129(3) of the Companies Act 2013 read with rules 5 of the of the Companies (Accounts) Rules , 2014.)

**PART A - Summary of Financial Information of Subsidiary Company**

Name of the subsidiary Company	Unity Small Finance Bank Limited
Reporting Currency	Rs. In Lacs
Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2021 to 31/03/2022 (Same as Holding Company)
Exchange Rate	-
Paid up Equity Share Capital	70,490
Paid up Preference Share Capital	15,606
Reserves of the Subsidiary	53,141
Total Assets of the subsidiary	1,081,083
Total Liabilities of the subsidiary	888,687
Investments	277,105
Total Turnover	15,424
Profit/ (Loss) before Taxation	(15,733)
Provision for taxation	772.04
Other Comprehensive income (Net of Taxes)	-
Profit/ (Loss) after Taxation	(14,961)
Proposed Dividend	-
% of Holding ( Note1 )	51.00%

**Note 1**

*%age of holding is of immediate Holding Company.*

**BY ORDER OF THE BOARD  
For Centrum Financial Services Limited**

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

**Shailendra Apte  
Non-Executive Director  
DIN: 00017814**

**Place: Mumbai  
Date: May 30, 2022**



# Alwyn Jay & Co. Company Secretaries

[Firm Registration No: P2010MH021500] [Peer Review Certificate No.621/2019]

Annex-103, Dimple Arcade, Asha Nagar, Kandivali (East), Mumbai 400101.  
Branch Office: B-002, Gr. Floor, Shreepati-2, Royal Complex, Behind Olympia Tower,  
Mira Road (E), Thane-401107 ; Tel: 022-79629822 ; Mob: 09820465195; 09819334743  
Email : [alwyn@alwynjay.com](mailto:alwyn@alwynjay.com) Website:[www.alwynjay.com](http://www.alwynjay.com)

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

To,

The Members,

**Centrum Financial Services Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Centrum Financial Services Limited** (CIN: U65910MH1993PLC192085) (hereinafter called "the Company").

Subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct, statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022**, complied with the

statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2022** in accordance with the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as amended from time to time - As applicable to the Company with respect to its listed debentures -**
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable to the Company**;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company;**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not applicable to the Company;**
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - 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 - **Not applicable to the Company;**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company;**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable to the Company;**
  - i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other specific business/industry related laws applicable to the Company - The Company has complied with the Reserve Bank of India Act, 1934, Non-Banking Financial Company Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, Non-Banking Financial Company Returns (Reserve

Bank) Directions, 2016 and the other applicable general laws, rules, regulations and guidelines.

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **to the extent applicable to Listed Non-convertible Debentures.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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.

The minutes of the Board meetings and Committee Meetings have not identified any dissent by members of the Board /Committee of the Board respectively hence we have no reason to believe that the decisions by the

Board were not approved by all the directors/members present. The Minutes of the Board meetings and Committee meetings were duly approved at the meeting by the Chairman of the meeting.

**We further report that,** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**We further report that** during the audit period the following events / actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. Approval of the Board of Directors of the Company was obtained at the Meeting held on 9<sup>th</sup> April, 2021:
  - a. to acquire the Bond Trading Business of Gundlupet Finance and Investments Private Limited as a going concern on a Slump Sale and as is where is basis, together with the transfer of the economic interest for a consideration of upto Rs.35 Crores;
  - b. to incorporate a Wholly Owned Public Limited Subsidiary Company and invest upto Rs.10 Crores in the same in one or more tranches.
2. Approval of the Shareholders was obtained at the Annual General Meeting held on 17<sup>th</sup> August, 2021 to create, offer, issue and allot any securities on private placement or preferential allotment basis or through other modes, for cash or for consideration other than cash or a combination of both, at par or

at premium or at discount as may be decided by the Board, in one or more tranches, to such persons or entities as the Board may decide so for aggregate value /amount of funds not exceeding Rs.1000 Crores.

3. Approval of the Shareholders was obtained at the Extra Ordinary General Meeting held on 10<sup>th</sup> September, 2021:
  - a. to sale/ transfer the Business Undertaking of the Company to its proposed subsidiary [Small Finance Bank (SFB)], by way of a slump sale, as a going concern, on 'as-is-where-is' basis, at a consideration amounting to Rs. 316.00 Crores;
  - b. to invest up to Rs. 1400 crores in the proposed SFB in compliance with the requirements of the In Principle Approval, in one or more tranches, through any of the customary modes of investment or by subscription to any instruments/ securities issued by the said SFB over a period of 5 years or such extended period as may be approved by the Board.
4. The Company has transferred the entire 'business undertaking' to the Unity Small Finance Bank Limited "Unity SFB" (Subsidiary Company) via slump sale, on a going concern and 'as-is-where-is' basis by execution of a Business Transfer Agreement dated 26<sup>th</sup> October, 2021. The said transfer has become effective from 1<sup>st</sup> November, 2021.
5. Pursuant to the transfer through the execution of a Business Transfer Agreement dated 26<sup>th</sup> October, 2021, all debt securities of the Company were transferred to Unity SFB. The BSE Limited vide notice dated 23<sup>rd</sup> December, 2021 effective from 24<sup>th</sup> December, 2021 had approved delisting of Non-Convertible Debentures issued by the Company.

6. Approvals of the Nomination and Remuneration Committee and Board of Directors of the Company were obtained at the Meeting held on 31st December, 2021 and 24th January, 2022 respectively to forfeit the entire 42,37,387 outstanding stock options issued by the Company under the CFSL Employee Incentive Plan ("Plan"), CFSL Employee Incentive Scheme –Series I, CFSL Employee Incentive Scheme –Series II and CFSL Employee Incentive Scheme –Series III ("Schemes") with effect from October 31, 2021 and termination/ forfeiture of the contract through which the grants were issued and to scrap and rescind the said plan and schemes formulated by the Company.
7. The Company had transferred its Wholly Owned Subsidiary Company, Ignis Capital Advisors Limited to Centrum Capital Limited, Holding Company of the Company during the quarter ended 31<sup>st</sup> December, 2021.

Place : Mumbai

Date : 30<sup>th</sup> May, 2022



**ALWYN JAY & Co.**

Company Secretaries



Office Address :

Annex-103, Dimple Arcade,  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

**[ Jay D'Souza FCS.3058 ]**

(Partner)

[ Certificate of Practice No.6915]

**[UDIN : F003058D000423940]**

**Note:** 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.

## Annexure A

To

The Members,

**Centrum Financial Services Limited**

Our Secretarial Compliance Report of even date is to be read along with this letter.

1. The compliance of provisions of all regulations, circulars and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) and the Securities Contracts (Regulation) Act, 1956 (SCRA) and rules made thereunder applicable to **Centrum Financial Services Limited** (hereinafter called 'the Bank') is the responsibility of the management of the Bank. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Compliance Report.
2. Maintenance of secretarial and other records under regulations, circulars and guidelines prescribed under the SEBI Act and the SCRA and rules made thereunder is the responsibility of the management of the Bank. Our responsibility is to issue Secretarial Compliance Report, based on the audit of the relevant records maintained and furnished to us by the Bank, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Bank due to COVID-19 Pandemic restrictions and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Compliance Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.



5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Compliance Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

Place : Mumbai

Date : 30<sup>th</sup> May, 2022

**ALWYN JAY & Co.**

Company Secretaries



A handwritten signature in blue ink, appearing to read "Jay D'Souza".

Office Address :

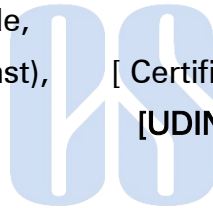
Annex-103, Dimple Arcade,  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

[ Jay D'Souza FCS.3058 ]

(Partner)

[ Certificate of Practice No.6915]

[UDIN : F003058D000423940]



**ANNEXURE -C**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: NA
2. Details of contracts or arrangements or transactions at Arm's length basis.

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name (s) of the related party & nature of relationship	Unity Small Finance Bank Limited, Subsidiary Company
2	Nature of contracts/arrangements/transaction	Transfer of the Business Undertaking of the Company.
3	Duration of the contracts/arrangements/transaction	NA
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Transfer of entire business undertaking of the Company to Unity Small Finance Bank Limited by way of a Slump sale as a going concern, on 'as-is-where-is' basis at a consideration amounting to INR 316.00 Crore (Rupees Three Hundred Sixteen Crore only) through execution of Business Transfer Agreement (BTA) dated October 26, 2021
5	Date of approval by the Board	23/08/2021
6	Amount paid as advances, if any	NA

**For Centrum Financial Services Limited**

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

**Shailendra Apte**  
Non-Executive Director  
DIN: 00017814

**Place: Mumbai**  
**Date: May 30, 2022**

## **Annexure –E**

### **NOMINATION AND REMUNERATION POLICY**

#### **BACKGROUND**

Section 178 of the Companies Act, 2013 (“the Act”), as amended from time to time, read with Part D of Schedule II of the Listing Regulations, requires the Nomination and Remuneration Committee (“NRC” / “the Committee”) to formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel (“KMPs”), Senior Management and other employees of Centrum Financial Services Limited (“the Company”) and recommend the same for approval of the Board. Further, Section 178(4) of the Act stipulates that such policy is required to be disclosed in the Board’s Report.

Section 134 of the Act stipulates that the Board’s Report is required to include a statement on Company’s policy on Directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and remuneration for KMPs and other employees.

#### **1. Objectives & Applicability**

The NRC and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable guidelines of the Listing Regulations.

The Key Objectives of the NRC shall be:

- To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management rewards linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan

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. The Company shall mean Centrum Financial Services Limited

2.4. Directors mean Directors of the Company.

2.5. Key Managerial Personnel means

- Chief Executive Officer or the Managing Director or the Manager;
- Whole-time Director;
- Chief Financial Officer;
- Company Secretary; and
- Such other officer as may be prescribed.

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

### **3. ROLE OF NRC**

#### **3.1. Matters to be dealt with, perused and recommended to the Board by the NRC**

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy.
- Recommend to the Board, appointment including the terms and removal of Directors, KMPs and Senior Management Personnel.

#### **3.2. Policy for appointment and removal of Director, KMPs 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 with the objective of having a Board with diverse background and experience in business, education and public service and recommend to the Board his / her appointment.

Attributes 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.

Appointment of Independent Directors is subject to the provisions of Section 149 of the Act read with Schedule IV and rules thereunder and the Listing Regulations. The NRC shall check that the proposed person satisfies the criteria of independence as stipulated under Section

149(6) of the Act and the Listing Regulations, before his/ her appointment as an Independent Director.

No person shall be appointed as a Director, if he/she is subject to any disqualifications as stipulated under the Act or any other law(s) for the time being in force.

- b) A person shall 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. No re-appointment of a Whole-time Director shall be made earlier than one year before the expiry of the current term.

In determining whether to recommend a Director for re-election, the Committee shall consider 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 Chairman, Managing Director or Executive Director for a term not exceeding Three/Five years at a time. As mentioned above, no re-appointment shall be made earlier than one year before the expiry of the current 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 shall be ensured that the number of Boards on which such Independent Director serves as an Independent Director is restricted to seven listed companies and three listed companies 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. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMPs and Senior Management Personnel at regular interval (Yearly).

#### **A. Non-Executive Directors/ Independent Directors:**

The NRC shall carry out evaluation of performance of Non-Executive Directors/ Independent Directors every year ending March 31st on the basis of the following criteria:

1. Number of the Board/ Committee meetings attended
2. Contribution during the Meetings.
3. Informal Interaction with the Management
4. Active Participation in strategic decision making
5. Inputs to executive management on matters of strategic importance

#### **B. Executive Directors**

The Committee shall carry out the evaluation of every Executive Directors, on a yearly basis.

#### **C. Senior Management/ KMPs/ Employees**

The Human resource ("HR") Department shall carry out the evaluation of the senior management/ KMPs/ employees, every year ending March 31st, with the Department Head(s)/ Management concerned. Key Responsibility Areas ("KRAs") shall be identified well in advance. Performance benchmarks shall be set and evaluation of employees shall be done by the respective reporting Manager(s)/ Management to determine whether the set performance benchmarks are achieved. The payment of remuneration/annual increment to the aforementioned persons shall be determined after the satisfactory completion of evaluation process.

The HR Department of the Company is authorized to design the framework for evaluating the EDs/KMPs/Senior Management Personnel/Employees.

The objective of carrying out the evaluation by the Company shall be to identify and reward those with exceptional performances during any financial year. Training and Development Orientation programs on a need basis shall be provided to employees, whose performance during any financial year does not meet the benchmark criteria.

### 3.2.4. Removal

Due to reasons of any disqualification mentioned in the Act or under any other applicable Acts, 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.

### 3.2.5. Retirement

The Director, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board shall have the discretion to retain the Director, KMPs, 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) NRC while determining the criteria for remuneration for Directors, KMPs/Senior Management and other employees ensures that:
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate personnel of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- b) The remuneration / compensation / commission etc. to the Executive Directors, KMPs 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.
- c) The remuneration and commission to be paid to the Whole-time Directors 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.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Directors, the Chief Executive Officer, the 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 Whole-time Directors, KMPs and Senior Management Personnel:

#### a) Fixed pay:

The Executive Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as approved by the Board/ Committee, as the case may be. 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/ Committee/ the Person authorized by the Board/ Committee and approved by the shareholder 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 Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the 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:

Overall remuneration shall 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 the committees of which they may be members) and commission within the 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 shall be recommended by the NRC and approved by the Board.

Overall remuneration (sitting fees and commission) shall 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 shall be consistent with recognised best practices.

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 Visits, 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. NOMINATION DUTIES**

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

4.1 Ensuring that there is an appropriate induction in place for new Directors and reviewing its



effectiveness;

4.2 Ensuring that on appointment to the Board, the Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

4.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

4.4 Determining the appropriate size, diversity and composition of the Board;

4.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

4.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

4.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

4.7 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.

4.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

4.9 Recommend any necessary changes in the Policy to the Board; and

4.10 Considering any other matters, as may be requested by the Board.

## **5. REMUNERATION DUTIES**

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

5.1 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 regarding all elements of the remuneration of the members of the Board.

5.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company, in line with the Policy, maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

5.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.

5.4 to consider any other matters as may be requested by the Board.

5.5 Professional indemnity and liability insurance for Directors and senior management.

## **6. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings shall be minute and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings shall be tabled at the subsequent Board and Committee meeting.

## **7. REVIEW AND AMMENDMENT**

- The NRC or the Board may review the Policy annually or earlier when it deems necessary
- The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement for better implementation to this Policy, if it thinks necessary
- 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 are any statutory changes necessitating the change in this Policy.

## **8. COMPLIANCE RESPONSIBILITY**

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

**Annexure F**  
**ANNUAL REPORT ON CSR ACTIVITIES**

**1. Brief outline on CSR Policy of the Company.**

The Company is a part of Centrum Group, which has established 'Centrum Foundation', which is registered trust and formed with the aim of providing a dedicated approach to community development and also to fulfil Corporate Social Responsibility (CSR) commitments of Centrum Group of Companies in letter and spirit. The Group's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

Corporate Social Responsibility of the Company is strongly connected with the principles of Sustainability; It believes that an organization should make decisions based not only on financial factors, but also considering the social and environmental consequences. As a corporate citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company operates.

The Company's CSR policy encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, and applies to all CSR initiatives and activities taken up at the various work- centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons. It is a catalyst for social empowerment. It is the reason behind the smiles that light up a million faces.

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

- **ASSISTING CENTRUM FOUNDATION:** Assisting Centrum Foundation in any CSR related activities conducted by them.
- **PROVIDING ASSISTANCE IN THE AREAS OF HUNGER, POVERTY, MALNUTRITION, HEALTH, MEDICAL, DISASTER AND EMERGENCY RELIEF:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water. Providing Food, medical and other basic essentials to affected families with the objective of easing food troubles in times of crisis.
- **EDUCATION, LITERACY, TRAINING & EMPLOYMENT:** Promoting computer literacy to help bridge the technology gap between urban and rural schools by providing better education, training and career opportunities. Providing old/unused laptops also serve as a way to recycle E-waste. Providing financial education and assisting in digitalization of finances.
- **WOMAN & OLD AGED:** promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- **CSR POLICY:** A detailed CSR policy was framed by the Company with approvals of the CSR Committee and Board and is being reviewed from time to time. The CSR policy is hosted on the Company's website [www.centrum.co.in](http://www.centrum.co.in).

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ranjan Ghosh	Managing Director & CEO	0	NA
2	Ms. Dipali Sheth	Independent Director	0	NA
3	Mr. Shailendra Apte	Non- Executive Director	0	NA

Section 135 of the Companies Act, 2013 was amended vide Companies (Amendment) Act, 2020, according to which the requirement of constitution of CSR Committee shall not be applicable to a company, in case the amount required to be spent on CSR does not exceed Rs. 50 lakhs. Accordingly, the Board had, at its meeting held on November 6, 2020, approved that going forward all functions of CSR Committee of the Company will be discharged by the Board of directors till the Company reaches a particular scale.

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The Composition of CSR committee, CSR Policy and CSR projects approved by the board of the Company can be accessed on the web link: [www.centrum.co.in](http://www.centrum.co.in)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Not applicable

**6. Average net profit of the company as per section 135(5):** INR (76,60,952)

(a) Two percent of average net profit of the company as per section 135(5): NA

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): Nil

7. The Company was not required to incur any CSR Expenditure during the FY 2021-22

a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Nil					

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District.						Name	CSR Registration number
1							Nil					
	Total						-	-				

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **Nil**

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Nil**

(g) Excess amount for set off, if any: **Nil**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	Not Applicable
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

8. (a) Details of Unspent CSR amount for the preceding three financial years: Nil  
(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **Nil**
9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**Asset-wise details**).
- |  |                |
|--|----------------|
| (a) Date of creation or acquisition of the capital asset(s). :   | Not Applicable |
| (b) Amount of CSR spent for creation or acquisition of capital asset:  | Not Applicable |
| (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: | Not Applicable |
| (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).    | Not applicable |
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**.

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

**Ranjan Ghosh**  
**Managing Director & CEO**  
**Chairman – CSR Committee**  
**DIN: 07592235**

**Shailendra Apte**  
**Non-Executive Director**  
**DIN: 00017814**

**Place: Mumbai**  
**Date: May 30, 2022**

# Financial Statements

### INDEPENDENT AUDITOR'S REPORT

To the Members of Centrum Financial Services Limited

#### Report on the Audit of the IND AS financial Statements

#### Opinion

We have audited the accompanying IND AS financial statements of Centrum Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the IND AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IND AS financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditors Response
1.	<b><u>Transfer of entire NBFC business to Unity Bank pursuant to Business Transfer Agreement and consequential conversion from NBFC-ND-SI to CIC-ND-SI</u></b>	<b><u>Principal Audit Procedures</u></b>
	The Company has effected transfer of its business to Unity Small Finance Bank Limited ('the Bank'), a subsidiary of the Company, on November 1, 2021. Pursuant to the aforesaid Business Transfer ('BTA') dated 26th October 2021, the company has discontinued its lending business. All Assets and Liabilities of the company as on 31.10.2021 have been transferred to the Bank by way of a Slump Sale. After transfer of business, the company has applied for converting	Our procedures included the following: <ul style="list-style-type: none"> <li>• Obtained and read the Business Transfer Agreement dated October 26, 2021.</li> <li>• Obtained and read the Notification dated January 25, 2022 for approval of the scheme by the Central Government.</li> <li>• Examined the accounting of the transaction in books of accounts and proof of receipt of sale consideration.</li> </ul>





<p>registered as a Systemically Important- Non Deposit Accepting- Non Banking Financial Company - Investment and Credit Company, into a Core Investment Company. Consequently the company has made disclosures as applicable to CIC-ND-SI as on March 31, 2022 – pending approval from the RBI.</p> <p>This has been identified as a Key Audit Matter due to</p> <ul style="list-style-type: none"> <li>• Significance of this matter</li> <li>• This being the first year of conversion from NBFC-ND-SI to CIC-ND-SI and</li> <li>• Risk of material information relating to such matter not getting disclosed in financial statements</li> </ul>	<ul style="list-style-type: none"> <li>• Obtained and Examined the application dated January 13, 2022 filed with RBI for Registering Centrum Financial Services Limited as the Core Investment Company.</li> <li>• Assessed the company's eligibility criteria for registration as CIC-ND-SI as per RBI guidelines with respect to assets size of Rs.100 Crores or more and holding not less than 90% of net assets in the form of investments in shares, preference shares, bonds, debentures, debt or loan in group companies.</li> <li>• Had discussion and obtained representation from the management relating to this scheme and status of pending approval from RBI.</li> <li>• Examine the approval of the Board and the Audit Committee for entering into this transaction.</li> <li>• Read the disclosures made in this regard in the financial statements to assess whether the relevant and material information have been disclosed</li> </ul>
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### Other Matter

The comparative financial information of the company for the year ended 31st March 2021, included in the IND AS financial statements, have been subjected to audit by the predecessor auditor M/s. Haribhakti & Co. LLP, Chartered Accountants, who has issued unmodified report dated May 07, 2021.

Our opinion is not modified in respect of the above matters.

### Information Other than the IND AS financial Statements and Auditor's Report Thereon

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

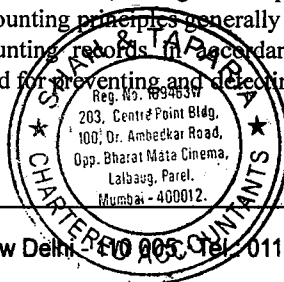
Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Management's Responsibility for the IND AS financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection



and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the IND AS financial Statements**

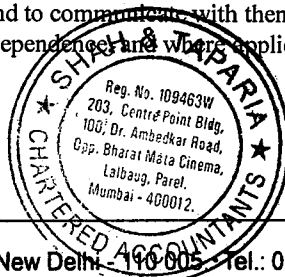
Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee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

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

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

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

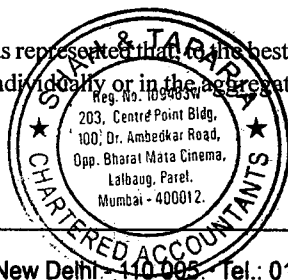
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IND AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid IND AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - d.
      - i. The Management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested



- (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The company has not declared any dividend during the Financial Year, hence reporting in respect to compliance under section 123 of the Act is not applicable.

For Shah & Taparia  
Chartered Accountants  
ICAI Firm Registration No.: 109463W

*Ramesh Joshi*

Ramesh Joshi  
Partner  
Membership Number: 033594  
UDIN: 22033594AJXXPD4437

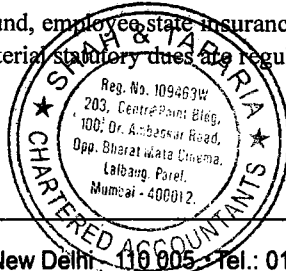


Date: May 30, 2022  
Place: Mumbai

**Annexure A referred to in the Independent Auditors Report**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the IND AS financial statements for the year ended March 31, 2022, we report the following:

- 1)
  - a. The Company does not hold any Property, Plant and Equipment as on March 31, 2022.
  - b. To the best of our knowledge, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2)
  - a. The Company is a Non – Banking Finance Company, primarily engaged in the business of lending and does not hold any inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
  - b. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets; prima facie, quarterly returns or statements filed by the company with such banks and financial institutions are in agreement with the books of account of the Company.
- 3) The Company has made investments in, provided guarantee and security, granted loans to companies, firms, Limited Liability Partnership and other parties, during the year.
  - a. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of the loans and guarantees provided are not prejudicial to the company's interest.
  - b. As on March 31, 2022 the company has no loan receivable. Accordingly, reporting in respect of schedule of repayment of principle and payment of interest is not applicable.
  - c. As on March 31, 2022 the company has no loan receivable. Accordingly, reporting in respect of overdue amounts is not applicable.
  - d. As on March 31, 2022 the company has no loan receivable. Accordingly, reporting in respect of loans either repayable on demand or without specifying any terms or period of repayment is not applicable.
- 4) In our opinion and according to the information and explanations given to us, The Company has complied with the provisions of Section 185 and 186(1) of the Companies Act 2013 in respect to grant of loans, making investments and providing guarantees and securities as applicable. Further, as the Company is a Non-Banking Finance Company engaged in the business of financing, the provision of section 186 (except for subsection (1)) are not applicable to the Company.
- 5) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- 6) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- 7)
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including, income-tax, provident fund, employee state insurance, duty of customs, goods and services tax, professional tax, cess and other material statutory dues are regularly deposited during the year.



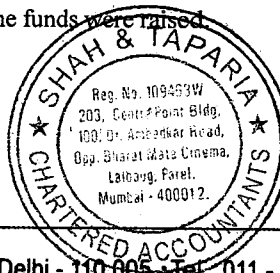
No undisputed amounts payable in respect of income-tax, provident fund, employees' state insurance, duty of customs, goods and services tax, professional tax, cess and other material statutory dues were in arrears as at March 31, 2022, for a period of more than six months.

- b. There are no dues outstanding with respect to, income tax, sales tax, services tax, value added tax, GST, customs duty, excise duty on account of any dispute, except:

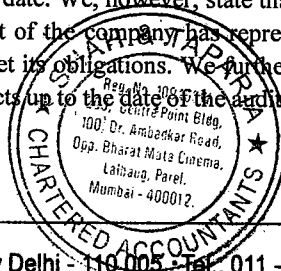
Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	18,62,870	AY 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	61,22,030*	AY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,84,27,952*	AY 2012-13	Commissioner of Income Tax (Appeals)

\*Net of taxes paid

- 8) There are no transactions relating to unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 9)
- In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks, financial institutions, government or dues to debenture holders during the year.
  - The company is not declared a wilful defaulter by any bank or financial institution or other lenders.
  - The company has prima facie utilised the moneys raised by way of debt instruments and term loans during the year were applied for the purpose for which the loans were obtained.
  - On an overall examination of the financial statements of the Company, funds raised on short term basis have prima facie, not been used during the year for long – term purposes by the Company.
  - On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary company.
  - The company has not raised any loans during the year on the pledge of securities held in the subsidiary company.
- 10)
- The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - The company has made private placement of convertible debentures during the year. The requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.



- 11)
- a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
  - b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- 12) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- 13) According to the information and explanations given by the management and on the basis of relevant records and representation, the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the IND-AS financial statements, as required by the applicable accounting standards.
- 14)
- a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - b. We have considered the reports of the Internal Auditors for the period under audit.
- 15) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- 16)
- a. The company is required to register under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.
  - b. The company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
  - c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India; however, during the financials year, it has applied for registration as a Core Investment Company to the Reserve Bank of India.
- 17) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- 18) During the year, the previous auditor M/s. Haribhakti & Co. LLP resigned from being the statutory auditors of the company pursuant to not meeting with the eligibility criteria in terms of guidance provided by circular Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 issued by the Reserve Bank of India. There were no issues, objections or concerns raised by the outgoing auditor.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. The management of the company has represented that in the event of necessity, its holding company will provide funds to meet its obligations. We further state that our reporting is based on the representation from the management and facts up to the date of the audit report and we neither give any guarantee



nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- 20) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

For Shah & Taparia  
Chartered Accountants  
ICAI Firm Registration No.: 109463W

*Ramesh Joshi*

Ramesh Joshi  
Partner  
Membership Number: 033594  
UDIN: 22033594AJXXPD4437

Date : May 30, 2022  
Place : Mumbai





### Annexure B referred to in the Independent Auditors Report

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

We have audited the internal financial controls with reference to IND AS financial statements of Centrum Financial Services Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

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

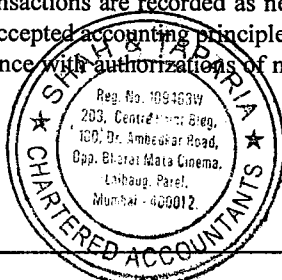
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

#### Meaning of Internal Financial Controls over Financial Reporting with Reference to these Ind AS financial statements

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Ind AS financial statements**

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

**Opinion**

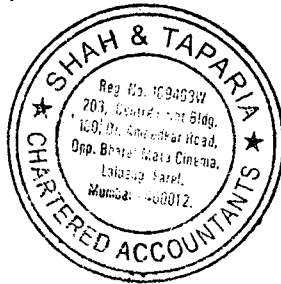
In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Shah & Taparia  
Chartered Accountants  
ICAI Firm Registration No.: 109463W

*Ramesh Joshi*

Ramesh Joshi  
Partner  
Membership Number: 033594  
UDIN: 22033594AJXXPD4437

Date : May 30, 2022  
Place : Mumbai



**Centrum Financial Services Limited**

Balance Sheet as at March 31, 2022

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(I) Financial Assets</b>			
(a) Cash and cash equivalents			
(b) Bank balances other than cash and cash equivalents	3	87.31	9,627.74
(c) Derivative financial instruments	4	3,658.94	4,097.14
(d) Receivables	5	-	3,824.61
(i) Trade receivables			
(e) Loans	6	-	430.95
(f) Investments	7	-	82,312.78
(g) Other financial assets	8	36,140.00	5,880.87
	9	127.44	583.64
		<u>40,013.69</u>	<u>1,06,757.73</u>
<b>(II) Non Financial Assets</b>			
Inventories			
(a) Current tax assets (net)	10	-	2,207.88
(b) Deferred tax assets (net)	34	-	130.67
(c) Investment property	11	-	-
(d) Property, plant and equipment	12	-	3,467.70
(e) Right-of-use assets	12	-	32.34
(f) Goodwill	12	-	1,442.02
(g) Other intangible assets	12	-	168.72
(h) Other non financial assets	13	0.41	679.40
		<u>0.41</u>	<u>8,128.73</u>
<b>Total Assets</b>		<u><b>40,014.10</b></u>	<u><b>1,14,886.46</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(I) Financial Liabilities</b>			
(a) Derivative financial instruments			
(b) Payables	5	-	6,482.90
(i) Trade payables			
total outstanding dues of micro enterprises and small enterprises	14	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		64.41	227.65
(ii) Other payables			
total outstanding dues of micro enterprises and small enterprises	14	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		-	6.63
(c) Debt securities			
(d) Borrowings (other than debt securities)	15	1,509.14	68,694.68
(e) Deposits	16	-	6,557.99
(f) Lease liabilities	17	4,869.00	-
(g) Other financial liabilities	33	-	32.04
	18	3,786.38	1,543.47
		<u>10,228.93</u>	<u>83,545.36</u>
<b>(II) Non-Financial Liabilities</b>			
(a) Current tax liabilities (net)			
(b) Provisions	10	-	89.08
(c) Other non-financial liabilities	19	-	105.96
	20	26.39	821.09
		<u>26.39</u>	<u>1,016.13</u>
<b>EQUITY</b>			
(a) Equity share capital			
(b) Other equity	21	9,895.69	9,895.69
	22	19,863.09	20,429.28
		<u>29,758.78</u>	<u>30,324.97</u>
<b>Total Liabilities and Equity</b>		<u><b>40,014.10</b></u>	<u><b>1,14,886.46</b></u>

See accompanying notes form an integral part of the Financial Statements.

1 & 2

As per our report of even date

For **SHAH & TAPARIA**  
Chartered Accountants  
ICAI Firm Registration No.109463W

*Ramesh Joshi*

Ramesh Joshi  
Partner  
Membership No.033594



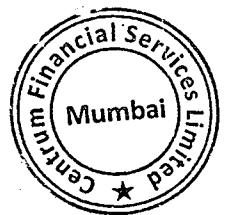
For and on behalf of the Board of Directors of  
Centrum Financial Services Limited

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

*Shailendra Apte*  
Shailendra Apte  
Director  
DIN: 00017814

*Abhishek Baxi*  
Abhishek Baxi  
Chief Financial Officer

*Archana Goyal*  
Archana Goyal  
Company Secretary



Mumbai  
Date : May 30, 2022

Centrum Financial Services Limited

Statement of Profit and Loss for the year ended 31 March 2022  
(Currency : Indian Rupees in lakhs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Other income	23	-	-
Fees and commission income	24	-	-
<b>Total revenue from operations</b>		<u>-</u>	<u>-</u>
Other income		-	-
<b>Total income</b>		<u>-</u>	<u>-</u>
<b>Expenses</b>			
Finance costs	25	310.55	-
Other expenses	26	22.37	-
<b>Total expenses</b>		<u>332.91</u>	<u>-</u>
<b>Profit/(loss) before tax before exceptional items</b>		<u>(332.91)</u>	<u>-</u>
Exceptional items		-	-
<b>Profit/(loss) before tax</b>		<u>-</u>	<u>-</u>
<b>Tax expense:</b>		<u>(332.91)</u>	<u>-</u>
- Current tax		-	-
- Deferred tax		-	-
- (Excess)/Short provision of earlier years		-	-
<b>Total tax expense</b>		<u>-</u>	<u>-</u>
<b>Net Profit for the year from Continuing Operations</b>		<u>(332.91)</u>	<u>-</u>
<b>Profit before tax for the year from Discontinued Operations</b>	27	<u>653.18</u>	<u>266.11</u>
<b>Tax expense/ (credit) of Discontinued Operations</b>			
- Current tax		-	-
- Deferred tax	28	407.33	84.27
- (Excess)/Short provision of earlier years		-	-
<b>Total tax expense/ (credit) of Discontinued Operations</b>		<u>407.33</u>	<u>84.27</u>
<b>Net Profit for the year from Discontinued Operations</b>		<u>245.85</u>	<u>181.84</u>
<b>Net Profit/ (Loss) for the year</b>		<u>(87.06)</u>	<u>181.84</u>
<b>Other Comprehensive Income/ (expenses) - Continuing Operations</b>			
- Items that will not be reclassified to profit or loss		-	-
- Items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income/ (expenses) - Discontinued Operations</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(17.21)	3.95
- Income tax relating to these items		5.01	(0.99)
Items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income/(loss) for the year</b>		<u>(12.20)</u>	<u>2.96</u>
<b>Total comprehensive income for the year</b>		<u>(99.27)</u>	<u>184.79</u>
<b>Earnings per equity share</b>	29		
Face value of ₹10 per share			
- <b>Basic (₹)*</b>			
- From Continuing Operations		(0.03)	-
- From Discontinued Operations		0.02	0.18
- <b>Diluted (₹)*</b>			
- From Continuing Operations		(0.03)	-
- From Discontinued Operations		0.02	0.18
* Not annualised			
<b>Total EPS (Continuing and Discontinued operations)</b>			
- Basic (₹)		(0.01)	0.18
- Diluted (₹)		(0.01)	0.18

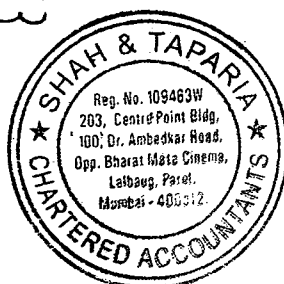
Note: The FY 2020-21 comparatives have been restated to consider the impact of discontinued operations in accordance with Ind AS 105 - Non Current Assets Held for Sale and Discontinued Operations.

Statement of significant accounting policies and other explanatory notes

As per our report of even date  
For SHAH & TAPARIA  
Chartered Accountants  
ICAI Firm Registration No. 109463W

*Ramesh Joshi*  
Ramesh Joshi  
Partner  
Membership No 033594

Mumbai  
Date : May 30, 2022



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

*Ranjana Ghosh*  
Ranjana Ghosh  
Managing Director and CEO  
DIN : 07592235

*Shailendra Apte*  
Shailendra Apte  
Director  
DIN: 00017814

*Abhishek Baxi*  
Abhishek Baxi  
Chief Financial Officer

*Archana Goyal*  
Archana Goyal  
Company Secretary



**Centrum Financial Services Limited**  
**Statement of Cash flows for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A Cash flow from operating activities</b>		
Profit before tax	320.27	266.11
<i>Adjustments for</i>		
Depreciation and amortisation	87.75	161.21
Interest income	(6,661.53)	(10,811.17)
Finance cost	5,647.49	9,271.00
Impairment on financial instruments	24.92	487.12
Net gain on fair value change	(159.97)	(807.17)
Net gain on derecognition of financial instruments under amortised cost category	(327.36)	(419.15)
Proceeds from Sale of Net Assets under BTA	31,600.00	-
Employees stock option provision	(587.39)	171.98
Gain on slump sale through BTA	(594.26)	-
Unrealised gain on option	(1,033.22)	(1,278.33)
Cash inflow from interest on loans	6,754.84	10,724.30
Cash outflow towards finance costs	(2,889.33)	(8,743.55)
<b>Operating cash flow before working capital changes</b>	<b>32,182.21</b>	<b>(977.65)</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
Trade receivables	430.95	(430.95)
Loans	4,400.37	2,102.09
Other financial assets	(610.28)	489.35
Other non financial assets	(48.61)	(38.82)
Other bank balances	(1,034.56)	(1,874.38)
Derivative financial instrument	2,842.70	2,173.54
Trade and other payables	484.55	(4.04)
Other financial liability	2,512.97	400.87
Interest accrued on borrowings	0.00	(0.00)
Non financial liabilities and provisions	(153.97)	167.28
<b>Cash used in operations</b>	<b>41,006.33</b>	<b>2,007.29</b>
Income taxes paid (For current year under consideration taxes paid includes DTA transferred by way of slump sale)	109.77	(168.31)
<b>Net cash used in operating activities - A</b>	<b>41,116.10</b>	<b>1,838.98</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets and goodwill	(3,904.24)	(21.59)
Sale of property, plant and equipment and intangible assets	-	-
Payment as capital advance	250.00	(250.00)
Purchase of investments	(33,401.56)	(1,495.01)
Proceeds from sale of investments	3,146.79	1,095.17
<b>Net cash generated from / (used in) investing activities - B</b>	<b>(33,909.01)</b>	<b>(671.43)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of debt securities	(13.39)	43,885.46
Repayment of debt securities	(3,654.74)	(27,966.99)
Proceeds from deposits & borrowings (other than debt securities)	6,931.14	6,764.12
Repayment of deposits & borrowings (other than debt securities)	(1,467.75)	(19,212.60)
Payment of lease liabilities	(9.24)	(20.70)
<b>Net cash generated from financing activities - C</b>	<b>1,786.03</b>	<b>3,449.30</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>8,993.09</b>	<b>4,616.85</b>



**Centrum Financial Services Limited**  
**Statement of Cash flows for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and cash equivalent as at the beginning of the year	8,203.15	3,587.25
Less : Balance transferred through slump sale	(17,108.86)	-
Cash and cash equivalent as at the end of the year	87.31	8,203.15

**Notes:**

**i) Components of Cash and Cash Equivalents included above**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents (refer note 3)	87.31	9,627.74
Less: Bank overdraft (refer note 16.4)	-	(1,424.59)
<b>Total</b>	<b>87.31</b>	<b>8,203.15</b>

**ii) Non Cash Investing Activity**

Particulars	March 31, 2022	March 31, 2021
Impact on fair valuation on net assets acquired through business combination	-	-
Acquisition of right of use assets (refer note no 11)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**iii) Net Cash Provided by / (Used in ) Operating activities includes :**

Particulars	March 31, 2022	March 31, 2021
Interest Received	6,754.84	10,724.30
Interest Paid	(2,889.33)	(8,743.55)

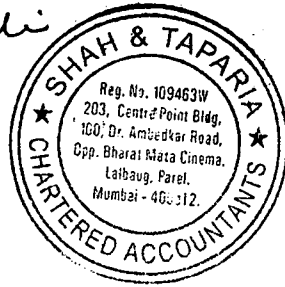
ii) Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

See accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For SHAH & TAPARIA  
 Chartered Accountants  
 ICAI Firm Registration No.109463W

**Ramesh Joshi**  
 Partner  
 Membership No.033594



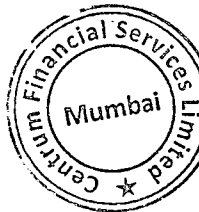
For and on behalf of the Board of Directors of  
 Centrum Financial Services Limited

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

**Shailendra Apte**  
 Director  
 DIN: 00017814

**Abhishek Baxi**  
 Chief Financial Officer

**Anshana Goyal**  
 Company Secretary



Centrum Financial Services Limited  
Statement of changes in Equity as at March 31, 2022  
(Currency : Indian Rupees in lakhs)

A. Equity Share Capital

Particulars	Number of shares	Amount
As at 31st March, 2021		
As at April 01, 2021	9,89,56,900	9,895.69
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance As at 1st April, 2021	9,89,56,900	9,895.69
Changes in equity share capital during the current year	-	-
Balance As at 31st March, 2022	9,89,56,900	9,895.69

As at 31st March 2021

Particulars	Number of shares	Amount
Balance As at 1st April, 2020	9,89,56,900	9,895.69
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance As at 1st April, 2020	9,89,56,900	9,895.69
Changes in equity share capital during the current year	-	-
Balance As at 31st March, 2021	9,89,56,900	9,895.69

B. Other Equity

Particulars	Other Equity					Total Other Equity
	Securities premium	Statutory reserve	Employee stock options	Impairment Reserve	Retained Earnings	
Balance at March 31, 2020	18,639.96	466.61	299.80	570.64	(594.26)	20,031.31
Profit for the year	-	-	-	-	181.82	181.82
Other comprehensive income for the year - Remeasurement gains and (losses) on defined benefit obligations (net)	-	-	-	-	2.96	2.96
Issue of equity shares	-	-	-	-	-	-
Transfer (from) / to	-	36.37	-	-	-	-
Employee share options	-	-	171.98	960.17	(996.54)	-
Capital Contribution during the year	-	-	-	-	-	-
Balance at April 1, 2021	18,639.96	502.99	471.78	1,530.81	(1,406.01)	20,479.28
Profit for the year	-	-	-	-	(87.06)	(87.06)
Other comprehensive income for the year - Remeasurement gains and (losses) on defined benefit obligations (net)	-	-	-	-	(12.20)	(12.20)
Issue of equity shares	-	-	-	-	-	-
Transfer (from) / to (Refer Note : 22 other equity)	-	-	-	277.21	(277.21)	-
Employee share options	-	-	-	(1,808.02)	1,808.02	-
Employee share options - Forfeiture of ESOP	-	-	115.61	-	-	115.61
Capital Contribution during the year	-	-	(587.39)	-	-	(587.39)
Balance at March 31, 2022	18,639.96	502.99	-	-	25.54	19,863.09

\* During the financial year ended March 31, 2022, the loans and advances held by the Company were transferred to Unity Small Finance Bank Limited ("USFB"), as required by the RBI License issued on October 12, 2021. As on the date of transfer, the Company held INR 1,808.02 Lakhs in impairment reserve as required by RBI notification RBI/2019-20/170 DOR (NBFC)/CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. As on March 31, 2022, the Company has grouped it under retained earnings for financial year ended March 31, 2022. The Management has also sought ratification of the same from RBI vide a communication dated March 30, 2022. This amount shall not be available for appropriation pending ratification by RBI.

See accompanying notes form an integral part of the Financial Statements.

For SHAH & TAPARIA  
Chartered Accountants  
ICAI Firm Registration No. 103523/W/V/100048

*Ramesh Joshi*  
Ramesh Joshi  
Partner  
Membership No. 033594

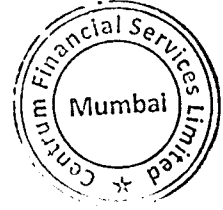


For and on behalf of the Board of Directors of  
Centrum Financial Services Limited

*Rajesh Ghosh*  
Rajesh Ghosh  
Managing Director and CEO  
DIN: 07592235

*Abhishek Basu*  
Abhishek Basu  
Chief Financial Officer

*Shalendra Singh*  
Shalendra Singh  
Director  
DIN: 00017814



Mumbai  
Date : May 30, 2022

## Centrum Financial Services Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

### 1. Background

Centrum Financial Services Limited (the Company) is a Company domiciled in India and incorporated on 27 January 1993 under the provisions of the Companies Act, 1956. The Company has received a certificate of registration from the Reserve Bank of India (RBI) on 14 August 2009 to carry on the business of Non-Banking Financial Institution (NBFC) activities without accepting public deposits having registration number - B-13.01946.

The entire business of this Company (Defined as a Business Undertaking) was sold on an "as is where is basis" as a going concern to Unity Small Finance Bank Ltd. (Unity Bank) on and with effect from 1 November 2021 vide a Business Transfer Agreement (BTA) dated 26 October 2021. Pursuant to this, all the assets and liabilities relating to the Lending business as on the date of BTA along with all the associated risk and rewards were transferred to the Unity Bank against their shares. As per the RBI - licence condition, the Company would be registered as a NBFC - Core Investment Company after the transfer of its business to Unity Bank. Consequently, post the BTA, the Company has applied to RBI for conversion of the registration as Systemically Important- Non Deposit Accepting- Non Banking Financial Company - Investment and Credit Company, into a Core Investment Company.

The Company is registered with Ministry of Corporate Affairs (MCA) having Corporate Identification number (CIN) - U65910MH1993PLC192085.

The registered office is situated at 2nd Floor, Bombay Mutual Building, Dr. D.N. Road, Fort, Mumbai-400001.

The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 30, 2022.

#### 2.1 Significant accounting policies

##### 2.1.a Statement of compliance with Indian Accounting Standards (Ind AS)

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory pronouncements require a different treatment. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

##### 2.1.b Basis of preparation

The financial statements have been prepared on the historical cost basis except for the certain financial instruments which have been measured at fair value, assets held for sale measured at fair value less cost to sell, net defined benefit liability/assets and share based payments.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

##### 2.1.c Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to nearest Rupee as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

##### 2.1.d Property, plant and equipment (PPE) and depreciation

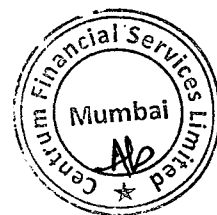
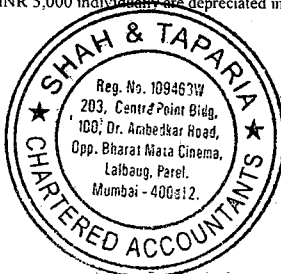
On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation on tangible assets is provided on straight line method over the useful lives of assets as prescribed in Schedule II of the Act except some cases. The residual values, useful lives and method of depreciation of tangible assets are reviewed at each financial year end and adjusted prospectively.

Particulars	Estimated useful life according to the Company
Office equipments	3 Years
Computer and accessories	3 Years
Computer software	6 Years
Vehicles	8 Years
Furniture and fixtures	10 Years
Building	60 Years

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





**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**2.1.e Intangible assets**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as at 1st April, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life.

Goodwill represents excess of the cost of portfolio acquisition over the net fair value of the identifiable assets and liabilities. Goodwill paid on acquisition of portfolio is included in intangible assets. Goodwill recognized is tested for impairment annually and when there are indications that the carrying amount may exceed the recoverable amount.

**2.1.f Intangible assets under development**

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

**2.1.g Investment property**

Investment properties are properties that are held for long-term rentals yields or for capital appreciation. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are depreciated using the straight-line method over their useful lives. Investment properties generally have useful lives of 60 years. The useful life has been determined based on technical evaluation performed by the management expert.

Though the company measures the investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair values are determined based on an annual evaluation.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from their use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

**2.1.h Impairment of non-financial assets**

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognized in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

**2.1.i Revenue recognition**

**Interest income**

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

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

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

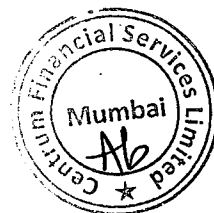
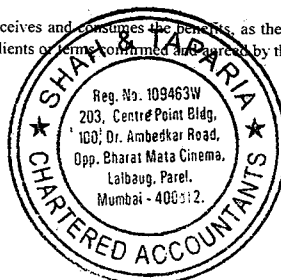
Income from bill discounting is recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

**Dividend income**

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. It is probable that the economic benefits associated with the dividend will flow to the entity. Amount of dividend can be measured reliably.

**Syndication fees**

Syndication fees is accounted over the period as customer simultaneously receives and consumes the benefits, as the performance obligations are completed based on achievement of milestones as per the mandates/agreement with the clients or terms confirmed and agreed by the client.



**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**Fees and commission income**

Fees such as consultancy fees, referral fees and commission income include fees other than those that are an integral part of EIR and are recognised on accrual basis based on contractual terms. Processing fees earned on Supply Chain Finance Business is recognised on accrual basis and does not form part of EIR as it being short term in nature.

**Rental income**

Rental income is recognized over a period of time as and when accrued as per the terms of the contract.

**Net Gain/Loss on fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 25), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

**Other operational revenue**

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

**Other income and expenses**

Other income and expenses are recognised in the period in which they occur.

**2.1.j Leases**

**The Company as a lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

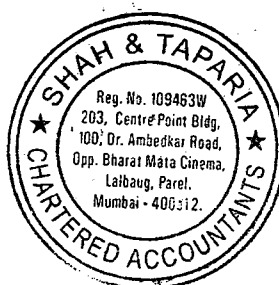
Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.



**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022**

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**2.1.k Financial Instruments**

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

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchase and sale of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset (other than trade receivables) or financial liability at its fair value plus or minus, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability (other than financial asset or financial liability carried at fair value through profit or loss). Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

**Financial assets**

**Classification and subsequent measurement**

Financial assets are classified into three categories:

- fair value through profit or loss (FVTPL);
- fair value through Other comprehensive income (FVOCI); or
- amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms including contractual cash flows.

For debt instruments, classification will depend on the business model in which the debt is held.

For equity instruments, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The classification requirements of financial assets are described below:

**Debt instruments**

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

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

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

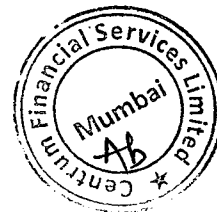
Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

**Amortised cost:** Financial assets that are held for collection of contractual cash flows where business model of those cash flows represents solely payment of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets are recognised using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Financial assets are measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset meet the SPPI test.

**FVOCI financial assets** are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified to Statement of profit and loss account.

**Fair value through profit or loss (FVTPL):** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Financial assets designated at FVTPL are carried in the Balance sheet at fair value with net changes in fair value presented as other (gains)/losses in Statement of profit or loss. Interest income on financial assets classified as FVTPL is not recognised in net gain/(loss) on fair value changes and is recognised separately as interest income.



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## Centrum Financial Services Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

### Equity Instruments

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

### Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI, loans and advances and on exposure arising from loan commitments. The Company recognizes a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

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

The method and significant judgments used while computing the expected credit losses and information about the exposure at default, probability of default and loss given default have been set out in note 45B (Risk Management).

### Write-off policy

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

### Financial liabilities

#### Classification and subsequent measurement

Financial liabilities are classified at amortised cost, except for financial liabilities at fair value through profit or loss: This classification is applied to derivatives and financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

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

### Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

### Reclassification of financial instrument

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

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

### Derivatives

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value.

### Embedded derivatives

The embedded derivatives are treated as separate derivatives when:

- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms would meet the definition of a derivative;

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non- derivative host contract, with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to an index of prices or rates or other variable. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the statement of profit or loss unless the Company chooses to designate the hybrid contracts at fair value through profit or loss.

Certain market linked non-convertible debentures (MLDs) issued by the Company have returns linked to non- interest related benchmarks. Embedded derivative component of such debentures are separately accounted for at fair value and host contract. The Company hedges the risk of variable payout by taking positions in futures & options of Nifty 50 Index. Further, the fair valuation of the MLDs for initial recognition of embedded derivatives and borrowings components as at the date of issue is done considering adjustment to the put/call contracts of Nifty 50 Index, thereby arriving at cost of borrowings. Any gain/loss on these hedge positions are netted against with interest expenses on MLD and resultant net loss/gain is recognised in Statement of Profit & Loss after considering the mark to market position of the options at the balance sheet date.

### 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 transaction costs that are an integral part of the Effective Interest Rate (EIR).



## Centrum Financial Services Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

### Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

### 2.1.1 Fair value measurement

The Company measures financial instruments, such as investments and derivatives at fair values 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:

- In the principal market for the asset or liability, or
- 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.

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.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 categorisation (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 Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

### 2.1.m Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits and highly liquid investments with an original maturity of three months or less, which are readily convertible in cash and subject to insignificant risk of change in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### 2.1.n Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### 2.1.o Retirement and other employee benefits

#### Defined Contribution Plan

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

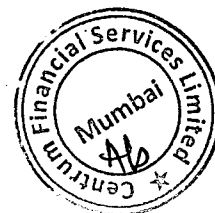
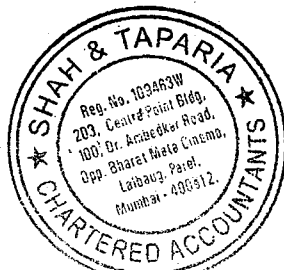
#### Defined Benefit Plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation carried out by an independent actuary using Projected Unit Credit Method made at the end of the financial year. The Company makes contribution to a scheme administered by an Insurance Company approved by the Insurance Regulatory and Development Authority of India (IRDAI) to discharge the gratuity liability to the employees. The Company records its gratuity liability based on an actuarial valuation made by an independent actuary as at the year end. Provisions made for the funded amount are expensed in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in the other comprehensive income in the period in which they occur. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to the statement of profit and loss in the subsequent periods.

#### Long term compensated absences

The Company's liabilities towards compensated absences to employees are accrued on the basis of valuations as at the balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the statement of profit and loss. The Company presents the provision for compensated absences under provisions in the balance sheet.



## Centrum Financial Services Limited

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

### 2.1.p Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based in accordance with the Income Tax Act, 1961 adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### Current tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

#### Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit.

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

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. 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 reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

#### Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii. When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### 2.1.q Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Contingent assets are neither recognized nor disclosed in the Financial Statements.

### 2.1.r Earnings per share

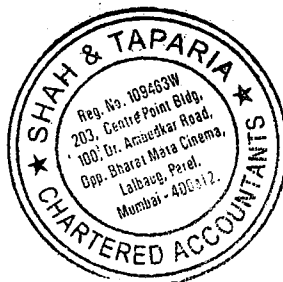
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.1.s Employee stock option scheme (ESOP)

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Company are measured by reference to the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

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 'Employee Stock Options reserve'. 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 vesting period, and hence the fair value of each instalment differs. In situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within equity.



(Currency : Indian Rupees in lakhs)

## 2.2 Significant accounting judgments, estimates and assumptions

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

### 2.2.b Judgments

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

#### • Fair value measurement of financial instruments

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. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgments about these factors could affect the reported fair value of financial instruments. For further details about determination of fair value refer note 42A.

#### • Impairment of financial assets using the expected credit loss method

The impairment provisions for financial assets are based on assumptions about risk of default, expected loss rates and loss given defaults. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For further details about assumptions used in calculating expected credit losses and the sensitivity of assumptions refer note 42B.

#### • Business model assessment

Classification and measurement of financial assets depends on the results of the Solely for payment of principal and interest (SPPI) test and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgment used by the Company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

#### • Income taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. For further details refer note 28.

#### • Provisions and contingencies

Provisions and contingencies are recognized when they become probable and when there will be a future outflow of funds resulting from past operations or events and the outflow of resources can be reliably estimated. The timing of recognition and quantification of the provision and liability requires the application of judgement to existing facts and circumstances, which are subject to change.

#### • Employee stock option scheme (ESOP)

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

### 2.2.c Assumptions and estimates

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when financial statements are 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.

#### • Retirement and other employee benefits

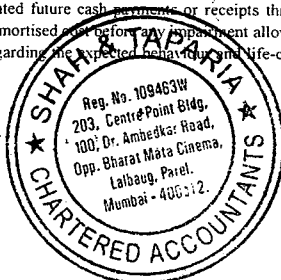
The cost of the gratuity and long-term employee benefits and the present value of its obligations are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the future salary increases, attrition rate, mortality rates and discount rate. Due to the complexities involved in the valuation and its long-term nature, the obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Future salary increases are based on expected future inflation rates for India. The attrition rate represents the Company's expected experience of employee turnover. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

Further details about gratuity and long term employee benefits obligations are provided in note 40.

#### • Effective interest rate

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and other fee income/expense that are integral parts of the instrument.



**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>3. Cash and cash equivalents</b>		
a) Cash on hand	-	0.75
b) Balances with Banks	-	
i) in current accounts	87.31	9,626.99
<b>Total</b>	<u>87.31</u>	<u>9,627.74</u>

**Note :**

Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Company has taken Bank overdraft facilities, therefore, cash and cash equivalents in cash flow statement is not same as cash and cash equivalent given above.

**4. Bank balances other than cash and cash equivalents**

## Other Bank balances

a) In fixed deposit accounts		
i) Fixed deposit accounts with maturity more than 3 months	-	411.65
ii) Fixed deposits pledged for Bank overdraft Facility	-	250.00
b) Earmarked balance held with bank's	*	
	3,658.94	3,435.62
	3,658.94	4,097.27
Less: Impairment allowance on Fixed deposits	-	0.13
<b>Total</b>	<u>3,658.94</u>	<u>4,097.14</u>

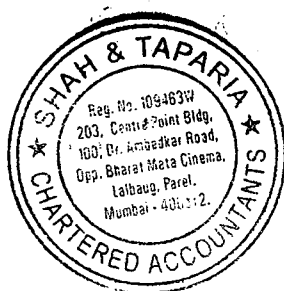
Note: Fixed deposits and other balances with banks earns interest at fixed rate or floating rates based on daily bank deposit rates.

\*Earmarked balance held with bank includes Cash & Bank Balances maintained on behalf of UNITY Small Finance Bank Ltd. as at 31 March 2022.

**4.A Encumbrances on fixed deposits held by the Company:**

## Fixed deposits pledged for:

a) Bank guarantee for cash credit lines	-	-
b) Security deposit for PTC Securitisation		
i) RBL Bank Limited	-	250.00





(Currency : Indian Rupees in lakhs)

4.B Bank balances other than cash and cash equivalents

i) Credit quality of assets:

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification on the balances in Fixed Deposits with banks. The amounts presented are gross of impairment allowances

Details of Company's internal grading system are explained in note 43.B.2

Particulars	As at March 31, 2022			As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing High grade	-	-	-	-	661.65	-	-	661.65
Total	-	-	-	-	661.65	-	-	661.65

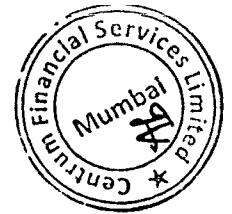
ii) Reconciliation of changes in gross carrying amount for : Fixed deposits with Banks

Particulars	As at March 31, 2022			As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	661.65	-	-	661.65	1,048.50	-	-	1,048.50
New assets originated or purchased	-	-	-	-	661.65	-	-	661.65
Unwinding of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Assets derecognised or matured (excluding write offs)	(661.65)	-	-	(661.65)	(1,048.50)	-	-	(1,048.50)
Closing balance	-	-	-	-	661.65	-	-	661.65

iii) Reconciliation of ECL balance is given below on Fixed Deposits

Particulars	As at March 31, 2022			As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	0.13	-	-	0.13	2.59	-	-	2.59
New Assets Originated or Purchased	-	-	-	-	0.13	-	-	0.13
Assets derecognised or repaid (excluding write offs)	(0.13)	-	-	(0.13)	(2.59)	-	-	(2.59)
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	-	-	-	-	-	-	-	-
Unwinding of Discount	-	-	-	-	-	-	-	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL Calculation	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL Allowance - Closing Balance	-	-	-	-	0.13	-	-	0.13





Centrum Financial Services Limited  
 Notes to the financial statements as at and for the year ended March 31, 2022  
 (Currency : Indian Rupees in lakhs)

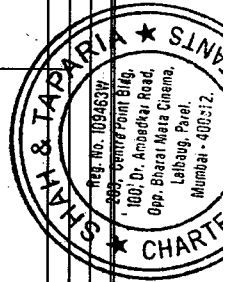
5. Derivative financial instruments

The Company issues market linked debentures (MLD) which has a component in the nature of "Embedded derivatives- Market linked derivatives". Further to hedge it enters into options which is in the nature of "Index linked derivatives- options". Derivatives are entered for risk management purposes. These include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements

The table below shows the fair values of derivative financial instruments recorded as assets & Liabilities together with their notional amounts.  
 The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk

Particulars	As at March 31, 2022							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives Interest rate swaps	-	-	-	-	-	-	-	-
Subtotal(i)	-	-	-	-	-	-	-	-
(ii) Equity linked derivatives	-	-	-	-	-	-	-	-
Subtotal(ii)	-	-	-	-	-	-	-	-
(iii) Index linked derivatives Options purchased Options sold	-	-	-	-	-	-	-	-
Subtotal(iii)	-	-	-	-	-	-	-	-
(iv) Embedded derivatives In market linked debentures	-	-	-	-	-	-	-	-
Subtotal(iv)	-	-	-	-	-	-	-	-
<b>Total derivative financial instruments</b>	-	-	-	-	-	-	-	-

Particulars	As at March 31, 2021							
	Unit	Currency	Notional	Fair value asset	Unit	Currency	Notional	Fair value liability
(i) Interest rate derivatives Interest rate swaps	-	-	-	-	-	-	-	-
Subtotal(i)	-	-	-	-	-	-	-	-
(ii) Equity linked derivatives	-	-	-	-	-	-	-	-
Subtotal(ii)	-	-	-	-	-	-	-	-
(iii) Index linked derivatives Options purchased Options sold	-	-	2,522.38 (233.62)	3,904.61 (80.00)	-	-	-	-
Subtotal(iii)	-	-	2,288.76	3,824.61	-	-	-	-
(iv) Embedded derivatives In market linked debentures	-	-	-	-	-	-	-	6,482.90
Subtotal(iv)	-	-	-	-	-	-	-	6,482.90
<b>Total derivative financial instruments</b>	-	-	2,288.76	3,824.61	-	-	-	6,482.90



*(Signature)*

(Currency : Indian Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>Trade Receivable</b>		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	-	430.95
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
<b>Total</b>	<b>430.95</b>	<b>-</b>
Less: Allowance for expected credit losses	-	-
<b>Total</b>	<b>430.95</b>	<b>430.95</b>

There is no dues from directors or other officers of the company or any firm or private company in which any director is a partner, a director or a member.

Trade receivable are non-interest bearing and are generally on terms of 30 days

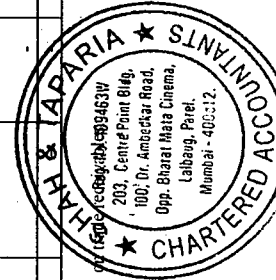
Trade receivables ageing schedule for March 31, 2022

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
(i) Undisputed trade receivables - considered good	-	-	-	-	-
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-

Trade receivables ageing schedule for March 31, 2021

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
(i) Undisputed trade receivables - considered good	430.95	-	-	-	430.95
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-

The management expects no default in receipt of trade receivables. Hence no ECL has been recognised



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>7. Loans</b>		
<b>At amortised cost</b>		
<b>A. Product-wise Details</b>		
a) Bills discounting	-	32,318.01
b) On demand loans	-	2,479.97
c) Term loans	-	48,471.70
d) Others		
Loan to staff	-	2.50
<b>Total (A) - Gross</b>	<b>-</b>	<b>83,272.18</b>
Less: Impairment loss allowance	-	959.40
<b>Total (A) - Net</b>	<b>-</b>	<b>82,312.78</b>
<b>B. Security-wise Details</b>		
a) Secured		
i) Secured by tangible assets	-	50,663.07
ii) Secured by intangible assets	-	-
b) Unsecured	-	32,609.11
<b>Total (B) - Gross</b>	<b>-</b>	<b>83,272.18</b>
Less: Impairment loss allowance	-	959.40
<b>Total (B) - Net</b>	<b>-</b>	<b>82,312.78</b>
<b>C. Regionwise Details</b>		
a) Loans in India		
- Public sector	-	-
- Others	-	83,272.18
b) Loans outside India	-	-
<b>Total (C) - Gross</b>	<b>-</b>	<b>83,272.18</b>
Less: Impairment loss allowance	-	959.40
<b>Total (C) - Net</b>	<b>-</b>	<b>82,312.78</b>

D. Loans or advances in the nature of loans are granted to promoters, directors, key managerial personnel (KMPs) and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are :

For March 31, 2022

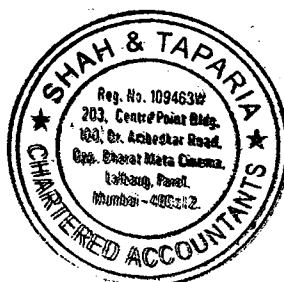
- (a) Repayable on demand : NIL
- (b) Without specifying any terms or period of payment : NIL

For March 31, 2021

- (a) Repayable on demand

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	0.0%
Directors	-	0.0%
KMPs	-	0.0%
Related Parties	3,100.00	3.7%

- (b) Without specifying any terms or period of payment : NIL



*[Handwritten signature]*

Centrum Financial Services Limited  
Notes to the financial statements as at and for the year ended March 31, 2022  
(Currency : Indian Rupees in lakhs)

7. Loans

7.1 Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 43.B.2

7.1.1 Credit quality of Loans

Particulars	As at March 31, 2022			As at March 31, 2021				
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Internal rating grade								
Low Risk	-	-	-	-	73,931.28	-	-	73,931.28
Medium Risk	-	-	-	-	-	8,060.75	-	8,060.75
Sub-standard grade	-	-	-	-	-	-	-	-
High Risk	-	-	-	-	-	-	1,280.15	1,280.15
Individually impaired	-	-	-	-	-	-	-	-
Less: Transferred by way of slump sale	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>73,931.28</b>	<b>8,060.75</b>	<b>1,280.15</b>	<b>83,272.18</b>

7.1.2 Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

7.1.2.A.1 Analysis of changes in the gross carrying amount as follows:

Particulars	As at March 31, 2022			As at March 31, 2021				
	Stage I	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	73,931.28	8,060.75	1,280.15	83,272.18	80,484.09	3,284.57	1,916.81	85,685.47
New Assets Originated or Purchased	60,517.49	-	-	60,517.49	74,033.88	-	2,467.31	76,497.37
Assets derecognised or repaid (excluding write offs)	(64,397.78)	(68.91)	(17.18)	(64,683.86)	(74,197.96)	(3,867.69)	(501.62)	(78,567.37)
Transfer to Stage 1	4,333.03	(4,333.03)	-	-	376.28	(376.28)	-	-
Transfer to Stage 2	(73.43)	(9.16)	-	(82.59)	(6,765.01)	6,765.01	-	-
Transfer to Stage 3	-	-	-	-	(0.00)	(212.17)	212.17	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	(644.17)	-	-	(644.17)
Assets derecognised on Transfer under BTA	(74,110.58)	(3,649.65)	(701.39)	(78,461.62)	-	-	-	(438.39)
Gross carrying amount closing balance	-	-	-	-	<b>73,931.28</b>	<b>8,060.75</b>	<b>1,280.15</b>	<b>83,272.18</b>



*[Handwritten Signature]*



Centrum Financial Services Limited  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

7.1.2. Reconciliation of ECL balance is given below

Particulars	As at March 31, 2022			As at March 31, 2021		
	Stage 1	Stage 2	Stage 3	Total	POCI	Total
ECL Allowance - Opening Balance	169.76	43.17	745.48	958.41	-	1,296.77
New Assets Originated or Purchased	182.82	-	-	182.82	-	558.16
Assets derecognised or repaid (excluding write offs)	(144.25)	(9.65)	-	(153.91)	-	(1,031.59)
Transfer to Stage 1	10.67	(10.67)	-	-	(121.76)	(236.12)
Transfer to Stage 2	(46.55)	46.55	-	-	2.62	(2.62)
Transfer to / from Stage 3	-	(49.29)	49.29	-	(34.93)	34.93
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	-	-	-	-	(45.13)	45.13
Unwinding of Discount	-	-	-	-	-	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	-	-
Changes to models and inputs used for ECL Calculation	-	-	-	-	-	-
Amounts written off	(172.45)	(20.10)	(644.18)	(836.73)	-	(163.95)
Assets derecognised on Transfer under BTA	0.00	0.00	(151.59)	(151.59)	-	(151.59)
ECL Allowance - Closing Balance	0.00	0.00	-	0.00	169.74	746.49

During the year Reserve Bank of India, on October 12, 2021, has issued bank licence to Unity Small Finance Bank Limited ("USFB"), to carry on the business of small finance bank.

Centrum Financial Services Limited is the Promoter of USFB and holds 51% shareholding in USFB.

The Company and USFB have executed a Business Transfer Agreement ("BTA") on October 26, 2021 for transfer of business of the Company to USFB, as a going concern, by way of slump sale.

The entire business undertaking of the Company, was transferred to USFB, via slump sale as a going concern, on 'as-is-where-is' basis, effective from November 01, 2021. Accordingly, has discontinued its NBFC business with effect from November 1, 2021

During the previous year, the Company has sold assets to an ARC on cash basis amounting to Rs. 1,042 lakhs whose Net asset value in books was Rs. 622.84 lakhs.

Further, the Company also sold collateral of one of the stressed asset and recovered it's dues. Net loss on all of the above transactions amounted to Rs. 135.07 lakhs. Ecl provision created on these assets amounted to Rs. 379.61 lakhs which got reversed.

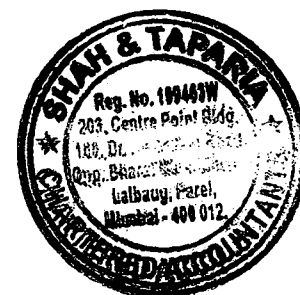


*[Handwritten Signature]*

**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency - Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>8. Investments</b>		
Equity instruments - Others	36,140.00	0.63
Debt securities	-	2,355.00
Bonds and debentures (Quoted) (Refer Note 51)	-	-
Loans in Nature of Investment - Credit Substitute	-	2,893.85
Security Receipts	-	-
Mutual Funds	-	-
Investment in PTC	-	650.79
	<u>36,140.00</u>	<u>5,900.27</u>
(Less): Impairment loss allowance	-	19.40
	<u>36,140.00</u>	<u>5,880.87</u>
<b>I Investments at fair value through profit or loss</b>		
<b>A. Investment in equity instruments, quoted</b>		
i) 10,000 equity shares(31 March 2018: 10,000 equity shares) of Rs. 10 each fully paid of Adlabs Entertainment Limited	-	0.63
(A)	<u>-</u>	<u>0.63</u>
<b>B. Investment in Compulsorily Convertible Debentures</b>		
i) Centrum Micro credit Limited 1500 units (31 March 2019 : Nil Units, 31 March 2018: Nil)	-	2,355.00
(B)	<u>-</u>	<u>2,355.00</u>
<b>C. Investment in Pass Through Certificate</b>		
i) Pass Through Certificate subscribed units (31 March 2019 : Nil Units, 31 March 2018: Nil)	70	650.79
(C)	<u>-</u>	<u>650.79</u>
<b>I = (A + B + C)</b>	<u>-</u>	<u>3,006.42</u>
<b>II Investments at cost</b>		
<b>A. Investment in equity instruments, Unquoted</b>		
ii) 10,000 equity shares of Rs. 10 each fully paid of Unity Small Finance Bank Limited (31 March 2021 : Nil)	35,950.00	-
(A)	<u>35,950.00</u>	<u>-</u>
<b>B. Investment in Share Warrants</b>		
i) 1900 Crore share Warrant issued of Rs 0.01 paise each	190.00	-
(B)	<u>190.00</u>	<u>-</u>
<b>II = (A + B)</b>	<u>36,140.00</u>	<u>-</u>
<b>III Investments at amortised cost</b>		
<b>A. Investment in debentures, unquoted at FV of 1000</b>		
i) Jana Holdings Limited 550 Units (31 March 2019 : 650 Units, 31 March 2018: Nil)	-	550.00
ii) Ramjay Homes Real Estate Private Limited 2,250 Units (31 March 2019 : 2000 Units, 31 March 2018: Nil)	-	1,925.00
Add: Interest Accrued and effective interest rate amortization	-	418.85
(A)	<u>-</u>	<u>2,893.85</u>
<b>B. Investment in Mutual fund units</b>		
	-	-
(B)	<u>-</u>	<u>-</u>
<b>III = (A + B)</b>	<u>-</u>	<u>2,893.85</u>
<b>Total Gross Investments (I + II + III)</b>	<u>36,140.00</u>	<u>5,900.27</u>
<b>IV (Less): Impairment loss allowance</b>	-	19.40
<b>Total Net Investments</b>	<u>36,140.00</u>	<u>5,880.87</u>
<b>Of the Above</b>		
a) Investments outside India	-	-
b) Investment in India	36,140.00	5,900.27
<b>Total Gross</b>	<u>36,140.00</u>	<u>5,900.27</u>
(Less): Impairment loss allowance	-	19.40
<b>Total Net</b>	<u>36,140.00</u>	<u>5,880.87</u>



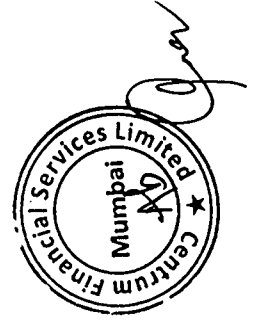
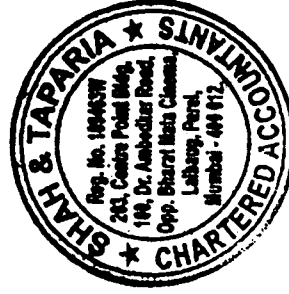
Centrum Financial Services Limited  
Notes to the financial statements as at and for the year ended March 31, 2022  
(Currency: Indian Rupees in lakhs)

8. Investments

Particulars	At Fair value (FY)					Total
	At Cost	Through OCI	Through Profit or Loss	Designated at FY through Profit or Loss	Subtotal	
	(A)	(B)	(C)	(D)	(D) = (B+C)	(F) = (A+D+E)
<b>A. Category of Instrument</b>						
a) Equity instruments (Un-Quoted) *	36,140.00	-	-	-	-	36,140.00
b) Bonds and debentures (Quoted)	-	-	-	-	-	-
c) Security receipts	-	-	-	-	-	-
c) Compulsorily Convertible Debentures	-	-	-	-	-	-
d) Loans in nature of debentures	-	-	-	-	-	-
e) Mutual fund units	-	-	-	-	-	-
e) Pass Through Certificates	-	-	-	-	-	-
<b>Total (A) - Gross</b>	<b>36,140.00</b>	-	-	-	-	<b>36,140.00</b>
Less: Allowance for impairment	-	-	-	-	-	-
<b>Total (A) - Net</b>	<b>36,140.00</b>	-	-	-	-	<b>36,140.00</b>
*Equity instrument includes subscription to Share Warrants at cost of acquisition						
<b>B. a) Investments outside India</b>	36,140.00	-	-	-	-	36,140.00
b) Investment in India	36,140.00	-	-	-	-	36,140.00
<b>Total (B) - Gross</b>	<b>36,140.00</b>	-	-	-	-	<b>36,140.00</b>
Less: Allowance for impairment	-	-	-	-	-	-
<b>Total (B) - Net</b>	<b>36,140.00</b>	-	-	-	-	<b>36,140.00</b>

Particulars	At Fair value (FY)					Total
	At Amortised cost	Through OCI	Through Profit or Loss	Designated at FY through Profit or Loss	Subtotal	
	(A)	(B)	(C)	(D)	(D) = (B+C)	(F) = (A+D+E)
<b>A. Category of Instruments:</b>						
a) Equity instruments (Quoted)	-	-	0.63	-	0.63	0.63
b) Bonds and debentures (Quoted)	-	-	-	-	-	-
c) Compulsorily Convertible Debentures	-	-	2,355.00	-	2,355.00	2,355.00
d) Loans in nature of debentures	2,893.85	-	-	-	-	2,893.85
e) Pass Through Certificates	650.79	-	-	-	-	650.79
<b>Total (A) - Gross</b>	<b>3,544.64</b>	-	<b>2,355.63</b>	-	<b>2,355.63</b>	<b>5,900.27</b>
Less: Allowance for impairment	19.40	-	-	-	-	19.40
<b>Total (A) - Net</b>	<b>3,525.24</b>	-	<b>2,355.63</b>	-	<b>2,355.63</b>	<b>5,880.87</b>
<b>B. Inv. Investments outside India</b>	3,544.64	-	2,355.63	-	2,355.63	5,900.27
b) Investment in India	3,544.64	-	2,355.63	-	2,355.63	5,900.27
Less: Allowance for impairment	19.40	-	-	-	-	19.40
<b>Total (B) - Net</b>	<b>3,525.24</b>	-	<b>2,355.63</b>	-	<b>2,355.63</b>	<b>5,880.87</b>

More information regarding the valuation methodologies can be found in Note 43.B





(Currency - Indian Rupees in lakhs)

8.A Investments carried at amortised cost- Credit quality of Assets

i) Credit quality of assets:

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances.

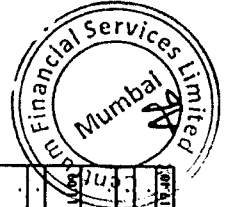
Particulars	As at March 31, 2022			As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing High grade	36,140.00	-	-	36,140.00	3,544.64	-	-	3,544.64
<b>Total</b>	<b>36,140.00</b>	<b>-</b>	<b>-</b>	<b>36,140.00</b>	<b>3,544.64</b>	<b>-</b>	<b>-</b>	<b>3,544.64</b>

ii) Reconciliation of changes in gross carrying amount for investments in Debentures & Pass through Certificates:

Particulars	As at March 31, 2022			As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	3,544.64	-	-	3,544.64	3,050.63	-	-	3,050.63
New assets originated or purchased	-	-	-	-	6,042.80	-	-	6,042.80
Assets derecognised or matured (excluding write offs)	280.86	-	-	280.86	(5,548.79)	-	-	(5,548.79)
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Assets derecognised on Transfer under BTA	(3,825.50)	-	-	(3,825.50)	3,544.64	-	-	3,544.64
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,544.64</b>	<b>-</b>	<b>-</b>	<b>3,544.64</b>

iii) Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2022			As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - Opening Balance	19.40	-	-	19.40	8.18	-	-	8.18
New Assets Originated or Purchased	-	-	-	-	0.71	-	-	0.71
Assets derecognised or repair (excluding write offs)	(1.98)	-	-	(1.98)	-	-	-	-
Transfer to Stage 1	-	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Impact on year end ECL of Exposures transferred between Stages during the year and reversal of ECL on account of recovery	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
Changes to Contractual Cash Flows due to modification not resulting into derecognition	-	-	-	-	11.09	-	-	11.09
Changes to models and inputs used for ECL Calculation	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Assets derecognised on Transfer under BTA	(17.42)	-	-	(17.42)	-	-	-	-
<b>ECL Allowance - Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.40</b>	<b>-</b>	<b>-</b>	<b>19.40</b>



*(Signature)*

**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>9. Other financial assets</b>		
a) Security deposits	-	25.85
b) Loan processing fees receivable	-	5.53
c) Margin with broker	-	202.75
d) Other financial assets	127.44	349.51
<b>Total</b>	<u>127.44</u>	<u>583.64</u>
<b>10. Current tax assets / liabilities (Net)</b>		
10.A Advance income tax (Net of Provision for income tax NIL (Previous year Rs.1,102 Lakhs))	-	2,207.88
<b>Total</b>	<u>-</u>	<u>2,207.88</u>
10.B Provision for taxation (Net of Advance tax Rs. NIL (Previous year Rs.3,193 Lakhs))	-	89.08
<b>Total</b>	<u>-</u>	<u>89.08</u>

**11. Investment property**

Particulars	As at March 31, 2022	As at March 31, 2021
	Building	Building
A) Gross carrying amount as at beginning of the year	-	3,510.95
Additions during the year	-	-
Disposals	-	-
Adjustment*	-	3,510.95
Gross carrying amount as at end of the year	(A) -	-
Accumulated Depreciation as at beginning of the year	-	113.12
Depreciation during the year	-	-
Disposals	-	-
Adjustment*	-	113.12
Accumulated Depreciation as at end of the year	(B) -	-
Net carrying amount	(A-B) -	-

\* During 2020-21, management had the intent to use to property for its own business purpose & hence investment property was transferred to PPE.

**B) Amounts recognised in Statement of profit or loss for investment properties**

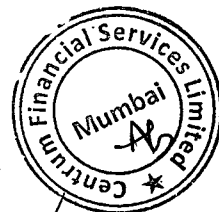
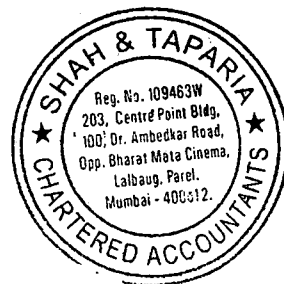
Particulars	For the year ended March 31, 2022	For the Period ended March 31, 2021
Rental income from Investment Property	-	-
Direct operating expense arising from Investment property that generated rental income during the year	-	-
<b>Profit from investment properties before depreciation</b>	-	-
Depreciation charge for the year	-	-
<b>Profit from investment properties after depreciation</b>	-	-

**C. Notes:**

**i) Contractual obligations**

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

**ii) Leasing arrangements** - During 2019-20, Investment property was leased fully to tenants. Agreement provides for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 3 years, however during 2020-21, the management had the intent to use the property for its own business purpose.



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Centrum Financial Services Limited  
Notes to the financial statements as at and for the year ended March 31, 2022  
(Currency : Indian Rupees in lakhs)

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Particulars	Property, plant and equipment					Total F = (A+B+C+D+E)	Right-of-use assets		Goodwill Total (J)	Other intangible assets	
	Computer Hardware (A)	Office Equipment (B)	Building (C)	Vehicles Owned (D)	Furniture & Fixtures (E)		Right of use - Car (G)	Right of use - Premise (H)		Software	Software
<b>A.</b>											
Balance at March 31, 2020	64.39	27.97	19.74	95.97	9.25	317.32	19.25	17.54	1,442.02	276.26	276.26
Additions	10.25	-	-	-	2.97	12.92	-	41.68	-	8.67	8.67
Disposal of asset	-	-	-	-	-	-	9.07	-	-	-	-
Adjustment*	-	-	3,397.83	-	-	3,397.83	-	-	-	-	-
Balance at March 31, 2021	74.64	27.97	3,417.57	95.97	11.92	3,628.07	10.18	59.22	1,442.02	285.03	285.03
Additions	2.04	47.97	250.04	-	65.10	365.15	0.29	-	3,319.50	-	-
Disposal of asset	0.41	-	-	-	-	0.41	0.29	-	-	-	-
Adjustment*	76.27	75.94	3,667.61	95.97	77.02	3,992.81	9.89	59.22	4,991.52	265.03	265.03
Balance at March 31, 2022	-	-	-	-	-	-	-	-	-	-	-
<b>B.</b>											
Accumulated Depreciation / amortisation											
Balance at March 31, 2020	34.65	18.14	0.56	9.53	1.70	64.58	11.38	15.39	-	69.85	69.85
Depreciation / Amortisation expenses	18.60	7.23	56.80	12.12	1.04	95.79	6.39	11.78	-	17.26	17.26
Disposal of asset	-	-	-	-	-	-	7.88	-	-	-	-
Balance at March 31, 2021	53.25	25.37	57.36	21.65	2.74	160.37	9.89	27.17	-	116.31	116.31
Depreciation / Amortisation expenses	8.91	1.19	33.82	7.11	0.72	51.75	0.29	8.03	-	27.68	27.68
Disposal of asset	0.29	-	-	-	-	0.29	-	-	-	-	-
Adjustment*	61.87	26.56	91.18	28.76	3.46	211.83	10.18	35.20	-	141.79	141.79
Balance at March 31, 2022	-	-	-	-	-	-	-	-	-	-	-
<b>C.</b>											
Carrying amount (net) (A-B)											
As at March 31, 2021	21.39	2.60	3,360.21	74.32	9.18	3,467.70	0.29	32.05	1,442.02	148.72	148.72
As at March 31, 2022	-	-	-	-	-	-	-	-	-	-	-
<b>D.</b>											
Depreciation and Amortisations for the year											
For the year ended											
March 31, 2022	51.75	95.79	-	-	-	147.54	-	-	-	-	-
March 31, 2021	8.32	18.17	-	-	-	26.49	-	-	-	-	-
Total	27.68	47.26	-	-	-	74.94	-	-	-	-	-
Total	87.25	161.21	-	-	-	148.46	-	-	-	-	-

a) Depreciation on Property, Plant & Equipments

b) Depreciation of Right to Use assets

c) Amortisation of Intangible assets

d) Depreciation on Investment Property

Total

\* During FY 2020-21, management had the intent to use the property for its own business purpose & hence investment property was transferred to PPE.



**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

12.

**E. Carrying Value of Property, Plant and Equipment pledged as collateral**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a) Vehicles pledged against Vehicle Loan	-	57.46
b) Premises pledged against Secured MLDs & Bank overdraft facility availed from Union Bank of India	-	3,360.21

**F. Note on Goodwill Impairment Testing****a. Goodwill**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	1,442.02	1,442.02
Goodwill arising on acquisitions	3,539.50	-
Transferred under BTA	(4,981.52)	-
Balance at the end of the year	-	1,442.02

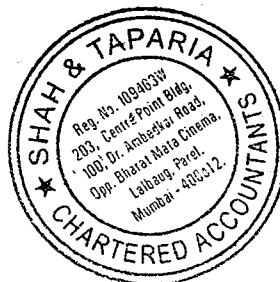
**b. Goodwill impairment assessment**

The Company tests whether goodwill has suffered any impairment on an annual basis and when the circumstances indicate that the carrying value may be impaired. The recoverable amount of the cash generating unit (CGU) was determined based on the higher of the CGU's (Cash generating unit's) fair value less costs of disposal and its value-in-use, the calculations of which require the use of assumptions. The calculations of the value in use consider the cash flow projections based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rate. Fair value is determined by applying book value multiple.

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified. However, the Company has different types of portfolios and the portfolio of Supply Chain Finance Business is considered as the cash generating unit for the purpose of allocating goodwill.

This represents the goodwill recognised on the acquisition of Supply Chain Finance Business. The Company believes that the carrying amount of the goodwill is recoverable based on experts' valuation report.

During the year, the Company acquired the business of Gundlupet Finance and Investments Private Limited (GFIPL) as a going concern on a slump-sale on 'as is where is basis' which has generated goodwill of 3539.50 Lakhs. The Company believes that the carrying amount of the goodwill is recoverable based on experts' valuation report.



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>13. Other non financial assets</b>		
a) Prepaid expenses	-	115.64
b) Advance for expenses		
Advance to employees	-	0.02
Advance to vendors	-	52.28
c) Advance for purchase of shares	-	250.00
d) Balances with statutory authorities	0.41	261.46
	<u>0.41</u>	<u>679.40</u>
Less: Impairment allowance	-	-
<b>Total</b>	<u><u>0.41</u></u>	<u><u>679.40</u></u>

**14. Trade payables**

a) Micro and small enterprises (Refer note below)	-	-
b) Due to related parties (Refer note : 39)	9.72	11.19
c) Due to others	54.69	216.46
<b>Total</b>	<u><u>64.41</u></u>	<u><u>227.65</u></u>

Note:

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. For disclosure pertaining to Micro and Small Enterprises refer note No.37

**14. Other payables**

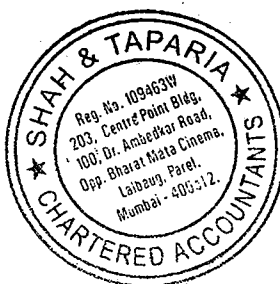
a) Micro and small enterprises (Refer note below)	-	-
b) Due to related parties	-	-
c) Due to Others	-	6.63
<b>Total</b>	<u><u>-</u></u>	<u><u>6.63</u></u>

Note:

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. For disclosure pertaining to Micro and Small Enterprises refer note No.37

Trade payables days past due as at March 31, 2022		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a)	Micro and small enterprises (Refer note below)					-
b)	Others					-
(i)	Due to related parties (Refer note : 39)	9.72				9.72
(ii)	Due to others	54.69				54.69
c)	Disputed dues (MSMEs) and					-
d)	Disputed dues (Others)					-
	<b>Total</b>	<u>64.41</u>	-	-	-	<u>64.41</u>

Trade payables days past due as at March 31, 2021		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a)	Micro and small enterprises (Refer note below)					-
b)	Others					-
(i)	Due to related parties (Refer note : 39)	11.19				11.19
(ii)	Due to others	219.94	1.00	0.19	1.97	223.09
c)	Disputed dues (MSMEs) and					-
d)	Disputed dues (Others)					-
	<b>Total</b>	<u>231.13</u>	<u>1.00</u>	<u>0.19</u>	<u>1.97</u>	<u>234.28</u>



*Signature*

**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

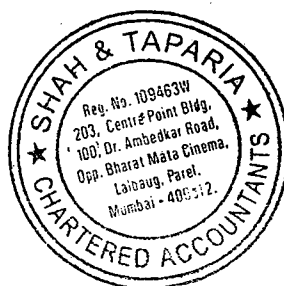
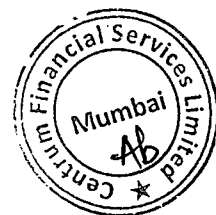
Particulars	As at March 31, 2022	As at March 31, 2021
<b>15. Debt securities</b>		
<b>15.1 At amortised cost</b>		
<b>A. Secured</b>		
a) Secured Non Convertible Market Linked Debentures - privately placed	-	37,955.56
b) Secured Non Convertible Debentures - privately placed	-	19,110.33
c) Commercial Papers - privately placed	-	805.91
d) Securitisation Liability	-	4,302.23
(A)	-	62,174.03
<b>B. Unsecured</b>		
a) Non Convertible Debentures - privately placed	-	5,011.51
b) Compulsorily Convertible Debentures - privately placed	1,509.14	1,509.14
(B)	1,509.14	6,520.65
<b>Total (A + B)</b>	<b>1,509.14</b>	<b>68,694.68</b>
<b>Of the Above</b>		
i) Debt securities in India	1,509.14	68,694.68
ii) Debt securities outside India	-	-
<b>Total</b>	<b>1,509.14</b>	<b>68,694.68</b>

**15 Security Details**

- i) Non Convertible Debentures and Commercial Papers are secured against receivables of the Company.
- ii) Above mentioned Market Linked Debentures are secured against first pari passu charge over present and future receivables with minimum security cover of 100 percent of the issued amount and identified immovable property.
- iii) Securitisation liability is secured by supply chain receivables and cash collateral

**15 Terms of Repayments of Compulsory Convertible Debentures (CCD)**

- i) The above CCD's are unrated unlisted unsecured debentures carrying 10% coupon rate to be paid annually over the tenure of 5 years.
- ii) Conversion Event:  
The earlier of:
  - a) Expiry of the tenor of Compulsorily Convertible Debentures; or
  - b) At the option of the holder of the Compulsorily Convertible Debentures by issuing a notice of 7(seven) working days to the Company.



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**15 Debt securities - (Continued)**

March 31, 2022 - NIL

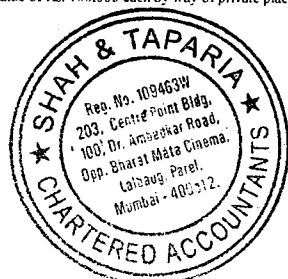
Current Year Debt Securities transferred under BTA on November 1, 2021 refer Note 1

**15.4 A Terms of repayment of MLD as on March 31, 2021**

Serial No.	Type	ISIN	Quoted / Unquoted	As at March 31, 2021	Current	Non-Current	Issue Date	Date of Maturity
ML	-	INE244R07900	Quoted	685.00	685.00	-	08-Oct-19	12-May-21
ML	-	INE244R07900	Quoted	331.29	331.29	-	22-Nov-19	12-May-21
ML	-	INE244R07900	Quoted	392.22	392.22	-	29-Nov-19	12-May-21
ML	-	INE244R07900	Quoted	204.06	204.06	-	23-Jan-20	12-May-21
ML	-	INE244R07900	Quoted	205.06	205.06	-	11-Feb-20	12-May-21
ML	-	INE244R07918	Quoted	125.00	125.00	-	29-Apr-20	11-Sep-21
ML	-	INE244R07884	Quoted	755.00	755.00	-	21-Jun-19	28-Oct-21
ML	-	INE244R07918	Quoted	684.90	684.90	-	18-May-20	03-Jan-22
ML	-	INE244R07918	Quoted	685.00	685.00	-	18-May-20	03-Jan-22
ML	-	INE244R07918	Quoted	527.84	527.84	-	18-May-20	03-Jan-22
ML	-	INE244R07918	Quoted	331.39	331.39	-	18-May-20	03-Jan-22
ML	-	INE244R07827	Quoted	1,955.00	-	1,955.00	02-Nov-18	12-May-22
ML	-	INE244R07827	Quoted	257.01	-	257.01	12-Dec-18	12-May-22
ML	-	INE244R07835	Quoted	1,315.00	-	1,315.00	05-Dec-18	14-Jun-22
ML	-	INE244R07843	Quoted	1,893.00	-	1,893.00	25-Jan-19	04-Aug-22
ML	-	INE244R07843	Quoted	2,342.68	-	2,342.68	31-Jan-19	04-Aug-22
ML	-	INE244R07843	Quoted	536.93	-	536.93	06-Feb-19	04-Aug-22
ML	-	INE244R07843	Quoted	1,483.82	-	1,483.82	28-Feb-19	04-Aug-22
ML	-	INE244R07843	Quoted	207.73	-	207.73	15-Mar-19	04-Aug-22
ML	-	INE244R07843	Quoted	1,135.21	-	1,135.21	26-Mar-19	04-Aug-22
ML	-	INE244R07843	Quoted	560.74	-	560.74	12-Apr-19	04-Aug-22
ML	-	INE244R07843	Quoted	257.93	-	257.93	30-Apr-19	04-Aug-22
ML	-	INE244R07843	Quoted	206.44	-	206.44	02-May-19	04-Aug-22
ML	-	INE244R07843	Quoted	879.27	-	879.27	24-May-19	04-Aug-22
ML	-	INE244R07843	Quoted	625.08	-	625.08	07-Jun-19	04-Aug-22
ML	-	INE244R07843	Quoted	265.99	-	265.99	12-Jun-19	04-Aug-22
ML	-	INE244R07843	Quoted	630.35	-	630.35	27-Jun-19	04-Aug-22
ML	-	INE244R07843	Quoted	210.24	-	210.24	12-Jul-19	04-Aug-22
ML	-	INE244R07843	Quoted	417.66	-	417.66	25-Jul-19	04-Aug-22
ML	-	INE244R07843	Quoted	701.38	-	701.38	31-Jul-19	04-Aug-22
ML	-	INE244R07843	Quoted	315.33	-	315.33	02-Aug-19	04-Aug-22
ML	-	INE244R07843	Quoted	697.87	-	697.87	22-Aug-19	04-Aug-22
ML	-	INE244R07843	Quoted	572.49	-	572.49	29-Aug-19	04-Aug-22
ML	-	INE244R07843	Quoted	633.26	-	633.26	12-Sep-19	04-Aug-22
ML	-	INE244R07843	Quoted	93.37	-	93.37	01-Oct-19	04-Aug-22
ML	-	INE244R07843	Quoted	174.60	-	174.60	18-Oct-19	04-Aug-22
ML	-	INE244R07843	Quoted	107.98	-	107.98	25-Oct-19	04-Aug-22
ML	-	INE244R07843	Quoted	343.39	-	343.39	20-Dec-19	04-Aug-22
ML	-	INE244R07843	Quoted	338.01	-	338.01	24-Dec-19	04-Aug-22
ML	-	INE244R07868	Quoted	1,594.00	-	1,594.00	24-Apr-19	01-Nov-22
ML	-	INE244R07868	Quoted	568.00	-	568.00	30-May-19	01-Nov-22
ML	-	INE244R07868	Quoted	205.00	-	205.00	26-Jun-19	01-Nov-22
ML	-	INE244R07868	Quoted	177.27	-	177.27	17-Jul-19	01-Nov-22
ML	-	INE244R07868	Quoted	275.00	-	275.00	16-Aug-19	01-Nov-22
ML	-	INE244R07918	Quoted	2,540.00	-	2,540.00	27-Nov-20	16-Dec-22
ML	-	INE244R07918	Quoted	780.34	-	780.34	11-Dec-20	16-Dec-22
ML	-	INE244R07918	Quoted	2,639.52	-	2,639.52	18-Dec-20	16-Dec-22
ML	-	INE244R07918	Quoted	2,195.23	-	2,195.23	30-Dec-20	16-Dec-22
ML	-	INE244R07918	Quoted	202.20	-	202.20	04-Jan-21	16-Dec-22
ML	-	INE244R07892	Quoted	597.00	-	597.00	26-Sep-19	28-Apr-23
ML	-	INE244R07892	Quoted	200.40	-	200.40	30-Oct-19	28-Apr-23
ML	-	INE244R07892	Quoted	262.96	-	262.96	20-Nov-19	28-Apr-23
ML	-	INE244R07918	Quoted	370.00	-	370.00	15-Nov-19	24-May-23
ML	-	INE244R07918	Quoted	269.67	-	269.67	25-Nov-19	24-May-23
ML	-	INE244R07918	Quoted	401.32	-	401.32	28-Nov-19	24-May-23
ML	-	INE244R07918	Quoted	150.00	-	150.00	30-Apr-20	08-Nov-23
ML	-	INE244R07918	Quoted	235.00	-	235.00	08-May-20	16-Nov-23
ML	-	INE244R07918	Quoted	281.88	-	281.88	08-May-20	16-Nov-23
ML	-	INE244R07918	Quoted	150.57	-	150.57	08-May-20	16-Nov-23
<b>Total</b>				<b>38,179.86</b>	<b>4,926.75</b>	<b>33,253.11</b>		
Add: Commission amortisation				(6,962.08)				
Add: Interest accrued				6,737.78				
<b>Total</b>				<b>37,955.56</b>				

**Note:**

- The above mentioned debentures are secured, unlisted and listed, rated and unrated, non-convertible, principal protected, market linked debentures carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. Hence, the interest rate/range cannot be
- The Company had raised Rs. 11,529 Lakh (Previous Year Rs. 24,094 Lakh) secured, redeemable, non-cumulative, unlisted, unrated, non-convertible, principal protected Market Linked Debentures bearing a face value of Rs. 100,000 each by way of private placement.



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**15 Debt securities - (Continued)**

**15.5 Secured Non Convertible Debentures - privately placed**

**Terms of Repayment - As at March 31, 2021**

Particulars	Rate of Interest	Repayment Details	Amount
24-36 months	10.60%	Bullet Repayment	1,000.00
12-24 months	9.95%- 10%	Quarterly & Bullet Repayments	8,125.00
Upto 12 months	10%-10.25%	Quarterly & Bullet Repayments	9,985.33
			<b>19,110.33</b>

**Security Details**

Non Convertible Debentures are secured against receivables of the Company.

**15.6 Commercial Paper**

**Terms of Repayment - As at March 31, 2021**

Particulars	Rate of Interest	Repayment Details	Amount
Commercial Paper Issued	7.74% to 7.75%	11-12 Months	850.00
Less: Unamortised Discount			(44.09)
			<b>805.91</b>

**15.7 Securitisation Liability**

**Terms of Repayment - As at March 31, 2021**

Tenure	Rate of Interest	Repayment Details	Amount
12 months	8.25%- 11%	Interest is payable on Monthly basis & principal is payable on Maturity	4,302.23
			<b>4,302.23</b>

**15.8 Unsecured Non Convertible Debentures - privately placed**

**Terms of Repayment - As at March 31, 2021**

Tenure ( From the date of the Balance Sheet)	Rate of Interest	Repayment Details	Amount
More than 48 Months	12%	Bullet Repayment	5,000.00
Upto 12 months	12%	Annually	11.51
			<b>5,011.51</b>

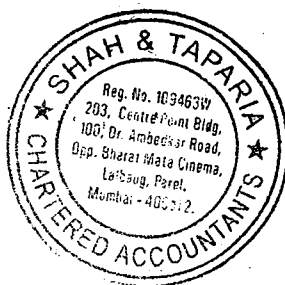
**15.9 Compulsorily Convertible Debentures**

**Terms of Repayment - As at March 31, 2022**

Tenure ( From the date of the Balance Sheet)	Rate of Interest	Repayment Details	Amount
More than 48 Months	12%	Bullet Repayment	1,509.14
			<b>1,509.14</b>

**Terms of Repayment - As at March 31, 2021**

Tenure ( From the date of the Balance Sheet)	Rate of Interest	Repayment Details	Amount
More than 48 Months	12%	Bullet Repayment	1,509.14
			<b>1,509.14</b>



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>16. Borrowings (other than debt securities)</b>		
<b>A. Borrowings At amortised cost</b>		
<b>I a) Term Loans (Secured)</b>		
i) from banks	-	4,802.21
ii) from others	-	331.19
<b>b) Repayable on demand (Secured)</b>		
i) Bank Overdraft	-	1,424.59
ii) Others	-	-
<b>Total</b>	<b>-</b>	<b>6,557.99</b>
<b>Of the Above</b>		
<b>II i) Borrowings in India</b>	-	6,557.99
<b>ii) Borrowings outside India</b>	-	-
<b>Total</b>	<b>-</b>	<b>6,557.99</b>

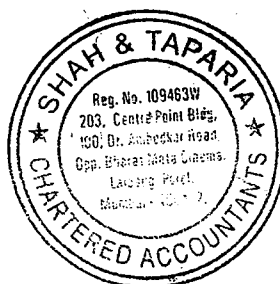
**16. Details of security and terms of repayment**

- i) Loans from banks and others are secured against the remaining receivables of the Company and Moveable Assets of the Company  
 ii) Loans from certain banks & financial institutions are secured against specific receivables of the Company.  
 iii) Bank Overdraft are secured against Fixed Deposits and building under PPE

**16. Term loans from banks -Secured**

**Terms of Repayment - As at March 31, 2021**

Tenure ( From the date of the Balance Sheet)	Rate of Interest	Repayment Details	Amount Rs. In Lakhs
36-48 months	10.50%-10.90%	Quarterly Instalments	1,761.05
24-36 months	10.50%-10.90%	Quarterly Instalments	844.59
12-24 months	10.50%-10.90%	Quarterly Instalments	799.59
upto 12 months	9.15% - 11.10%	Monthly & Quarterly Instalments	1,676.97
			5,082.20
Add: Effective interest rate amortisation			(280.00)
			<b>4,802.21</b>



*Signature*

**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**16. Term loans from Others -Secured**

Terms of Repayment - As at March 31, 2021

Tenure ( From the date of the Balance Sheet)	Rate of Interest	Repayment Details	Amount Rs. In Lakhs
12-24 months	9.53%	Monthly & Bullet Repayment	41.73
upto 12 months	6.85%-9.53%	Monthly	289.52
			<u>331.25</u>
		Add: Effective Interest rate amortisation	(0.06)
			<u><u>331.19</u></u>

**Details of security**

- i) Loans Repayable on Demand are secured against shares

**16. Bank overdraft**

Terms of Repayment

Particulars	Rate of Interest	Repayment Details	As at March 31, 2021
Bank overdraft	9.25%	12 months	1,424.59
		<b>Total</b>	<u><u>1,424.59</u></u>

**17. Deposits - At amortised cost**

	As at March 31, 2022	As at March 31, 2021
Intercompany deposits (unsecured)	-	-
	<u>-</u>	<u>-</u>

**Repayment Terms of Deposits**

Particulars	Rate of Interest	Repayment Details	As at March 31, 2022	As at March 31, 2021
Public Deposits			-	-
Deposits from Banks			-	-
Deposits from Others			-	-
a) Intercompany Deposits (unsecured)	10% to 13.0%	On Demand	4,869.00	-
Others			-	-
		<b>Total</b>	<u><u>4,869.00</u></u>	<u><u>-</u></u>

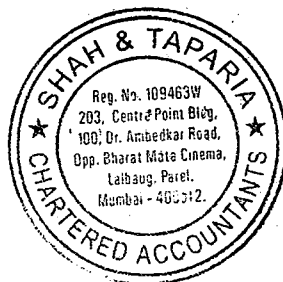
**18. Other financial liabilities**

a) Security deposits	-	-
b) Excess money received	-	-
b) Payable on the accounts of assignments	-	93.80
c) Payable to anchors	-	-
d) Other financial liabilities ^	3,786.38	1,449.68
	<b>Total</b>	<u><u>3,786.38</u></u> <u><u>1,543.47</u></u>

^ For 31 March 2022 Other Financial Liabilities includes bank balances maintained on behalf of UNITY

**19. Provisions**

a) Provision for employee benefits		
i) Gratuity (Refer Note : 40)	-	65.74
ii) Compensated absences	-	16.81
iii) Others	-	20.27
b) Provision for undrawn commitments	-	3.14
	<b>Total</b>	<u><u>-</u></u> <u><u>105.96</u></u>



*[Handwritten Signature]*



**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency : Indian Rupees in lakhs)

**19.1 Loan Commitments**

**Credit quality of exposure**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 43 B 2

Particulars	As at March 31, 2022	As at March 31, 2021
	Stage I Collective	Stage I Collective
<b>Internal rating grade</b>		
<b>Performing</b>		
High grade	-	1,207.39
<b>Total</b>	<u>-</u>	<u>1,207.39</u>

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

**Gross exposure reconciliation**

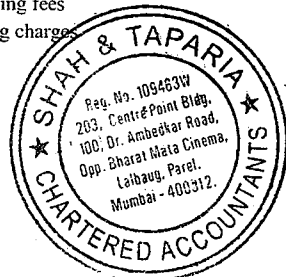
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Stage I	Stage I
Opening balance of outstanding exposure	1,207.39	1,834.85
New exposures	-	1,207.39
Exposures derecognised or matured/repaid (excluding write offs)	(1,207.39)	(1,834.85)
<b>Closing balance of outstanding exposure</b>	<u>-</u>	<u>1,207.39</u>

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	General approach Stage I	General approach Stage I
ECL allowance - opening balance	3.14	4.50
New exposures	-	3.14
Exposures derecognised or matured (excluding write offs)	(3.14)	(4.50)
<b>ECL allowance - closing balance</b>	<u>-</u>	<u>3.14</u>

**20. Other non-financial liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
a) Advances from customers	-	300.69
b) Statutory dues payable	26.39	188.96
c) Undisbursed processing fees	-	11.30
d) Unearned discounting charges	-	320.14
<b>Total</b>	<u>26.39</u>	<u>821.09</u>



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**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

**21. Equity share capital**

**a) Share capital authorised, issued, subscribed and paid up**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity Shares of Rs. 10 each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	<b>15,00,00,000</b>	<b>15,000.00</b>	<b>15,00,00,000</b>	<b>15,000.00</b>
<b>Issued, Subscribed &amp; paid up:</b>				
Equity Shares of Rs. 10 each	9,89,56,900	9,895.69	9,89,56,900	9,895.69
	<b>9,89,56,900</b>	<b>9,895.69</b>	<b>9,89,56,900</b>	<b>9,895.69</b>

**b) Reconciliations of the number of equity shares and share capital :**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Issued, Subscribed &amp; paid up:</b>				
Outstanding at the beginning of the year	9,89,56,900	9,895.69	9,89,56,900	9,895.69
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<b>9,89,56,900</b>	<b>9,895.69</b>	<b>9,89,56,900</b>	<b>9,895.69</b>

**c) Terms/rights attached to equity shares:**

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

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

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

**d) Shareholder holding more than 5% of equity shares as at the end of the year :**

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% Holding
Centrum Capital Limited, Holding Company*	9,89,56,900	100.00%		
Centrum Retail Services Limited, Holding Company		0.00%	9,89,56,900	100.00%

\*During the year Centrum Retail Services Limited transferred Shareholding in the Company to Centrum Capital Limited on August 23, 2021

**e) Details of shares held by Promoters**

**Shares held by Promoters at the end of the year (Equity Shares in nos. of Rs. 100 each)**

Promoters name	As at 31st March 2022		
	No of Shares	% holding of equity shares	% Change during the year
<b>Fully paid Equity share</b>			
Centrum Capital Limited	9,89,56,900	100%	100%
Centrum Retail Services Limited		0%	-100%

Promoters name	As at 31st March 2021		
	No of Shares	% holding of equity shares	% Change during the year
<b>Fully paid Equity share</b>			
Centrum Retail Services Limited	9,89,56,900	100%	0%

**f) Shares reserved for issue under options**

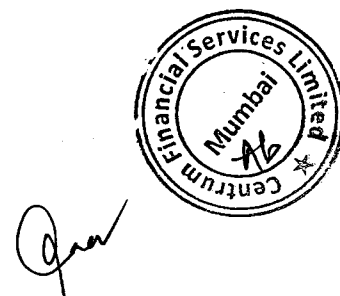
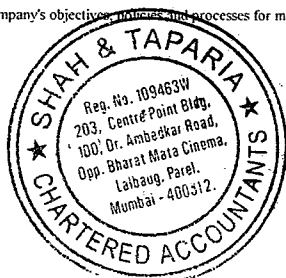
Refer note 43 for shares reserved for issue under the employee stock option scheme (ESOP) of the Company.

**g) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

Nil

**h) No dividend is paid during the year or recommended by the Board Of Directors for the financial year 2021-22.**

**i) Refer Note 46 : Capital Management for the Company's objectives, policies and processes for managing capital**



**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>22. Other equity</b>		
a) Securities premium	18,639.96	18,639.96
b) Statutory reserve	502.99	502.99
c) Employee stock options	-	471.78
d) Retained earnings	25.54	(1,403.57)
e) Impairment reserve	-	1,530.81
f) Capital contribution	694.60	689.75
g) Other comprehensive income	-	(2.44)
<b>Total</b>	<b>19,863.09</b>	<b>20,429.28</b>

**A. Nature and purpose of reserves**

**a. Securities premium reserve**

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 the provisions of the Companies Act, 2013.

**b. Statutory reserve**

Reserve created under 45-1C(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

**c. Employee stock options**

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**d. Retained Earnings**

Retained earnings comprises of the Company's undistributed earnings after taxes.

**e. Impairment reserve**

Impairment reserve comprises of the excess provisioning as per Income Recognition, Asset Classification and Provisioning norms (IRACP norms) as compared to the provisioning as per the ECL model adopted by the Company.

**f. Capital contribution**

Capital contribution represents the indirect equity contribution by the Parent.

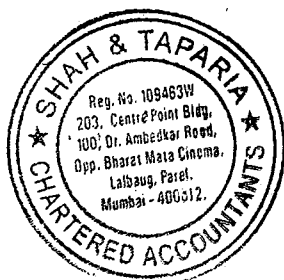
**B. Movement in Other equity**

	As at	As at
	March 31, 2022	March 31, 2021
<b>a) Securities premium</b>		
Opening balance	18,639.96	18,639.96
Add : Premium Received on issue of securities	-	-
Closing Balance	(a) 18,639.96	18,639.96
<b>b) Statutory reserve</b>		
Opening balance	502.99	466.62
Add : Transfer from retained earnings	-	36.37
Closing Balance	(b) 502.99	502.99
<b>c) Employee stock options</b>		
Opening balance	471.78	299.80
Add : Additions during the year	115.61	171.98
Less : Termination of Services	(587.39)	-
Closing Balance	(c) -	471.78
<b>d) Retained Earnings</b>		
Opening balance	(1,406.01)	(594.27)
Add: Profit for the year	(87.06)	181.84
Add: Other comprehensive income	(12.20)	2.96
	1,808.02	
Amount available for appropriation	302.75	(409.47)
Appropriations:		
Transfer to impairment reserve	277.21	960.17
Transfer to statutory reserve	-	36.37
Closing Balance	(d) 25.54	(1,406.01)
<b>e) Impairment reserve</b>		
Opening balance	1,530.81	570.64
Add : Transfer from retained earnings	277.21	960.17
Less : Transfer to Retained Earning	(1,808.02)	-
Closing Balance *	-	1,530.81
<b>f) Capital contribution</b>		
Opening balance	689.75	648.56
Add : Addition during the year	4.85	41.19
Closing Balance	(e) 694.60	689.75
<b>(a+b+c+d+e)</b>	<b>19,863.09</b>	<b>20,429.28</b>

\* During the financial year ended March 31, 2022, the loans and advances held by the Company were transferred to Unity Small Finance Bank Limited ("USFB"), as required by the RBI License issued on October 12, 2021.

As on the date of transfer, the Company held INR 1,808.02 Lakhs in impairment reserve as required by RBI notification RBI/2019-20/170 DOR (NBFC), CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. As on March 31, 2022, the Company does not hold any loans and advances.

The Company has grouped it under retained earnings for financial year ended March 31, 2022. The Management has also sought ratification of the same from RBI vide a communication dated March 30, 2022. This amount shall not be available for appropriation pending ratification by RBI.



**Centrum Financial Services Limited**

**Notes to the financial statements for the year ended 31 March 2022**  
(Currency : Indian Rupees in lakhs)

**23 Other income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on loan portfolio	-	-
Interest on fixed deposits	-	-
Interest income on ICDS	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**24 Fees and commission income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ in lakh	₹ in lakh
Commission income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**25 Finance costs**

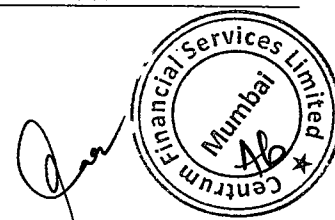
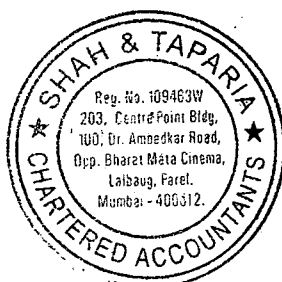
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>On financial liabilities measured at amortised cost:</b>		
Interest on debt securities (unlisted)	62.43	-
Interest on debt securities (listed)	-	-
Interest on borrowings (other than debt securities)	-	-
Interest on Deposits	248.12	-
Interest on securitised liabilities	-	-
Interest on lease liabilities	-	-
Other borrowing costs	-	-
<b>Total</b>	<b>310.55</b>	<b>-</b>

**26 Other expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent, taxes and energy costs	-	-
Directors' fees, allowances and expenses	8.51	-
Auditor's fees and expenses (Refer note 26.1 below)	7.50	-
Legal and professional charges	1.00	-
Other expenditure	5.38	-
<b>Total</b>	<b>22.38</b>	<b>-</b>

**26.1 Auditor's fees and expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>As Auditor:</b>		
Statutory Audit fees	7.50	-
Limited Review fees	-	-
<b>Total</b>	<b>7.50</b>	<b>-</b>



**Centrum Financial Services Limited**  
**Notes to the financial statements for the year ended 31 March 2022**  
**(Currency : Indian Rupees in lakhs)**

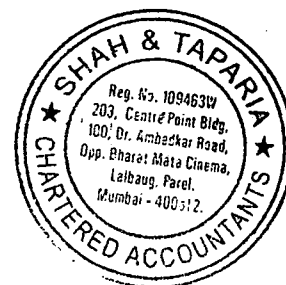
**27 Discontinued Profit and Loss Statement**

Centrum Financial Services Limited ("CFSL") has transferred its business to Unity Small Finance Bank Limited ("USFB") as a going concern by way of slump sale. Accordingly, CFSL has discontinued its NBFC business with effect from November 1, 2021. To that extent, it has made the disclosure to the stock exchange.

Reserve Bank of India ("RBI") vide its letter dated October 12, 2021 has issued banking licence to USFB to carry on the business of small finance bank. The letter issued along with the licence specifies certain conditions, wherein it is specified that CFSL has to register itself as Core Investment Company (CIC) with RBI.

In compliance of the same, CFSL, vide its letters dated November 10, 2021 and January 13, 2022 has applied for conversion of CFSL, registered as a Systemically Important- Non Deposit Accepting- Non Banking Financial Company - Investment and Credit Company, into a Core Investment Company.

Particulars	(Amount)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from operations</b>		
Interest income	6,924.01	11,642.34
Rental income	13.03	2.26
Fee and commission income	394.25	1,000.79
Net gain on fair value change	159.97	807.17
Net gain on derecognition of financial instruments under amortised cost category	327.36	-419.15
Other operating revenue	55.57	-46.50
<b>Total revenue from operations</b>	<b>7,874.19</b>	<b>13,918.21</b>
Other income	54.62	166.36
<b>Total Income</b>	<b>7,928.81</b>	<b>14,084.57</b>
<b>Expenses</b>		
Finance costs	5,336.94	9,271.00
Impairment on financial instruments	24.92	487.12
Employee benefits expenses	1,814.68	2,706.77
Depreciation, amortisation and impairment	87.75	161.21
Other expenses	605.59	1,192.36
<b>Total expenses</b>	<b>7,869.89</b>	<b>13,818.46</b>
Profit (loss) before tax before exceptional items from discontinued operations	58.93	266.11
Exceptional items - Gain on BTA (refer note)	594.26	-
<b>Profit/(loss) before tax from discontinued operations</b>	<b>653.18</b>	<b>266.11</b>
<b>Tax expense:</b>		
- Current tax		-
- Deferred tax	407.33	
- (Excess)/Short provision of earlier years		84.27
<b>Total tax expense</b>	<b>407.33</b>	<b>84.27</b>
<b>Net Profit for the year</b>	<b>245.85</b>	<b>181.84</b>
<b>Items that will not be reclassified to profit or loss</b>		
- Remeasurements of post-employment benefit obligations	(17.21)	3.95
- Income tax relating to these items		-
<b>Items that will be reclassified to profit or loss</b>		
Other comprehensive income/(loss) for the year	(17.21)	3.95
<b>Total comprehensive income for the year</b>	<b>228.64</b>	<b>185.79</b>
<b>Earnings per equity share</b>		
Face value of ₹10 per share		
- Basic (₹)*		
- From Continuing Operations	(0.03)	-
- From Discontinued Operations	0.02	0.18
- Diluted (₹)*		
- From Continuing Operations	(0.03)	-
- From Discontinued Operations	0.02	0.18
* Not annualised		



Note : The exceptional item amounting to ₹ 186.92 lakh represents the gain arising on account of slump sale transaction of ₹ 594.25 lakh (net of deferred tax asset transferred) and deferred tax expense arising in October 31, 2021 of ₹ 407.33 lakh which has been added to the gain as the corresponding net assets were transferred under the Business Transfer Agreement.

Net cash flows attributable to the Discontinued Operations are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net Cash flows from/(used) in operating activities	41,116.10	1,838.98
Net Cash flows from/(used) in investing activities	(33,909.01)	(671.43)
Net Cash flows from/(used) in financing activities	1,799.44	3,449.30
Net Increase/(decrease) in cash and cash equivalent	9,006.50	4,616.85
Cash and cash equivalents as at 1 April (opening balance)	8,203.15	3,587.25
Less : Balance transferred through slump sale		-
Cash and cash equivalents as at 31 March (closing balance)	87.31	0.08



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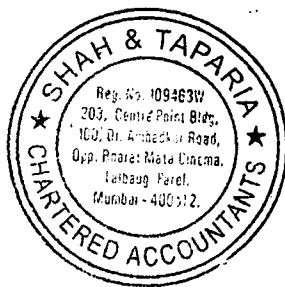
An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to all onward lending is as follows:

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2021	73,931.28	8,060.75	1,280.15
Assets originated*	60,517.49		
Net transfer between stages			
Transfer to stage 1	4,333.03	(4,333.03)	
Transfer to stage 2	-		
Transfer to stage 3	(73.43)	(9.16)	82.59
Assets derecognised or collected (including death cases, pre-closure cases)	(64,597.78)	(68.91)	(17.18)
Amounts written-off	-		(644.17)
Assets transferred through slump sale	(74,110.58)	(3,649.65)	(701.39)
Gross carrying amount as at 31st March, 2022	-	-	-

\* Assets originated represents the disbursements made during the year.

Reconciliation of ECL balance is given below:

Particulars	31 March 2022			
	Stage 1	Stage 2	Stage 3	Total
ECL provision at the beginning of the year	169.76	43.17	746.48	959.41
Add: ECL provision during the year	2.69	(23.07)	49.29	28.91
Less: Write-offs during the year			(644.18)	(644.18)
Less: Amounts transferred through slump sale	(172.45)	(20.10)	(151.59)	(344.14)
ECL provision at the end of the year	-	-	-	-



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**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**28. Disclosure pursuant to Ind AS 12 "Income Taxes"**

**28.1 Major components of tax expense/(income):**

Particulars	Year Ended March 31,	
	2022	2021
<b>I. Income Tax Expense charged to Statement of Profit and Loss:</b>		
(i) Current income tax:		
Current income tax expense	-	-
Tax expense in respect of earlier years	-	-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	407.33	84.27
<b>Income tax expense reported in Profit or Loss (I + ii)</b>	<b>407.33</b>	<b>84.27</b>
<b>II. Income Tax Expense charged to Other Comprehensive Income :</b>		
(i) Income tax expense (gain) relating to items that will not be reclassified to profit or loss	(5.01)	0.99
(ii) Income tax expense (gain) relating to items that will be reclassified to profit or loss	-	-
<b>Income tax expense reported in the OCI ( I + ii)</b>	<b>(5.01)</b>	<b>0.99</b>

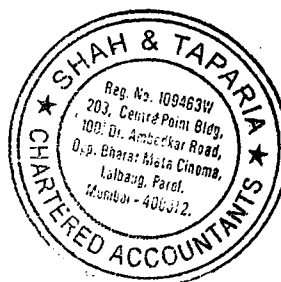
**28.2 Reconciliation of tax expense and the accounting profit - (On combined profits)**

The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in March 2020. Accordingly, the Company had recognised and remeasured Provision for Income Tax and Deferred Tax based on the rate prescribed in the said section.

A reconciliation of income tax to the amount computed by applying statutory income tax rate to the income before taxes is summarised below.

Particulars	Year Ended March 31,	
	2022	2021
(a) Profit before tax	320.27	266.11
(b) Corporate tax rate as per Income tax Act, 1961	25.168%	25.168%
(c) Tax on Accounting profit (c) = (a) * (b)	80.61	66.97
(d) Tax impact due to		
(i) Tax expense of earlier years	-	-
(ii) Disallowances on account of permanent difference	-	1.70
(iii) (Benefit) / Expense due to change in tax rates on the opening timing differences	-	0.02
(iv) Other items	327.02	15.58
<b>Total effect of tax adjustments (i) to (iv)</b>	<b>327.02</b>	<b>17.30</b>
(e) Tax expense recognised during the year (e)=(c)+(d)	407.63	84.27
(f) Effective tax rate (f)=(e)/(a)	127.28%	31.67%

\* Post the BTA, there being no virtual certainty supported by convincing evidence that there shall be future taxable profits against which the unabsorbed losses / accumulated losses would be utilised, the deferred tax assets as appearing in the books have been reversed resulting in high effective tax rate for the year ended March 31, 2022.



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

**28.3 Movement in Deferred Taxes**

**28.3.A Movement in deferred tax balances for the year ended March 31, 2022**

Particulars	As at March 31, 2021	Recognised in profit or loss	Recognised in OCI	Transferred under BTA Recognised in Profit or Loss	As at March 31, 2022
<b>Deferred tax asset/ (liabilities)</b>					
i) Depreciation on property, plant and equipment	(238.04)	238.04	-	(276.93)	-
ii) Lease liabilities	(0.07)	0.07	-	-	-
iii) EIR impact of financial assets	69.16	(69.16)	-	-	-
iv) EIR impact of financial liabilities	(222.12)	222.12	-	-	-
v) Unrealised gain on derivatives	(386.54)	386.54	-	-	-
vi) Goodwill	33.44	(33.44)	-	-	-
vii) Impairment loss on investments	(84.94)	84.94	-	-	-
viii) Expected Credit loss on loans and other assets	247.12	(247.12)	-	-	-
ix) Provision for employee benefits	20.78	(20.78)	-	-	-
x) Disallowance under Section u/s 40a(i)	-	-	-	-	-
xi) DTA on business loss	681.64	(681.64)	-	-	-
xii) Others	10.23	(10.23)	-	0.27	-
<b>Total</b>	<b>130.66</b>	<b>(130.65)</b>	<b>-</b>	<b>(276.66)</b>	<b>-</b>

**28.3.B Movement in deferred tax balances for the year ended March 31, 2021**

Particulars	As at March 31, 2020	Recognised in profit or loss	Recognised in OCI	As at March 31, 2021
<b>Deferred tax asset/ (liabilities)</b>				
i) Depreciation on property, plant and equipment	(143.26)	(94.78)	-	(238.04)
ii) Lease liabilities	0.25	(0.32)	-	(0.07)
iii) EIR impact of financial assets	55.34	13.82	-	69.16
iv) EIR impact of financial liabilities	(239.66)	17.54	-	(222.12)
v) Unrealised gain on derivatives	(64.82)	(321.72)	-	(386.54)
vi) Goodwill	33.44	-	-	33.44
vii) Impairment loss on investments	105.15	(190.09)	-	(84.94)
viii) Expected Credit loss on loans and other assets	330.25	(83.13)	-	247.12
ix) Provision for employee benefits	13.74	8.04	(1.00)	20.78
x) Disallowance under Section u/s 40a(i)	125.49	(125.49)	-	-
xi) DTA on business loss	-	681.64	-	681.64
xii) Others	0.02	10.21	-	10.23
<b>Total</b>	<b>215.94</b>	<b>(84.27)</b>	<b>(1.00)</b>	<b>130.67</b>

**28.3.C Amounts recognised in respect of current tax / deferred tax directly in equity:**

Particulars

As at March 31, 2022      As at March 31, 2021

Amounts recognised in respect of current tax / deferred tax directly in equity

-      -

**28.4 Tax losses**

Unused tax losses for which no deferred tax asset has been recognised

(3,508.81)      (242.09)




Centrum Financial Services Limited

Notes to the financial statements for the year ended 31 March 2022  
(Currency : Indian Rupees in lakhs)

29 Earnings per equity share

(Face value of ₹ 10 per share)

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

EPS - Continuing operations

Particulars	For the year ended March 31, 2022
Net profit after tax available for equity shareholders for basic EPS (₹ in lakh)	(332.91)
Net profit after tax available for equity shareholders for diluted EPS (₹ in lakh)	(332.91)
Weighted average number of equity shares for basic EPS (Nos.in lakh)	990
Weighted average number of equity shares for diluted EPS (Nos.in lakh)	990
Basic earnings per share (₹)	(0.34)
Diluted earnings per share (₹)	(0.34)

EPS - Discontinuing operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax available for equity shareholders for basic EPS (₹ in lakh)	245.85	181.84
Net profit after tax available for equity shareholders for diluted EPS (₹ in lakh)	245.85	181.84
Weighted average number of equity shares for basic EPS (Nos.in lakh)	989.57	989.57
Weighted average number of equity shares for diluted EPS (Nos.in lakh)	989.57	989.57
Basic earnings per share (₹)	0.25	0.18
Diluted earnings per share (₹)	0.25	0.18

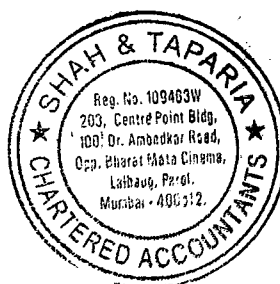
EPS - Continued and Discontinuing operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax available for equity shareholders for basic EPS (₹ in lakh)	(87.06)	181.84
Net profit after tax available for equity shareholders for diluted EPS (₹ in lakh)	(87.06)	181.84
Weighted average number of equity shares for basic EPS (Nos.in lakh)	989.57	989.57
Weighted average number of equity shares for diluted EPS (Nos.in lakh)	989.57	989.57
Basic earnings per share (₹)	(0.09)	0.18
Diluted earnings per share (₹)	(0.09)	0.18

30 Effects of share options on diluted earnings per share

(For the year ended 31st March, 2022)

Particulars	Nos.
Net profit for the year ended 31st March, 2022 (₹ in lakh) - Continuing operations	(332.91)
Net profit for the year ended 31st March, 2022 (₹ in lakh) - Discontinued operations	245.85
Net profit for the year ended 31st March, 2022 (₹ in lakh) - Continuing and Discontinued operations	(87.06)
Weighted average number of equity shares outstanding during the year ended 31st March, 2022 (Nos.)	990
Average fair value of one option during the year ended 2022 (₹)	Nil
Weighted average number of shares under Employee stock option during the year ended 31st March, 2022 (Nos.)	Nil
Weighted average number of shares under Conversion with respect to Compound Financial Instrument during the year ended 31st March 2022	-
Exercise price for shares under option during the year ended 31st March, 2022 (₹)	Nil



**Computation of Earnings per share - Continuing operations**

Particulars	Earnings (₹ in lakh)	Shares (Nos.)	Earnings per share (₹)
Net profit for the year ended 31st March, 2022	(332.91)		
Weighted average number of shares outstanding during year ended 31st March, 2022		9,89,56,942	
Basic earnings per share			(0.34)
Impact of Compound Financial Instrument	-		
Number of shares under conversion	-		
Diluted earnings per share	(332.91)	9,89,56,942	(0.34)

**Computation of Earnings per share - Discontinued operations**

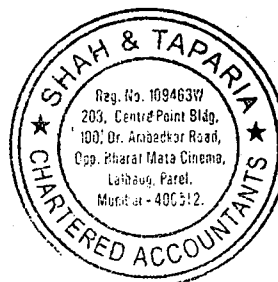
Particulars	Earnings (₹ in lakh)	Shares (Nos.)	Earnings per share (₹)
Net profit for the year ended 31st March, 2022	245.85		
Weighted average number of shares outstanding during year ended 31st March, 2022		9,89,56,942	
Basic earnings per share			0.25
Impact of employee stock options	-		
Impact of Compound Financial Instrument	-		
Number of shares under employee stock options	-	Nil	
Number of shares under conversion	-		
Diluted earnings per share	245.85	9,89,56,942	0.25

**Computation of Earnings per share - Continuing & Discontinued operations**

Particulars	Earnings (₹ in lakh)	Shares (Nos.)	Earnings per share (₹)
Net profit for the year ended 31st March, 2022	(87.06)		
Weighted average number of shares outstanding during year ended 31st March, 2022		9,89,56,942	
Basic earnings per share			(0.09)
Impact of employee stock options	-		
Impact of Compound Financial Instrument	-		
Number of shares under employee stock options	-	Nil	
Number of shares under conversion	-		
Diluted earnings per share	(87.06)	9,89,56,942	(0.09)

Note

1. Since the rate of conversion of the compulsorily convertible debentures can be ascertained only on the date of conversion, the same have not been considered while calculating the diluted earnings per share except for the compound financial instrument which are issued with fixed conversion terms.



*Signature*

**Centrum Financial Services Limited**

Notes to the financial statements for the year ended 31 March 2022

**31 Note on Business Transfer Agreement**

RBI vide its letter dated 12 October 2021, granted a licence to Centrum Financial Services Limited, an associate company of the Company to establish a small finance bank (SFB).

One of the licensing conditions was that the Company shall transfer its business under slump sale before the date of commencement of business by Unity Small Finance Bank Limited (USFB). Therefore, the Company sold its business to USFB vide a Business Transfer Agreement (by way of slump sale) ("BTA") dated October 26, 2021.

USFB commenced its operations on November 1, 2021. Pursuant to the BTA, the entire business undertaking of CFSLI was transferred to USFB, via slump sale as a going concern, on 'as-is-where-is' basis, effective from November 01, 2021 for a total consideration of INR 31,600 Lakh. The Company had received the consideration in cash.

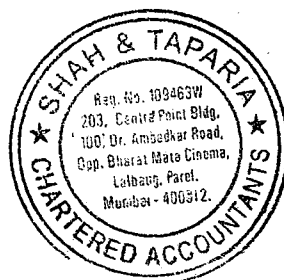
Accordingly, the Company has derecognised the assets and liabilities at book value in its books of accounts pertaining to the NBFC-NDSI undertaking. The excess of consideration received over the value of assets and liabilities transferred was recognised as gain on slump sale and credited to the Profit and Loss Account. Since the transfer of the undertaking constitutes discontinued operations, the financial statement for the year ended and as at 31 March 2021 have been drawn in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Therefore, the same are not comparable with the current year's financial statement. The summary of assets and liabilities derecognised pursuant to the BTA is as under:

Particulars	INR in Lakh
<b>Assets</b>	
Cash and cash equivalents	17,108.86
Bank balances other than cash and cash equivalents above	1,472.45
Derivative Financial Instruments	3,864.53
Loans	78,117.51
Receivables	-
Investments	2,738.44
Other financial assets	1,066.48
Current tax assets (net)	1,732.37
Property, plant and equipment	3,780.99
Intangible assets under development	8.61
Intangible assets	141.05
Right of Use - Premises	24.03
Goodwill	4,981.52
Other non-financial assets	477.60
<b>Total assets transferred</b>	<b>1,15,514.42</b>
<b>Liabilities</b>	
Derivative Financial Liabilities	8,332.30
Trade payables	654.42
Debt securities	65,373.47
Borrowings (other than debt securities)	8,820.89
Lease Liabilities	24.48
Deferred tax liabilities (net)	276.66
Other financial liabilities	270.06
Provisions	173.04
Other non-financial liabilities	583.49
<b>Total liabilities transferred</b>	<b>84,508.80</b>
<b>Total Net assets transferred</b>	<b>31,005.62</b>
<b>Purchase consideration received</b>	<b>31,600.00</b>
<b>Gain on slump sale</b>	<b>594.38</b>

**32 Note on Amalgamation**

RBI vide its letter dated 12 October 2021, granted a license to Centrum Financial Services Limited, an associate company to establish a small finance bank (SFB) as a part of revival/ reconstruction of Punjab and Maharashtra Co-operative Bank Limited (PMC Bank). One of the licensing conditions was that the Company shall cease its Lending business and surrender its NBFC license on the date of commencement of business by Unity Small Finance Bank Limited.

Pursuant to the above, the Company transferred its lending business to Unity Small Finance Bank Limited as a going concern by way of a slump sale on 1 November 2021. Unity Small Finance Bank Limited has commenced its business w.e.f. 1 November 2021. Pursuant to the aforesaid, the Company has discontinued its lending business with effect from 1 November 2021. The Company has also applied to RBI for conversion of Company, registered as a Systemically Important-Non Deposit Accepting-Non Banking Financial Company- Investment and Credit Company, into a Core Investment Company.



**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**33. Lease liabilities**

**A) The following is the movement in lease liabilities:**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balance as at beginning	32.04	11.01
Additions	-	39.95
Finance cost accrued during the period	1.68	3.21
Deletions	0.46	1.43
Payment of lease liabilities	9.24	20.70
Transfer under slump sale	(24.02)	
<b>Balance as at end*</b>	<b>0.00</b>	<b>32.04</b>

\*During the year Company has transferred Assets and Liabilities under BTA to USFB as of Nov 1, 2021 under Slump Sale

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Less than one year	-	15.59
One to five years	-	20.46
More than five years	-	-
<b>Total</b>	<b>-</b>	<b>36.05</b>

The amounts considered above are actual cash outflows. The lease liability in the balance sheet is the present value of these amounts as on the reporting date.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Depreciation on Right of use assets	8.32	18.17
Interest expense on lease liability	1.68	3.21
Total cash outflow for leases (rental payments)	(9.24)	20.70
Additions/ transfer to Right of use assets	(23.10)	41.68
Carrying value Right of use assets*	0.00	32.34

\*During the year Company have transferred Assets and Liabilities under BTA to USFB as of Nov 1, 2021

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 12 to 36 months. There are no restrictions imposed by lease arrangements.

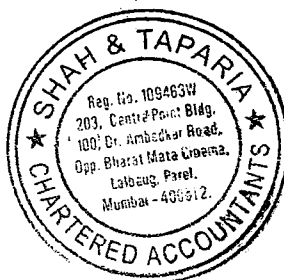
The weighted average incremental discounting rate of 10% has been applied to lease liabilities recognised in the balance sheet as at the reporting date .

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

**B) This note provides information for leases where the Company is a lessor.**

The Company has given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 13.75 Lakhs (March 31, 2021: Rs. 2.26 Lakhs). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. The non-cancellable operating lease agreement is for a period of 36 months.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Less than one year	-	-
One to five years	-	-
More than five years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**34. Commitments and contingencies**

Particulars	As at 31 March,	
	2022	2021
<b>Contingent liabilities</b>		
i) Corporate guarantee	-	3,000.00
ii) Income tax demands on account of dispute	-	325.51
iii) Intercorporate borrowings written back	164.34	164.34
<b>Capital commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
ii) Commitments related to loans sanctioned but undrawn	-	1,207.39

Future cash outflows in respect of above are determinable only on receipt of judgements / decisions pending with various forums/authorities. It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursement in respect of the above contingent liabilities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

35. The Company did not have any long term contracts including derivative contracts for which any provision is required for the foreseeable losses.

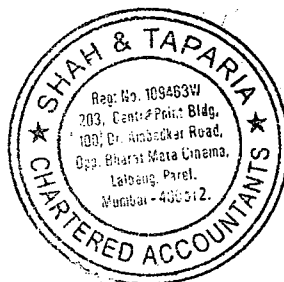
**36. Corporate Social Responsibility (CSR)**

As per the provisions of Section 135 of Companies Act, 2013

	For the year ended 31 March,	
	2022	2021
A) Gross amount required to be spent by the Company during the year was	-	9.42
B) Amount spent during the year on		
I Construction/acquisition of any assets		
i) In Cash	-	-
ii) Yet to be paid in cash	-	-
<b>Total (I)</b>	-	-
II On purpose other than (i) above		
i) In Cash	-	9.42
ii) Yet to be paid in cash	-	-
<b>Total (II)</b>	-	9.42
<b>Total (I + II)</b>	-	9.42



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**37. Dues to Micro, Small Enterprises**

Disclosure pertaining to Micro and Small Enterprises as at March 31, 2022 is as under.

The details of amounts outstanding together with interest paid /payable to Micro and Small enterprises based on information available with the Company is as under:

	As at 31 March,	
	2022	2021
i) Amounts outstanding but not due as at March 31.	-	-
ii) Amounts due but unpaid as at March 31.	-	-
iii) Amounts paid after appointed date during the year	-	-
iv) Amount of interest accrued and unpaid as at March 31.	-	-
v) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

**38. Segment Reporting**

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. business of financing. 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.





**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency Indian Rupees in lakhs)

**39. Related Party Disclosure**

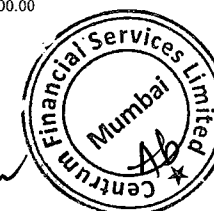
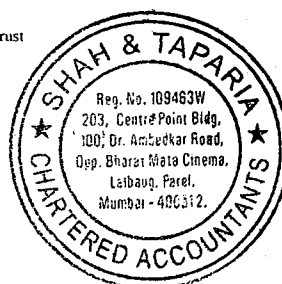
As per the requirement of Ind AS 24, on related party disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

**39.1 List of related parties**

Nature of relationship	Name of the party
Ultimate holding company	Centrum Capital Limited (From June 30, 2019)
Holding company	Centrum Retail Services Limited (From June 30, 2019 upto August 22, 2021) Centrum Capital Limited (From August 23, 2021)
List of Subsidiary/ holding/ Associate/ subsidiary of a holding company as per 2(76)(viii)	Centrum Wealth Management Limited Centrum Insurance Brokers Limited  Centrum Investment Advisory Limited Centrum Broking Limited Centrum Capital International Limited CCAL Investment Managers Limited Centrum Alternatives LLP Centrum REMA LLP Centrum Capital Advisors Limited Centrum International Services PTE Limited Centrum Alternative Investment Managers Limited Centrum Housing Finance Limited Centrum Microcredit Limited Club 7 holidays Private Limited JBCG Advisory Services Private Limited Centrum Credit Opportunities Trust BG Advisory Services LLP
Key management personnel (KMP)	Ranjan Ghosh (Managing Director and CEO) Mr. Abhishek Baxi (CFO) (From December 2019) Mr. S.K. Apte (Non Executive Director) Mr. Rishad K. Byramjee (Non Executive Director) Mr. G. S. Sundararajan (Independent Director) Subrata Kumar Atindra Mitra (Independent Director) Siddharth Sengupta (Independent Director) Mrs. Dipali Seth (Independent Director)

**39.2 Transactions with Related parties during the year**

No.	Nature of Transaction	Name of Party	For the year ended 31 March,	
			2022	2021
1	Loans given	Centrum Retail Services Limited	1,860.00	2,900.00
		Centrum Capital Limited	4,300.00	-
		Centrum Wealth Management Limited	25.00	4,000.00
		Club 7 Holidays Private Limited	-	200.00
		JBCG Advisory Services Private Limited	-	2,800.00
2	Loan repayment	Centrum Capital Limited	4,300.00	2,400.13
		Centrum Retail Services Limited	1,860.00	6,004.68
		Centrum Wealth Management Limited	3,125.00	1,861.62
		JBCG Advisory Services Private Limited	-	2,800.00
		Club 7 Holidays Private Limited	-	150.00
3	Loan taken	Centrum Housing Finance Limited	-	-
		Centrum Microcredit Limited	4,869.00	400.00
4	Loan repaid during the year	Centrum Housing Finance Limited	-	-
		Centrum Microcredit Limited	-	400.00
5	Sale of debentures	Centrum Capital Advisors Limited	-	518.86
6	Purchase of PTC investment	Centrum Retail Services Limited	-	754.58
7	Debenture sold	Centrum Credit Opportunities Trust	1,528.61	4,038.73
8	Debenture purchased	Centrum Credit Opportunities Trust	1,500.00	2,000.00



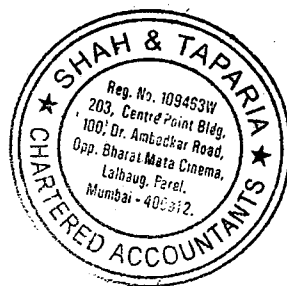
**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

39.

**39.2 Transactions with Related parties during the year (Continued)**

No.	Nature of Transaction	Name of Party	For the year ended 31 March,	
			2022	2021
9	Investment in Compulsory Convertible Debentures during the year	Centrum Microcredit Limited	-	-
10	Consideration received for sale of portfolio on Direct Assignment	Centrum Microcredit Limited	126.32	-
11	MLD repaid including accrued interest*	Centrum Wealth Management Limited	3,143.44	22,195.65
*MLDs were directly purchased from the market by the companies due to the which same is not disclosed by the Company. However, at the time of redemption amount is repaid to related party holding the MLDs as on that date.				
12	Sharing of economic benefits	Centrum Retail Services Limited	-	-
13	Rent income	Centrum Microcredit Limited	0.05	0.09
		Centrum Retail Services Limited	12.98	-
		Centrum Wealth Management Limited	0.86	2.17
14	Service fees income	Centrum Retail Services Limited	-	-
		Centrum Microcredit Limited	-	-
		JBCG Advisory Services Private Limited	1.56	17.33
15	Expenses incurred on behalf of the Company	Centrum REMA LLP	-	-
		Centrum Wealth Management Limited	-	-
16	Advisory fees income	Centrum Capital Limited	215.63	335.00
17	Interest income	Centrum Capital Limited	1.53	193.47
		Centrum Retail Services Limited	92.92	392.46
		Club 7 Holidays Private Limited	16.19	22.41
		Centrum Wealth Management Limited	207.47	156.74
		JBCG Advisory Services Private Limited	-	17.35
18	Interest Income on debt securities	Centrum Microcredit Limited	-	225.00
19	Interest expenses	Centrum Retail Services Limited	37.63	150.91
		Centrum Housing Finance Limited	-	-
		Centrum Microcredit Limited	248.12	1.99
		Centrum Capital Limited	113.29	-
20	Processing fees income	Centrum Capital Advisors Limited	-	1.81
21	Payment of rent	Centrum Capital Limited	1.05	1.80
		Centrum Retail Services Limited	56.12	67.41
		Centrum Wealth Management Limited	-	-
		Centrum Broking Limited	-	2.42
22	Electricity expenses paid on behalf of the Company	Centrum Capital Limited	-	-
		Centrum Retail Services Limited	9.38	13.66
		Centrum Wealth Management Limited	-	-
		Centrum Broking Limited	-	0.25



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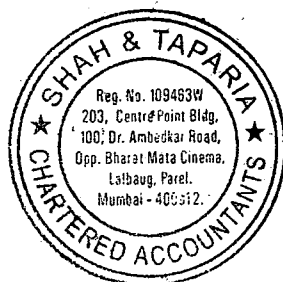
**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**Related Party Disclosure (Continued)**

**39.2 Transactions with Related parties during the year (Continued)**

No.	Nature of Transaction	Name of Party	For the year ended 31 March,	
			2022	2021
23	Printing and stationery, postage and courier and telephone expense	Centrum Retail Services Limited Centrum Wealth Management Limited Centrum Broking Limited	2.82 - -	4.16 - 0.25
24	Membership & subscription	Centrum REMA LLP Centrum Broking Limited	-	0.47 1.13
25	Travelling expense	Club 7 Holidays Private Limited	-	0.51
26	Brand fees	Centrum Capital Limited	5.00	10.00
27	Arrangers fees	Centrum Capital Limited Centrum Wealth Management Limited	- 451.10	- 34.33
28	Reimbursement of expenses	Centrum Capital Limited Centrum Retail Services Limited Centrum Wealth Management Limited Centrum Microcredit Limited Centrum Broking Limited Centrum REMA LLP	- - 0.14 - - -	- - - - 0.71 -
29	Group allocation expense	Centrum Retail Services Limited	-	315.00
30	Security deposit repaid	Centrum Retail Services Limited	-	9.46
31	Corporate Guarantees issued by ultimate holding Company on behalf of Company	Centrum Capital Limited	-	18,548.15
32	Corporate Guarantees given / Securities pledged for group company	JBCG Advisory Services Private Limited BG Advisory Services LLP	- -	2,500.00 3,000.00
33	Corporate Guarantees issued by holding Company on behalf of Company	Centrum Retail Services Limited	-	2,500.00
34	Commission and brokerage expenses	Centrum Broking Limited Centrum Investment Advisors Limited	0.21 -	0.10 312.20
35	Managerial remuneration	Mr. Ranjan Ghosh Mr. Abhishek Baxi	410.57 57.71	227.79 43.74
36	Compulsory Convertible Debentures issued	Centrum Retail Services Limited	-	-
37	Asset (Computer) purchased	Centrum Alternatives Ltd Centrum Broking Limited Centrum REMA LLP Centrum Insurance Brokers Limited	- - - -	0.14 0.62 2.45 0.05
38	Professional fees	Centrum International Services Pte Ltd	41.20	-
39	Fixed Asset	Centrum Retail Services Limited	330.48	-
40	Receivable	Centrum Capital Limited Unity Small Finance Bank Ltd Ignis Capital Advisors Ltd	2,355.00 563.74 7.41	- - -
41	Investment	Ignis Capital Advisors Limited Unity Small Finance bank Limited(Equity Shares) Unity Small Finance bank Limited(Equity Shares) Unity Small Finance bank Limited(Share Warrants)	1.00 31,601.00 4,349.00 190.00	- - - -



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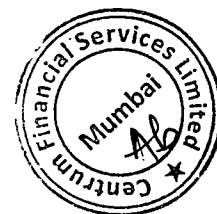
**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**39.3 Balances with Related parties as at year end**

No.	Nature of Transaction	Name of Party	As at March 31,	
			2022	2021
1	Commission and brokerage payable	Centrum Broking Limited	-	-
2	Corporate guarantee received	Centrum Capital Limited Centrum Retail Services Limited	-	19,764.53 2,500.00
3	Corporate guarantee / Security given	JBCG Advisory Services Private Limited BG Advisory Services I.L.P	-	2,500.00 3,000.00
4	Loan asset	Centrum Capital Limited Centrum Retail Services Limited Centrum Wealth Management Limited Club 7 Holidays Private Limited	-	- - 3,100.00 203.07
5	Investment * * Increase is on account of fair valuation of investments	Centrum Microcredit Limited	-	2,355.00
6	Margin balance with broker	Centrum Broking Limited	126.89	202.75
7	Other receivable	JBCG Advisors Private Limited Centrum Wealth Management Limited	-	- 2.14
8	Other financial liability	Centrum Capital Limited Centrum Broking Limited Centrum Microcredit Limited	-	- - 4,869.00
9	Debt Securities	Centrum Retail Services Limited Centrum Capital Limited	-	1,509.14 -
10	Trade payable	Centrum Retail Services Limited Centrum Wealth Management Limited Club 7 Holidays Private Limited Centrum Alternatives Ltd Centrum Capital Limited	-	1.16 - 0.27 0.14 11.05
11	Payable on the accounts of assignments	Centrum Microcredit Limited	-	136.04
12	TDS receivable	Centrum Microcredit Limited	-	6.03
13	Debt Service Reserve Account	Club 7 Holidays Private Limited	-	6.87
14	Deposit Received	Centrum Microcredit Limited	4,869.00	-
15	Investment	Unity Small Finance Bank Ltd (Equity Investment) Unity Small Finance Bank Ltd (Investment in Share Warrants)	35,950.00 190.00	- -
16	Margin balance with broker	Unity Small Finance Bank Limited (Payable Cash Balance)	126.89	-



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**40. Employee benefits - Disclosure pursuant to Ind AS 19 'Employee Benefits'**

**A. Defined contribution plans**

The Company makes Provident fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

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:

	For the year ended 31 March,	
	2022	2021
Provident fund	71.05	112.20

**B. Defined Benefit Plan**

a) The Company has a funded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depend on the member's length of service and salary at retirement age. The fund is managed by an independent Insurance Company. The Insurance Company is responsible for the administration of the plan assets and for defining the investment strategies.

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:

	For the year ended 31 March,	
	2022	2021
<b>Change in defined benefit obligations:</b>		
Defined benefit obligation, beginning of the year	111.76	81.91
Current service cost	17.42	28.21
Past service cost	-	-
Interest cost	4.28	5.37
Remeasurements (gains) / losses		
Actuarial (gains) / losses		
arising from changes in demographic assumptions	(0.05)	-
arising from changes in financial assumptions	15.74	(0.07)
arising from changes in experience adjustments	1.08	(3.66)
Transfer in/(out) of liability	34.43	-
Benefits paid from plan assets	(12.72)	-
Net transfer in / (out) (including the effect of any business combinations/ divestures)	-	-
<b>Defined benefit obligation, end of the year</b>	<b>171.94</b>	<b>111.76</b>
<b>Change in plan assets:</b>		
Fair value of plan assets, beginning of the year	46.01	42.97
Interest income	1.76	2.82
Return on plan assets, (excluding amount included in net interest expense)	(0.44)	0.22
Employer's contributions	48.50	-
Benefits paid	(12.72)	-
<b>Fair value of plan assets, end of the year</b>	<b>83.11</b>	<b>46.01</b>
	<b>As at March 31,</b>	<b>As at March 31,</b>
	<b>2022</b>	<b>2021</b>
b) Amount recognized in the balance sheet consists of:		
Present value of defined benefit obligation	171.94	111.75
Fair value of plan assets	83.11	46.01
<b>Net liability</b>	<b>88.83</b>	<b>65.74</b>
	<b>For the year ended 31 March,</b>	<b>For the year ended 31 March,</b>
	<b>2022</b>	<b>2021</b>
c) The amounts recognised in the Statement of Profit and Loss are as follows:		
Service Cost		
Current service cost	17.42	28.21
Past service cost	-	-
<b>Total Service cost</b> (i)	<b>17.42</b>	<b>28.21</b>
Net interest cost		
Interest expense on DBO	2.52	2.55
Interest expense / (income) on plan assets		
Interest expense / (income) on reimbursement rights		
Interest expense on effect of (asset ceiling)/onerous liability		
<b>Total Interest cost</b> (ii)	<b>2.52</b>	<b>2.55</b>
Remeasurements of Other Long term benefits (iii)		
<b>Defined benefit cost included in Statement of Profit &amp; Loss</b> (iv) = (i+ii+iii)	<b>19.94</b>	<b>30.76</b>
	<b>For the year ended 31 March,</b>	<b>For the year ended 31 March,</b>
	<b>2022</b>	<b>2021</b>
Remeasurements recognised in other comprehensive income (OCI)		
Due to changes in demographic assumptions	(0.05)	-
Due to changes in financial assumptions	15.74	(0.07)
Due to changes in experience adjustments	1.08	(3.66)
Return on plan assets (excl. interest income)	0.44	(0.22)
<b>Total remeasurement in other comprehensive income (OCI)</b> (v)	<b>17.21</b>	<b>(3.95)</b>
<b>Total Defined benefit cost included in Statement of Profit &amp; Loss and OCI</b> (vi) = (iv + v)	<b>37.15</b>	<b>26.81</b>



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

d) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.43%	6.57%
Salary escalation rate*	0.00% p.a. for the next 1 years, 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% p.a. for next 1 year, 6.26% p.a. for next 1 year, starting from the 2nd year 5% p.a. thereafter, starting from the 3rd year
Expected return on plan assets	6.43%	6.57%
Rate of employee turnover	10.00%	10.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006- 08) Ult
Mortality rate after employment	N.A.	N.A.

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

e) The major categories of plan assets are as follows:

	As at 31 March, 2022	As at 31 March, 2021
a) Insurer managed funds	34.61	46.00
b) Cash	-	-

f) Impact on defined benefit obligation - Sensitivity Analysis

	2022 % Rate	For the year ended 31 March,		2021 Amount
		2022 Amount	2021 % Rate	
<b>Increase by 100 basis points</b>				
i) Impact of change in discount rate	7.43%	(10.71)	7.57%	(6.77)
ii) Impact of change in salary growth rate	7.60%	11.02	7.26%	7.73
iii) Impact of change in employee attrition rate	11.00%	(1.23)	11.00%	(0.45)
<b>Decrease by 100 basis points</b>				
i) Impact of change in discount rate	5.43%	12.09	5.57%	7.65
ii) Impact of change in salary growth rate	5.60%	10.30	6.26%	(5.98)
iii) Impact of change in employee attrition rate	9.00%	(1.24)	9.00%	0.38

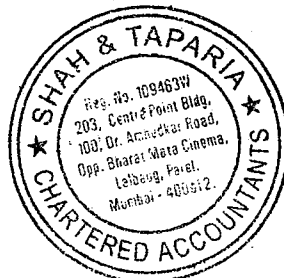
The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial 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.

g) Maturity

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

Particulars	As at 31 March,	As at 31 March,
	2022	2021
i) 1st Following Year	11.63	7.00
ii) 2nd Following Year	13.93	9.04
iii) 3rd Following Year	26.93	20.96
iv) 4th Following Year	19.86	10.21
v) 5th Following Year	14.28	13.94
vi) Sum of Years 6 to 10	68.96	43.26
vii) Sum of Years 11 and above	131.82	83.10

The weighted average duration of the defined benefit obligation is 8 years (previous year - 8 years).



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**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022  
(Currency : Indian Rupees in lakhs)

41. Employees Stock Option Plan  
Employees' Stock Options Scheme (ESOS) :

During previous year, 23,94,500 Employee Stock Options have been granted to the employees of the Company (Previous year 129,356).  
The weighted average share price for stock options exercised during the year was Rs.10 (previous year Rs. 10).

Particulars	Scheme I		Scheme I		Scheme I		Scheme I		Scheme II		Scheme II		Scheme II		Centrum Capital Ltd. Scheme*	
	Date	Equity	Date	Equity	Date	Equity	Date	Equity	Date	Equity	Date	Equity	Date	Equity	Date	Equity
Date of grant	03 April 2018		14 October 2019		05 August 2020		20 June 2018		05 January 2021		29 January 2021		14 December 2018			
Date of board approval	22 March 2018		22 March 2018		22 March 2018		22 March 2018		22 March 2018		22 March 2018		12 December 2018			
Date of Shareholder's approval	02 April 2018		02 April 2018		02 April 2018		02 April 2018		02 April 2018		02 April 2018		30 March 2018			
Number of options granted	16,81,031		129,356		15,15,000		6,00,000		15,15,000		112,500		250,000			
Date of Termination	31 October 2021		31 October 2021		31 October 2021		31 October 2021		31 October 2021		31 October 2021					
Method of settlement	Equity		Equity		Equity		Equity		Equity		Equity		Equity			
Vesting period	4 Years		4 Years		4 Years		4 Years		4 Years		5 Years		5 Years			
Weighted average remaining contractual life (Vesting period)	4 Years		4 Years		4 Years		4 Years		4 Years		5 Years		5 Years			
Granted but not vested	1,681,031		129,356		15,15,000		600,000		15,15,000		112,500		150,000			
Vested but not exercised	-		-		-		-		-		-		100,000			
Weighted average share price at the date of exercise for stock options exercised during the year	NA		NA		NA		NA		NA		NA		NA			
Exercise period	4 Years		4 Years		8 Years		4 Years		8 Years		9 Years		4 Years			
Weighted Average Fair value of options (granted but not vested) as on grant date	24.20		22.87		26.28		24.42		26.28		25.93		37.33			

The estimated fair value of options was calculated by applying Black and Scholes Model. Below mentioned are the model inputs used for calculating estimated fair value.

Particulars	Scheme I		Scheme I		Scheme I		Scheme I		Scheme II		Scheme II		Scheme II		Centrum Capital Ltd. Scheme*	
	Range of Risk free interest rate	Dividend yield	Expected volatility	Weighted average share price	Range of Risk free interest rate	Dividend yield	Expected volatility	Weighted average share price	Range of Risk free interest rate	Dividend yield	Expected volatility	Weighted average share price	Range of Risk free interest rate	Dividend yield	Expected volatility	Weighted average share price
Range of Risk free interest rate	7.55%		6.75%		8.18%		8.18%		6.13%		6.13%		7.44%			
Dividend yield	0%		0%		0%		0%		0%		0%		0%			
Expected volatility	16.16%		17.74%		56.50%		17.00%		55.74%		55.74%		19.18%			

Vesting of options is subject to continued employment during the vesting period.



**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

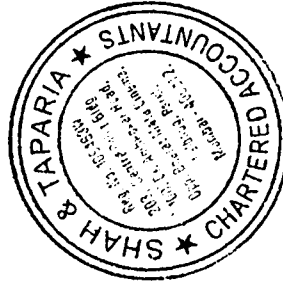
The activity in the Scheme-I, Scheme-II and Centrum Capital Ltd. Scheme during the year ended 31 March 2022 and 31 March 2021 is set below:

Particulars	Number of options	
	For the year ended March 31, 2022	2021
<b>Scheme-I : Face value of Rs. 10 each</b>		
Exercise price Rs. 10 each		22,25,387
Options outstanding as at beginning of the year	35,15,387	15,15,000
Add: Granted	-	-
Less: Exercised	(35,15,387)	(2,25,000)
Less: Forfeited	-	-
Less: Lapsed	-	-
<b>Option outstanding end of the year</b>	-	35,15,387
<b>Exercisable at the end of the year</b>	-	-
<b>Scheme-II : Face value of Rs. 10 each</b>		
Exercise price Rs. 10 each		5,45,000
Option outstanding as at beginning of the year	10,79,500	8,79,500
Add Granted	-	-
Less : Exercised	(10,79,500)	-
Less: Forfeited	-	-
Less: Lapsed	-	(3,45,000)
<b>Option outstanding as at end of the year</b>	-	10,79,500
<b>Exercisable at the end of the year</b>	-	-
<b>Centrum Capital Ltd. Scheme*</b>		
Exercise price Rs. 10 each		2,50,000
Option outstanding as at beginning of the year	2,50,000	-
Add Granted	-	-
Less : Exercised	-	-
Less: Forfeited	-	-
Less: Transferred	-	-
Less: Lapsed	(2,50,000)	-
<b>Option outstanding as at end of the year</b>	-	2,50,000
<b>Exercisable at the end of the year</b>	-	1,00,000

Other Information regarding employee share based payment plan is as below

Particulars	For the year ended March 31,	
	2022	2021
Expense arising from employee share based payment plans	120.52	183.74
Expense arising from share and stock option Plan	-	-
Closing balance of liability for cash share appreciation plan	-	-
Expense reversal on Forfeiture of ESOP Scheme	(587.39)	-
Expense arising from increase in fair value of liability for cash share appreciation plan	-	-
Total carrying amount at the end of the year in Employee stock option under Other Equity	-	471.78
Total carrying amount at the end of the year in Capital contribution under Other Equity*	42.70	37.79

\* Employee Stock Options of Centrum Capital Limited (Ultimate Holding Company) are given to employees of Centrum Financial Services Limited.



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**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022**

(Currency: Indian Rupees in lakhs)

**42. Fair Value Measurement**

**42.A. Carrying value and fair value of financial instruments**

42.A.1 The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

	At in the beginning of the period	At Fair value through Profit or Loss	At Fair value through OCI	Total carrying Value	Fair value hierarchy	Total Fair value
<b>Financial Assets</b>						
1. Cash and cash equivalents	-	-	-	87.31	Level 1	87.31
2. Other bank balances	-	-	-	3,658.24	Level 1	3,658.24
3. Derivative assets	-	-	-	-	Level 1	-
4. Trade receivables	-	-	-	-	Level 3	-
5. Loans	-	-	-	-	Level 3	-
6. Investments	-	-	-	-	Level 1	-
- Equity Shares	-	-	-	-	Level 1	-
- Mutual Subordinated Tier I bonds	-	-	-	-	Level 3	-
- Equity Shares	-	-	-	35,950.00	Level 3	35,950.00
- Share Warrant	-	-	-	190.00	Level 3	190.00
7. Other financial assets	-	-	-	-	Level 1	-
- Security deposit	-	-	-	-	Level 3	-
- Margin with broker	-	-	-	-	Level 1	-
- Others	-	-	-	127.42	Level 3	127.42
<b>Total</b>				<b>40,812.97</b>		<b>40,812.97</b>
<b>Financial Liabilities</b>						
1) Derivative liabilities	-	-	-	-	Level 2	-
2) Trade payables	-	-	-	64.41	Level 3	64.41
3) Debt securities (Quoted)**	-	-	-	-	Level 1	-
4) Debt securities (Unquoted)**	-	-	-	1,509.14	Level 3	1,509.14
5) Borrowings (other than debt securities)**	-	-	-	-	Level 3	-
6) Deposits	-	-	-	4,869.00	Level 3	4,869.00
7) Other liabilities	-	-	-	-	Level 3	-
8) Other financial liabilities	-	-	-	3,276.38	Level 3	3,276.38
<b>Total</b>				<b>10,223.93</b>		<b>10,223.93</b>

\*\* including accrued interest

**42.A.2 The carrying value and fair value of financial instruments by categories as at March 31, 2021 are as follows:**

	At in the beginning of the period	At Fair value through Profit or Loss	At Fair value through OCI	Total carrying Value	Fair value hierarchy	Total Fair value
<b>Financial Assets</b>						
1. Cash and cash equivalents	-	-	-	9,627.74	Level 1	9,627.74
2. Other bank balances	-	-	-	4,097.14	Level 1	4,097.14
3. Derivative assets	-	3,824.61	-	3,824.61	Level 1	3,824.61
4. Trade receivables	-	-	-	4,00.95	Level 3	4,00.95
5. Loans	-	-	-	82,312.78	Level 3	82,312.60
6. Investments	-	-	-	-	Level 1	-
- Listed equity shares	-	-	-	0.63	Level 3 (Refer note 50)	0.63
- Perpetual Subordinated Tier I bonds	-	-	-	2,874.58	Level 3	2,874.58
- Debt securities	-	-	-	2,355.00	Level 3	2,355.00
- Cumulative Convertible Debentures	-	-	-	650.66	Level 1	650.66
7. Other financial assets	-	-	-	-	Level 3	-
- Security deposit	-	-	-	202.75	Level 1	202.75
- Margin with broker	-	-	-	355.04	Level 3	355.04
- Others	-	-	-	1,06,757.73	Level 3	1,06,609.05
<b>Total</b>				<b>1,06,757.73</b>		<b>1,06,609.05</b>
<b>Financial Liabilities</b>						
1) Derivative liabilities	-	-	-	-	Level 2	-
2) Trade payables	-	-	-	6,482.90	Level 3	6,482.90
3) Debt securities (Quoted)**	-	-	-	234.28	Level 1	234.28
4) Debt securities (Unquoted)**	-	-	-	62,174.03	Level 1	62,174.03
5) Borrowings (other than debt securities)**	-	-	-	6,520.65	Level 3	6,520.65
6) Deposits	-	-	-	6,557.99	Level 3	6,557.98
7) Lease liabilities	-	-	-	-	Level 3	-
8) Other financial liabilities	-	-	-	32.04	Level 3	32.04
<b>Total</b>				<b>1,544.47</b>		<b>1,544.47</b>

\*\* including accrued interest



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**42. Fair Value Measurement (Continued)**

**42.B Fair value hierarchy of financial instruments**

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.

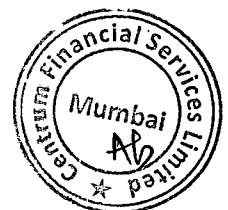
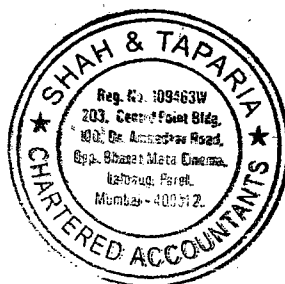
There has been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2022.

**42.B.1 Financial instruments measured at fair value - recurring fair value measurements as at March 31, 2022 is as follows.**

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
1 Derivative assets	-	-	-	-
2 Investments				
- Listed equity shares	-	-	-	-
- Perpetual Subordinated Tier I bonds	-	-	-	-
- Share Warrant	-	-	-	-
- Equity Shares	-	-	190.00	190.00
<b>Total</b>	-	-	35,950.00	35,950.00
			<b>36,140.00</b>	<b>36,140.00</b>

**42.B.2 Financial instruments measured at fair value - recurring fair value measurements as at March 31, 2021 is as follows.**

	Level 1	Level 2	Level 3	Total
1 Derivative assets	-	-	-	-
2 Investments				
- Listed equity shares	0.63	-	-	0.63
- Perpetual Subordinated Tier I bonds	-	-	-	-
- Debentures	-	-	-	-
- Cumulative Convertible Debentures	-	-	2,355.00	2,355.00
<b>Total</b>	<b>0.63</b>	-	<b>2,355.00</b>	<b>2,355.63</b>



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**Note: Valuation methodologies of financial instruments not measured at fair value**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, Pass through certificate, deposits, Trade receivables, other financial 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, receivables and loans in the nature of debentures 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.

Debt securities are recorded at fair values by undertaking valuation techniques and thus, the carrying values are approximately equal to the fair values.

The fair value of the borrowing and lease liability is determined using discounted cash flow analysis.

Valuation techniques of financial instruments, other than those which are subsequently measured at amortised cost, have been arrived at as under

Fair values of instruments designated under FVTPL are recorded at market values.

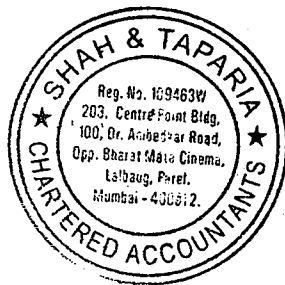
**(a) Investment in CCD**

The valuation is done by determining the fair value of equity shares of the Company and adding the present value of future interest to be received by the holder over tenure of CCD and subtracting the present value of dividend which holder will forgo due to non-conversion of CCD during the tenure.

(b) Investment in Equity shares are valued using the quoted market prices.

**Off-balance sheet positions**

Estimated fair values of off-balance sheet positions are based on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.



**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

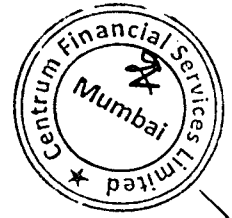
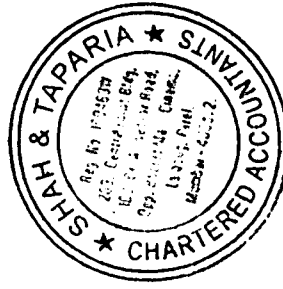
(Currency : Indian Rupees in lakhs)

**43. Maturity analysis of assets and liabilities**

**43-A** The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

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, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>I. Assets</b>						
<b>A. Financial assets</b>						
a) Cash and cash equivalents	87.31	-	87.31	9,627.74	-	9,627.74
b) Other Bank balances	3,658.94	-	3,658.94	4,097.14	-	4,097.14
c) Derivative assets	-	-	-	3,702.23	122.38	3,824.61
d) Trade receivables	-	-	-	430.95	-	430.95
e) Loans	-	-	-	54,364.55	27,948.23	82,312.78
f) Investments	-	36,140.00	36,140.00	1,985.56	3,895.31	5,880.87
g) Other financial assets	127.44	-	127.44	537.66	45.98	583.64
<b>B. Non-financial assets</b>						
a) Current tax assets (net)	-	-	-	-	2,207.88	2,207.88
b) Deferred tax assets (Net)	-	-	-	-	130.67	130.67
c) Investment properties	-	-	-	-	-	-
d) Property, plant and equipment	-	-	-	-	3,467.70	3,467.70
e) Right of use asset	-	-	-	-	32.34	32.34
f) Goodwill	-	-	-	-	1,442.02	1,442.02
g) Other intangible assets	-	-	-	-	168.72	168.72
h) Other non-financial assets	-	0.41	0.41	623.62	55.78	679.40
<b>Total Assets</b>	<b>3,873.69</b>	<b>36,140.41</b>	<b>40,014.10</b>	<b>75,369.45</b>	<b>39,517.01</b>	<b>1,14,886.46</b>
<b>II. Liabilities</b>						
<b>A. Financial liabilities</b>						
a) Derivative liabilities	-	-	-	1,030.71	5,452.19	6,482.90
b) Trade payables	64.41	-	64.41	238.32	-	234.28
c) Debt securities	-	1,509.14	1,509.14	19,712.67	48,982.01	68,694.68
d) Borrowings (other than debt securities)	-	-	-	3,315.70	3,242.29	6,557.99
e) Deposits	4,869.00	-	4,869.00	-	-	-
f) Lease liabilities	-	-	-	12.98	19.06	32.04
g) Other financial liabilities	3,786.38	-	3,786.38	1,543.47	-	1,543.47
<b>B. Non-financial Liabilities</b>						
a) Current tax liabilities (Net)	-	-	-	89.08	-	89.08
b) Provisions	-	-	-	105.96	-	105.96
c) Other non-financial liabilities	26.39	-	26.39	821.09	-	821.09
<b>Total Liabilities</b>	<b>8,746.18</b>	<b>1,509.14</b>	<b>10,255.32</b>	<b>26,869.98</b>	<b>57,695.55</b>	<b>84,561.49</b>
<b>Net</b>	<b>(4,872.49)</b>	<b>34,631.27</b>	<b>29,758.78</b>	<b>48,499.47</b>	<b>(18,178.54)</b>	<b>30,324.97</b>



Centrum Financial Services Limited  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

4.3.B Risk Management

4.3.B.1 The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Risk Measurement	Risk Management
Credit risk	Loans and advances, cash and cash equivalents, derivative financial instruments, financial assets measured at amortized cost.	Ageing analysis Credit ratings	Client on-boarding process, portfolio monitoring, recovery process. Fixed deposits with highly rated banks.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecast	Committed borrowing and other credit facilities, assignment of loan assets (whenever required). Asset Liability Management and periodic reviews by ALCO relating to the liquidity position.
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Review of cost of funds and pricing disbursement
Market risk - security prices	Investments in mutual funds, Investment in Equity	Sensitivity analysis	Portfolio diversification, assessments of fluctuation in the equity price.
Market risk - Index linked	Market linked debentures.	Sensitivity analysis	Purchased options to hedge the risk arising out of movement in the NIFTY level.

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.

4.3.B.2

a) Credit risk management

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets, trade receivables and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

Credit risk arises from loans and advances, cash and cash equivalents, investments carried at amortized cost, deposits with banks and financial institutions and other financial assets measured at amortized cost.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

D. Credit risk management

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.



ABD

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(Currency : Indian Rupees in lakhs)

**Definition of Default**

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors.

**(i) Provision for expected credit losses**

The Company provides for expected credit loss based on following:

- a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.
- b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation.
- c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation.

Particulars	As at October 31, 2021		As at March 31, 2021	
	Estimated exposure carrying amount at default	Expected credit losses (as per Ind-AS)	Estimated exposure carrying amount at default	Expected credit losses (as per Ind-AS)
Loss allowance measured at 12 month expected credit losses	74,110.58	172.45	73,931.28	169.74
Loss allowance measured at life-time expected credit losses	3,649.65	20.10	8,060.75	43.17
Credit Loss is recognized on full exposure/Asset is written off	701.39	151.59	1,280.15	746.49
Provision kept	78,461.62	344.14	83,272.18	959.40

**Collateral held**

As of October 31, 2021, the exposure of the Company's loans were in secured as well as unsecured portfolio. The Company provides loans to the MSME other Corporate Segments which are secured as well as unsecured. The Company is also engaged in the business of supply chain finance, the portfolio of which is unsecured.

All borrowers must meet the Company's internal credit assessment procedures, regardless of the nature of the loan.

Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral.

The main types of collateral across various products includes mortgage of residential and commercial properties, Pledge of equity shares and mutual funds and lien on deposits, Plant and Machinery, book debts etc..

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company exercises its right of repossession across all secured products. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business.

**Cash and cash equivalents**

Cash and cash equivalents include balance of INR 87.31 Lakhs at March 31, 2022 (As at March 31, 2021: INR 9027.74 Lakhs) is maintained as cash in hand and Balances with Company in current accounts. Loans and advances/ Investments at amortised cost

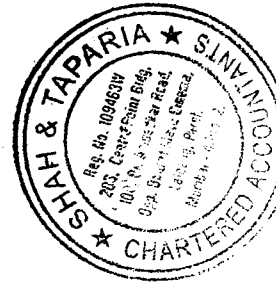
**(b) The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost.**

The Company has business in lending towards secured and un-secured loans. Since these loans are majorly to MSME and SME Companies, a general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. During the period, there was no change in the Company's collateral policies.

**Measurement of Expected Credit Losses**

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

- (a) Stage 1: 12- months ECL. For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
- (b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
- (c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.



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(Currency : Indian Rupees in lakhs)

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

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

In determining whether the credit risk on a financial asset has increased significantly, the Company considers the change in the risk of a default occurring since initial recognition. The default definition used for such assessment is consistent with that used for internal credit risk management purposes.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. The Company considers financial instruments (typically the retail loans) to have low credit risk if they are rated internally or externally within the investment grade. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

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

Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support

Exposure at default (EAD)

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

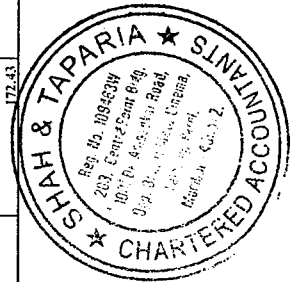
Macroeconomic Scenarios

In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as IIP and repo rate. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

iii) Reconciliation of loss allowance provision For Loans

Reconciliation of loss allowance*	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Loss allowance on March 31, 2019	448.26	0.01	877.58
Changes in loss allowances due to ECL during the year/ (reversal)	(268.74)	15.81	223.85
Loss allowance on March 31, 2020	179.52	15.82	1,101.43
Changes in loss allowances due to ECL during the year/ (reversal)	(9.78)	-	-
Loss allowance on March 31, 2021	169.74	27.35	(354.94)
Changes in loss allowances due to ECL during the year/ (reversal)	2.69	43.17	746.49
Loss allowance on October 31, 2021	172.43	(23.07)	(594.89)
		20.10	151.60

\* for detailed reconciliation refer note 7B



(Currency : Indian Rupees in lakhs)

**Write-offs still under enforcement**

Financial assets are written-off when the Company has no reasonable prospects of recovering any further cash flows from the financial assets. In the case of assets that are assessed collectively for impairment. There has been no contractual amount outstanding on financial assets written-off during the year ended March 31, 2021 and still subject to enforcement activity.

**Significant increase in credit risk**

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on movement of borrowers between stages as defined, historical data of the borrowers and forward looking information. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

**Forward looking information**

Management has assessed the impact of COVID-19 on significant increase in credit risk, impairment loss allowance and impairment on other assets. Refer note 52 for detailed disclosure regarding the same.

**43.B.3 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.

**Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

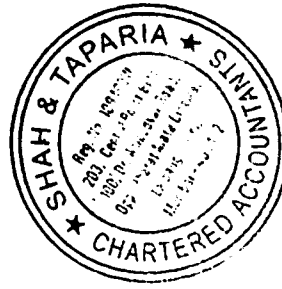
Particulars	As at March 31 2022	2021
Undrawn borrowing facilities	-	5,685.85

The below table analyses the Company's 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 undiscounted cash flows.

As at March 31, 2022

Particulars	Total	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
Financial liabilities	-	-	-	-	-	-	-
Derivative Financial Instruments	64.41	-	64.41	-	-	-	-
Payables	1,509.14	-	-	-	-	-	-
Debt securities	4,869.00	-	-	-	4,869.00	-	1,509.14
Deposits	3,786.38	-	3,786.38	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
<b>Total</b>	<b>10,228.93</b>	-	<b>3,850.79</b>	-	<b>4,869.00</b>	-	<b>1,509.14</b>

Particulars	Total	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
Financial assets	87.31	-	87.31	-	-	-	-
Cash and cash equivalents	3,658.94	-	3,658.94	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-
Trade Receivable	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Investments	36,140.00	-	-	-	-	-	36,140.00
Other Financial Assets	127.44	-	127.44	-	-	-	-
<b>Total</b>	<b>40,013.69</b>	-	<b>3,746.25</b>	-	<b>127.44</b>	-	<b>36,140.00</b>



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Centrum Financial Services Limited  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency: Indian Rupees in lakhs)

As at March 31, 2021

Particulars	Total	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>Financial liabilities</b>							
Derivative Financial Instruments	6,482.90	-	279.77	25.00	725.94	5,452.19	-
Payables	234.28	-	234.28	-	-	-	-
Debt securities	93,908.50	-	2,633.59	5,817.63	15,664.46	60,882.04	8,910.79
Borrowings (other than debt securities)	7,949.71	-	1,125.46	559.62	2,294.97	2,214.36	1,755.30
Other financial liabilities	1,543.47	-	1,488.14	-	55.32	-	-
<b>Total</b>	<b>1,10,116.85</b>	<b>-</b>	<b>5,761.24</b>	<b>6,402.24</b>	<b>18,740.69</b>	<b>68,548.59</b>	<b>10,666.09</b>
<b>Financial assets</b>							
Cash and cash equivalents	9,627.74	-	9,627.74	-	-	-	-
Bank balance other than cash and cash equivalents above	4,097.14	-	3,435.62	-	661.52	-	-
Derivative Financial Instruments	3,824.61	-	1,422.48	-	2,279.75	122.38	-
Trade Receivable	-	-	-	-	-	-	-
Loans	97,362.46	-	35,740.90	11,107.32	12,633.18	23,858.16	14,023.90
Investments	7,374.43	-	706.89	141.53	1,791.33	2,213.44	2,521.25
Other Financial Assets	583.64	-	537.66	-	-	48.98	-
<b>Total</b>	<b>1,22,870.01</b>	<b>-</b>	<b>51,471.29</b>	<b>11,248.85</b>	<b>17,365.77</b>	<b>26,219.96</b>	<b>16,544.15</b>



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Centrum Financial Services Limited  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

43.B.4 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

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the sectors it has invested in, performance of the investee companies, measures mark-to-market gains/losses and reviews the same.

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 March 31, 2021.

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

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows.

	As at October 31, 2021	As at March 31, 2021
Variable-rate instruments	-	6,780.25
Borrowing	-	-

Sensitivity

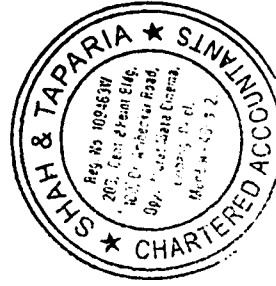
Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Profit or Loss/ Equity	
	Period ended October 31, 2021	Year ended March 31, 2021
Interest rates – increase by 100 basis points (100 basis points)*	-	67.80
Interest rates – decrease by 100 basis points (100 basis points)*	-	(67.80)

\* Holding all other variables constant

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.



**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022**  
(Currency : Indian Rupees in lakhs)

**44. Capital Management**

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

The pillars of its policy are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board

**Regulatory capital**

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by Reserve Bank of India.

Please refer note 53.1 - "Capital Adequacy Ratio" under additional disclosures related to RBI (note 53) for the details of the same

**45. Changes in liabilities arising from financing activities**

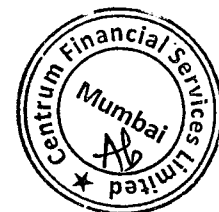
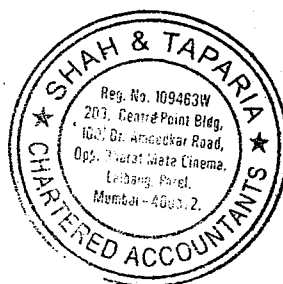
**Changes in liabilities arising from financing activities for the year ended March 31, 2022**

Particulars	As at March 31, 2021	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2022
i) Debt securities	68,694.68	(1,812.08)	-	(65,373.46)	1,509.14
ii) Borrowings other than debt securities	6,557.99	2,115.31	-	(8,673.30)	0.00
iii) Deposits	-	4,869.00	-	-	4,869.00
<b>Total</b>	<b>75,252.67</b>	<b>5,172.24</b>	<b>-</b>	<b>(74,046.77)</b>	<b>6,378.14</b>

\*Transferred Liabilities under BTA to Unity Small Finance Bank Limited on November 1 2021

**Changes in liabilities arising from financing activities for the year ended March 31, 2021**

Particulars	As at March 31, 2020	Cash Flows (net)	Changes in Fair value	Others (net)*	As at March 31, 2021
i) Debt securities	52,076.26	15,918.46	-	699.95	68,694.68
ii) Borrowings other than debt securities	19,535.16	(12,861.38)	-	(115.79)	6,557.99
iii) Deposits	256.72	(100.00)	-	(156.72)	-
<b>Total</b>	<b>71,868.14</b>	<b>2,957.08</b>	<b>-</b>	<b>427.44</b>	<b>75,252.67</b>



*Signature*

46. Transferred financial assets

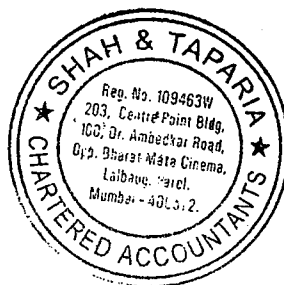
48.1 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

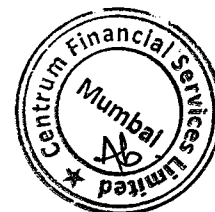
48.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent after maintaining the required MNIR to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

Particulars	As at October 31, 2021	As at March 31, 2021
Assignment		
Carrying amount of de-recognised financial asset	1,826	1,148.20
Carrying amount of retained assets at amortised cost	203	326.41
<b>Total</b>	<b>2,029.40</b>	<b>1,474.61</b>



*[Handwritten Signature]*



**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022**  
(Currency : Indian Rupees in lakhs)

**47. Foreign exchange earnings/outflow**

The foreign exchange earnings and outflow is Rs. Nil during the year ended March 31, 2021 (March 31, 2020: Rs. Nil)

48. The Company had invested in 50 Perpetual Subordinated Unsecured Basel III Compliant Additional Tier I Bonds ("AT I Bonds") issued by Yes Bank Limited aggregating to Rs.500 Lakhs on October 18, 2017. Yes Bank Limited has fully written down AT I Bonds in their financial statements for year ended 31 March 2020. Axis Trustee, representing the Bondholders, has filed a Writ Petition in the Hon'ble Bombay High Court to seek a restraining order against the Issuer to unilaterally write down the bonds to zero. Subsequently, the Honourable Court has directed that any action taken by Yes Bank Limited shall be subject to outcome of the writ petition. Since the matter filed by Axis Trustee is pending in the Bombay High Court for further orders, and sufficient time has lapsed, the Management has taken a conservative view to write down the carrying amount of the bond of Rs. 100 Lakhs completely as on March 31, 2021.
49. The Company along with JBCG Advisors Private Limited (JBCG) had entered into a facility agreement as co-borrowers, of an amount upto Rs. 10,000 lakhs. The entire facility was drawn down by JBCG. In addition to the security provided by JBCG, the Company has provided identified Loan Receivables in connection with its Supply Chain Business of the Company. The facility is outstanding to the extent of Rs. 2,500 lakhs as at March 31, 2021. (as at March 31, 2020 – Rs 10,000).
50. The outbreak of COVID-19 pandemic across the globe and in India had a significant impact on the global and Indian financial markets and slowdown in economic activities. The Company has granted moratorium up to six months on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on Asset Classification and Provisioning dated April 17, 2020. Further, period for which moratorium is granted has not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to the borrowers as per the COVID-19 Regulatory Package of the Reserve Bank of India (RBI) and DPD freeze for such period, by itself, was not assessed/considered to result in significant increase in the credit risk as per Ind AS 109 for staging of accounts. The Company had made provisions as per the adopted ECL model for impairment on financial instruments.

Currently, the Company has considered the moratorium, various other measures taken by Government and the DPD status from the end of the moratorium period and the collection efficiency of the Company and accordingly have assessed that no additional provisioning on account of impact of COVID 19 is required as on March 31, 2021. Further, the Company's current view is that all other assets of the Company are recoverable. The impact of COVID -19 is dynamic, evolving and uncertain and impact assessment is based on the current situation. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic.

51. Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union Bank of India & Anc) vide an interim order dated September 3, 2020 had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, the Company did not classify any account which was NPA as of August 31, 2020 as per the RBI IRAC norms, as NPA after August 31, 2020. Basis the said interim order, until December 31, 2020, the Company did not classify any additional borrower account as NPA as per RBI or other regulatory prescribed norms after August 31, 2020 which were not NPA as of August 31, 2020.

The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR.STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company has now classified the borrower account as per the extant RBI norms/IRAC norms and as per the ECL model under Ind AS Financial Statements as on March 31, 2021.

52. In accordance with the instructions in aforementioned RBI circular dated April 7, 2021, and the Indian Banks Association (IBA) advisory letter dated April 19, 2021, the Company has put in place the Board approved policy to refund / adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to eligible borrowers under the abovementioned circular and advisory. The Company had estimated the benefit to be extended to the eligible borrowers and created a liability /credited the Borrowers account towards the estimated interest relief and reduced the same from interest income amounting to Rs. 20.71 Lakhs.

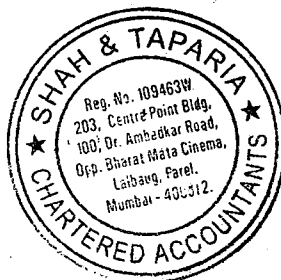
53. Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on "COVID 19 regulatory package - Asset Classification and provisioning" are given below

For the year ended March 31, 2021

- i) Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular\* amounts to Rs.41,770.62 Lakhs
- ii) Respective amount where asset classification benefit is extended : NIL
- iii) Provisions made during year ended March 31, 2021 in terms of paragraph 5 of the above circular :  
The Company has provision for impairment loss under ECL model for the year ended March 31, 2021 (Refer Note 52,53 & 53A above).  
Further, the Company has considered the additional provisions for the purpose of RBI circular mentioned in this note for provision computation under IRAC Norms as required under RBI Circular dated March 13, 2020
- iv) Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular : NA

\* Outstanding as on March 31, 2021 on account of SMA categories cases where moratorium benefit is extended by the Company up to August 31, 2020

\*\* There are nil accounts as on March 31, 2021 where the asset classification benefit is extended for cases which were entitled to a moratorium until August 31, 2020, as the asset classification is based on the actual performance of the account post moratorium period is over



**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

54. During the previous year ended March 31, 2021, the Company has invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented in accordance with the Board approved policy in this regard.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 6, 2020 for the period ended October 31, 2021

Type of Borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B) aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and Implementation	Increase in provisions on account of the implementation of resolution plan (Refer footnote below)
Personal Loans	-	-	-	-	-
Corporate Loans	-	727.91	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	1	830.01	-	-	-
<b>Total</b>	<b>2</b>	<b>1,557.92</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* As defined in Section 3 (7) of the Insolvency and Bankruptcy Code, 2016

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 6, 2020 on "Micro, Small and Medium Enterprise (MSME) Sector - Restructuring of Advances" having exposure less than or equal to Rs 25 Crores for the period ended October 31, 2021

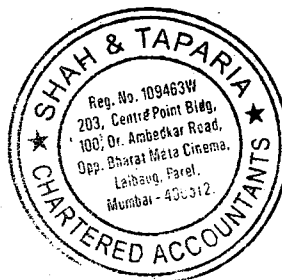
(Rs in Lakh)	
Number of accounts restructured	Amount
4.00	139.96

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 6, 2020 for the period ended October 31, 2021

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	(Rs in Lakhs)
					Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half year
Personal Loans	-	-	-	-	-
Corporate Loans	-	-	-	-	2,652.91
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	830.01
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,482.92</b>

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 6, 2020 on "Micro, Small and Medium Enterprise (MSME) Sector - Restructuring of Advances" having exposure less than or equal to Rs 25 Crores for the period ended September 30, 2021

(Rs in Lakh)	
Number of accounts restructured	Amount
7.00	504.26



*AB*

**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in Lakhs)

**55. Regulatory disclosures - RBI**

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR/ PD/008/03/10/11/2016-17 dated September 01, 2016 as amended.

The additional disclosure notes required by the Reserve Bank of India (RBI) are prepared under Indian Accounting Standards (Ind AS) issued by Ministry of Corporate Affairs (MCA), unless otherwise stated.

Regulatory disclosures have been done upto October 31, 2021 pursuant to BTA that the Company has entered into with Unity Small Finance Bank. The Company has transferred its business to Unity Small Finance Bank Limited ("USFB") as a going concern by way of slump sale. Accordingly, the Company has discontinued its NBFC business with effect from November 1, 2021. To that extent, it has made the disclosure to the stock exchange. Reserve Bank of India ("RBI") vide its letter dated October 12, 2021 has issued banking licence to USFB to carry on the business of small finance bank. The letter issued along with the licence specifies certain conditions, wherein it is specified that the Company has to register itself as Core Investment Company (CIC) with RBI. In compliance of the same, the Company, vide its letters dated November 10, 2021 and January 13, 2022 has applied for conversion of the Company, registered as a Systemically Important - Non Deposit Accepting - Non Banking Financial Company - Investment and Credit Company, into a Core Investment Company. The application for registration of CFSL as NBFC-CIC is under progress and thus, disclosures as at March 31, 2022 have not been made.

**55.1 Capital to risk assets ratio (CRAR)**

	As at March 31, 2022	As at October 31, 2021	As at March 31, 2021
CRAR (%)	NA	31.14%	30.69%
CRAR - Tier I capital (%)	NA	23.73%	24.03%
CRAR - Tier II Capital (%)	NA	7.42%	6.67%
Amount of hybrid debt raised as tier II capital	NA	1,509.14	1,509.14
Amount of Subordinated debt raised as tier II capital	NA	5,327.46	5,011.51
Amount raised by issue of perpetual debt instruments	NA	-	-

Calculated as per RBI notification RBI/2019-20/170 DOR (NBFC), CC PD No. 109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (BFC), CC PD.No. 109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

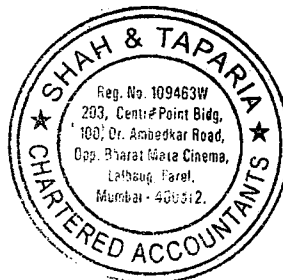
Computation of CRAR for March 31, 2022 has not been done as the Company has discontinued its lending operations w.e.f November 1, 2021 pursuant to BTA with Unity Small Finance Bank.

**55.2 Investments**

	As at March 31, 2022	As at October 31, 2021	As at March 31, 2021
<b>I) Value of Investment</b>			
<b>(i) Gross value of investments</b>			
(a) In India	-	2,756.86	5,900.27
(b) Outside India	-	-	-
<b>(ii) Provisions for depreciation</b>			
(a) In India	-	17.42	19.40
(b) Outside India	-	-	-
<b>(iii) Net value of investments</b>			
(a) In India	-	2,739.44	5,880.87
(b) Outside India	-	-	-
<b>II) Movement of provisions held towards depreciation on investments.</b>			
	For the year ended March 31, 2022	For the period ended October 31, 2021	For the year ended March 31, 2021
Opening balance	-	19.40	8.18
Add : Provisions made during the year	-	-	11.22
Less : Write-off / write-back of excess provisions during the year	-	(1.98)	-
Closing balance	-	17.42	19.40

**55.3 Derivatives**

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives. However Company have entered into Option Contracts to hedge market linked debentures (For details refer Note 5).



**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2021**  
(Currency : Indian Rupees in Lakhs)

**55.4 Asset Liability management**

**(A) Maturity pattern of certain items of assets and liabilities as at October 31, 2021**

A.i	Assets		
	Loans	Investments	Foreign Currency Assets
1 day to 7 days	4,141.38	-	-
8 day to 14 days	1,351.20	-	-
15 day to 30/31 days (One month)	2,100.42	-	-
Over One months to 2 months	9,056.50	-	-
Over 2 months up to 3 months	8,443.69	803.82	-
Over 3 months to 6 months	7,103.10	340.59	-
Over 6 months to 1 year	18,614.34	637.61	-
Over 1 year to 3 years	15,535.44	956.42	-
Over 3 years to 5 years	3,846.78	-	-
Over 5 years	7,924.66	1.00	-
	<b>78,117.51</b>	<b>2,739.44</b>	-

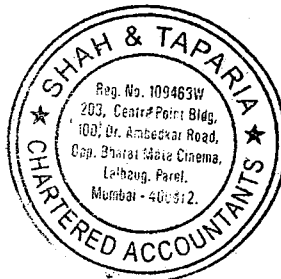
A.ii	Liabilities		
	Borrowings & Debt Securities	Deposits #	Foreign Currency Liabilities
1 day to 7 days	7.37	-	-
8 day to 14 days	0.71	-	-
15 day to 30/31 days (One month)	220.60	-	-
Over One months to 2 months	4,243.63	-	-
Over 2 months up to 3 months	7,226.63	-	-
Over 3 months to 6 months	5,087.65	-	-
Over 6 months to 1 year	35,398.65	-	-
Over 1 year to 3 years	15,451.69	-	-
Over 3 years to 5 years	1,557.46	-	-
Over 5 years	6,509.13	-	-
	<b>75,703.52</b>	-	-

**(B) Maturity pattern of certain items of assets and liabilities as at March 31, 2021**

B.i	Assets		
	Loans	Investments	Foreign Currency Assets
1 day to 7 days	8,718.61	-	-
8 day to 14 days	2,491.67	-	-
15 day to 30/31 days (One month)	6,536.68	650.08	-
Over One months to 2 months	9,021.65	-	-
Over 2 months up to 3 months	8,164.46	-	-
Over 3 months to 6 months	9,636.31	83.67	-
Over 6 months to 1 year	9,795.17	1,251.81	-
Over 1 year to 3 years	19,178.82	1,539.68	-
Over 3 years to 5 years	3,333.44	-	-
Over 5 years	5,435.97	2,355.63	-
	<b>82,312.78</b>	<b>5,880.87</b>	-

B.ii	Liabilities		
	Borrowings & Debt Securities	Deposits #	Foreign Currency Liabilities
1 day to 7 days	6.55	-	-
8 day to 14 days	301.35	-	-
15 day to 30/31 days (One month)	237.83	-	-
Over One months to 2 months	1,810.04	-	-
Over 2 months up to 3 months	414.68	-	-
Over 3 months to 6 months	5,788.44	-	-
Over 6 months to 1 year	14,469.49	-	-
Over 1 year to 3 years	44,102.04	-	-
Over 3 years to 5 years	1,613.12	-	-
Over 5 years	6,509.13	-	-
	<b>75,252.67</b>	-	-



*Jan*



**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022**  
(Currency : Indian Rupees in Lakhs)

**55.5 Exposures**

	As at March 31, 2022	As at October 31, 2021	As at March 31, 2021
<b>Exposure to real estate sector</b>			
<b>a) Direct exposure</b>			
<b>Residential mortgages -</b>			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual housing loans up to Rs.15 lakhs may be shown separately)	-	-	-
<b>Commercial real estate -</b>			
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure includes non-fund based (NFB) limits.	-	10,014.20	10,372.90
<b>Investments in mortgage backed securities (MBS) and other securitised exposure:</b>			
- Residential	-	-	-
- Commercial Real Estate	-	-	-
<b>b) Indirect exposure</b>			
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-	-
<b>c) Others</b>	-	-	-
	-	10,014.20	10,372.90
<b>Exposure to capital market</b>			
	As at March 31, 2022	As at October 31, 2021	As at March 31, 2021
<b>a) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds (the corpus of which is not exclusively invested in corporate debt)</b>	-	-	2,355.63
<b>b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds</b>	-	2,876.37	2,856.32
<b>c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.</b>	-	-	-
<b>d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances.</b>	-	2,766.90	2,550.27
<b>e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers.</b>	-	-	-
<b>f) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources</b>	-	-	-
<b>g) bridge loans to companies against expected equity flows / issues</b>	-	-	-
<b>h) all exposures to Venture Capital Funds (both registered and unregistered)</b>	-	-	-
<b>i) others (not covered above)</b>	-	2,755.87	2,893.86
	-	8,399.14	10,656.08



*[Handwritten signature]*

**Centrum Financial Services Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022**  
(Currency : Indian Rupees in Lakhs)

**55.6 Details of financing of parent company products:**

Details of financing of parent company products: Nil (Previous year : Nil)

**55.7 Details of single borrower limit and borrower group limit exceeded by the Company:**

During the period ended October 31, 2021 and the year ended March 31, 2021, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI

**55.8 Unsecured advances**

The portfolio of Company includes unsecured loans the details of which are provided in Note 7. During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Previous year : Nil).

**55.9 Registration obtained from other financial sector regulators**

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

**55.10 Disclosure of penalties imposed by RBI and other regulators- Rs. Nil (Previous year - Rs. Nil)**

**55.11 Related party transactions**

All material transactions with related parties are reflected in Note 41

**55.12 Details of transaction with non executive directors - Rs. Nil (Previous year - Rs. Nil)**

Non-Executive Directors have no pecuniary relationship with the Company, except receiving s. for the meetings attended.

**55.13 Provisions and contingencies**

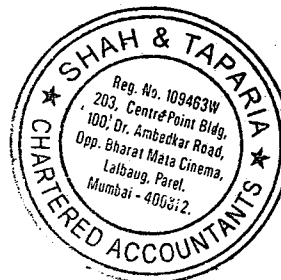
	As at March 31, 2022	As at October 31, 2021	As at March 31, 2021
<b>Breakup of provisions and contingencies shown under the head other expenses in the Statement of Profit and loss</b>			
Impairment allowance on Investment	-	(1.98)	11.09
Provision towards Stage 3	-	-	327.22
Provision made towards Income tax	-	-	-
Provision for Stage 1/Stage 2 Assets including restructured and others	-	26.86	13.74
Other Provision and Contingencies *	-	(445.75)	215.70
<b>*Other provisions and contingencies</b>			
Provision for gratuity expense	-	19.92	30.76
Provision for leave encashment expense	-	1.20	1.20
Provision for ESOP	-	(466.87)	183.74
<b>Total</b>	<b>-</b>	<b>(445.75)</b>	<b>215.70</b>

**55.14 Draw down from reserves**

During the current year the Company has not drawn from any reserve. (Previous year : Nil)(Refer note 22)

**55.15 Concentration of deposits, advances, exposures and NPA assets**

	As at March 31, 2022	As at October 31, 2021	As at March 31, 2021
<b>A. Concentration of advances</b>			
Total Advances to twenty largest borrowers	-	33,635.88	39,145.80
% of Advances to twenty largest borrowers to Total Advances	-	42.87%	47.01%
<b>B. Concentration of exposures</b>			
Total Exposures to twenty largest borrowers / Customers	-	33,635.88	39,527.30
% of Exposures to twenty largest borrowers / Customers to Total Advances	-	42.87%	46.79%
<b>C. Concentration of NPA Advances</b>			
Total Exposures to top Four NPA Assets	-	533.47	1,280.12



*[Handwritten signature]*

55.16 Concentration of deposits, advances, exposures and NPA assets (Continued)

D. Sector-wise NPA Assets

Sectors	% of NPA assets to Total Advances in that sector		
	As at March 31, 2022	As at October 31, 2021	As at March 31, 2021
Agriculture & allied activities	-	-	-
MISME	-	0.14%	0.05%
Corporate borrowers	-	0.86%	2.56%
Services	-	-	-
Unsecured loans - Bill discounting	-	0.73%	0.46%
Auto loans	-	-	-
Other loans	-	-	-

The amount of NPAs and advances considered while calculating the above percentages are excluding notional Ind AS adjustment.

E. Concentration of deposits

The Company is a Non Deposit Accepting Systemically Important NBFC. Accordingly, the Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposits from earlier years (Previous Year : Nil).

55.17 Movement in non-performing assets (NPAs)

The following table sets forth, for the periods indicated, the details of movement of Stage 3 assets net of provision (Also refer note 7.b)

	As at March 31, 2022	As at October 31, 2021	As at March 31, 2021
(i) Net NPAs to net advances (%)#		0.68%	0.96%
(ii) Movement of NPAs (gross)			
(a) Opening balance	-	1,280.12	1,916.81
(b) Additions during the year	-	82.59	303.33
(c) Reductions during the year	-	(661.32)	(940.01)
(d) Closing balance	-	701.40	1,280.12
(iii) Movement of net NPAs			
(a) Opening balance	-	533.63	815.38
(b) Additions during the year	-	33.29	3.46
(c) Reductions during the year	-	(17.14)	(285.21)
(d) Closing balance	-	549.79	533.63
(iv) Movement of provisions for NPAs (excluding provision on standard assets)			
(a) Opening Balance	-	746.49	1,101.43
(b) Additions during the year	-	49.29	45.13
(c) Write off/write back of excess provision	-	(644.17)	(400.08)
(d) Closing balance	-	151.60	746.49

# The Loans in the nature of debentures (Refer Note 8) has been treated as Advances and accordingly considered for purpose of above disclosure of Movement in NPA's.

55.18 Customer complaints

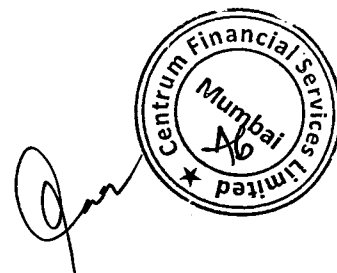
	For the year ended March 31, 2022	For the year ended October 31, 2021	For the year ended March 31, 2021
i) No. of complaints pending at the beginning of the year	Nil	Nil	Nil
ii) No. of complaints received during the year	Nil	1	5
iii) No. of complaints redressed during the year	Nil	1	5
iv) No. of complaints pending at the end of the year	Nil	Nil	Nil

55.19 Rating assigned by credit rating agencies

Instruments	Credit Rating Agency	As at October 31, 2021	As at March 31, 2021
Bank Loan Long-term*	CARE	CARE BBB+; Stable	CARE BBB+; Stable
Commercial Paper	CARE	CARE A1+ (CE)	CARE A1+ (CE)
Commercial Paper	ICRA	ICRA A1+ (CE)	ICRA A1+ (CE)
Long Term Market Linked Debentures#	CARE	CARE PP-MLD BBB+; Stable	CARE PP-MLD BBB+; Stable
Pass Through Certificates	CRISIL	CRISIL A1+ (SO); CRISIL A4 (SO)	CRISIL A1+ (SO); CRISIL A4 (SO)
Non-convertible Debentures (excluding MLDs)	CARE	CARE BBB+; Stable	CARE BBB+; Stable

Note : \*Outlook changed from CARE A- Negative to CARE BBB+ ; Stable on September 30, 2020

#Outlook changed from CARE PPMLD A- Negative to CARE PP-MLD BBB+; Stable on September 30, 2020



**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**55. Regulatory disclosures - RBI (Continued)**

**55.19 Disclosures relating to assignment and securitisation**

**55.19.1 Disclosures relating to securitisation**

Outstanding amount of Securitised as per the books of Sponsored SPVs

The information on securitization of the Company as an originator in respect of outstanding amount of securitized assets is given below :

Sr No	Particulars	As at	As at
		October 31, 2021	March 31, 2021
a)	No. of accounts sponsored by NBFC for Securitization transaction*	-	4,038.00
b)	Total Amount of Securitized Assets as per books of the SPVs sponsored (Rs in Lakhs)	-	5,000.00
c)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance Sheet		
	Off-balance sheet exposures	-	-
	- First loss	-	-
	- Others	-	-
	On-balance sheet exposures		
	- First loss	-	-
	- Others	-	750.00
d)	Amount of exposures to securitisation transactions other than MRR	-	-
	Off-balance sheet exposures		
	Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
	On-balance sheet exposures		
	Exposure to own securitisations		
	- First loss	-	-
	- Others	-	650.66
	Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-

\*As per the agreement of securitization transaction the loan pool of Rs. 5000 Lakhs is required to be maintained throughout the tenor of the agreement. The no. of accounts might keep on changing to maintain the required pool.



**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**55.19.2 Outstanding amount of assigned assets as per books of the SPVs sponsored**

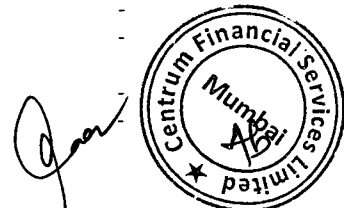
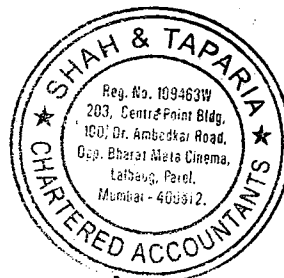
The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:

No.	Particulars	As at October 31, 2021	As at March 31, 2021
1	No. of transactions assigned by the Company	93.00	4.00
2	Total amount outstanding	2,029.40	1,474.67
3	Total amount of exposures retained by the Company to comply with MRR as		
	(a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to assigned transaction other than MRR	202.94	326.41
	(a) Off-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

Total outstanding amounts and MRR as on the date of the balance sheet are excluding notional Ind AS adjustments.

The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium structure is given below:

Sr. No.	Particulars	As at October 31, 2021	As at March 31, 2021
1	No. of transactions assigned by the Company	-	-
2	Total amount outstanding	-	-
3	Total amount of exposures retained by the Company to comply with MRR as		
	(a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to assigned transaction other than MRR	-	-
	(a) Off-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	(b) On-Balance Sheet exposures		
	(i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-



**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

55.19.3 Disclosure as required under 'Guidelines to banks/ FIs on sale of Financial Assets to Securitisation Company (SC)/ Reconstruction Company (RC) (created under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002)', issued by Reserve Bank of India (RBI) vide its circular no. DBOD No.BP.BC. 96/ 21.04.048/ 2002-03 on April 23, 2003, as amended from time to time and RBI Master Direction Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended from time to time.

(A) During the previous year, the Company has sold assets to an ARC on cash basis amounting to Rs. 1,042 lakhs (aggregate consideration received), whose Net asset value in books (aggregate outstanding) was Rs. 622.85 lakhs. Net Gain on the same amounted to Rs. 419.15 lakhs. ECL provision created on this loan asset amounted to Rs. 682.15 lakhs which got reversed during the previous year .

**Details of financial assets sold to securitisation/reconstruction company for asset reconstruction**

Particulars	As at	As at
	October 31, 2021	March 31, 2021
i) No. of accounts	-	2.00
ii) Aggregate value (net of provisions) of accounts sold	-	622.85
iii) Aggregate consideration	-	1,042.00
iv) Additional consideration realized in respect of accounts transferred in earlier	-	-
v) Aggregate gain/(loss) over net book value	-	419.15

Please note, out of the above, one loan asset with aggregate outstanding of Rs. 680 lakhs was classified as NPA, however another loan account with aggregate outstanding of Rs. 625 lakhs was not classified as NPA in accordance with the interim order dated September 3, 2020 passed by the Hon'ble Supreme Court , in a public interest litigation (Gajendra Sharma vs. Union Bank of India & Anc). However, provisioning had been done basis Stage 3 classification in accordance with ECL policy of the Company.

(B) Further, the Company also sold collateral of one of the stressed asset and recovered it's dues during the previous year. The aggregate consideration received was Rs. 572 lakhs and Net asset value in the books (aggregate outstanding) was Rs. 630.56 lakhs. Net loss on the same amounted to Rs. 135.07 lakhs. ECL provision created on this loan asset amounted to Rs. 76.51 lakhs which got reversed during the previous year.

**55.19.4 Details of assignment transactions undertaken by the Company**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
i) No. of accounts	93.00	4.00
ii) Aggregate value (net of provisions) of accounts sold	2,044.23	3,322.77
iii) Aggregate consideration	1,839.81	2,025.00
iv) Additional consideration realized in respect of accounts transferred in earlier	-	-
v) Aggregate gain/(loss) over net book value	327.36	-0.99

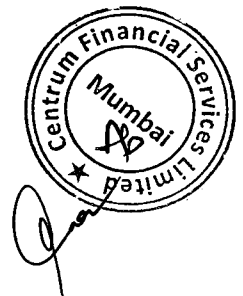
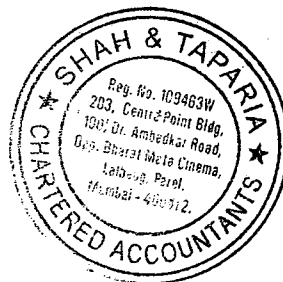
**55.20 Details of non-performing financial assets purchased / sold by the Company**

The Company has sold non performing assets during the year ended March 31, 2021, (Refer note: 57.19.3).(Previous year : Nil)

**55.21 Disclosure of Restructured Accounts**

(as required by RBI guidelines under reference DNBS. CO. PD. No. 367 / 03.10.01 / 2013-14 dated January 23, 2014)

No loan have been restructured during the year except as mentioned in note no. 55. (Previous year: Nil)



**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency - Indian Rupees in lakhs)

55. **Regulatory disclosures - RBI (Continued)**

55.22 **Comparison of Regulatory Provision for NPA and Impairment Provision as per Ind AS as of October 31, 2021 (Refer Note No. 22)**

Asset Classification		Gross Carrying Amount	Loss Allowances	Net Carrying Amount	Provisions required	Difference between
as per RBI Norms	as per IndAS 109	as per Ind AS	(Provisions) as required under Ind AS 109		as per IRACP norms	IndAS 109 provisions and IRACP norms*
<b>Performing</b>						
Standard	Stage-1	74.11	172.45	73,938.13	1,348.49	(1,176.04)
	Stage-2	3,649.65	20.10	3,629.54	83.32	(63.22)
<b>Sub total</b>		<b>77,760.23</b>	<b>192.55</b>	<b>77,567.68</b>	<b>1,431.81</b>	<b>(1,239.26)</b>
<b>Non Performing Assets (NPA)</b>						
Substandard	Stage-3	88.83	52.76	36.07	8.88	43.88
Doubtful	Stage-3	-	-	-	-	-
	up to 1 year	-	-	-	-	-
	1 to 3 Years	156.82	98.83	57.99	156.82	(57.99)
More than 3 years	Stage-3	455.75	-	-	332.68	(332.68)
<b>Sub total for Doubtful</b>		<b>612.56</b>	<b>98.83</b>	<b>57.99</b>	<b>489.50</b>	<b>(390.67)</b>
Loss	Stage-3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>701.39</b>	<b>151.59</b>	<b>94.06</b>	<b>498.38</b>	<b>(346.79)</b>
Loan in the Nature of Debentures	Stage-1	2,756.86	17.42	2,739.44	239.39	(221.97)
	Stage-1	76,867.44	189.87	76,677.57	1,587.88	(1,398.01)
	Stage-2	3,649.65	20.10	3,629.54	83.32	(63.22)
<b>Total</b>	Stage-3	<b>701.39</b>	<b>151.59</b>	<b>549.80</b>	<b>498.38</b>	<b>(346.79)</b>
<b>Total</b>		<b>81,218.48</b>	<b>361.56</b>	<b>80,856.92</b>	<b>2,169.58</b>	<b>(1,808.02)</b>

\* During the financial year ended March 31, 2022, the loans and advances held by the Company were transferred to Unity Small Finance Bank Limited ("USFB"), as required by the RBI License issued on October 12, 2021.

As on the date of transfer, the Company held INR 1,808.02 Lakhs in impairment reserve as required by RBI notification RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. As on March 31, 2022, the Company does not hold any loans and advances.

The Company has grouped it under retained earnings for financial year ended March 31, 2022. The Management has also sought ratification of the same from RBI vide a communication dated March 30, 2022. This amount shall not be available for appropriation pending ratification by RBI.



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**Centrum Financial Services Limited**  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency - Indian Rupees in Lakhs)

**55. Regulatory disclosures - RBI (Continued)**

**55.21** Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies from March 31, 2020 onwards

**55.21.a Funding Concentration based on significant counterparty (borrowings, debt securities)**

Particulars	As at October 31, 2021	As at March 31, 2021
No. of Significant Counterparties*	10/00	8/00
Amount (₹ in lakh)#	34,609.69	32,075.92
Percentage of funding concentration to total deposits	0%	0%
Percentage of funding concentration to total liabilities	40.37%	37.93%

\*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.1 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies and Core Investment Companies dated 4 November 2019.

**55.21.b** Top 10 Depositors

**55.21.c Top 10 Borrowings**

Particulars	As at October 31, 2021	As at March 31, 2021
Amount of top 10 borrowings (₹ in lakh)#	34,016.58	33,244.92
Percentage of amount of top 10 borrowings to total borrowings	44.86%	44.17%

**55.21.d Funding concentration based on significant instrument / product\*\*:**

Particulars	As at October 31, 2021		As at March 31, 2021	
	₹ in lakh#	% of Total liabilities	₹ in lakh#	% of Total liabilities
a) Market linked non-convertible debentures	37,985	44.70%	37,649.00	44.52%
b) Non Convertible Debentures	24,088.62	28.09%	24,121.84	28.53%
c) Pass Through Certificate	-	0.00%	4,302.23	5.09%
d) Term loan	3,960.25	4.62%	5,413.39	6.40%
e) Commercial paper	3,300.17	3.85%	850.00	1.01%
f) Hybrid debt	1,509.14	1.76%	1,509.14	1.78%
g) Bank overdraft	4,993.11	5.82%	1,424.59	1.68%

\*\*Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

# Total Liabilities represents total liabilities as per balance sheet less total equity

**55.21.e Stock Ratios:**

Particulars	As at October 31, 2021	As at March 31, 2021
i) Commercial Papers to Total Liabilities	3.85%	1.01%
ii) Commercial Papers to Total Assets	2.85%	0.74%
iii) Commercial Papers to Public funds***	4.44%	1.15%
iv) NCD(Original Maturity < 1yrs.) to Total Liabilities	Nil	Nil
v) NCD(Original Maturity < 1yrs.) to Total Assets	Nil	Nil
vi) NCD(Original Maturity < 1yrs.) to Public funds***	Nil	Nil
vii) Other Short Term Liabilities to Total Liabilities ##	65.68%	29.40%
viii) Other Short Term Liabilities to Total Assets ##	48.56%	21.64%
ix) Other Short Term Liabilities to Public funds*** ##	75.76%	33.70%
x) Short Term Assets to Total Liabilities ###	88.76%	87.61%
xi) Short Term Assets to Short Term Liabilities ###	135.15%	298.01%
xii) Short Term Assets to Total Assets ###	65.63%	64.49%

\*\*\* Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

# All the above numbers are excluding notional Ind AS adjustments.

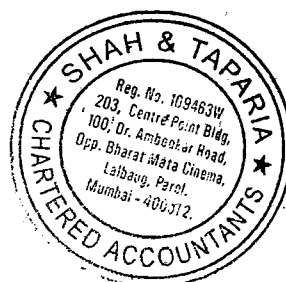
## Other short term liabilities include all the financial liabilities maturing within next 12 months other than Commercial Paper and NCDs

### Short Term Assets includes all the Financial Assets recoverable within next 12 months

The above ratios reflect the strength of the Company as the short term liabilities are adequately funded by short term assets indicating the financial stability of the organisation.

**55.21.f Institutional set-up for liquidity risk management:**

Centrum Financial Services Ltd. has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RMC subsequently updates the Board of Directors on the



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**56.0 Disclosures with respect to Core Investment Company**

**56.1 Components of ANW and other related information**

(Amount in Lakhs)

Particulars		As at March 31, 2022
i)	ANW as a % of Risk Weighted Assets	82.34
ii)	unrealized appreciation in the book value of quoted investments	NIL
iii)	diminution in the aggregate book value of quoted investments	NIL
iv)	Leverage Ratio (times)	0.22

**56.2 Investment in other CICs**

(Amount in Lakhs)

Particulars		As at March 31, 2022
a)	Total amount representing any direct or indirect capital contribution made by one CIC in another CIC (including name of CICs)	NIL
b)	Number of CICs with their names wherein the direct or indirect capital contribution exceeds 10% of Owned Funds	NIL
c)	Number of CICs with their names wherein the direct or indirect capital contribution is less than 10% of Owned Funds	NIL

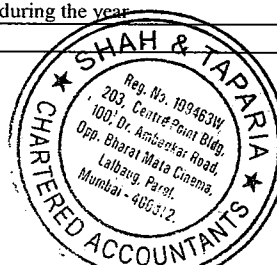
**56.3 Off Balance Sheet Exposure**

Particulars		As at March 31, 2022
i)	Off balance sheet exposure	NIL
ii)	Financial Guarantee as a % of total off-balance sheet exposure	NIL
iii)	Non-Financial Guarantee as a% of total off-balance sheet exposure	NIL
iv)	Off balance sheet exposure to overseas subsidiaries	NIL
v)	Letter of Comfort issued to any subsidiary	NIL

**56.4 Investments**

(Amount in Lakhs)

Particulars		As at March 31, 2022
<b>Value of Investments</b>		
(i)	Gross Value of Investments	
	(a) In India	36,140.00
	(b) Outside India,	-
(ii)	Provisions for Depreciation	
	(a) In India	-
	(b) Outside India,	-
(iii)	Net Value of Investments	
	(a) In India	-
	(b) Outside India.	-
(iv)	Movement of provisions held towards depreciation on investments.	
	(i) Opening balance	-
	(ii) Add : Provisions made during the year	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-
	(iv) Closing balance	-



*[Handwritten Signature]*



Centrum Financial Services Limited  
Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

56.0 Disclosures with respect to Core Investment Company

56.5 ALM - Maturity pattern of Assets and Liabilities

	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 Month up to 1 month	Over 2 months up to 2 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 Years	Total
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	36,140.00	36,140.00
Foreign Currency assets	-	-	-	-	-	-	4,869.00	-	-	1,509.14	6,378.14
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

56.6 Business Ratios

Particular	As at March 31, 2022
Return on Equity (RoE)	-1.0%
Return on Assets (RoA) Net profit per employee	0.0%

56.7 Provisions and Contingencies

	(Amount in Lakhs)
Break up of 'Provisions and Contingencies' shown under the Profit and Loss Account As at March 31, 2022	-
Provisions for depreciation on Investment	-
Provision towards NPA	-
Provision made towards Income tax	-
(Other Provision and Contingencies (with details)	-
Provision for Standard Assets	-

56.8

Concentration of NPAs	(Amount in Lakhs)	Exposure as a % of total assets
Total Exposure to top five NPA accounts	NIL	NIL

56.9 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)  
NIL



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**Centrum Financial Services Limited**

Notes to the financial statements as at and for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

**57. Regulatory disclosures - RBI (Continued)**

**57.1 Overseas assets**

The Company did not have any Joint Ventures and Subsidiaries abroad as at March 31, 2022 (March 31, 2021: Nil).

**57.2 Reporting of Frauds**

The Company has not reported any fraud during the current year ( Previous year : NIL)

**57.3 Previous Year Comparatives**

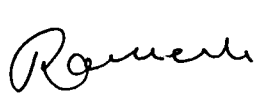
Previous Year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

As per our report of even date attached.

For SHAH & TAPARIA

Chartered Accountants

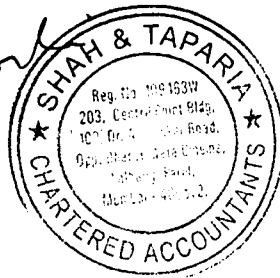
ICAI Firm Registration No.109463W



Ramesh Joshi

Partner

MembershipNo.033594



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



Ranjan Ghosh

Managing Director and CEO

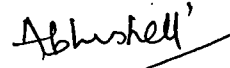
DIN: 07592235



Shailendra Apte

Director

DIN: 00017814



Abhishek Bajaj

Chief Financial Officer



Archana Goyal

Company Secretary

Mumbai

May 30, 2021

Mumbai

May 30, 2021



**Centrum Financial Services Limited**  
Notes to the financial statements for the year ended 31 March 2022  
(Currency : Indian Rupees in lakhs)

58 Relationship with struck off companies  
During the year ended 31 March 2022, the Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. (During the year ended 31 March 2021 - Nil)

59 Registration of charges or satisfaction with Registrar of Companies  
During FY 2021-22, all charge forms were duly filed with the time prescribed under the Companies Act, 2013.

60 Details of Benami Property held  
There were no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

61 Title deeds of Immovable Properties not held in name of the Company

Sr.No	Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
1	PPE	Land Building	3510.95	Shree Srinivas Realtors Pvt Limited	Director	2018	The Company have put an application against the rejection and 2018 transfer basis Deed of Apartment from SRO is awaited

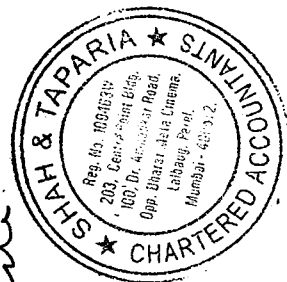
62 Ratios for the period ended

Ratios	As at 31st October, 2021	As at 31st March, 2021
a) Capital to risk-weighted assets ratio (CRAR) (refer note 1)	31.14%	30.69%
b) Tier I CRAR (refer note 1)	23.73%	24.03%
c) Tier II CRAR (refer note 1)	7.42%	6.67%
d) Liquidity Coverage Ratio* (refer note 1 & 2)	NA	NA

Note:  
1 Since the Company has discontinued the lending business w.e.f 1 November 2021 hence this ratio is not applicable. Refer the disclosures related to discontinued operations.  
2 The requirements regarding liquidity coverage ratio are covered in the RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/05.10.001/2019-20 dated 4 November 2019. This circular is not applicable to the Company (CNL), hence the detail have not been provided.

As per our report of even date  
For SHAH & TAPARIA  
Chartered Accountants  
ICAI Firm Registration No.109463W

*Ramesh Joshi*  
Ramesh Joshi  
Partner  
Membership No.031594



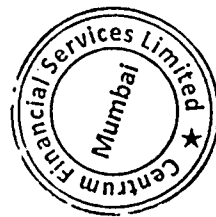
Mumbai  
May 30, 2022

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

*Ranjana Ghosh*  
Ranjana Ghosh  
Managing Director and CEO  
DIN: 07592235

*Abhishek Baxi*  
Abhishek Baxi  
Chief Financial Officer

Mumbai  
May 30, 2022



Mumbai  
May 30, 2022