SHAH & TAPARIA
CHARTERED ACCOUNTANTS

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022 - 4022 0314
E-mail : info@shahtaparia.com
visit us at : www.shahtaparia.com

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, 2023 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, 2023, the losses 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 ethical 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 obtained by us 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 judgement, were of most significance in our audit of the IND AS financial statements of the current period. 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 that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the IND AS 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 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 IND AS 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 financial statements or our knowledge obtained during the course of our 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. We have nothing to report in this regard.

SHAH & TAPARIA CHARTERED ACCOUNTANTS
Reg. No. 109463W
203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022 - 4022 0314
E-mail : info@shahtaparia.com
visit us at : www.shahtaparia.com

Responsibility of Management and Those Charged with Governance 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 with reference to IND AS financial statements 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.

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022 - 4022 0314
E-mail : info@shahtaparia.com
visit us at : www.shahtaparia.com

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

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

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

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, 2020 ("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.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to IND AS financial statements.

   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

SHAH & TAPARIA
Reg. No. 109463W
203, Centre Point Bldg.
100, Dr. Ambedkar Road,
Opp. Bharat Mata Cinema,
Lalbaug, Parel,
Mumbai - 400012.
CHARTERED ACCOUNTANTS

SHAH & TAPARIA
CHARTERED ACCOUNTANTS

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022 - 4022 0314
E-mail : info@shahtaparia.com
visit us at : www.shahtaparia.com

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 26 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.

   f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Narottam Shah
Partner
Membership Number: 106355
UDIN: 23106355BGXIZA3505

SHAH & TAPARIA CHARTERED ACCOUNTANTS
Reg. No. 109463W
203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

Date: May 11, 2023
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, 2023, we report the following:

1)
   a. The Company does not hold any Property, Plant and Equipment as on March 31, 2023, hence reporting under paragraph 3(i)(a), 3(i)(b), 3(i)(c) and 3(i)(d) is not applicable.
   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, 2023 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 (CIC-ND-SI) and does not hold any inventory. Thus, paragraph 3(ii)(a) of the Order is not applicable to the Company.
   b. The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during the financial year. Hence reporting under paragraph 3(ii)(b) of the Order is not applicable to the Company.

3) Based on the information and explanations given to us, the Company has made investments in other companies during the year. The company has not provided any guarantee or 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 company has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity, during the year. Hence reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.
   b. According to the information and explanations given to us, in our opinion the investments made are not prejudicial to the company's interest.
   c. As on March 31, 2023 the company has no loan receivable. Accordingly, reporting in respect of schedule of repayment of principal and payment of interest is not applicable.
   d. As on March 31, 2023 the company has no loan receivable. Accordingly, reporting in respect of overdue amounts is not applicable.
   e. As on March 31, 2023 the company has no loan receivable. Accordingly, reporting in respect of renewal or extension of loan amount is not applicable.
   f. As on March 31, 2023 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 making investments 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 from public during the year. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable.

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.

SHAH & TAPARIA
Reg. No. 109463W
203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.
CHARTERED ACCOUNTANTS

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022 - 4022 0314
E-mail : info@shahtaparia.com
visit us at : www.shahtaparia.com

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, Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

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, 2023, 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	1,84,27,940*	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,91,920	AY 2018-19	Assessing Officer
Income Tax Act, 1961	Income Tax	16,72,498	AY 2020-21	Assessing Officer

*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)

a. 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.
b. The company is not declared a wilful defaulter by any bank or financial institution or other lenders.
c. The company has prima facie utilised the moneys raised by way of debt instruments and inter corporate deposits during the year for the purpose for which the loans were obtained.

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg. 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022 - 4022 0314
E-mail : info@shahtaparia.com
visit us at : www.shahtaparia.com

d. Funds raised on short term basis have been utilised for long term purposes. The company has invested Rs. 11,000 lakhs in M/s. Centrum Wealth Limited funded from short term Inter Corporate Deposits (ICD) from the holding company – M/s. Centrum Capital Limited.
e. 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.
f. The company has not raised any loans during the year on the pledge of securities held in the subsidiary company.

10)

a. 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 paragraph 3(x)(a) of the Order is not applicable.
b. The company has not made any private placement of shares or debentures during the year and hence reporting under paragraph 3(x)(b) of the Order is not applicable.

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 paragraph 3(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 internal audit reports for the year under audit, issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.

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.

SHAH & TAPARIA
Reg. No. 109463W
203, Centre Point Bldg.
100, Dr. Ambedkar Road,
Opp. Bharat Mata Cinema,
Lalbaug, Parel,
Mumbai - 400012.
CHARTERED ACCOUNTANTS

c. According to the information and explanation given to us, we report that the Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and continues to fulfil the criteria of a CIC.

d. According to the information and explanations given to us by the management of the Company, the Group has only one CIC.

17) The company has incurred cash loss in the financial year of Rs. 100.21 lakhs. The Company had not incurred cash losses in the previous year.

18) There has been no resignation of the statutory auditors of the Company during the year.

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 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, paragraph 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

21) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Narottam Shah
Partner
Membership Number: 106355
UDIN: 23106355BGXIZA3505

SHAH & TAPARIA
Reg. No. 109463W
CHARTERED ACCOUNTANTS

Date: May 11, 2023
Place: Mumbai

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022 - 4022 0314
E-mail : info@shahtaparia.com
visit us at : www.shahtaparia.com

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, 2023 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 with reference to the IND AS financial statements 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 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.

SHAH & TAPARIA CHARTERED ACCOUNTANTS

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022 - 4022 0314
E-mail : info@shahtaparia.com
visit us at : www.shahtaparia.com

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, 2023, 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

Narottam Shah
Partner
Membership Number: 106355
UDIN: 23106355BGXIZA3505

SHAH & TAPARIA
Reg. No. 109463W
203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.
CHARTERED ACCOUNTANTS

Date: May 11, 2023
Place: Mumbai

Centrum Financial Services Limited
CIN: U65910Mi1993PLC192085
Corporate Office : Centrum House, CST Road, Kalina, Mumbai - 400 098
Tel No. +91 22 4215 9000, Website: www.centrum.co.in

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(₹ in lakh)

Sr. No	Particulars	Quarter Ended			Year Ended	
		31-03-2023 Audited*	31-12-2022 Unaudited*	31-03-2022 Audited*	31-03-2023 Audited	31-03-2022 Audited
(1)	Other income	-	779.14	-	779.14	-
(2)	**Total income**	-	779.14	-	779.14	-
(3)	**Expenses**					
(a)	Finance costs	212.69	198.24	186.70	812.24	310.55
(b)	Employee benefits expenses	5.02	3.01	-	8.56	-
(b)	Other expenses	30.10	8.30	18.89	58.54	22.37
	Total expenses (a)+(b)+(c)	247.81	209.55	205.59	879.34	332.92
(4)	**Profit/(loss) before exceptional items and tax (2) - (3)**	(247.81)	569.59	(205.59)	(100.20)	(332.92)
(5)	**Exceptional Items**	-	-	-	-	-
(6)	**Profit/(loss) before tax (4) - (5)**	(247.81)	569.59	(205.59)	(100.20)	(332.92)
(7)	**Income tax expense:**					
(a)	- Current tax	-	-	-	-	-
(b)	- Deferred tax	-	-	-	-	-
(c)	- Excess short of earlier Years	-	-	-	-	-
	Total tax expense (a)+(b)	-	-	-	-	-
(8)	**Profit/(loss) for the period from Continuing Operations(6) - (7)**	(247.81)	569.59	(205.59)	(100.20)	(332.92)
(9)	**Profit before tax for the year from Discontinued Operations**	-	-	(2.83)	-	653.18
(10)	Tax expense/ (credit) of Discontinued Operations					
(a)	- Current tax	-	-		-	-
(b)	- Deferred tax	-	-	-	-	407.33
(c)	- (Excess)/Short provision of earlier years	-	-	-	-	-
	Total tax expense/ (credit) of Discontinued Operations (a)+(b)+(c)	-	-	-	-	407.33
(11)	**Net Profit for the year from Discontinued Operations (9)-(10)**	-	-	(2.83)	-	245.85
(12)	**Net Profit/ (Loss) for the year (8)+(11)**	(247.81)	569.59	(208.42)	(100.20)	(87.07)
(13)	**Other Comprehensive Income/ (expenses) - Continuing Operations**					
(a)	- Items that will not be reclassified to profit or loss					
(b)	- Items that will be reclassified to profit or loss					
	Total Other Comprehensive Income/ (expenses) - Continuing Operations (a) + (b)	-	-	-	-	-
(14)	**Other Comprehensive Income/ (expenses) - Discontinued Operations**					
(a)	Items that will not be reclassified to profit or loss					
	- Remeasurements of post-employment benefit obligations	-	-	2.90	-	(17.21)
	- Income tax relating to these items	-	-	(0.05)	-	5.01
(b)	Items that will be reclassified to profit or loss	-	-		-	
	Total Other Comprehensive Income/ (expenses) - Discontinued Operations (a)+(b)	-	-	2.85		(12.20)
(15)	**Total comprehensive income for the year (12) + (13) + (14)**	(247.81)	569.59	(205.57)	(100.20)	(99.28)
(16)	Earnings per equity share (Not annualised)					
	Face value of ₹10 per share					
	- Basic (₹)					
	- From Continuing Operations	(0.25)	0.58	(0.21)	(0.10)	(0.34)
	- From Discontinued Operations	-	-	(0.00)	-	0.25
	- Diluted (₹)*					
	- From Continuing Operations	(0.25)	0.58	(0.21)	(0.10)	(0.34)
	- From Discontinued Operations	-	-	(0.00)	-	0.25
	Total EPS (Continuing and Discontinued operations)					
	- Basic (INR)	(0.25)	0.58	(0.21)	(0.10)	(0.09)
	- Diluted (INR)	(0.25)	0.58	(0.21)	(0.10)	(0.09)

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

Notes

1.The above financial results of Centrum Financial Services Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 11, 2023.

2. These Ind-AS financial results have been prepared for the purposes of preparation of the Consolidated Financial Results by Centrum Capital Limited ("the Holding Company").

3. * The figures for the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures in respect of the year ended March 31, 2023 and March 31, 2022 and the reviewed figured for the quarter ended December 31, 2022 published respectively.
The financial results for the quarter and year ended had been prepared for the purpose of preparation of consolidated financial results by Centrum Capital Limited (Holding Company).

4. The Company was primarily engaged in the business of financing. The Company sold its lending business to Unity Small Finance Bank Limited by way of a slump sale pursuant to the Business Transfer Agreement entered into on 26th October 2021. Therefore, there are no separate reportable segments identified as per Ind AS 108 Segment Reporting.

5. RBI vide its letter dated 12 October 2021, granted a license to Centrum Financial Services Limited, a fellow subsidiary 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 already commenced its business w.e.f. 1 November 2021. Pursuant to the aforesaid, the Company has discontinued its lending business with effect from 1st November, 2021. The Company has also applied for 'NBFC - Core Investment Company'.

Consequent to the request for conversion, RBI has cancelled the earlier COR & has issued a new COR dated 9th September 2022 permitting the company to carry on the business Non-Deposit taking systematically Important Core Investment Company(CIC ND-SI)

6. The above IND AS financial results for the year ended 31st March, 2023 and for the year ended 31st March,2022 have been audited by the statutory auditor, M/s Shah & Taparia Co,Chartered Accountants.

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

Abhishek Baxi
Chief Financial Officer

Centrum Financial Services Limited Mumbai

Mumbai
Date : May 11, 2023

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg. 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

Centrum Financial Services Limited

Balance Sheet as at March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(I) Financial Assets			
(a) Cash and cash equivalents	3	80.27	87.31
(b) Bank balances other than cash and cash equivalents	4	2,758.32	3,658.94
(c) Investments	5	47,090.00	36,140.00
(d) Other financial assets	6	0.04	127.44
		49,928.63	**40,013.69**
(II) Non Financial Assets			
(a) Other non financial assets	7	32.58	0.41
		32.58	**0.41**
Total Assets		**49,961.21**	**40,014.10**
LIABILITIES AND EQUITY			
LIABILITIES			
(I) Financial Liabilities			
(a) Payables			
i) Trade payables	8		
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		29.05	64.41
(b) Debt securities	9	1,509.14	1,509.14
(c) Deposits	10	15,975.00	4,869.00
(d) Other financial liabilities	11	2,758.32	3,786.38
		20,271.51	**10,228.93**
(II) Non-Financial Liabilities			
(a) Other non-financial liabilities	12	31.12	26.39
		31.12	**26.39**
EQUITY			
(a) Equity share capital	13	9,895.69	9,895.69
(b) Other equity	14	19,762.89	19,863.09
		29,658.58	**29,758.78**
Total Liabilities and Equity		**49,961.21**	**40,014.10**

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

Narottam Shah
Partner
MembershipNo.106355

Mumbai
Date : May 11, 2023

SHAH & TAPARIA CHARTERED ACCOUNTANTS

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

Centrum Financial Services Limited Mumbai

Rishad Byramjee
Executive Director
DIN : 00164123

Ranjan Ghosh
Non - Executive Director
DIN : 07592235

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Centrum Financial Services Limited

Statement of Profit and Loss for the year ended 31 March 2023
(Currency : Indian Rupees in lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Other income	15	779.14	-
Total income		779.14	-
Expenses			
Finance costs	16	812.24	310.55
Employee benefits expenses	17	8.56	-
Other expenses	18	58.54	22.37
Total expenses		**879.34**	**332.91**
Profit/(loss) before tax before exceptional items		**(100.20)**	**(332.91)**
Exceptional items		-	-
Profit/(loss) before tax		**(100.20)**	**(332.91)**
Tax expense:			
- Current tax	19	-	-
- Deferred tax		-	-
- (Excess)/Short provision of earlier years		-	-
Total tax expense		-	-
Net Profit for the year from Continuing Operations		**(100.20)**	**(332.91)**
Profit before tax for the year from Discontinued Operations	20	-	**653.18**
Tax expense/ (credit) of Discontinued Operations			
- Current tax		-	-
- Deferred tax	19	-	407.33
- (Excess)/Short provision of earlier years		-	-
Total tax expense/ (credit) of Discontinued Operations		-	**407.33**
Net Profit for the year from Discontinued Operations		-	**245.85**
Net Profit/ (Loss) for the year		**(100.20)**	**(87.06)**
Other Comprehensive Income/ (expenses) - Continuing Operations			
- Items that will not be reclassified to profit or loss			-
- Items that will be reclassified to profit or loss		-	-
		-	-
Other Comprehensive Income/ (expenses) - Discontinued Operations			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		-	(17.21)
- Income tax relating to these items		-	-
Items that will be reclassified to profit or loss		-	5.01
Other comprehensive income/(loss) for the year		-	**(12.20)**
Total comprehensive income for the year		**(100.20)**	**(99.27)**
Paid-up equity share capital (face value Rs. 10 each)		**9,895.69**	**9,895.69**
Earnings per equity share	21		
Face value of ₹10 per share			
- Basic (₹)*			
- From Continuing Operations		(0.10)	(0.34)
- From Discontinued Operations		-	0.25
- Diluted (₹)*			
- From Continuing Operations		(0.10)	(0.34)
- From Discontinued Operations		-	0.25
* Not annualised			
Total EPS (Continuing and Discontinued operations)			
- Basic (₹)		(0.10)	(0.09)
- Diluted (₹)		(0.10)	(0.09)

Statement of significant accounting policies and other explanatory notes 1 & 2

As per our report of even date
For SHAH & TAPARIA
Chartered Accountants

Narottam Shah
Partner
Membership No 106355

Mumbai
Date : May 11, 2023

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

Rishad Byramjee
Executive Director
DIN : 00164123

Ranjan Ghosh
Non - Executive Director
DIN : 07592235

Abhishek

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Centrum Financial Services Limited Mumbai

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited
Statement of Cash flows for the year ended March 31, 2023
(Currency : Indian Rupees in lakhs)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit / (Loss) before tax from Continuing Operations	(100.20)	(332.91)
	Profit / (Loss) before tax from Discontinued Operations	-	653.18
	Adjustments for		
	Depreciation and amortisation	-	87.75
	Interest income	-	(6,661.53)
	Finance cost	812.24	5,647.49
	Profit on sale of share warrant	(750.00)	
	Impairment on financial instruments	-	24.92
	Net gain on fair value change	-	(159.97)
	Net gain on derecognition of financial instruments under amortised cost category	-	(327.36)
	Proceeds from Sale of Net Assets under BTA		31,600.00
	Employees stock option provision	-	(587.39)
	Gain on slump sale through BTA	-	(594.26)
	Unrealised gain on option		(1,033.22)
	Cash inflow from interest on loans	-	6,754.84
	Cash outflow towards finance costs	(812.24)	(2,889.33)
	Operating cash flow before working capital changes	**(850.20)**	**32,182.21**
	Add / (Less): Adjustments for working capital changes		
	Trade receivables	-	430.95
	Loans	-	4,400.37
	Other financial assets	127.40	(610.28)
	Other non financial assets	(32.17)	(48.61)
	Other bank balances	(127.44)	(1,034.56)
	Derivative financial instrument	-	2,842.70
	Trade and other payables	(35.36)	484.55
	Other financial liability	-	2,512.97
	Interest accrued on borrowings	-	-
	Non financial liabilities and provisions	4.73	(153.97)
	Cash used in operations	**(913.04)**	**41,006.33**
	Income taxes paid (For current year under consideration taxes paid includes DTA transferred by way of slump sale)	-	109.77
	Net cash used in operating activities -A	**(913.04)**	**41,116.10**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, intangible assets and goodwill	-	(3,904.24)
	Payment as capital advance	-	250.00
	Purchase of investments	(11,000.00)	(33,401.56)
	Proceeds from sale of investments	800.00	3,146.79
	Net cash generated from / (used in) investing activities - B	**(10,200.00)**	**(33,909.01)**
C	**Cash flow from financing activities**		
	Proceeds from issue of debt securities		(13.39)
	Repayment of debt securities		(3,654.74)
	Proceeds from deposits & borrowings (other than debt securities)	16,598.00	6,931.14
	Repayment of deposits & borrowings (other than debt securities)	(5,492.00)	(1,467.75)
	Payment of lease liabilities	-	(9.24)
	Net cash generated from financing activities - C	**11,106.00**	**1,786.02**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(7.04)**	**8,993.09**
	Cash and cash equivalent as at the beginning of the year	87.31	8,203.15
	Less : Balance transferred through slump sale		(17,108.86)
	Cash and cash equivalent as at the end of the year	80.27	87.31

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

Centrum Financial Services Limited
Statement of Cash flows for the year ended March 31, 2023
(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022

Notes:

i) Components of Cash and Cash Equivalents included above

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents (refer note 3)	80.27	87.31
Less: Bank overdraft (refer note 16.4)	-	
Total	80.27	87.31

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

Narottam Shah
Partner
Membership No 106355

Date : May 11, 2023
Mumbai

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

Rishad Byramjee
Executive Director
DIN : 00164123

Ranjan Ghosh
Non - Executive Director
DIN : 07592235

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Centrum Financial Services Limited
Statement of changes in Equity as at March 31, 2023

(Currency : Indian Rupees in lakhs)

A. Equity Share Capital

As at 31 March 2023

Particulars	Number of shares	Amount
As at April 01, 2022	9,89,56,942	9,895.69
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance As at 1st April, 2022	9,89,56,942	9,895.69
Changes in equity share capital during the current year	-	-
Balance As at 31st March, 2023	9,89,56,942	9,895.69

As at 31 March 2022

Particulars	Number of shares	Amount
As at April 01, 2021	9,89,56,942	9,895.69
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance As at 1st April, 2021	9,89,56,942	9,895.69
Changes in equity share capital during the current year	-	-
Balance As at 31st March, 2022	9,89,56,942	9,895.69

B. Other Equity

Particulars	Other Equity						Total Other Equity
	Securities premium	Statutory reserve	Employee stock options	Impairment Reserve	Retained Earnings	Capital contribution	
Balance at April 1, 2021	18,639.96	502.99	471.78	1,530.81	(1,406.01)	689.75	20,429.28
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)	-	-
Transfer (from) / to				(1,808.02)	1,808.02		-
Employee share options	-	-	115.61	-	-	-	115.61
Employee share options - Forefeiture of ESOP			(587.39)				(587.39)
Capital Contribution during the year	-	-	-	-	-	4.85	4.85
Balance at March 31, 2022	18,639.96	502.99	-	-	25.54	694.60	19,863.09
Profit for the year	-	-	-	-	(100.20)	-	(100.20)
Other comprehensive income for the year - Remeasurement gains and (losses) on defined benefit obligations (net)	-	-	-	-		-	-
Issue of equity shares							-
Transfer (from) / to (Refer Note : 22 other equity)	-	-	-	-	-	-	-
Transfer (from) / to				-	-		-
Employee share options	-	-	-	-	-	-	-
Employee share options - Forefeiture of ESOP			-				-
Capital Contribution during the year	-	-	-	-	-	-	-
Balance at March 31, 2023	18,639.96	502.99	-	-	(74.66)	694.60	19,762.89

* During the financial year ended March 31, 2022, the loans and advances held by the Company were transfered 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 and subsequently company has received the permission from RBI vide letter dated 21 July 22
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.103523W/W100048

Narottam Shah
Partner
Membership No 106355

Mumbai
Date : May 11, 2023

SHAH & TAPARIA
Reg. No. 103523W
CHARTERED ACCOUNTANTS

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

Rishad Byramjee
Executive Director
DIN : 00164123

Ranjan Ghosh
Non - Executive Director
DIN : 07592235

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Centrum Financial Services Limited
Mumbai

(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 CNBFC') 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. Consequent to the request for conversion, RBI has cancelled the earlier COR & has issued a new COR dated 9th September 2022 permitting the company to carry on the business Non-Deposit taking systematically Important Core Investment Company(CIC ND-SI)

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, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 11, 2023.

2.1 Significant accounting policies

2.1.a Statement of compliance with Indian Accounting Standards (Ins 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 promulgations 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

Commitments and contingencies

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.

As mentioned in Note 1 above, Pursuant to the BTA all the PPE has been transferred to Unity small finance bank limited on 1 November 2021, the company currently holds no PPE.

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg.

Centrum Financial Services Limited Mumbai

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.

As mentioned in Note 1 above, Pursuant to the BTA all the Intangible Assets has been transferred to Unity small finance bank limited on 1 November 2021, the company currently holds no Intangible Assets.

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.

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109483W 203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

Centrum Financial Services Limited Mumbai

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, 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.

SHAH & TAPARIA
Reg. No. 109463W
203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.
CHARTERED ACCOUNTANTS

Centrum Financial Services Limited
Mumbai

(Currency : Indian Rupees in lakhs)

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.

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.

SHAH & TAPARIA CHARTERED ACCOUNTANTS Mumbai

Centrum Financial Services Limited Mumbai

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 34B (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).

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.l 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:

a) In the principal market for the asset or liability, or

b) 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.

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

Centrum Financial Services Limited Mumbai

(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 instalments 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 33A.

• 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 33B.

• 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 19.

• 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 31.

• 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.

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

(Currency : Indian Rupees in lakhs)

2.3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

Centrum Financial Services Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
3. Cash and cash equivalents			
a) Cash on hand		-	-
b) Balances with Banks		-	
i) in current accounts		80.27	87.31
	Total	80.27	87.31

Note :

4. Bank balances other than cash and cash equivalents			
Other Bank balances			
a) Earmarked balance held with bank's	*	2,758.32	3,658.94
	Total	2,758.32	3,658.94

*Earmarked balance held with bank includes Cash & Bank Balances maintained on behalf of UNITY Small Finance Bank Ltd

Centrum Financial Services Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
5. Investments		
Equity Investments in "Subsidiary Company	36,090.00	36,140.00
Equity instruments - Others	11,000.00	-
	47,090.00	**36,140.00**
(Less): Impairment loss allowance	-	-
	47,090.00	**36,140.00**
I Investments at fair value through profit or loss		
A. Investment in equity instruments, Unquoted		
i) 20,00,000 equity shares of Rs. 10 each fully paid of Centrum wealth Limited Method of Fair valuations - Discounted Cash flow method	11,000.00	-
Total	**11,000.00**	-
II Investments at Cost		
A. Investment in Subsidiary Company, unquoted		
i) 35,95,00,000 equity shares of Rs. 10 each fully paid of Unity Small Finance Bank Limited#	35,950.00	35,950.00
(A)	**35,950.00**	**35,950.00**
B. Investment in Share Warrants		
i) 140 Crore share Warrant issued of Rs 0.01 paise each (Previous year 190 Crore share warrant of RS 0.01 paise each) #	140.00	190.00
(B)	**140.00**	**190.00**
II = (A + B)	**36,090.00**	**36,140.00**
# (During the year company has sold the 50Cr share warrants)		
Total Gross Investments (I + II)	**47,090.00**	**36,140.00**
IV (Less) : Impairment loss allowance	-	-
Of the Above		
a) Investments outside India	-	-
b) Investment in India	47,090.00	36,140.00
Total Gross	**47,090.00**	**36,140.00**
(Less): Impairment loss allowance	-	-
Total Net	**47,090.00**	**36,140.00**

Particulars	As at March 31, 2023	As at March 31, 2022
6. Other financial assets		
Unsecured Considered good at amortised cost		
a) Other financial assets	0.04	127.44
Total	**0.04**	**127.44**

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS ★ Reg. No. 109463W 203, Centre Point Bldg. 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

Centrum Financial Services Limited ★ Mumbai

(Currency : Indian Rupees in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
7. Other non financial assets			
Unsecured Considered good at amortised cost			
a) Prepaid expenses		19.89	-
b) Advance for expenses		8.78	-
c) Balances with statutory authorities		3.91	0.41
		32.58	0.41
Less: Impairment allowance		-	-
	Total	**32.58**	**0.41**
8. Trade payables			
a) Micro and small enterprises (Refer note below)		-	-
b) Due to related parties (Refer note : 39)		-	9.72
c) Due to others		29.05	54.69
	Total	**29.05**	**64.41**

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.29

As at March 31, 2023	Less than 1 year	1 to 3 years	More than 3 years	Total
Due to				-
i) to Micro and small enterprises	-	-		-
ii) to Others				-
a) Related parties	-	-		-
b) Others	29.05	-		29.05
iii Disputed dues to	-	-		
iv Disputed dues (Others)	-	-		
Total	**29.05**	-	-	**29.05**

As at March 31, 2022	Less than 1 year	1 to 3 years	More than 3 years	Total
Due to				-
i) to Micro and small enterprises	-	-		-
ii) to Others				-
a) Related parties	9.72	-		9.72
b) Others	54.69	-		54.69
iii Disputed dues to	-	-	-	
iv Disputed dues (Others)	-	-	-	
Total	**64.41**	-	-	**64.41**

Particulars		As at March 31, 2023	As at March 31, 2022
9. Debt securities			
9.1 At amortised cost			
A. Secured			
a) Secured Non Convertible Debentures - privately placed		-	-
	(A)	-	-
B. Unsecured			
a) Compulsorily Convertible Debentures - privately placed		1,509.14	1,509.14
	(B)	1,509.14	1,509.14
	Total (A + B)	**1,509.14**	**1,509.14**
Of the Above			
i) Debt securities in India		1,509.14	1,509.14
ii) Debt securities outside India		-	-
	Total	**1,509.14**	**1,509.14**

9.2 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 (i.e. 14th Jun 2023) 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.

iii) Terms of Repayment

Compulsorily Convertible Debentures - privately placed

Repayment Details	Rate of Interest	As at March 31, 2023	As at March 31, 2022
More then 12 months	<= 12%	-	1,509.14
Upto 12 months		1,509.14	-
		1,509.14	**1,509.14**

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

Centrum Financial Services Limited
Notes to the financial statements as at and for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

		As at March 31, 2023	As at March 31, 2022
10.	**Deposits - At amortised cost**		
	From Others:		
	Intercorporate deposits (unsecured)#	15,975.00	4,869.00
		15,975.00	**4,869.00**
	# (Tenor: 360days @ 13%)		
11.	**Other financial liabilities**		
	a) Other financial liabilities ^	2,758.32	3,786.38
	Total	**2,758.32**	**3,786.38**
	^ Other Financial Liabilities includes bank balances maintained on behalf of Unity Small finance Bank Limited		
12.	**Other non-financial liabilities**		
	a) Statutory dues payable	31.12	26.39
	Total	**31.12**	**26.39**

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

Centrum Financial Services Limited
Notes to the financial statements as at and for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

13. Equity share capital

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity Shares of Rs. 10/each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
	15,00,00,000	**15,000.00**	**15,00,00,000**	**15,000.00**
Issued, Subscribed & paid up:				
Equity Shares of Rs. 10/each	9,89,56,942	9,895.69	9,89,56,942	9,895.69
	9,89,56,942	9,895.69	9,89,56,942	9,895.69

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Issued, Subscribed & paid up:				
Outstanding at the beginning of the year	9,89,56,942	9,895.69	9,89,56,942	9,895.69
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	**9,89,56,942**	**9,895.69**	**9,89,56,942**	**9,895.69**

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, 2023		As at March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
Centrum Capital Limited, Holding Company*	9,89,56,942	100.00%	9,89,56,942	100.00%

*During the Previous 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 2023		
	No of Shares	% holding of equity shares	% Change during the year
Fully paid Equity share			
Centrum Capital Limited	9,89,56,942	100%	0%

Promoters name	As at 31st March 2022		
	No of Shares	% holding of equity shares	% Change during the year
Fully paid Equity share			
Centrum Capital Limited	9,89,56,942	100%	100%
Centrum Retail Services Limited		0.00%	-100.00%

Centrum Financial Services Limited
Notes to the financial statements as at and for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
14. Other equity		
a) Securities premium	18,639.96	18,639.96
b) Statutory reserve	502.99	502.99
c) Employee stock options	-	-
d) Retained earnings	(74.66)	25.54
e) Impairment reserve	-	-
f) Capital contribution	694.60	694.60
g) Other comprehensive income	-	-
Total	**19,762.89**	**19,863.09**

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-IC(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 provisiong as per Income Recognition, Asset Classification and Provisioning norms (IRACP norms) as compared to the provisiong 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 March 31, 2023	As at March 31, 2022
a) Securities premium			
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) Statutory reserve			
Opening balance		502.99	502.99
Add : Transfer from retained earnings		-	-
Closing Balance	(b)	**502.99**	**502.99**
c) Employee stock options			
Opening balance		-	471.78
Add : Additions during the year		-	115.61
Less : Termination of Services		-	(587.39)
Closing Balance	(c)	-	-
d) Retained Earnings			
Opening balance		25.54	(1,406.01)
Add: Profit for the year		(100.20)	(87.06)
Add: Other comprehensive income		-	(12.20)
Transferred from impairment reserve**		-	1,808.02
Amount available for appropriation		**(74.66)**	**302.75**
Appropriations:			
Transfer to impairment reserve		-	277.21
Closing Balance	(d)	**(74.66)**	**25.54**
e) Impairment reserve			
Opening balance		-	1,530.81
Add : Transfer from retained earnings		-	277.21
Less : Transfer to Retained Earning		-	(1,808.02)
Closing Balance *		-	-
f) Capital contribution			
Opening balance		694.60	689.75
Add : Addition during the year		-	4.85
Closing Balance	(e)	**694.60**	**694.60**
	(a+b+c+d+e)	**19,762.89**	**19,863.09**

*Pursuant to the memorandum of understanding entered into with Centrum Capital Limited ('CCL' or the 'holding company'), the holding company has provided interest subvention to the Company for interest on Market Linked Debentures amounting to Rs.588.68 Lakhs in FY 2018-19 same was routed through Profit and Loss Statement, however as per Ind AS it is considered as part of Capital Contribution

**The Company has discontinued impairment reserve created in earlier period in terms of Circular issued by RBI dated 13th March, 2020 towards loans which were then existing, which since have been sold to third parties without recourse and hence ceased to exist as on March 31, 2021. The company has sought dispensation from RBI on carrying the impairment reserve to that extent and subsequently company has received the permission from RBI vide letter dated 21 July 22 . In the opinion of management, such discontinuance /withdrawal from impairment reserve, for which approval of RBI has also been sought, is appropriate in as much as the loan accounts against which impairment reserve was created have ceased to exist as on March 31, 2021. The Statutory Auditors have relied on the management representation in this regard.

* During the financial year ended March 31, 2022, the loans and advances held by the Company were transfered 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.

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

Centrum Financial Services Limited
Notes to the financial statements as at and for the year ended March 31, 2023

(Currency : Indian Rupees in lakhs)

Particulars		For the Period ended March 31, 2023	For the year ended March 31, 2022
15. Other income			
a) Other income#		779.14	-
	Total	779.14	-
# Other income includes Profit on the Sale of Share Warrants			
16. Finance costs			
On Financial liabilities measured at amortised cost			
a) Interest on Debt instruments		150.91	62.43
b) Interest on Inter corporate Deposits		660.29	248.12
c) Interest - Others		1.04	-
	Total	812.24	310.55
17. Employee benefits expenses			
a) Salaries, allowances and bonus		8.50	-
b) Contribution to provident fund & other funds		0.06	-
	Total	8.56	-
18. Other expenses			
a) Auditor's fees and expenses (Refer note 18.1 below).		7.00	7.50
e) Director's sitting fees		9.48	8.51
h) Fees and subcription		1.63	-
i) Insurance charges		1.15	-
j) Legal and professional fees		36.45	1.00
l) Office expenses		0.25	-
m) Rates, duties and taxes		0.06	-
s) Travelling expenses		0.07	-
u) Other Expenditure		2.45	5.38
	Total	58.54	22.38
18.1 Auditors Fees & Expenses			
As Auditor			
Statutory Audit Fees		7.00	7.50
Other Certification fees		1.60	-
	Total	8.60	7.50

*Legal & professional Fees includes other certifications fees

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS ★ Reg. No. 109463W 203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

Centrum Financial Services Limited ★ Mumbai

19. Disclosure pursuant to Ind AS 12 "Income Taxes"

19.1 Major components of tax expense/(income):

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
I. Income Tax Expense charged to Statement of Profit and Loss:		
(i) Current income tax:		
Current income tax expense	-	-
(ii) Deferred tax:		
Tax expense on origination and reversal of temporary differences	-	407.33
Income tax expense reported in Profit or Loss (i + ii)	-	407.33
II. Income Tax Expense charged to Other Comprehensive Income :		
(i) Income tax expense / (gain) relating to items that will not be reclassified to profit or loss	-	(5.01)
Income tax expense reported in the OCI (i + ii)	-	(5.01)

19.2 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, 2023	Year Ended March 31, 2022
(a) Profit before tax	(100.20)	320.26
(b) Corporate tax rate as per Income tax Act, 1961	25.168%	25.168%
(c) Tax on Accounting profit (c) = (a) * (b)	-	80.60
(d) Tax impact due to		
(i) Tax expense of earlier years	-	-
(ii) Disallowances on account of permanent difference		-
(iii (Benefit)/ Expense due to change in tax rates on the opening timing differences	-	-
(iv Other items	-	327.02
Total effect of tax adjustments [(i) to (iv)]	-	**327.02**
(e) **Tax expense recognised during the year (e)=(c)+(d)**	-	**407.62**
(f) **Effective tax rate (f)=(e)/(a)**	**0.00%**	**127.28%**

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

During the year, the company has made a profit on the sale of share warrants of Rs. 7.5 crores. The company has not passed any provision for income tax (tax liability, if any of 1.89 crores) during the year as the company is of the view that expenses for the current year, bought forward business losses or bought forward unabsorbed depreciation can be utilised against such profit on sale of share warrants.

19.3 Movement in Deferred Taxes

19.3.A Movement in deferred tax balances for the year ended March 31, 2023

Particulars	As at March 31, 2022	Recognised in profit or loss	Recognised in OCI	Transferred under BTA Recognined in Profit or Loss	As at March 31, 2023
Deferred tax asset/ (liabilities)					
i) Depreciation on property, plant and equipment	-	-	-	-	0
ii) Lease liabilities	-	-	-	-	0
Total	-	-	-	-	0

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 Recognined in Profit or Loss	As at March 31, 2022
Deferred tax asset/ (liabilities)					
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(ia)	-	-	-	-	-
xi) DTA on business loss	681.64	(681.64)		-	-
xii) Others	10.23	(10.23)	-	0.27	-
Total	**130.66**	**(130.65)**	**-**	**(276.66)**	**-**

19.3.B Amounts recognised in respect of current tax / deferred tax directly in equity:

Particulars	As at March 31, 2023	As at March 31, 2022
Amounts recognised in respect of current tax / deferred tax directly in equity	-	-

19.4 Tax losses

Unused tax losses for which no deferred tax asset has been recognised	(2,562.06)	(3,508.81)

SHAH & TAPARIA
Reg. No. 109463W
203, Centre Point Bldg.
100, Dr. Ambedkar Road,
Opp. Bharat Mata Cinema,
Lalbaug, Parel,
Mumbai - 400012.
CHARTERED ACCOUNTANTS

Centrum Financial Services Limited
Mumbai

20 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.

Consequent to the request for conversion, RBI has cancelled the earlier COR & has issued a new COR dated 9th September 2022 permitting the company to carry on the business Non-Deposit taking systematically Important Core Investment Company(CIC ND-SI)

(Amount)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations		
Interest income	-	6,924.01
Rental income	-	13.03
Fee and commission income	-	394.25
Net gain on fair value change	-	159.97
Net gain on derecognition of financial instruments under amortised cost category	-	327.36
Other operating revenue	-	55.57
Total revenue from operations	-	**7,874.19**
Other income	-	54.62
Total income	-	**7,928.81**
Expenses		
Finance costs	-	5,336.94
Impairment on financial instruments	-	24.92
Employee benefits expenses	-	1,814.68
Depreciation, amortisation and impairment	-	87.75
Other expenses	-	605.59
Total expenses	-	**7,869.89**
Profit/(loss) before tax before exceptional items from discontinued operations	-	**58.93**
Exceptional items - Gain on BTA (refer note)	-	594.26
Profit/(loss) before tax from discontinued operations	-	**653.18**
Tax expense:		
- Current tax	-	-
- Deferred tax	-	407.33
- (Excess)/Short provision of earlier years	-	-
Total tax expense	-	**407.33**
Net Profit for the year	-	**245.85**
Items that will not be reclassified to profit or loss		
- Remeasurements of post-employment benefit obligations	-	-17.21
- Income tax relating to these items	-	-
Items that will be reclassified to profit or loss	-	
Other comprehensive income/(loss) for the year	-	**-17.21**
Total comprehensive income for the year	-	**228.64**
Earnings per equity share		
Face value of ₹10 per share		
- Basic (₹)*		
- From Continuing Operations	-	**-0.34**
- From Discontinued Operations	-	**0.25**
- Diluted (₹)*		
- From Continuing Operations	-	**-0.34**
- From Discontinued Operations	-	**0.25**
* 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 transferrred under the Business Transfer Agreement.

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net Cash flows from/(used) in operating activities	-	41,116.10
Net Cash flows from/(used) in investing activities	-	(33,909.01)
Net Cash flows from/(used) in financing activities	-	1,799.44
Net Increase/(decrease) in cash and cash equivalent	-	9,006.50
Cash and cash equivalents as at 1 April (opening balance)	-	8,203.15
Less : Balance transferred through slump sale	-	
Cash and cash equivalents as at 31 March (closing balance)	-	87.31

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS ★

Centrum Financial Services Limited ★ Mumbai

Centrum Financial Services Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(Currency : Indian Rupees in lakhs)

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/preclosure 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	-	-	-	-

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

21 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, 2023	For the year ended March 31, 2022
Net profit after tax available for equity shareholders for basic EPS (₹ in lakh)	(100.20)	(332.91)
Net profit after tax available for equity shareholders for diluted EPS (₹ in lakh)	(100.20)	(332.91)
Weighted average number of equity shares for basic EPS (Nos.in lakh)	990	990
Weighted average number of equity shares for diluted EPS (Nos.in lakh)	990	990
Basic earnings per share (₹)	(0.10)	(0.34)
Diluted earnings per share (₹)	(0.10)	(0.34)

EPS - Discontinuing operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax available for equity shareholders for basic EPS (₹ in lakh)	-	245.85
Net profit after tax available for equity shareholders for diluted EPS (₹ in lakh)	-	245.85
Weighted average number of equity shares for basic EPS (Nos.in lakh)	-	989.57
Weighted average number of equity shares for diluted EPS (Nos.in lakh)	-	989.57
Basic earnings per share (₹)	-	0.25
Diluted earnings per share (₹)	-	0.25

EPS - Continued and Discontinuing operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax available for equity shareholders for basic EPS (₹ in lakh)	(100.20)	(87.06)
Net profit after tax available for equity shareholders for diluted EPS (₹ in lakh)	(100.20)	(87.06)
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 (₹)	(0.10)	(0.09)
Diluted earnings per share (₹)	(0.10)	(0.09)

22 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

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

Computation of Earnings per share - Continuing operations

Particulars	Earnings (₹ in lakh)	Shares (Nos.)	Earnings per share (₹)
Net profit for the year ended 31st March, 2023	(100.20)		
Weighted average number of shares outstanding during year ended 31st March, 2023		98,956,942	
Basic earnings per share			(0.10)
Impact of employee stock options	-	-	
Impact of Compound Financial Instrument	-	-	
Number of shares under employee stock options	-	-	
Number of shares under conversion	-	-	
Diluted earnings per share	(100.20)	98,956,942	(0.10)

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		98,956,942	
Basic earnings per share			(0.34)
Impact of Compound Financial Instrument	-		
Number of shares under conversion	-	-	
Diluted earnings per share	(332.91)	98,956,942	(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, 2023	-		
Weighted average number of shares outstanding during year ended 31st March, 2023		98,956,942	
Basic earnings per share			-
Impact of employee stock options	-		
Impact of Compound Financial Instrument	-		
Number of shares under employee stock options	-	-	
Number of shares under conversion	-	-	
Diluted earnings per share	-	98,956,942	-

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		98,956,942	
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	98,956,942	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, 2023	(100.20)		
Weighted average number of shares outstanding during year ended 31st March, 2023		98,956,942	
Basic earnings per share			(0.10)
Impact of employee stock options	-	-	
Impact of Compound Financial Instrument	-	-	
Number of shares under employee stock options	-	-	
Number of shares under conversion	-	-	
Diluted earnings per share	(100.20)	98,956,942	(0.10)

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		98,956,942	
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)	98,956,942	(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.

23 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 CFSL 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
Assets	
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
Total assets transferred	**115,514.42**
Liabilities	
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
Total liabilities transferred	**84,508.80**
Total Net assets transferred	**31,005.62**
Purchase consideration received	**31,600.00**
Gain on slump sale	**594.38**

24 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

Consequent to the request for conversion, RBI has canceled the earlier COR & has issued a new COR dated 9th September 2022 permitting the company to carry on the business Non-Deposit taking systematically Important Core Investment Company(CIC ND-SI)

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg., 100, Dr. ... Road, Opp. ... Cinema, Lalbaug, Parel, Mumbai - 400012.

Centrum Financial Services Limited Mumbai

Centrum Financial Services Limited
Notes to the financial statements for the year ended 31 March 2023

(Currency : Indian Rupees in lakhs)

25. Lease liabilities

A) The following is the movement in lease liabilities:

Particulars	As at 31-Mar-23	As at 31-Mar-22
Balance as at beginning	-	**32.04**
Additions	-	-
Finance cost accrued during the period	-	1.68
Deletions	-	0.46
Payment of lease liabilities	-	9.24
Transfer under slump sale	-	(24.02)
Balance as at end*	-	-

*Previous 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 31-Mar-23	As at 31-Mar-22
Less than one year	-	-
One to five years	-	-
More than five years	-	-
Total	-	-

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 31-Mar-23	As at 31-Mar-22
Depreciation on Right of use assets	-	8.32
Interest expense on lease liability	-	1,68
Total cash outflow for leases (rental payments)	-	(9.24)
Additions/ transfer to Right of use assets	-	0.46
Carrying value Right of use assets*	-	32.80

*Previous year Company has 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.

(Currency : Indian Rupees in lakhs)

26. Commitments and contingencies

Particulars	As at 31 March, 2023	2022
Contingent liabilities		
i) Corporate guarantee	-	-
ii) Income tax demands on account of dispute	283.77	283.77
iii) Intercorporate borrowings written back	164.34	164.34

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.

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

28. Corporate Social Responsibility (CSR)

During the year ended March 31, 2023, the Bank is not required to contribute to Corporate Social Responsibility under section 135 of the Companies Act, 2013 (Previous Year : Nil)

29. Dues to Micro, Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. (Previous Year : Nil)

30. Segment Reporting

The Company's Chief financial officer (CFO) and Executive director 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.

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS ★

Centrum Financial Services Limited ★ Mumbai

(Currency : Indian Rupees in lakhs)

31. 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, 2023	2022
Provident fund	-	71.05

* During the year company has obtained decalaration from employee for non deduction of PF.

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, 2023	2022
Change in defined benefit obligations:		
Defined benefit obligation, beginning of the year	-	111.76
Current service cost	-	17.42
Past service cost		
Interest cost	-	4.28
Remeasurements (gains) / losses		
Actuarial (gains) / losses		
arising from changes in demographic assumptions	-	(0.05)
arising from changes in financial assumptions	-	15.74
arising from changes in experience adjustments	-	1.08
Transfer in/(out) of liability	-	34.43
Benefits paid from plan assets	-	(12.72)
Less : Balance transferred through slump sale	-	(171.94)
Defined benefit obligation, end of the year	-	-
Change in plan assets:		
Fair value of plan assets, beginning of the year	-	46.01
Interest income	-	1.76
Return on plan assets, (excluding amount included in net Interest expense)	-	(0.44)
Employer's contributions	-	48.5
Benefits paid	-	(12.72)
Less : Balance transferred through slump sale	-	(83.11)
Fair value of plan assets, end of the year	-	-

b) Amount recognized in the balance sheet consists of:	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	-	171.94
Fair value of plan assets	-	83.11
Less : Balance transferred through slump sale	-	(88.83)
Net liability	-	-

c) The amounts recognised in the Statement of Profit and Loss are as follows:		For the year ended 31 March, 2023	2022
Service Cost			
Current service cost		-	17.42
Past service cost		-	-
Total Service cost	(i)	-	17.42
Net interest cost			
Interest expense on DBO		-	2.52
Interest expense / (income) on plan assets			
Interest expense / (income) on reimbursement rights			
Interest expense on effect of (asset celling)/onerous liability			
Total Interest cost	(ii)	-	2.52
Remeasurements of Other Long term benefits	(iii)		
Defined benefit cost included in Statement of Profit & Loss	(iv) = (i+ii+iii)	-	19.94

Since Company has received declaration from employee for non deduction of PF hence gratuity valuation not applicable

		For the year ended 31 March, 2023	2022
Remeasurements recognised in other comprehensive income (OCI)			
Due to changes in demographic assumptions		-	(0.05)
Due to changes in financial assumptions		-	15.74
Due to changes in experience adjustments		-	1.08
Return on plan assets (excl. interest income)		-	0.44
Total remeasurement in other comprehensive income (OCI)	(v)	-	17.21
Total Defined benefit cost included in Statement of Profit & Loss and OCI	(vi) =(iv + v)	-	37.15

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

Centrum Financial Services Limited Mumbai

Centrum Financial Services Limited

Notes to the financial statements for the year ended 31 March 2023

(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, 2023	As at March 31, 2022
Discount rate	0.00%	6.43%
Salary escalation rate*	N.A.	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
Expected return on plan assets	0.00%	6.43%
Rate of employee turnover	0.00%	10.00%
Mortality rate during employment	N.A.	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, 2023	As at 31 March, 2022
a) Insurer managed funds	-	34.61
b) Cash	-	-

f) **Impact on defined benefit obligation - Sensitivity Analysis**

	For the year ended 31 March,			
	2023 % Rate	2023 Amount	2022 % Rate	2022 Amount
Increase by 100 basis points				
i) Impact of change in discount rate	0.00%	-	7.43%	(10.71)
ii) Impact of change in salary growth rate	0.00%	-	7.60%	11.02
iii) Impact of change in employee attrition rate	0.00%	-	11.00%	(1.23)
Decrease by 100 basis points				
i) Impact of change in discount rate	0.00%	-	5.43%	12.09
ii) Impact of change in salary growth rate	0.00%	-	5.60%	10.30
iii) Impact of change in employee attrition rate	0.00%	-	9.00%	(1.24)

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, 2023	As at 31 March, 2022
i) 1st Following Year	-	11.63
ii) 2nd Following Year	-	13.93
iii) 3rd Following Year	-	26.93
iv) 4th Following Year	-	19.86
v) 5th Following Year	-	14.28
vi) Sum of Years 6 to 10	-	68.96
vii) Sum of Years 11 and above	-	131.82

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

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

(Currency : Indian Rupees in lakhs)

32. **Employee Stock Option Plan**

Employees' Stock Options Scheme (ESOS) :

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

Particulars	Number of options	
	For the year ended March 31,	
	2023	2022
Scheme-I : Face value of Rs. 10 each		
Exercise price Rs. 10 each		
Options outstanding as at beginning of the year	-	3,515,387
Add: Granted		
Less: Exercised		
Less: Forfeited	-	(3,515,387)
Less: Lapsed		
Option outstanding end of the year	-	-
Exercisable at the end of the year	-	-
Scheme-II : Face value of Rs. 10 each		
Exercise price Rs. 10 each		
Option outstanding as at beginning of the year	-	1,079,500
Add Granted		
Less : Exercised		
Less: Forfeited	-	(1,079,500)
Less: Lapsed		
Option outstanding as at end of the year	-	-
Exercisable at the end of the year	-	-
Centrum Capital Ltd. Scheme*		
Exercise price Rs. 10 each		
Option outstanding as at beginning of the year	-	250,000
Add Granted		
Less : Exercised		
Less: Forfeited		
Less: Transferred	-	(250,000)
Less: Lapsed		-
Option outstanding as at end of the year	-	-
Exercisable at the end of the year	-	-

Other Information regarding employee share based payment plan is as below

Particulars	For the year ended March 31,	
	2023	2022
Expense arising from employee share based payment plans	-	120.52
Expense arising from share and stock option Plan	-	-
Closing balance of liability for cash share appreciation plan	-	-
Expense revsersal on Forefeiture 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	-	-
Total carrying amount at the end of the year in Capital contribution under Other Equity*	42.70	42.70

During the year company has not introduced any ESOP scheme.

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

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg., 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012

Centrum Financial Services Limited Mumbai

(Currency : Indian Rupees in lakhs)

33. Fair Value Measurement

33.A Carrying value and fair value of financial instruments

33.A.1 The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows.

	At Amortised cost	At Fair value through Profit or Loss	At Fair value through OCI	Total carrying Value	Fair value Hierarchy
Financial Assets					
1 Cash and cash equivalents*	80.27	-	-	80.27	Level 3
2 Other Bank balances*	2,758.32	-	-	2,758.32	Level 3
3 Investments					Level 3
- Equity Shares	35,950.00	11,000.00	-	46,950.00	For fair value-Level 2/ For Amortised Cost - Level 3
- Share Warrant	140.00	-	-	140.00	Level 3
4 Other financial assets*					
- Others	0.04	-	-	0.04	Level 3
Total	**38,928.63**	**11,000.00**	-	**49,928.63**	
Financial Liabilities					
1) Trade payables*	29.05	-	-	29.05	Level 3
2) Debt securities (Unquoted)**	1,509.14	-	-	1,509.14	Level 3
3) Deposits	15,975.00	-	-	15,975.00	Level 3
4) Other financial liabilities*	2,758.32	-	-	2,758.32	Level 3
Total	**20,271.51**	-	-	**20,271.51**	

* For Cash & Cash equivalents, Other bank balances, Other financial assets, trade payables, and other financial liabilities maturing within one year from the balance sheet date, the carrying amounts approximate the fair value date to the short maturity of these instruments.

** including accrued interest

33.A.2 The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows.

	At Amortised cost	At Fair value through Profit or Loss	At Fair value through OCI	Total carrying Value	Fair value Hierarchy
Financial Assets					
1) Cash and cash equivalents*	87.31	-	-	87.31	Level 3
2) Other Bank balances*	3,658.94	-	-	3,658.94	Level 3
3) Investments		-	-	-	Level 3
- Equity Shares	35,950.00			35,950.00	Level 3
- Share Warrant	190.00	-	-	190.00	Level 3
4) Other financial assets*					
- Others	127.44	-	-	127.44	Level 3
Total	**40,013.69**	-	-	**40,013.69**	
Financial Liabilities					
1) Trade payables*	64.41	-	-	64.41	Level 3
2) Debt securities (Unquoted)**	1,509.14	-	-	1,509.14	Level 3
3) Deposits	4,869.00	-	-	4,869.00	Level 3
4) Other financial liabilities*	3,786.38	-	-	3,786.38	Level 3
Total	**10,228.93**	-	-	**10,228.93**	

* For Cash & Cash equivalents, Other bank balances, Other financial assets, trade payables, and other financial liabilities maturing within one year from the balance sheet date, the carrying amounts approximate the fair value date to the short maturity of these instruments.

** including accrued interest

Centrum Financial Services Limited Mumbai

SHAH & TAPARIA CHARTERED ACCOUNTANTS

(Currency : Indian Rupees in lakhs)

33. *Fair Value Measurement (Continued)*

33.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, 2023 and March 31, 2022

33.B.1 Financial instruments measured at fair value - recurring fair value measurements as at March 31, 2023 is as follows.

	Level 1	Level 2	Level 3	Total
Financial Assets				
1 Derivative assets	-	-	-	-
2 Investments				
- Listed equity shares	-	-	-	-
- Perpetual Subordinated Tier I bonds	-	-	-	-
- Share Warrant	-	-	-	-
- Equity Shares	-	11,000.00	-	11,000.00
Total	-	11,000.00	-	11,000.00

33.B.2 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
1 Derivative assets	-	-	-	-
2 Investments				
- Listed equity shares	-	-	-	-
- Perpetual Subordinated Tier I bonds	-	-	-	-
- Share Warrant	-	-	190.00	190.00
- Equity Shares	-	-	35,950.00	35,950.00
Total	-	-	36,140.00	36,140.00

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 financials assets, trade payables and other financial liabilities (excluding lease liability) are considered to be approximately equal to their fair values due to their short term nature.

The fair values of loans, 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 Equity Shares

Investment in unquoted Equity shares is based on valuation report obtained from an external valuer

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 for the year ended 31 March 2023

(Currency : Indian Rupees in lakhs)

34. Maturity analysis of assets and liabilities

34.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, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I Assets						
A. Financial assets						
a) Cash and cash equivalents	80.27	-	80.27	87.31	-	87.31
b) Other Bank balances	2,758.32	-	2,758.32	3,658.94	-	3,658.94
c) Derivative assets	-	-	-	-	-	-
d) Trade receivables	-	-	-	-	-	-
e) Loans	-	-	-	-	-	-
f) Investments	-	47,090.00	47,090.00	-	36,140.00	36,140.00
g) Other financial assets	0.04	-	0.04	127.44	-	127.44
B. Non-financial assets						
a) Current tax assets (net)	-	-	-	-	-	-
b) Deferred tax assets (Net)	-	-	-	-	-	-
c) Investment properties	-	-	-	-	-	-
d) Property, plant and equipment	-	-	-	-	-	-
e) Right of use asset	-	-	-	-	-	-
f) Goodwill	-	-	-	-	-	-
g) Other intangible assets	-	-	-	-	-	-
h) Other non-financial assets	28.67	3.91	32.58	-	0.41	0.41
Total Assets	2,867.30	47,093.91	49,961.21	3,873.69	36,140.41	40,014.10
II Liabilities						
A. Financial liabilities						
a) Derivative liabilities	-	-	-	-	-	-
b) Trade payables	29.05	-	29.05	64.41	-	64.41
c) Debt securities	1,509.14	-	1,509.14	-	1,509.14	1,509.14
d) Borrowings (other than debt securities)	-		-	-	-	-
e) Deposits	15,975.00	-	15,975.00	4,869.00	-	4,869.00
f) Lease liabilities	-	-	-	-	-	-
g) Other financial liabilities	2,758.32	-	2,758.32	3,786.38	-	3,786.38
B. Non-financial Liabilities						
a) Current tax liabilities (Net)	-	-	-	-	-	-
b) Provisions	-	-	-	-	-	-
c) Other non-financial liabilities	31.12	-	31.12	26.39	-	26.39
Total Liabilities	20,302.63	-	20,302.63	8,746.18	1,509.14	10,255.32

SHAH & TAPARIA * CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

(Currency : Indian Rupees in lakhs)

34. Risk Management

34.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.

34.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.

i) 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.

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS ★

Centrum Financial Services Limited ★ Mumbai

(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.

ii) 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	Risk category	Asset group	As at March 31, 2023 Estimated exposure carrying amount at default	As at March 31, 2023 Expected credit losses (as per Ind-AS)	As at March 31, 2022 Estimated exposure carrying amount at default	As at March 31, 2022 Expected credit losses (as per Ind-AS)
Loss allowance measured at 12 month expected credit losses	Low Risk	Loans	-	-	-	-
Loss allowance measured at life-time expected credit losses	Medium Risk	Loans	-	-	-	-
Credit Loss is recognized on full exposure/ Asset is written off	High Risk	Loans	-	-	-	-
Provision kept			-	-	-	-

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 9627.74 Lakhs) is maintained as cash in hand and Balances with Company in current accounts.

Loans and advances/ Investments 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.

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS ★

Centrum Financial Services Limited ★ Mumbai

(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 - NA

* for detailed reconciliation refer note 7B

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS ★

Centrum Financial Services Limited ★ Mumbai

(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.

34.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 2023**	**2022**
Undrawn borrowing facilities	-	-

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 un-discounted cash flows.

As at March 31, 2023

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	-	-	-	-	-	-	-
Payables	29.05	-	29.05	-	-	-	-
Debt securities	1,509.14	-	1,509.14	-	-	-	-
Deposits	15,975.00	-	-	-	15,975.00	-	-
Other financial liabilities	2,758.32	-	2,758.32	-	-	-	-
Total	**20,271.51**	-	**4,296.51**	-	**15,975.00**	-	-

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							
Cash and cash equivalents	80.27	-	80.27	-	-	-	-
Bank balance other than cash and cash equivalents above	2,758.32	-	2,758.32	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-
Trade Receivable	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Investments	47,090.00	-	-	-	-	-	47,090.00
Other Financial Assets	0.04	-	-	0.04	-	-	-
Total	**49,928.63**	-	**2,838.59**	**0.04**	-		[illegible]

(Currency : Indian Rupees in lakhs)

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	-	-	-	-	-	-	-
Payables	64.41	-	64.41	-	-	-	-
Debt securities	1,509.14	-	-	-	-	-	1,509.14
Deposits	4,869.00	-	-	-	4,869.00	-	-
Other financial liabilities	3,786.38	-	3,786.38	-	-	-	-
Total	**10,228.93**	**-**	**3,850.79**	**-**	**4,869.00**	**-**	**1,509.14**

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							
Cash and cash equivalents	87.31	-	87.31	-	-	-	-
Bank balance other than cash and cash equivalents above	3,658.94	-	3,658.94	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-
Trade Receivable	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Investments	36,140.00	-	-	-	-	-	36,140.00
Other Financial Assets	127.44	-	-	127.44	-	-	-
Total	**40,013.69**	**-**	**3,746.25**	**127.44**	**-**	**-**	**36,140.01**

(Currency : Indian Rupees in lakhs)

34.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, 2023 and March 31, 2022

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 March 31, 2023	As at March 31, 2022
Variable-rate instruments		
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	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest rates – increase by 100 basis points (100 basis points)*	-	-
Interest rates – decrease by 100 basis points (100 basis points)*	-	-

* 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.

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS

Centrum Financial Services Limited ★ Mumbai

(Currency : Indian Rupees in lakhs)

35. 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:

a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.

c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.

d) 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 CIC, the RBI requires us to maintain a minimum Adjusted Net Worth shall at no point of time be less than 30% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on 31 March 23 and as on 31 March 22. The capital management process of the Company ensures to maintain a healthy ANW 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 39.6- "Adjusted Net Worth" additional disclosures related to RBI for the detail of the same

36. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities for the year ended March 31, 2023

	Particulars	As at March 31, 2022	Cash Flows (net)	Changes in Fair value	Others (net)	As at March 31, 2023
i)	Debt securities	1,509.14	-	-	-	1,509.14
ii)	Borrowings other than debt securities	-	-	-	-	-
iii)	Deposits	4,869.00	11,106.00	-	-	15,975.00
	Total	6,378.14	11,106.00	-	-	17,484.14

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
	Total	75,252.67	5,172.24	-	(74,046.77)	6,378.14

*Transferred Liabilities under BTA to Unity Small Finance Bank Limited on November 1 2021

37. Transferred financial assets

37.1 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.

38. Foreign exchange earnings/outflow

The foreign exchange earnings and outflow is Rs. Nil during the year ended March 31, 2023 (March 31, 2022: Rs. Nil)

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg., 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012.

Centrum Financial Services Limited Mumbai

(Currency : Indian Rupees in lakhs)

39 Disclosures to be made in the Annual Financial Statements:

39.1

Additional Information as required by Reserve Bank of India, Master Direction - Core Investment Companies (Reserve Bank) Directions, RBI/DNBR/2016-17/39, Master Direction DNBR. PD. 003/03.10.119/2016- 17, August 25, 2016, DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, & DoR (NBFC) (PD) CC. No. 117/03.10.001/2020-21 dated August 13, 2020.
These disclosures have been prepared based on standalone Ind AS financial statements in line with the Reserve Bank of India notification dated March 13, 2020.

Sl. no.	Particulars	As at March 31, 2023		As at March 31, 2022	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities:				
39.1	**Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:**				
	(a) Debentures				
	- Secured	-	-	-	-
	- Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits *)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	-	-	-	-
	(d) Debt Securities	1,509.14		1509.14	
	(e) Inter-Corporate Loans and Borrowings	15,975.00	-	4,869.00	-
	(f) Commercial Paper	-	-	-	-
	(g) Other Loans	-	-	-	-
	Assets:				
39.2	**Break-up of Loans and Advances including Bills Receivables [other than those included in (4) below]:**				
	a) Secured	-	-	-	-
	b) Unsecured	-	-	-	-
39.3	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**				
	(i) Lease assets including lease rentals under Sundry				
	(a) Financing lease	-	-	-	-
	(b) Operating lease	-	-	-	-
	(ii) Stock on hire including hire charges under Sundry				
	(a) Assets on hire	-	-	-	-
	(b) Repossessed assets	-	-	-	-
	(iii) Other loans counting towards asset financing activities				
	(a) Loans where assets have been	-	-	-	-
	(b) Loans other than (a) above	-	-	-	-

39.2 Break-up of Investments:

Particulars	As at March 31, 2023	As at March 31, 2022
	Amount outstanding	Amount outstanding
Break-up of Investments:		
Current Investments:		
1. Quoted:		
(i) Shares: (a) Equity	-	-
	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted:		
(i) Shares: (a) Equity		
	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others		
Long-term Investments:		
1. Quoted:		
(i) Shares: (a) Equity	-	-
	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
2. Unquoted:		
(i) Shares: (a) Equity	46,950.00	35,950.00
	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	140.00	190.00

39.3 Borrower group-wise classification of assets financed as in (2) and (3) above:

Category		As at March 31, 2023			As at March 31, 2022		
		Amount net of provisions			Amount net of provisions		
1. Related parties		Secured	Unsecured	Total	Secured	Unsecured	Total
	(a) Subsidiaries			0			0
	(b) Companies in the same group		17,484.14	17484.14		6,378.14	6378.14
	(c) Other related parties			0			0
2. Other than related parties				0			0
	Total	-	17,484.14	17,484.14	-	6,378.14	6,378.14

SHAH & TAPARIA
CHARTERED ACCOUNTANTS

Centrum Financial Services Limited
Mumbai

(Currency : Indian Rupees in lakhs)

39.4 Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

No	Category	As at March 31, 2023		As at March 31, 2022	
		Market value / Break up or fair value or NAV	Book value (net of provisions)	Market value / Break up or fair value or NAV	Book value (net of provisions)
1	Related Party				
	Subsidiaries	79,303	36,090.00	77,617.95	36,140.00
	Companies in the same group	11,000.00	11,000.00	0	0
	Other related parties				
2	Other than related parties				

39.5 Other information

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

39.6 Components of ANW and other related information

No.	Particulars	As at March 31, 2023	As at March 31, 2022
i)	ANW as a % of Risk Weighted Assets	62.98%	82.34%
ii)	unrealized appreciation in the book value of quoted investments	-	-
iii)	diminution in the aggregate book value of quoted investments	-	-
vi)	Leverage Ratio	0.60	0.22

39.7 Investment in Other CICs

No.	Particulars	As at March 31, 2023	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)	-	-
b	Number of CICs with their names wherein the direct or indirect capital contribution exceeds 10% of Owned Funds	-	-
c	Number of CICs with their names wherein the direct or indirect capital contribution is less than 10% of Owned Funds	-	-

39.8 Off-Balance Sheet Exposure

No.	Particulars	As at March 31, 2023	As at March 31, 2022
i.	Off balance sheet exposure	-	-
ii.	Financial Guarantee as a % of total off balance sheet exposure	-	-
iii.	Non-Financial Guarantee as a% of total off balance sheet exposure	-	-
iv.	Off balance sheet exposure to overseas subsidiaries	-	-
v.	Letter of Comfort issued to any subsidiary	-	-

39.9 Investments

No.	Particulars	As at March 31, 2023	As at March 31, 2022
(1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	47,090.00	36,140.00
	(b) Outside India	-	-
	(ii) Provision for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	47,090.00	36,140.00
	(b) Outside India	-	-
(2)	(2) 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	-	-

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

(Currency : Indian Rupees in lakhs)

39.10 ALM - Maturity pattern of Assets and Liabilities
as on 31 March 2023

Particulars	1 to 7 days	8-14 days	15 to 30/31 days	1-2 months	2-3 months	3-6 months	6months- 1 year	1-3 years	3-5 years	Over 5 years	Total
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	47,090	47,090
Borrowings	-	-	-	-	1,509.14	-	15,975	-	-	-	17,484
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

as on 31 March 2022

Particulars	1 to 7 days	8-14 days	15 to 30/31 days	1-2 months	2-3 months	3-6 months	6months- 1 year	1-3 years	3-5 years	Over 5 years	Total
Advances	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	36,140	36,140
Borrowings	-	-	-	-	-	-	4,869	1,509	-	-	6,378
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

39.11 Business Ratios

No.	Particular	As at March 31, 2023	As at March 31, 2022
1	Return on Equity (RoE) (PAT/Total Equity)	-0.34%	-0.29%
2	Return on Assets (RoA)(PAT/Total Assets)	-0.20%	-0.22%
2	Net profit per employee (`in crs) (PAT / No. of employees)	-5010.00%	0.00%

39.12 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the Profit and Loss Account	As at March 31, 2023	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	-	-

39.13 Concentration of NPAs

Particurals	As at March 31, 2023	As at March 31, 2022
Total Exposure to top five NPA accounts	-	-

39.14 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/Subsidiary	Other Partner in the JV	Country	Total Assets
None	Not Applicable	Not Applicable	Not Applicable

Notes:

1 **Quoted investments are at market value and unquoted investments are at break up/fair value/NAV irrespective of whether they are classified as long term or current in (6) above**

2 **Maturity pattern of assets and liabilities are disclosed in Note 34 and analysis of Financial Assets and Financial Liabilities by remaining contractual maturities are disclosed in Note 34B**

(Currency : Indian Rupees)

40. 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 :

40.1 List of related parties

Nature of relationship	Name of the party
Holding company	Centrum Capital Limited
List of Subsidiary/ holding/ Associate/ subsidiary of a holding company as per 2(76)(viii)	Centrum Capital Limited IGNIS Capital Advisors Limited Unity Small Finance Bank Limited Centrum Retail Services Limited Centrum Wealth Limited Centrum Insurance Brokers Limited Centrum Investment Advisory Limited Centrum Broking Limited CCIL Investment Management Limited Centrum Capital International Limited CCAL Investment Managers Limited Centrum Alternatives LLP Centrum Capital Advisors Limited Centrum International Services PTE Limited Modulus Alternatives Investment Managers Limited Centrum Housing Finance Limited
Key management personnel (KMP)	Rishad K. Byramjee (Executive Director) Abhishek Baxi (CFO) Archana Goyal (CS)

40.2 Transactions with Related parties during the year

No.	Nature of Transaction	Name of Party	For the year ended 31 March, 2023	2022
1	**Loans given**	Centrum Retail Services Limited	-	1,860.00
		Centrum Capital Limited(Including erstwhile-Centrum Microcredit Ltd)	-	4,300.00
		Centrum Wealth Limited	-	25.00
2	**Loan repayment**	Centrum Capital Limited(Including erstwhile-Centrum Microcredit Ltd)	-	4,300.00
		Centrum Retail Services Limited	-	1,860.00
		Centrum Wealth Limited	-	3,125.00
3	**Loan taken**	Centrum Capital Limited(Including erstwhile-Centrum Microcredit Ltd)	16,598.00	4,869.00
4	**Loan repayment**	Centrum Capital Limited(Including erstwhile-Centrum Microcredit Ltd)	5,492.00	-
5	**Debenture sold**	Centrum Credit Opportunities Trust	-	1,528.61
6	**Debenture purchased**	Centrum Credit Opportunities Trust	-	1,500.00
7	**Consideration received for sale of portfolio on Direct Assignment**	Centrum Microcredit Limited	-	126.32
8	**MLD repaid including accrued interest***	Centrum Wealth Limited	-	3,143.44

*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.

9	**Insurance premium Reimbursement**	Centrum Capital Limited	0.98	-
10	**Rent income**	Centrum Capital Limited (Erstwhile-Centrum Microcredit Ltd)	-	0.05
		Centrum Retail Services Limited	-	12.98
		Centrum Wealth Limited	-	0.86

SHAH & TAPARIA CHARTERED ACCOUNTANTS

Centrum Financial Services Limited Mumbai

No.	Nature of Transaction	Name of Party	As at March 31, 2023	2022
11	Service fees income	JBCG Advisory Services Private Limited	-	1.56
12	Advisory fees income	Centrum Capital Limited	-	215.63
13	Interest income	Centrum Capital Limited	-	1.53
		Centrum Retail Services Limited	-	92.92
		Club 7 Holidays Private Limited	-	16.19
		Centrum Wealth Limited	-	207.47
14	Interest expenses	Centrum Retail Services Limited	-	37.63
		Centrum Capital Limited (Erstwhile-Centrum Microcredit Ltd)	-	248.12
		Centrum Capital Limited	811.20	113.29
15	Payment of rent	Centrum Capital Limited	-	1.05
		Centrum Retail Services Limited	-	56.12
16	Electricity expenses paid on behalf of the Company	Centrum Retail Services Limited	-	9.38
17	Printing and stationery, postage and courier and telephone expense	Centrum Retail Services Limited	-	2.82
18	Brand fees	Centrum Capital Limited	-	5.00
19	Arrangers fees	Centrum Wealth Limited	-	451.10
20	Reimbursement of expenses	Centrum Wealth Limited	-	0.14
21	Commission and brokerage expenses	Centrum Broking Limited	0.13	0.21
22	Managerial remuneration	Mr. Ranjan Ghosh	-	410.57
		Mr. Abhishek Baxi	-	57.71
		Rishad Khushrooh Byramjee	6.50	-
23	IT Refund transeferred	Unity Small Finance Bank Limited	517.07	-
24	Professional Fees	Centrum International Services Pte Ltd	-	41.20
25	Fixed Asset	Centrum Retail Services Limited	-	330.48
26	Receivable	Centrum Capital Limited	-	2,355.00
		Unity Small Finance Bank Ltd	-	563.74
		Ignis Capital Advisors Ltd	-	7.41
27	Investment	Ignis Capital Advisors Limited	-	1.00
		Unity Small Finance bank Limited(Equity Shares)	-	31,601.00
		Unity Small Finance bank Limited(Equity Shares)	-	4,349.00
		Unity Small Finance bank Limited(Share Warrants)	-	190.00
		Centrum Retail Services Limited(CWL shares purchased)	11,000.00	-
28	Investment Sold	JBCG Advisory Services Private Limited	800.00	-

40.3 Balances with Related parties as at year end

No.	Nature of Transaction	Name of Party	As at March 31, 2023	2022
1	Margin balance with broker	Centrum Broking Limited	-	126.89
2	Other financial liability	Centrum Capital Limited (Erstwhile-Centrum Microcredit Ltd)	15,975.00	4,869.00
3	Debt Securities	Centrum Capital Limited	1,509.14	1,509.14
4	Trade payable	Centrum Wealth Limited	-	9.72
5	Deposit Received	Centrum Capital Limited (Erstwhile-Centrum Microcredit Ltd)	-	-
6	Investment	Unity Small Finance Bank Ltd (Equity Investment)	35,950.00	35,950.00
		Unity Small Finance Bank Ltd (Investment in Share Warrants)	140.00	190.00
		Centrum Wealth Limited	11,000.00	-
7	Margin balance with broker	Unity Small Finance Bank Limited (Payable Cash Balance)	-	126.89

SHAH & TAPARIA CHARTERED ACCOUNTANTS Reg. No. 109463W 203, Centre Point Bldg, 100, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Lalbaug, Parel, Mumbai - 400012

Centrum Financial Services Limited Mumbai

(Currency : Indian Rupees)

41 Relationship with struck off companies

During the year ended 31 March 2023 the Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956. (During the year ended 31 March 2022 - Nil).

42 Registration of charges or satisfaction with Registrar of Companies

During FY 2022-23, all charge forms were duly filed with the time prescribed under the Companies Act,2013.

43 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.

44 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	NA	NA	-			-	

45 **The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall**
(a) 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)
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
a. 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
b. provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 **Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2023.**

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

Narottam Shah
Partner
MembershipNo.106355

Mumbai
May 11, 2023

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

Rishad Byramjee
Executive Director
DIN : 00164123

Ranjan Ghosh
Non - Executive Director
DIN : 07592235

Abhishek Baxi
Chief Financial Officer

Archana Goyal
Company Secretary

Mumbai
May 11, 2023

Mumbai
May 11, 2023

Centrum Financial Services Limited Mumbai

SHAH & TAPARIA ★ CHARTERED ACCOUNTANTS ★