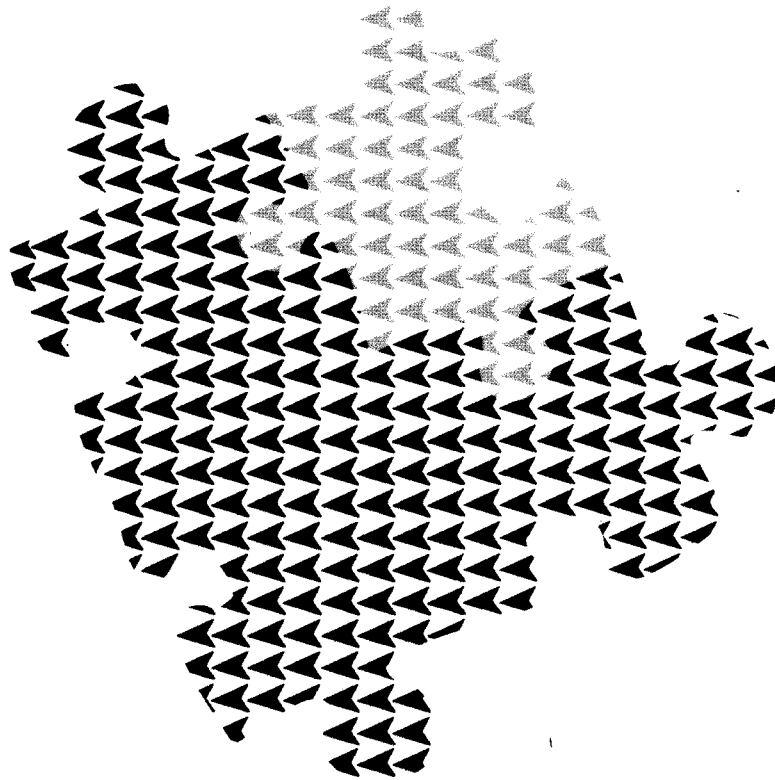


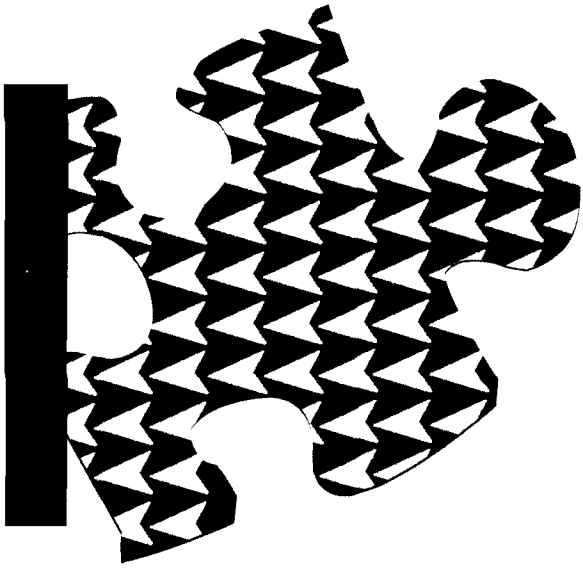
CENTRUM

Your aim is our only target



◀ CHALLENGES ◀ CONSOLIDATION ◀ CONSISTENCY

Centrum Capital Limited | Annual Report 2008-09



Contents

- ◀ 01 Challenges. Consolidation. Consistency
- ◀ 08 Chairman's Message
- ◀ 10 Company Snapshot
- ◀ 14 Our Clients
- ◀ 16 Financial Snapshot
- ◀ 17 Corporate Information
- ◀ 18 Directors' Report
- ◀ 21 Management Discussion and Analysis
- ◀ 29 Corporate Governance Report
- ◀ 40 Auditors' Report
- ◀ 44 Standalone Financial Statements
- ◀ 79 Auditors' Report on the
Consolidated Financial Statements
- ◀ 80 Consolidated Financial Statements
- ◀ 116 Accounts of Subsidiary Companies

◀ Challenges ◀ Consolidation ◀ Consistency

2008-09 was a challenging year not just globally, but in India and at Centrum too.

The world order changed. Every single economy of the world has witnessed economic downtrend fuelled by the global liquidity crisis like never before. The speed and velocity of the challenges were, themselves, challenging.

Within this challenge were specific challenges faced by the financial services sector and each of our business segments internally.

Indian equities, like in other emerging markets, fell by over 63.70% from its peak. The Indian forex market witnessed a drop of 23% in volumes year-on-year.

The wealth management business faced the brunt of regulatory changes in commissions paid to agents along with a drop in business volumes.

It was time to consolidate our presence and grow.

◀ In debt and project finance, we had identified the opportunity early and we further consolidated our position in these segments in 2008-09, when they performed relatively well, as we had our team and credibility in place.

◀ In equity, we consolidated by hiring high quality talent, which was now affordable. In a year like 2008-09 when many were downsizing, we added over 13 people to our team.

◀ In forex, we consolidated our position as one of the market leaders in the prepaid cards and travellers cheques segment. With the acquisition of Club7 Holidays Limited we established ourselves as a one-stop-shop for travel and forex needs.

◀ In wealth management, we consolidated our presence in terms of branches and sales force. We leveraged our partnership with India's largest retailer, Future Group to set up presence across their stores and acquire customers, and serve them.

We are confident of our consistent performance.

At Centrum, our diversified model encompassing corporate, institutional and retail fee streams across a suite of services, catering to a multitude of asset classes – debt, equities, infrastructure & project finance, forex & travel and wealth management will help us make the most of better times ahead.

We have delivered to our shareholders a consistent and sustainable performance. In a tough year like 2008-09 we recorded a total income of Rs. 729.18 million and a PAT of Rs. 162.22 million.

It's not just our numbers. We have been consistently building our team, expanding our reach, enhancing our processes and investing in technology.

Expect more. Consistently.

◀ Challenges ◀ Consolidation ◀ Consistency

In 2008-09 the world economy in general and the financial services industry in particular were challenged. Economies run on money and vice versa. When one goes through serious challenges, so does the other. The sub-prime crisis led to the economy getting challenged and a challenged economy further took the financial world down. Without exception, every country and every asset class faced challenges; India and the Indian financial services included.

The Indian economy went through rough times. Indian financial services too. Every segment faced unique challenges.

Debt - challenged by too much demand

When capital from equity markets dries up, the debt market suddenly finds more takers. Indian debt market went through that challenge in 2008-09. Almost every corporate wanted debt funding. What made the challenge more challenging was the macro picture. With big financial houses like Lehman Brothers collapsing, a fear of lending got installed amongst the banks and institutions. High demand. Minimal supply.

It was an interesting challenge that we faced for the first time. It required innovation, structuring and credibility to make things happen in this segment. That's what we did. Centrum further grew the debt business in its most challenging times.

Equity - from a darling to a demon

Just before the crisis began, equity markets were rallying globally. They were the darling of the investment community. All that changed overnight. Stocks tumbled like nine pins. The IPO pipeline completely dried up. The volumes in the stock market fell by over 28%. Everyday was a new challenge. Losing a couple of hundred basis points was the norm. Erosion in equity value was colossal. The relevance of equity as an asset class got questioned. In no time, the darling became a demon. Large broking houses were forced to downsize their teams and rationalize their presence. Some even had to shut operations. The challenge was something the equity world had never seen.

It required a lot of conviction to challenge the challenge. We did that. We looked at the challenge with optimism. Even though we couldn't expand the business, we expanded the approach. The investment. The build-up.

Forex - challenged by volatility and volume

Forex business growth is a function of global trade and travel. The global slowdown affected global trade and travel alike. International travel 'in' and 'out' of the country saw serious downtrend. This challenged the forex volumes. Thus the forex business witnessed a significant dip in volumes in 2008-09. The overall volumes in the prepaid cards and travellers cheques segments fell by around 23%. There was also huge volatility in the forex market with the Dollar index moving by 25% in the year. Competition increased. Margins were under pressure. The business faced its worst nightmare. Low volumes and scramble for market share at any cost.

We differentiated. We integrated and became a one-stop-shop for travel and forex by strengthening corporate tie ups with several corporates. We went retail. Our partnership with the Future Group (India's largest retailer) enhanced our visibility, presence and customer acquisition. We also used the Future Group tie-up to extend travel by setting up Club7 outlets in retail stores and malls. We are confident; it will pay off in the long run.

Wealth Management - no wealth to manage

The wealth management business also witnessed an interesting challenge. The challenge of existence. When wealth erosion of such a magnitude takes place, what do you manage? The fall in the stock markets and the global liquidity crisis had an adverse impact on the wealth management/retail distribution business. Since the appetite for investments in equity and mutual funds was at an all time low, it was a huge challenge to generate business in this segment.

The Centrum model of positioning its wealth management business as customer centric than product centric helped it to manage the challenges better. It was more of advisory approach against the product centric approach which was needed and Centrum fit the bill. We were able to strengthen our relationship with the customer and that is the differentiator which shall help in future growth in this business as well.

At Centrum, we are open to challenges. We look at them more as an opportunity than a threat. We believe that they are the best times to build businesses and to invest. We did exactly that.

Read on...

◀ Challenges ◀ Consolidation ◀ Consistency

Tough times are not new to Centrum. We clearly recall our baptism by fire in 1996, when we were born. Since then, we have not only successfully weathered subsequent downturns but forged ahead and grown. We have used challenges to consolidate all our businesses and silently prepare for the next upswing.

The challenge of the 2008 crisis was no different to Centrum. We used the challenge to consolidate every business vertical.

We further consolidated our leadership in Debt and Project Finance

Centrum is an undisputed leader in the fixed income space in India. The Company's expertise extends across the debt spectrum. We offer customised solutions in project finance, primary and secondary debt placement, stressed asset solutions and portfolio buyouts. With a 30 member core execution team having over 150 man years of experience, Centrum leveraged its experience, expertise and plethora of relationships to consolidate its presence in 2008-09. The debt markets need in challenging times called for innovative structuring, and we did that. We added debt restructuring to our product portfolio in 2008-09. We executed mandates of over Rs. 631.3 million during the year and our revenues from the segment saw a jump of 189%. We were among the top players in the segment according to the Prime Rankings as on March 09.

We believe the debt market is going through a very interesting inflection and we expect volumes to increase significantly in the next few years. Look out for this space and our dominance within it.

We consolidated and expanded our vision in Equities and Investment Banking

There were two ways to play the challenged equity space. One was to wait for the challenge to get over and the better phase to start and during that wait, downsize and get defensive. The other was to utilise this opportunity when most were busy doing the former, to consolidate our efforts, to expand the horizons and prepare for the next phase much before. Centrum opted for the latter, consciously.

- ◀ We expanded our horizon and strengthened our back-end.
- ◀ We enhanced our global presence with on the ground presence in USA, UK and the Asia Pacific Region.
- ◀ We are among the few Indian brokers to have a FINRA license in the US (enables us to execute institutional trades in US equities).
 - ◀ We obtained the FSA approval in UK (enables us to execute institutional trades in UK).
 - ◀ Strengthened our global sales team in USA, UK, Asia Pacific and domestically.
 - ◀ Enhanced our research team to 25 people. Coverage in just a year of the team coming together at over 110 companies. Centrum Research is now among the top 3 in terms of companies under coverage.
 - ◀ In 2008-09, when others were downsizing and talent was available at affordable levels of remuneration, we added several new members to our team. Our team now comprises of people with global experience. These people have worked with international organisations at various local and overseas locations.
 - ◀ Integrated investment banking coverage with ECM execution to provide a seamless solution to the client.

- ◀ Industry led approach so that we are able to tap into opportunities proactively rather than reactively.
- ◀ We are now a very serious contender in the mid cap equity segment (200 crore upwards) and have strong mid cap offerings.
- ◀ Restructured and upgraded the quality of the ECM execution team—we are very strongly positioned to execute across QIPs, IPOs, FCCBs, Follow ons, Right Issues, etc.
- ◀ Robust ECM advisory business consisting of valuation assistance, restructuring advisory, open offers, buybacks and structured financing.

We consolidated and expanded our reach and went retail in Forex

The forex business challenge of volume decline and margin decline was met with, by Centrum effectively. We went to the end customer directly by partnering with India's largest retailer, the Future Group. We enhanced the Centrum visibility. Travel and forex converged. This is how we consolidated in forex.

- ◀ Acquisition of Club7 Holidays Ltd. gave FCH CentrumDirect Ltd. the capabilities to offer comprehensive forex and travel solutions to all its clients.
- ◀ We identified strategic outlets of Future Group across the country to offer travel and forex solutions. Very likely you will see a Centrum forex desk in malls across India.
- ◀ We increased the focus on students travelling abroad to study segment.
- ◀ The Company continued to remain as the largest seller of prepaid travel cards in India.
- ◀ Centrum consolidated its position as one of the top 3 money changers in the retail foreign exchange segment with over 80 locations across the country.

As a result, in a year when the travel related market witnessed a dip of around 22% in volumes, Centrum's volumes grew by around 27%.

Consolidated by being cautious in Wealth Management

The wealth management vertical consolidated by adopting a cautious approach in a challenging year like 2008-09. This is how:

- ◀ Centrum rationalised its team and presence.
- ◀ Cost control initiatives were undertaken.
- ◀ The Company worked on improvements in the operating processes in terms of documentation, compliance, risk management and back office operations.
- ◀ We have invested in an online brokerage platform for high volume customers and are in the process of launching a wealth platform for retail customers.
- ◀ Identified Future Group outlets across the country for distribution of wealth management services to capitalise on the footfalls they get.

With the financial services industry across asset classes bouncing back, we are prepared, more than ever before, to take on the challenges.

We are looking forward...



◀ Challenges ◀ Consolidation ◀ Consistency

At Centrum, we create sustainable shareholder value consistently. To do that we have not only delivered consistent financial performance, we have also consistently invested in our client relationships, product offerings, building a world class team in financial services, setting up robust processes and state-of-the-art technology.

Consistency in Financial Performance

In a tough year like 2008-09, the Company recorded total income of Rs. 729.18 million, an increase of 37.55% from the previous year. The Company's PAT stood at Rs. 162.22 million. In the last six months things are looking up in India, with a clear mandate to the new Government at the centre and their strong commitment to support the economy having been well received. Things are looking up at Centrum as well. Our income from operations is up over 61% in Q1FY10 in comparison to Q1FY09. Over the last five years our PAT has grown at a CAGR of 56%.

Consistency in Customer Delight

Over the years, we have built a reputation of delighting our customers, every time. Centrum caters to both sides of the balance sheet. Our unique life-cycle investment banking partnership approach and diversified product portfolio has enabled us to consistently deliver innovative and customised solutions to cater to the specific needs of our clients. As a result we have not lost any significant client in the previous year. On the retail side we have a direct relationship with more than 500,000 HNI and retail investors.

Consistency in enhancing the Quality of Talent

Our business is talent-led and tough times are best times not just to hire but also to retain high quality talent. In a year like 2008-09 when many were downsizing, we added around 500 people to our team. Of this, 38 were at senior positions. More importantly we invested in training them and making them better financial managers.

Consistency in Thinking Ahead

We like to own our customers. We like to service them directly. 70% of Indian are below 30 years of age and are embracing consumption like never before. Malls and organised retail is their preferred shopping destination so we have decided to meet them there. Our alliance with Future Group has given us the opportunity to tap its 200 million customer base across the country. We have identified Future Group outlets in strategic locations to enhance the reach of our wealth management and forex business.

Consistency in Technology Upgradation

We have consistently invested in building our systems, technology and processes, ensuring the highest levels of compliance and very strong risk controls to rapidly grow our business.

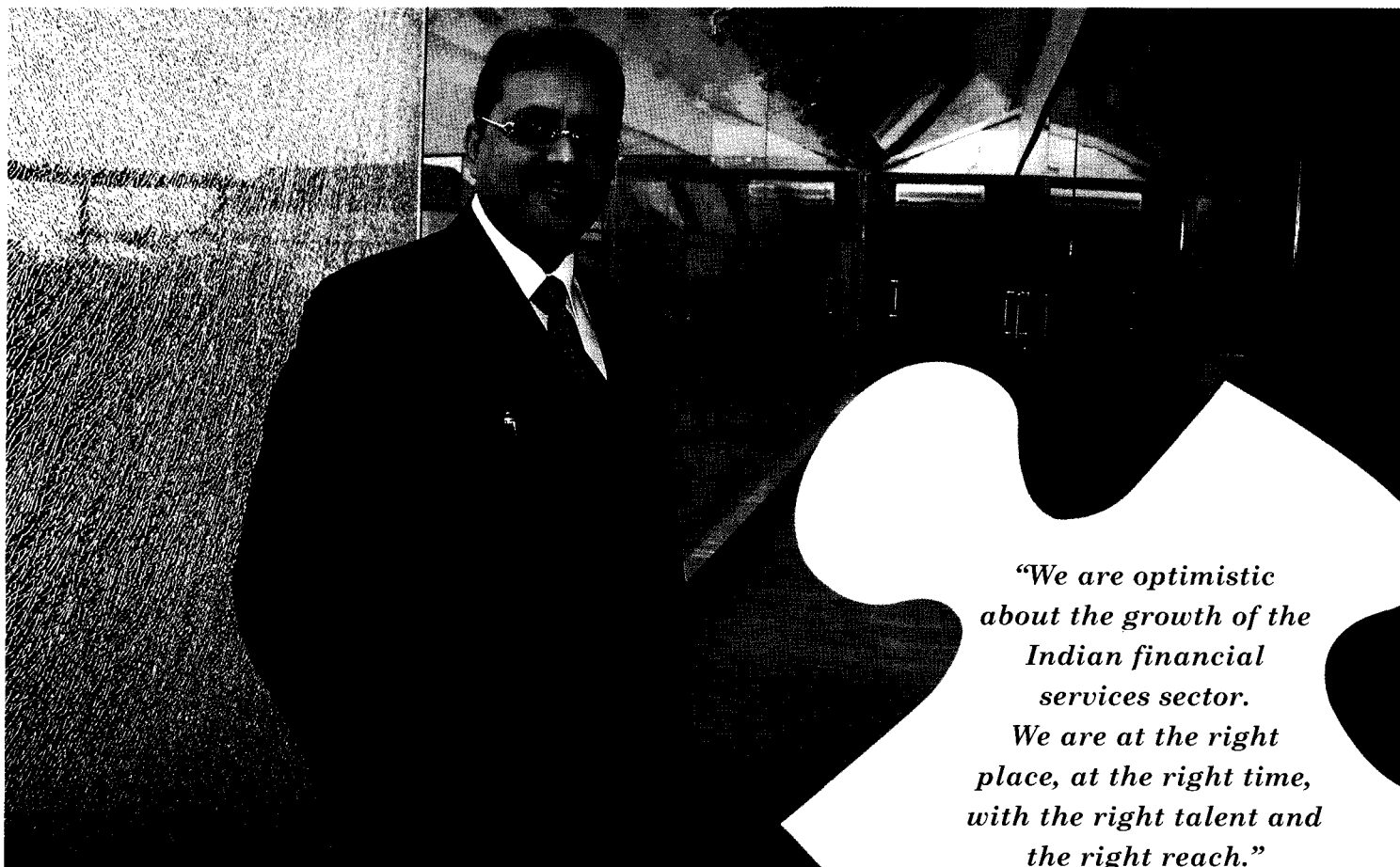
Consistency in Optimism

Centrum is an eternal optimist. We look at India and India's dominance with optimism. We expect India to grow at an estimated rate of 8% in the next five years. It is with this optimism we are very bullish on the Indian financial services sector. Every asset class in the financial services will witness growth patterns not seen before.

We have a complete financial services offering. We cater to institutional clientele. We have added retail reach too. We are feeling confident.

Expect more.

Chairman's Message



“We are optimistic about the growth of the Indian financial services sector. We are at the right place, at the right time, with the right talent and the right reach.”

Dear Shareholders,

A lot has already been written and spoken about the financial services sector, thanks to the severe crisis that shook the global economy and had the potential to permanently reverse the engine of economic growth, progress and human civilization.

I have a different view on this unique situation.

Let's understand the role of finance. It's actually everything. The means and the end.

Let me explain.

When we refer to growth, we are essentially talking about the Gross Domestic Product of any country. To grow, we need assets, people, technology and a

powerful vision. But for each of these growth drivers, we need money. Finance is the life blood of any economy. Human nature is to progress and for progress, we need capital.

It is this simple rationale and thinking that makes us believe that the Indian financial services sector is at the cusp of something very big.

India is the second fastest growing economy in the world after China and for the Indian economy to grow at this rapid pace there is a strong need for capital - both equity and debt. Further, as people's per capita income rises, they are able to satisfy their basic necessities, and have incremental income to invest. It is this incremental capital which is available to corporates

and the government through banks, financial institutions, capital markets and fixed income markets. Basically, a virtuous cycle for the financial services industry. But there is an interesting dichotomy taking place here.

On one hand, the financial services sector in the developed world is going through the pain of the excesses of previous years and is being viewed skeptically by the investment community. On the other hand, you have the Indian financial services sector that is growing aggressively. So obviously the world is turning to the Indian financial services sector.

This is why I am not just bullish on the Indian financial services sector but also Centrum.

With this thinking, we used the downtrend to prepare for this inflection. This is what makes us confident of our ability to deliver consistent shareholder value.

- < We are optimistic about the growth of the Indian financial services sector. We are at the right place, at the right time, with the right talent and the right reach.
- < We are one of the very few Indian financial services companies that have a sound diversified business model. We have diversified revenue streams due to our presence across all verticals - equity, debt, wealth management, forex and travel. Besides, we have both institutional and retail clientele and we cater to both sides of the balance sheet.
- < While others were downsizing, we prepared for the upswing by making further investment in high quality talent as we realise that ours is a fiercely talent-led business.
- < We extended our retail reach especially in the wealth management and forex businesses through our strategic alliance with the country's largest retailer, Future Group.
- < Finally, even in a dull equities market, we built both our

retail and institutional businesses by adding work force, acquiring institutional broking licenses in the US and UK and increasing our research coverage to more than 110 companies. With this, we have become one of the largest research houses in India.

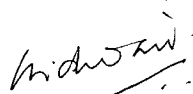
At Centrum, we believe that India is in a structural growth phase that will extend over years, much like China and many other countries. Indian demographics are also encouraging with 70% Indians below 30 years of age, making us the youngest nation in the world. Most importantly, there is a new self belief in the youth of the country. They have displayed the confidence and the ability to embrace change, and benefit from it.

We believe that infrastructure and consumption will be the key drivers of the next round of India's economic progress. We expect India to grow at an estimated rate of 8% in the next five years. Leading and benefiting from this growth will be the Indian financial services sector and every asset class.

We, at Centrum, are excited about the future. As we look ahead, we believe that 2009-10 will be a promising year. We are fully geared to participate in the growth of the Indian financial services sector.

Before I conclude, I would like to thank the other members of the Board for their timely and valuable inputs, our shareholders for believing in our vision, our clients who continue to place their faith in our abilities to be able to offer them the best available solutions and finally, every member of the Centrum team, for their commitment and dedication that have enabled us to perform consistently.

Yours sincerely,



Chandir Gidwani



Company Snapshot

About us

Centrum is one of the leading integrated financial services group in the country. Centrum Capital Ltd. and its group companies, Centrum Broking Pvt. Ltd., FCH CentrumDirect Ltd., FCH Centrum Wealth Managers Ltd., Centrum Financial Services Ltd. and Centrum Infrastructure & Realty Ltd. provides value added financial solutions to corporates and individuals across the country in both the private and the public sector.

As a leading financial services firm it strives to promote a corporate culture by promoting world-class banking services for its clients and value for its shareholders.

Centrum today is not only amongst India's top fund mobilisers but also has the distinction of being amongst the top AD II (Authorised Dealer) players in the country. It is also one of the fastest growing wealth managers in the country. Centrum has reached the position of being a unique financial services company that draws strength from each one of its business units and builds on it.

Services Offered

Corporate Solutions Group

Centrum provides optimal, pragmatic yet innovative solutions for India Inc. to facilitate realization of their growth perspective and transform the corporate vision into reality. The professional team provides customized capital structuring solutions such as corporate finance services, private equity, mergers & acquisitions, cross border acquisition, venture funding etc.

Equity Capital Markets

This highly specialised and entrepreneurial group offers customised fund raising solutions such as IPO, right issues, buyback, QIP, international offerings and other specialised services such as employee stock options plans and valuation certificates. Centrum is a leader for IPOs in the mid cap space across sectors. With the turnaround in the economy, the team has several prestigious mandates in the pipeline.

Credit Syndication

With primary focus on Infrastructure Funding, Centrum has successfully syndicated deals across a variety of banking products like Working Capital, FCNR Loans, Project Loans, Debt Swaps, Short & Medium Term Corporate Loans amongst others. In a short period of time, it has successfully raised funds for turnkey projects in sectors such as infrastructure, power, irrigation, pharmaceuticals, logistics, roads and processed foods.

Fixed Income

Centrum's proficiency lies in arranging resources for companies seeking debt capital. In the last few years it has structured, distributed and placed a wide variety of public and private debt for clients comprising major banks, PSUs and municipal corporations. It also offers secondary market solutions to provident funds, corporates, trusts etc.

Real Estate and Infrastructure Advisory

Centrum realises the importance of infrastructure in the growth of the country and has a dedicated team to address this thrust area. The group offers several services such as private equity, debt syndication, transaction services in land deals, consultancy in asset management and several other value added services.

Stock Broking

This group has strengthened its team especially overseas by adding new members to its team. With over 110 companies in its basket, Centrum Research has one of the largest number of companies under coverage across all sectors. The group is supported by robust technology platform such as Omnesys.

Foreign Exchange and Travel

Over the years, Centrum has established itself as a recognised brand in the forex market. It has presence at more than 80 locations including 15 key airport locations. It has been rated amongst the top 3 in the retail foreign exchange summit organised by American Express. The group deals in 35 currencies, travellers cheque, prepaid travel cards, money transfer, remittance products such as demand draft & SWIFT transfer, travel insurance and global calling cards. Post acquisition of Club7 Holidays Ltd., FCH CentrumDirect Ltd. is working towards becoming a one-stop-shop to cater to all travel and forex needs of corporates and individuals.

Wealth Management

Centrum provides integrated customer centric solutions to clients through individual synergies. The services covered are mutual funds, insurance, discretionary & non-discretionary PMS, equity & commodities trading, etc. A separate High Networth Individual (HNI) cell is dedicated to analyse their unique financial objectives and create customised strategies to meet their aim.



Reach

Distribution reach across 30 cities through 80 branches; direct relationship with over 500,000 HNI and retail investors. The geographical spreads ensures personalised client serving.

People

An integrated business model enables synergistic competencies. Centrum has a circle of experts. The team consists of frontline industry experts with unique opinions on markets, companies and products and a circle of expertise and experience in sales, research, legal and execution domain. The team comprises of over 1,000 individuals with extensive knowledge and experience in their respective areas.

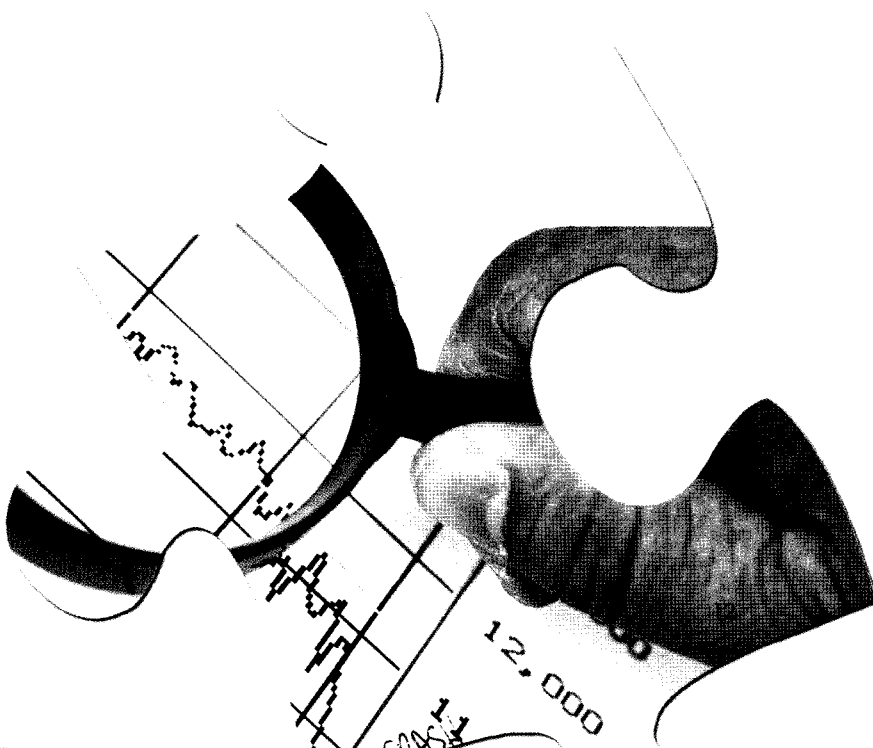
Awards

- < FCH CentrumDirect Ltd. has the unique distinction of receiving American Express's awards for being in the highest sales club for last five years in a row.
- < Centrum has been rated as one of the most independent research houses by Asia Money in 2009.
- < Recognition from number of mutual funds for significant contribution from Centrum's Wealth Management investors towards their schemes.

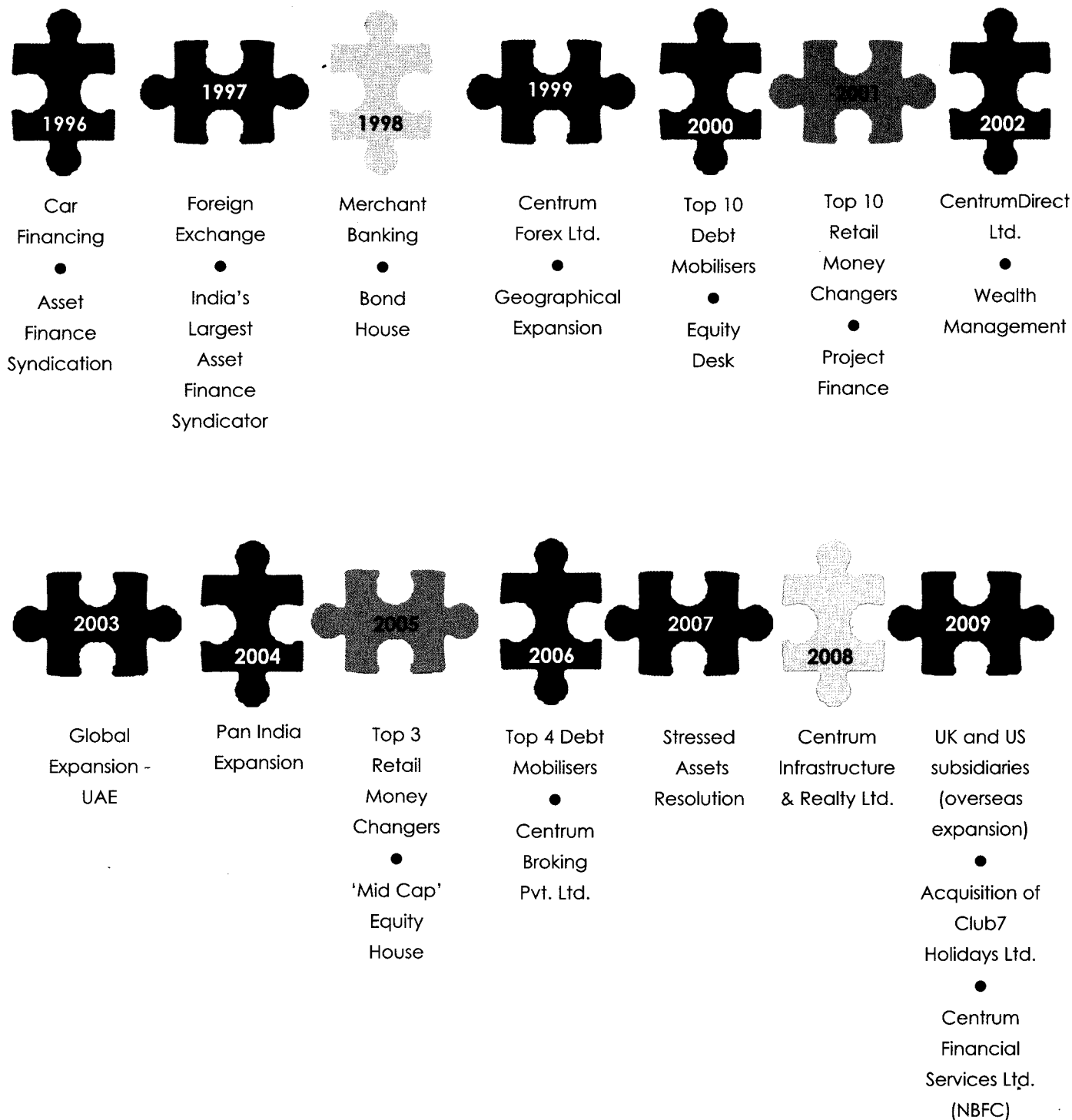
Our mission

- < To become the first-choice investment banker.
- < To provide uniquely 'tailored' solutions for 100% of the financial service needs of both corporates and individuals.
- < To challenge the 'obvious' solutions and provide financial consultancy and syndicated products, which deliver value beyond customer expectations.

To this end Centrum has over the years built a very strong foundation by investing heavily for the future. It has invested in high quality talent, technology that drives business and state-of-the art infrastructure to extend its reach further.



Milestones



Financial Performance

The Company recorded a total income of Rs. 729.18 million in 2008-09, an increase of 37.55% over the previous year. The Company's EBIDTA stood at Rs. 365.29 million. The Profit After Tax of the Company for 2008-09 was Rs. 162.22 million.

◀ Our Clients



Oracle Financial
Services Software
Limited



Escorts Limited



XL Telecom Limited



Chhatrapati Shivaji
International Airport



Four Soft Limited Adlabs Film Lin




Union Bank



Lumax Technologies
Ent. Limited



Everonn Systems
Limited



Aurionpro Solutions
Limited



Federal Bank Limit



Federal Mogul



Indian Overseas Bank



Canara Bank



Cidade De Goa



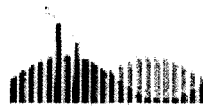
IDBI



Andhra Bank



Deepak Nitrite Limited



Sunil Hi Tech Engineers Limited



Prime Focus Limited




GVK Industries
Limited



Kerala Infra. &
Investment Board



Elder Group



Jet Airways (India)
Limited



Mahindra Holidays &
Resorts India Limited



UCO Bank



GE Group



Emkay Share and
Stock Brokers Limited



Tandem Global



Pratibha Industries



Essel Shyam
Communications Limited



Allahabad Bank
Limited



MT Educare
Education - Tutorials



Technocraft
Industries (India)
Limited



Reliance Capital



NCL Industries Limited



CISCO Systems
(India) Pvt. Limited



PFC



BMC



हडको
HUDCO



REC



PGCIL



KRCL



NHAI



Jai Balaji



SAIL



NCRPB



Bartronics



Satluj Jal Vidyut
Nigam Limited



Maharashtra State
Road Dev. Corp.



NINL



Himachal Pradesh
Infrastructure Dev. Board



Vijaya Bank



TATA Group



Airports Authority
of India



Narmada Hydro
Dev. Corp. Limited



AP TRANSCO



APGENCO



Honeywell



Kingfisher Airlines
Limited



Sasken



Sun-n-Sand Hotels
Pvt. Limited



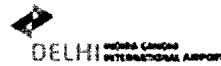
Sai Rayalaseema
Paper Mills Limited



Bank of
Maharashtra



Vivus Healthcare
Healthcare



Delhi International
Airport Pvt. Ltd.



UEI Global



Soham
Renewable
Energy Pvt. Limited



Sesa Goa Limited



Vertex Data
Science Limited



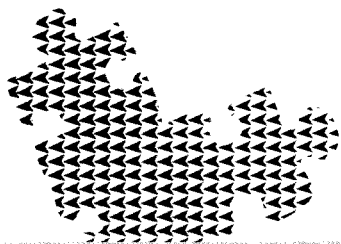
Utkal Power Limited



VVF Limited



Siemens Limited



Financial Snapshot

| | Centrum Capital Limited Rs. in million | | | Consolidated Rs. in million | | |
|---|---|----------|----------|--------------------------------|-----------|-----------|
| | June 07 | June 08 | June 09 | June 07 | June 08 | June 09 |
| Total Income | 290.09 | 530.08 | 729.18 | 10,796.05 | 17,608.65 | 11,498.67 |
| Total Expenditure | 128.63 | 261.07 | 446.20 | 10,594.14 | 17,295.42 | 11,380.45 |
| Earnings Before Depreciation, Financial Expenses and Tax | 179.59 | 295.08 | 365.29 | 245.00 | 376.57 | 236.44 |
| Profit Before Tax | 161.46 | 269.02 | 282.99 | 201.91 | 313.23 | 118.22 |
| Profit After Tax | 108.11 | 200.91 | 162.22 | 131.24 | 226.29 | 1.61 |
| Net Worth | 430.78 | 1,828.17 | 1,982.41 | 506.30 | 2,276.32 | 2,189.61 |
| Net Current Assets | 195.15 | 661.92 | 1319.49 | 459.62 | 1,303.85 | 1,618.52 |
| Total Debt | 57.24 | 399.01 | 488.65 | 258.86 | 698.86 | 536.21 |
| Gross Block | 77.34 | 305.14 | 361.92 | 156.78 | 467.62 | 474.41 |
| Accumulated Depreciation | 49.73 | 58.37 | 92.00 | 62.30 | 80.60 | 120.81 |
| Net Block | 27.61 | 246.77 | 269.92 | 94.48 | 387.02 | 353.60 |
| Share Capital | 57.36 | 68.28 | 68.28 | 57.36 | 68.28 | 68.28 |



Corporate Information

BOARD OF DIRECTORS

| | |
|-------------------------|---------------------|
| Mr. Chandir Gidwani | Chairman |
| Mr. Berjis Desai | Director |
| Mr. K. V. Krishnamurthy | Director |
| Mr. P. G. Kakodkar | Director |
| Mr. Manmohan Shetty | Director |
| Mr. Ibrahim S. Belselah | Director |
| Mr. Sameer Sain | Director |
| Mr. Dhanpal Jhaveri | Director |
| Mrs. M. K. Byramjee | Director |
| Mr. Rishad Byramjee | Director |
| Ms. Sonia Gidwani | Whole Time Director |
| Mr. T. R. Madhavan | Managing Director |

CHIEF FINANCIAL OFFICER

Mr. Himanshoo Bohara

COMPANY SECRETARY

Mr. Gajendra Thakur

BANKERS

The Ratnakar Bank Limited
HDFC Bank Limited
Standard Chartered Bank
The Lakshmi Vilas Bank Limited
The Federal Bank Limited
Citibank N.A.

AUDITORS

S. R. Batliboi & Co.
Chartered Accountants
6th Floor, Express Towers,
Nariman Point, Mumbai - 400 021.

REGISTERED OFFICE

Bombay Mutual Building,
2nd Floor, Dr. D. N. Road, Fort,
Mumbai - 400 001.
Tel.: 022 - 22662434
Fax : 022 - 22611105
Website: www.centrum.co.in
E-Mail: info@centrum.co.in
cs@centrum.co.in

CORPORATE OFFICE

Centrum House, CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East),
Mumbai - 400 098.
Tel.: 022 - 42159000
Fax: 022 - 42159533



Director's Report

To,
The Members
Centrum Capital Limited

Your Directors are pleased to present their Thirty First Annual Report together with the Audited Accounts of the Company for the year ended on June 30, 2009.

FINANCIAL HIGHLIGHTS:

The standalone financial performance of the Company for the financial year ended June 30, 2009 is summarized below:

| Particulars | (Rupees in Million) | |
|------------------------------------|----------------------------|----------------------------|
| | Year ended 30th June, 2009 | Year ended 30th June, 2008 |
| Gross income from operations | 729.18 | 530.08 |
| Profit before depreciation and tax | 318.77 | 278.13 |
| Less: Depreciation | 35.78 | 9.11 |
| Profit before tax | 282.99 | 269.02 |
| Less: Taxation | 120.77 | 68.11 |
| Profit after tax | 162.22 | 200.91 |
| Profit brought forward | 363.59 | 170.67 |
| Less: Proposed dividend | 6.83 | 6.83 |
| Tax on proposed dividend | 1.16 | 1.16 |
| Balance carried forward | 517.83 | 363.59 |

PERFORMANCE:

On a stand alone basis, your Company's revenue grew to Rs. 729.18 million during the financial year 2008-09 from Rs. 530.08 million in last year, a growth of 37.55% and the Company's profit after tax is Rs. 162.22 million.

DIVIDEND:

Your Directors are pleased to recommend for approval of the shareholders a final dividend of Re. 1/- per equity share (Re. 1/- per equity share for the previous financial year). The total dividend payout for the financial year 2008-09 is Rs. 68,28,096/- (Rs. 68,28,096/- for the previous financial year).

The dividend, if approved, at the ensuing Annual General Meeting will be paid to those shareholders whose name appear in the register of members of the Company as on the book closure date.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Berjis Desai, Mr. Ibrahim S. Belselah and Mr. P. G. Kakodkar retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

A brief resume of the Directors seeking appointment / reappointment at the ensuing Annual General Meeting, nature of their expertise and names of the Companies in which they hold Directorship and Committee Membership is provided as the part of the notice of the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, the Board hereby certifies and confirms that:

- 1) In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- 2) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of Company for that period;
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) The Directors have prepared the annual accounts on a "going concern basis".

SUBSIDIARY COMPANIES:

During the year under review, Centrum Capital Holdings LLC, Centrum Securities LLC, Accounts Receivables Management Services (India) Limited and Centrum Financial Services Limited (Formerly known as Shri Santram Finance Limited) have become subsidiaries of the Company.

The status of FCH Centrum Wealth Managers Limited and FCH CentrumDirect Limited have changed and the same are now 50:50 Joint Venture Companies between the Company and Future Capital Holdings Limited effective from June 12, 2009 and June 16, 2009 respectively, by virtue of transfer of 0.1% share holding from Future Capital Holdings Limited to the Company. Consequent to the above mentioned change, Club 7 Holidays Limited (Formerly known as Club 7 Holidays Private Limited), wherein FCH CentrumDirect Limited acquired 76% stake during the year under review, has also ceased to be a subsidiary of the Company.

The Company has five Subsidiaries and one step down subsidiary, namely Centrum Infrastructure and Realty Limited, Centrum Investments Limited, Centrum Financial Services Limited, Accounts Receivables Management Services (India) Limited, Centrum Capital Holdings LLC and Centrum Securities LLC (step down subsidiary) whose Audited Statements of Accounts for the year ended June 30, 2009 along with the Report of Directors and the Auditors, as entailed under section 212 of the Companies Act, 1956 are enclosed herewith.

CONSOLIDATED FINANCIAL STATEMENTS:

As required under Clause 32 of the Listing Agreement with the Bombay Stock Exchange Limited, Consolidated Financial Statements of the Company and its subsidiaries prepared in accordance with Accounting Standard 21 forms part of the Annual Report. These statements have been prepared on the basis of Audited Financial Statements received from Subsidiary Companies, as approved by their respective Boards.

UTILIZATION OF PROCEEDS OF PREFERENTIAL ALLOTMENT:

The details of utilization of proceeds raised through preferential issue of equity shares are disclosed to the Audit Committee and in the Balance Sheet. The

Company has not utilized these funds for purposes other than those stated in the notice convening the General Meeting.

DISCLOSURE OF EMPLOYEES STOCK PURCHASE SCHEME:

In the previous year, the Company had allotted 409,686 Equity Shares of Rs. 10/- each at a premium of Rs. 740.05 per share aggregating to Rs. 750.05 per share to Centrum ESPS Trust. The face value of Rs. 10/- per share payable on the said shares has been received by the Company by using the proceeds of loan taken from the Company. The premium amount shall be accounted as and when received. The Trust will allocate the said shares as per the resolutions passed in the meeting of the shareholders of the Company and in accordance with the terms and conditions mentioned in the Employee Stock Purchase Scheme 2008 approved by the Remuneration/Compensation Committee of the Board of Directors of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required by Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, a Management Discussion and Analysis Report form part of the Annual Report.

PARTICULARS OF EMPLOYEES:

In terms of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of section 219(1) (b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Members who are interested in obtaining such particulars may write to the Company at its Corporate Office.

AUDITORS AND AUDITORS' REPORT:

M/s. S. R. Batliboi & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained

written confirmation from the Auditors proposed to be re-appointed to the effect that their re- appointment if made would be in conformity with the limits specified in the said section. A proposal seeking their re-appointment is provided as part of the Notice of the ensuing Annual General Meeting. The notes to the accounts referred to in the Auditors Report are self-explanatory.

With regard to the remarks contained in the Point (ix) (a) in the Annexure to Auditors' Report, the Company has taken the necessary steps to pay the statutory dues in due course.

DEPOSITS:

The Company has not accepted any fixed deposits from any Member, Director or public.

CONSERVATION OF ENERGY AND TECHNOLOGY

ABSORPTION:

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of earnings and outgo in foreign exchange during the year under review are provided at Item no. 15 of Schedule 16 (Notes to Accounts) of the Audited

Accounts. The members are requested to refer to the said Note for details in this regard.

CORPORATE GOVERNANCE:

Report on Corporate Governance as required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, forms part of the Annual Report.

A certificate from the Auditors of the Company M/s S. R. Batliboi & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, forms part of the Annual Report.

ACKNOWLEDGEMENTS:

Your Directors look to the future with confidence. Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the Company's Clients, Vendors, Investors and Bankers. Your Directors also acknowledge the contribution made by employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity and support. Your Directors look forward to their continued support in the future.

By and on behalf of Board

| | |
|---------------------------|----------------------------|
| T. R. Madhavan | K. V. Krishnamurthy |
| Managing Director | Director |
| Mumbai | |
| September 30, 2009 | |

Management Discussion and Analysis

1. Economic Overview

The world order has changed dramatically over the past 12 months with the global credit crunch, recession in various parts of the world, and collapse of the decoupling theory. The GDP growth in India for 2008-09 was estimated at 6.7% which is far lower as compared to the growth of 9.0% posted in the previous year but is much better than the growth rates of USA, European countries and other Asian countries which have slipped into recession. This growth rate makes India the fastest growing economy after China. The current GDP growth rate is commendable in face of such severe downturn. The per capita income, a measure of average income of a citizen, went up by 12.2% to Rs 37,490 per annum during 2008-09 from Rs 33,283 per annum in 2007-08. Though to sustain the momentum of growth in 2008-09 in face of such severe economic downturn, Government of India (GOI) had to intervene and announce stimulus package which has resulted in ballooning of the fiscal deficit to 6.2% of the GDP in 2008-09 from 3.1% in 2007-08.

The latest RBI survey projects India's GDP to grow at 7.5% per annum for the next 10 years. This growth is expected to ride on the back of domestic demand rather than overseas business. The services sector is again expected to witness significantly higher growth than the manufacturing sector. This is primarily because the fundamentals of the economy remain strong and stable, including favourable demographics, rapid urbanization and rising literacy levels. Over 70% of India's billion plus population is below the age of 30. Approximately 45% of the country's population will be urban by 2050, up from the current 30%. The average literacy level is a little over 65% currently and is growing at a steady rate of 1.5% every year. India's household savings rate is currently at 33%. This helps in providing capital for investment and is sufficient to maintain a high growth rate.

2. Industry Structure and Developments

The Indian capital markets witnessed a bull phase between FY04-05 to FY07-08, especially during FY07-08 when industry turnover witnessed an annual growth

of 79% as compared to 43% and 71%, respectively in FY06-07 and FY05-06. However, triggered by the global financial market meltdown (that started in later half of 2007) and worsened by rising inflationary pressures in the domestic economy, the Indian capital market witnessed one of the steepest falls in January 2008. Since then, Indian capital market has been under pressure with declining trend in stock prices coupled with high intraday volatility. Equity brokerage turnover at the National Stock Exchange and Bombay Stock Exchange, combined, reported a decline of 19% in FY08-09 against the backdrop of the global market meltdown and higher base effect of FY07-08, which was a bumper year for domestic capital markets. Thus equity brokerage yields continued to decline in FY08-09.

The dislocation in financial and capital markets seriously impacted the financial performance of domestic brokerage houses. While the brokerage income was adversely affected in FY08-09 following the decline in trading turnover with falling stock prices and average brokerage yield, other related business operations were also not immune in the worsening operating environment. Consequently, the earning profile of all the brokerage houses came under stress during FY08-09, though the impact was less for companies with diversified business operations. The change in the regulation with respect to Securities Transaction Tax further adversely impacted the overall cost and profitability indicators.

While profitability of brokerage houses was severely impacted in FY08-09, bigger challenge faced by them was to protect their capital from erosion in the adverse capital market movement. Steep market correction in January 2008 found many brokerage houses un-prepared and left many of them with margin shortfall on their clients. Some of the brokerage houses with limited financial flexibility also had their trading terminals shut down or put up in a square up mode due to margin shortfall at Exchange Houses.

With market sentiment turning positive due to the formation of a stable newly elected government,

the ripple effect is likely to be felt across all the financial services in India. The sectors, including banking, insurance, and mutual funds are all beginning to reap the benefits of a good closure for 2008-09. According to industry estimates, the total life insurance premium in India is projected to grow to USD 259.72 billion by 2010-11.

According to mutual fund analysts, April-May 2009 saw increased inflow into equity with investors steadily turning positive on equity. The country also received USD 52 billion in foreign currency remittances from non-resident Indians in 2008, the highest in the world.

The debt market is expected to continue to remain in focus due to the volatility in the equity markets. There is optimism in the economy as funds are investing in corporate bonds, making liquidity available to enterprises.

The economic slowdown impacted demand in the near term for travel and tourism sector. There was a curtailment in corporate travel budgets which affected the demand from the business segment too. And finally the terror attacks in Mumbai led to the worsening of an already weak demand for hotel rooms. But India is one of the very few countries in the world, which is still growing at around 6.7% in spite of the global economic slowdown. The economy's performance has been impressive and the macro economic outlook is expected to continue providing momentum for growth in this segment. By 2018, the business travel segment is expected to contribute 0.8 % of the GDP or USD 25.61 billion to the Indian economy with a CAGR of 8.2% in comparison to the growth rate of 7.1% in 2007. This will help the growth of the Foreign Exchange segment as well.

3. Company Overview

Over the last decade, Centrum Group has established itself as a leading, financial services player in the country, and through its customised solution-oriented approach, it has demonstrated its intent of being a dominant player with the best offerings in the space. Centrum's foremost

endeavour is to ensure that the client's financial interest is holistically addressed, without barriers of departments, responsibilities or geography.

The Centrum Group offers an entire gamut of financial services. Within each category of service, tailor made solutions are offered to the clients, customised to meet their requirements.

Centrum Capital Limited : The flagship company of the Group has acquired a reputation of being qualitatively one of the best investment banks in the mid-cap space. It has brought together one of the most talented pools of financial services professionals and backed it up with an intensive research driven strategy, cutting edge technology and infrastructure. The Group's diversity is also its biggest USP especially in the investment banking space where the Group is able to offer customised solutions to cater to the different needs of the customer.

Equity

The equity group offers several services such as corporate finance, IPO, follow on public offerings, rights, buyback, delisting, QIP, ADR, GDR, takeovers, employee stock option plans and valuation and certification. Centrum has several key achievements in this space including being the lead manager for one of India's most subscribed issue, structuring QIP of secured convertible debentures, a maiden cross border acquisition in the media space and many such marquee deals which has distinguished it from the other Investment Banks.

Debt

The debt team has competence in several spheres such as project finance, restructuring, stressed assets resolution, primary and secondary debt placement, portfolio buyouts and all debt related products. The team has several key achievements such as-

- India's first perpetual non call bond for Public Sector Bank. Won the IFR award for the best Debt Deal in India for 2006
- India's first sales tax securitization for State Government

- India's first pre-sold debt issue on private placement (Tier II bond issue) for a Public Sector Bank
- India's first ever tax free issue by a Municipal Corporation giving rise to the "Muni" Bond Market discovery in India
- India's largest Public Sector undertaking term loan in the Power Sector in 2004 – Rs.18500 mn
- India's first private sector syndicator for renovation and modernization of a Public Sector power project

With the global slowdown adversely impacting the equity segment, Centrum's Debt Group was very active as more and more clients turned towards debt for raising funds due to the liquidity crunch. Merchant bankers such as Centrum played a crucial role in the fund raising and advisory space. Centrum handled assignments for settlement of stressed assets with banks and helped clients with restructuring.

Infrastructure Solutions Group

India is on a steady growth trajectory and is expected to become the world's second largest economy by 2050. This growth spur will need to be supported by an appropriate expansion in infrastructure. Even at a subdued GDP forecast, we expect infrastructure spend to grow at ~50% in the XI Plan as compared to X Plan. Amongst the various sectors, Power, Transportation and Telecommunication are expected to attract majority of investments.

In view of the above, Centrum has set up a specialised group focused on providing transaction advisory solutions to clients in the infrastructure space. Centrum has pooled in a team of sector experts with past experience in infrastructure advisory and financing. The core focus is on transportation and power (thermal and renewable energy).

Centrum Broking Private Limited: An associate of Centrum Capital Limited, Centrum Broking has made a mark in a very short span of time as one of the most professionally managed brokerage house

in India providing services to both Domestic and International institutions.

The Group has over a 25 member strong research team covering more than 110 large, mid and small cap companies. By December 2009, 150 companies are expected to come under its coverage making it one of the largest coverage in India in various sectors such as Banking, IT, Telecom, Power, Capital Goods, Pharma, Auto, Metals, Logistics, Media, Sugar, Retail among others. The sales team has also been strengthened in the current year by hiring quality talent across geographies. The Group has obtained FINRA registration to act as a broker-dealer in USA and is in the process of getting the FSA license in UK. This shall help Centrum in offering institutional broking services in these countries. Very few other Indian brokerage houses have these licenses and dedicate themselves to marketing Indian products overseas.

FCH Centrum Wealth Managers Limited: The retail initiatives taken by Centrum over the last few years have borne fruit and it is today one of the fastest growing retail networks with a bouquet of financial services including brokerage services, PMS, insurance and investment products distribution. The Company is expanding the reach through branches, franchises and other intermediaries across India.

Unlike other players in this segment which follow a product centric model, Centrum has a unique customer centric model. The advisors of the Company engage its customer at all levels and strive to offer solutions for all the financial requirements of the customers. This requires a specialised and trained force which can understand the fine nuances of various financial products and, therefore, Centrum has made an investment in training the staff.

The future strategy is to continue focusing on tier I and tier II cities and to offer the widest gamut of services under one umbrella. The Company has obtained separate NSE membership and is also in the process of acquiring BSE membership, PMS and Depository Licenses.

FCH CentrumDirect Limited: During the year the Company has been upgraded from being a Full Fledged Money Changer (FFMC) to an Authorized Dealer-II (AD II) by the Reserve Bank of India. It is one of the few authorized money changers in the country to have acquired this license which was possible due to the strict compliance policies it follows along with its experience of over 11 years in the foreign exchange space. This will now open up a large market for the Company, which was earlier restricted only to banks. FCH CentrumDirect is amongst the top AD II players and the largest seller of prepaid cards in India. The Company plans to provide greater impetus to student segment, travel agent, and "cash-to-master" remittance in AD II category.

The major business highlights in the last year include the strategic tie-ups with several Corporates, Multi National Companies, Resorts, Tour Operators and Travel Agents. Eight new branches were opened and nine airport counters were added. The Company will continue to focus to expand airport networks and even set up branches in tier II cities and Future Group outlets. It also plans to tie up with visa facilitation/ process companies and duty free shops for FCN procurement.

FCH CDL acquired majority stake in Club7 Holidays Ltd., a tour operator based in East India which has a pan.India presence at 10 locations. This shall help in cross-selling of travel and forex products. The business synergies resulting through this acquisition shall enable Centrum to capture the lucrative MICE (Meetings, Incentives, conferences and exhibitions) segment.

Despite the slowdown in the economy, Club 7 managed to service over 10,000 passengers in 2008-09 including 750 people to South Africa to watch the IPL.

Centrum Infrastructure and Realty Limited (CIRL): Centrum Infrastructure and Realty Limited (CIRL) has a team of real estate professionals providing clients with in-depth sector expertise and superior transaction execution capabilities. The team has extensive real estate experience, local domain

knowledge and excellent relationships with developers, real estate private equity funds, private and public sector banks and leading corporates across India. CIRL is active in the broking business. The CIRL team is helping various corporate houses and institutions in meeting their expansion plan. Currently the team is handling land acquisition, leasing, debt syndication, joint venture structuring, stressed assets mandates in the real estate space. CIRL has consolidated its positioning in Mumbai and Delhi.

Reach

Currently, the Centrum Group has a distribution reach across 30 cities through 80 branches; direct relationship with over 500,000 HNI and retail investors. The geographical spread ensures personalized client serving.

Centrum Group of companies re-oriented their growth strategy in an environment of global economic slowdown and widespread uncertainty, and went on to detail their growth and expansion plans, both in India and overseas. Towards this end, two initiatives were executed.

- European markets presence with a foray into London - Besides an already, fully operational office in Dubai, a London office is being set up for European activities.
- USA Initiative - Centrum has spread its wings by expanding and setting up an office in New York in the United States of America. The US Office has obtained FINRA registration to act as a broker-dealer in USA.

Additionally, Centrum has continued to invest in people and retaining the best talent to further enhance the Company's position as a knowledge based solutions provider of choice. The Centrum family is now over a 1,000 member team, of which over a fifth are MBAs, CAs, CSs, CFAs and post graduates. Centrum Group also continued to invest in the right infrastructure and operating environment to harness the teams' capabilities optimally.

Centrum continues to be committed to provide a complete bouquet of products to its clients, giving

them access to excellent research, global markets for raising capital and acquisition opportunities.

4. Opportunities

Despite the current global economic downturn, long term structural advantages in India are intact and should result in sustainable volumes for the financial services industry. Changing demographics and favourable regulations will emerge as strong drivers in the long run. A larger proportion of informed individuals in the young to middle-aged category would result in a higher risk appetite compared to an ageing population and consequently should result in higher investment towards equity and equity-linked products like ULIPs, mutual funds etc.

A growing middle class and rising income levels are likely to increase the savings rate and consequently channel more investments in equities, insurance and even travel.

India's market capitalisation (m-cap) has touched USD 1.04 trillion making it the 9th largest in the world. India's share in the total world m-cap has risen to 2.79% currently. The Indian stock market has currently responded to the optimism of reforms by the new stable government and its continuity in policies. The first quarter of FY09-10 reported second highest equity brokerage turnover ever, second only to the turnover in third quarter of FY07-08. There exists a huge market potential as India moves toward financial sector reforms with greater inclusion of the retail segment and creation of new markets as regulators allow trading in new classes like currency futures, interest rate derivatives, SME equities etc.

Indian companies are expected to raise USD 4 billion to 6 billion from IPOs in the fiscal year ending March 31st, 2010.

India is the 5th largest life insurance market in the emerging insurance economies globally and the segment is growing at a healthy 32-34% annually. The insurance industry's sales rose the fastest in two years since April 2007. The country's 22 life insurance companies saw 29.5% rise in premium

collected through sale of new policies to USD 758 million in April 2009, as against USD 585 million in the corresponding period last year.

The Government is planning to ease restrictions on foreign investments in insurance, banking and pensions, and allow foreign direct investment (FDI) of 49% from the present 26%.

The 'Mallassurance' delivery channel is first of its kind in India's insurance sector, selling life and general insurance policies through all Future Group retail outlets across the country. For Future Generali Insurance, a sizeable chunk of their customers now comes through the Mallassurance route.

The Central Board of Direct Taxes (CBDT) has changed the investment pattern for recognised provident funds and superannuation trusts managed by the private sector under the income-tax rules to enable them to take a greater exposure in the stock market from April 1st, 2009.

The Government has strongly indicated that infrastructure will remain an important focus area to sustain the growth momentum in the country. Keeping this in mind, the Government is targeting an investment of USD 20.38 billion over the next two years in the infrastructure sector. The scheme aims to take up infrastructure projects under public-private partnership (PPP).

According to a recent study, India has emerged as one of the most mature forex markets out of 14 emerging markets. The study also said that despite the continuing constraints on the capital account, the Indian market has matured in several other ways. There is increasing breadth of participation, and a substantial increase in the volume of options and other derivatives being traded; the offshore non-deliverable forwards (NDF) market has also grown in liquidity and depth. Most importantly, two-way movements in the price of the rupee are now a matter of course, confirming that the domestic forex market is certainly coming of age.

A record 10.8 million Indian tourists went on a globe-trotting spree in 2008-09, the worst year of the economic slowdown, as dipping airfares and

lower hotel rates made holidays cheaper. This was one million more than the year before. Owing to positive market sentiments and some innovative marketing techniques by tour operators, this number is expected to rise by 10% this year. Travel was also boosted by the fact that India was still a growing economy — though the growth rate had slowed — while many large developed countries were actually facing negative growth.

Centrum believes that expertise and experience built over the years will enable the Group to leverage the plethora of opportunities that lie ahead.

Threats

Nations all over the world are in the midst of unprecedented times due to the current economic scenario. India too is not completely insulated from the happenings around the world. The global economic slowdown has affected all sectors of the Indian economy, reducing the rate of GDP growth. The financial industry too is affected by the prevailing global economic conditions. The next few quarters are expected to be extremely challenging with companies doing everything necessary to overcome the challenges.

Factors that may adversely affect the Indian economy and in turn the business include slowdown in GDP growth, rise in interest rates, inflation, changes in tax, fiscal and monetary policies, etc. However, these are threats faced by the industry as a whole.

Given the estimate of at least 7% growth in the economy till 2010, favourable demographics, rising per capita income, extremely low penetration of demat accounts as well as the increasing share of equity assets in household financial savings, India's value proposition remains strong for sustained long term growth. Centrum's pan-India presence, multiple product customised solutions, strong brand equity and long established relationships with every category of client, will help the Group tide over these trying times.

5. Future Outlook

The global economic outlook has improved over the past few months and major economies have come out of the recession or are poised to do so in the coming quarters. Thus in the second half of 2009 and in 2010 the developed economies would be in an expanding phase though growth rates in the coming years will be modest at 1% to 2%. India will be impacted by the slow recovery of export demand from the developed economies. However, the low risk perception and ease in fund mobilization will not recur and the slow recovery of international trade will sharpen competitive conditions for exporters. The economic and financial conditions, while not being as supportive for rapid growth of the Indian economy, as in 2006 and 2007, will also not be adverse to growth as over the last year and a half.

Over the past few years, private business has invested and expanded its productive capacity significantly in response to the increase in domestic demand. The fall in business confidence and the dislocations of the past year and a half have led to a hiatus, with firms reassessing their expectations about India's growth prospects. However, with an improvement in domestic economic conditions, it is expected that investment behaviour will pick up.

Thus given the long term prospects of the economy and the financial services sector the Group is optimistic about the future scenario. The industry turnover in FY09-10 is expected to exceed those of FY08-09 given the strong performance in the current year till date on the back of easing global concerns, stable government at the centre and improving market sentiments. This is also reflected in the stock market performance as well as more companies raising equity through Initial Public Offer as well as QIPs. Domestic equity brokerage volume reported a growth of 66% in Q1 FY09-10 on a sequential quarter on quarter basis (42% on year on year basis). The growth in Q1 FY09-10 was not driven by the derivative segment but by the cash segment which accounted for 27% of the total turnover.



Nevertheless, given the prevailing uncertainty in global markets and concerns on monsoons, experts anticipate volatility to continue for a while both in terms of stock prices and also in trading turnover. Also, other non-broking business operations like merchant banking, distribution of financial products, wealth management services continue to be under pressure in FY09-10. However, it is expected that the operating expenses of brokerage houses will remain under control with many such entities consolidating their branch network & focusing more on franchisee model, rationalizing the employee expenses, re-negotiating the lease rentals and other various cost cutting measures.

With a certain amount of uncertainty still associated with equity and banks being conservative, debt markets are expected to continue to do well. Centrum's strong relationships with both private and public sector banks and strong structuring and restructuring abilities will help to generate business in this segment.

With a turnaround in the economy, investors are returning to wealth management. Forex & travel verticals are also seeing fresh growth momentum.

6. Risk and Concerns

The financial crisis worldwide has called into question several fundamental assumptions and beliefs governing economic resilience and financial stability. What started off as turmoil in the financial sector of the advanced economies has snowballed into the deepest and most widespread financial and economic crisis impacting countries across the world. Like all emerging economies, India too has been impacted by the crisis. After clocking an annual growth of 8.9% on an average over the last five years (2003-08), the real GDP for the year 2008-09 was 6.7%.

Despite the adverse impact noted above, there are several comforting factors that have helped India weather the crisis. First, the financial markets, particularly banks, have continued to function normally. Second, India's comfortable foreign

exchange reserves provide confidence in its ability to manage the balance of payments notwithstanding lower export demand and dampened capital flows. Third, headline inflation, as measured by the wholesale price index (WPI), has declined sharply. Consumer price inflation too has begun to moderate. Fourth, because of the mandated agricultural lending and social safety-net programmes, rural demand continues to be robust.

Centrum had been successful in achieving a critical scale of operations and was thus able to sustain profitability even in a prolonged dull phase. The Company continued to upgrade the risk management systems and monitoring policies to mitigate associated risks, especially during periods of extreme market volatility. Centrum continued to move towards value added services like wealth management, portfolio management, research, margin funding, IPO funding, etc. thus diversifying the Company's earning profile to reduce concentration risk on the equity business. The Company also benefitted from a flexible cost structure which helped protect its profitability in a market downturn.

With a turnaround in the economy in the past few months, increasing competition is expected from other financial services houses. Thus protecting clientele in a highly competitive and fragmented financial sector is becoming a challenge. Centrum is one of India's leading financial services house. It has an extensive reach all over the country. The Company's strengths viz. strong and proven business model, sound financials, extensive reach, well-equipped infrastructure, strong back-end processes, long term relationships with clients and an experienced management team, give it a significant edge over its competitors.

Finally, regulatory risk could impact the earning profile and bring structural changes in the industry. But this risk is faced by the industry as a whole and given the indications from the current Government; reforms which could negatively impact the industry are not likely.



7. Internal Control and their adequacy

Effective governance consists of competent management, implementation of standard policies and processes, maintenance of an appropriate audit program with internal control environment, effective risk monitoring and management information systems. The Company has formulated the framework for regulatory and risk management, standardizing the definition of internal controls, a control-based environment and activities and a monitoring mechanism for the internal control and its adequacy.

The Company has independent Internal Auditors for conducting internal audits of the Internal Controls systems, financial reporting of various transactions, and efficiency of operations and compliance with relevant laws and regulations commensurate with its size and nature of business. The Company also has a well-defined system of management reporting and periodic review of businesses to ensure timely decision-making.

The Management of the Company duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Independent Audit Committee of the Board of Directors.

8. Discussion on Financial Performance

Income: The Company recorded a total income of Rs. 729.18 million, as compared to Rs. 530.08 million for the previous year, an increase of 37.55%.

EBIDTA: The Company's EBIDTA stood at Rs. 365.29 million against Rs. 295.08 million in 2007-08, an increase of 23.80%.

PAT: The Profit After Tax (PAT) of the company for the year 2008-09 was Rs. 162.22 million.

The Company is on a steady growth trajectory and is well poised to consistently deliver a robust financial performance, thereby enhancing shareholder's value.

9. Human Resources

Centrum has continued to invest in people and retaining the best talent to further enhance

Centrum's position as knowledge based finance solutions provider of choice. The Company believes that the ultimate identity and success of Centrum will reside in the exceptional quality of the people and their extraordinary efforts. For this reason, Centrum is committed to hiring, developing, motivating and retaining the best people in the industry. In order for the Company to continue to maintain current high standards of human capital through disciplined hiring, it has put in place a well documented recruitment and performance policy. Individual Performance Management systems are being implemented to encourage merit and enhance innovative thinking among its employees and facilitate principles such as independence, accountability, responsibility, transparency, fair and timely reporting systems. Centrum also recognizes the importance of providing training and development opportunities for its people to enhance their skills and experience, which, in turn, enable the company to achieve its business objectives. Centrum believes in adopting and adhering to the best recognized HR practices and continuously benchmarking itself against each such practice. The numbers of employees in the Centrum fold are over 1000.

10. Cautionary Statement

This report contains several forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, dependence on availability of qualified and trained manpower, economic conditions, government policies and other factors. Actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto.

By and on behalf of Board

T. R. Madhavan **K. V. Krishnamurthy**
Managing Director **Director**
Mumbai
September 30, 2009

Corporate Governance Report

(As required under Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Limited)

A. PHILOSOPHY OF CORPORATE GOVERNANCE:

Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long term shareholders' value while safeguarding the interest of all stakeholders. The Company is committed to adhere to the code of corporate governance as it means adoption of best business practices aimed at growth of the Company coupled with bringing benefits to investors, customers, creditors, employees and the society at large.

The objective of the Company is not just to meet the statutory requirements of the Code of Corporate Governance as prescribed under Clause 49 of the Listing Agreement but, to develop such systems and follow such practices and procedures to satisfy the spirit of law.

In accordance with clause 49 of the listing agreement with Bombay Stock Exchange Limited and best practices followed in corporate governance, the details of compliance by the Company are mentioned hereunder.

B. BOARD OF DIRECTORS:

a. Composition of the Board:

As at June 30, 2009, the Board of Directors of the Company has an optimum combination of executive and non-executive directors with not less than half of the Board of Directors comprising of non-executive independent Directors. As the Chairman of the Board is a non-executive director and related to the promoter Company, one-half of the Board comprises of independent directors, which is in conformity with clause 49 of the Listing Agreement.

The present strength of the Board of Directors of the Company is 12 Directors. The Board of Directors consists of 1 Managing Director, 1 Whole Time Director, 4 Non-Executive Directors and 6 Independent Non-Executive Directors. The Board reviews and approves the strategy and oversees the actions and results of management to ensure that the long term objectives are achieved.

b. Meetings of the Board:

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the details of the Directorship (excluding Private Limited, Foreign Company and Companies under section 25 of the Companies Act, 1956), Chairmanship and the Committee Memberships held by Directors as on June 30, 2009, are given below:

| Name of Directors | Category | No. of Board Meetings attended during 2008-09 | Whether attended last AGM held on 29.12.2008 | No. of outside Director ships | No. of Committee positions held (including in Company)* | |
|---------------------|----------------------------|---|--|-------------------------------|---|----------|
| | | | | | Member | Chairman |
| Mr. Chandir Gidwani | Non – Executive, Chairman | 5 | No | 2 | 2 | 1 |
| Mr. Berjis M. Desai | Independent, Non executive | NIL | No | 7 | 7 | 2 |
| Mr. P. G. Kakodkar | Independent, Non executive | 1 | No | 10 | 7 | 2 |

| Name of Directors | Category | No. of Board Meetings attended during 2008-09 | Whether attended last AGM held on 29.12.2008 | No. of outside Director ships | No. of Committee positions held (including in Company)* | |
|-------------------------|----------------------------|---|--|-------------------------------|---|----------|
| | | | | | Member | Chairman |
| Mr. K. V. Krishnamurthy | Independent, Non-executive | 5 | Yes | 10 | 10 | 3 |
| Mr. Manmohan Shetty | Independent, Non-executive | 2 | No | 6 | 1 | - |
| Mr. Ibrahim Belsalah | Independent, Non-executive | Nil | No | - | - | - |
| Mrs. M. K. Byramjee | Non executive | Nil | No | - | - | - |
| Mr. Rishad Byramjee | Non-executive | Nil | No | 1 | 3 | - |
| Mr. Sameer Sain | Independent, Non-executive | Nil | No | 7 | 1 | - |
| Mr. Dhanpal Jhaveri | Non executive | 4 | No | 5 | 3 | - |
| Ms. Sonia Gidwani | Whole Time Director | 3 | No | - | - | - |
| Mr. T. R. Madhavan | Managing Director | 5 | Yes | 6 | 2 | 2 |

*Member includes Chairman. Only Membership and Chairmanship of Audit Committee and Shareholders / Investors Grievances Committee are considered.

Five Board Meetings were held during the year 2008-09 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

August 22, 2008

September 30, 2008

October 31, 2008

January 30, 2009

April 30, 2009

c. Code of Conduct:

The Company adopted the code of conduct and ethics for Directors and Senior Management. The code has been circulated to all the members of the Board and Senior Management and the same has been put on the Company's website www.centrum.co.in. The Board of Directors and senior management have affirmed their compliance with the code of conduct.

C. AUDIT COMMITTEE:

- The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited read with section 292A of the Companies Act, 1956.
- The terms of reference of the Audit Committee are broadly as under:
 - Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - ❖ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - ❖ Changes, if any, in accounting policies and practices and reasons for the same;
 - ❖ Major accounting entries involving estimates based on the exercise of judgment by management;
 - ❖ Significant adjustments made in the financial statements arising out of audit findings;
 - ❖ Compliance with listing and other legal requirements relating to financial statements;
 - ❖ Disclosure of any related party transactions;
 - ❖ Qualifications in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management the statement of uses / application of fund raised through an issue.
- Reviewing with the management performance of statutory and internal

auditors, and adequacy of the internal control systems.

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Generally all items listed in Clause 49 II D of the Listing Agreement are covered in the terms of reference. The Audit committee has been granted powers as prescribed under Clause 49 II C of the Listing Agreement.

3. Composition of the Audit Committee:

The Audit Committee of the Company comprises of following directors:-

- (1) Mr. K. V. Krishnamurthy, Chairman of the Committee with financial and accounting knowledge
- (2) Mr. Manmohan Shetty
- (3) Mr. P. G. Kakodkar
- (4) Mr. Rishad Byramjee

The Company Secretary of the Company acts as Secretary of the Committee.

4. Meetings and attendance during the year:

During the year the Audit Committee met five times and required members were present in the meetings held on:

- August 22, 2008
- September 30, 2008
- October 30, 2008
- January 30, 2009
- April 30, 2009.

D. REMUNERATION/ COMPENSATION COMMITTEE:

The Committee is authorized to determine and approve the remuneration package for any Executive and Non-Executive Directors of the Company and to deal in such other matters as the Board may from time to time request the committee to examine and recommend/approve and perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines")

The Remuneration Committee comprises of following directors:

- (1) Mr. K. V. Krishnamurthy (Chairman)
- (2) Mr. Manmohan Shetty
- (3) Mr. P. G. Kakodkar
- (4) Mr. Rishad Byramjee

During the year the Remuneration Committee met once on August 21, 2008 and required members were present at the aforesaid meeting.

Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. Individual performance pay is determined by business performance and the performance of individuals measured through the annual appraisal process. The company pays remuneration by way of salary, benefits, perquisites, allowances (fixed component) and commission/ incentives (variable component).

Details of remuneration of Directors (for year ended June 30, 2009):

(i) Executive Director's Compensation

The aggregate value of salary and perquisites including commission paid for the year ended June 30, 2009 to the Managing Director and Whole Time Director is as follows:

Mr. T. R. Madhavan, Managing Director, Rs.58.64 Lacs (Salary 45.96 lacs, PF 2.06 Lacs, Medical 0.19 Lacs, Perquisites 9.19 Lacs and LTA 1.24 Lacs) and Ms. Sonia Gidwani, Whole Time Director, Rs.50.17 Lacs (Salary). The Managing Director will be entitled to a discretionary bonus, as may be decided by the Board of Directors. The Company has not granted any stock option to any of its Directors.

The tenures of the office of Mr. T. R. Madhavan, Managing Director and Ms. Sonia Gidwani, Whole Time Director of the Company are for a period of 3 years from the date of their appointment i.e. September 2, 2008 and July 28, 2007, respectively, and can be terminated by either party by giving one calendar month notice in writing. There is no separate provision for the payment of severance fees.

(ii) Non-Executive Director's Compensation:

Non-Executive Directors of the Company are entitled only to sitting fees for the meeting of

Board of Directors and/or Committee meeting attended by them. No other payment is being made to them. The Company pays sitting fees of Rs.20,000/- per meeting to Non-Executive Directors for attending meetings of the Board and/or its Committee.

The details of the sitting fees paid to the Non-Executive Directors during the year ended on June 30, 2009:

| Sr. No. | Name of the Director | * Sitting Fees (Rs.) |
|---------|-------------------------|----------------------|
| 1 | Mr. Chandir Gidwani | 1,00,000/- |
| 2 | Mr. Berjis Desai | NIL |
| 3 | Mr. K. V. Krishnamurthy | 1,40,000/- |
| 4 | Mrs. M. K. Byramjee | NIL |
| 5 | Mr. Rishad Byramjee | NIL |
| 6 | Mr. Manmohan Shetty | 80,000/- |
| 7 | Mr. P. G. Kakodkar | 20,000/- |
| 8 | Mr. Ibrahim Belsalah | NIL |
| 9 | Mr. Sameer Sain | NIL |
| 10 | Mr. Dhanpal Jhaveri | 80,000/- |

* Sitting fees include payments for the Board appointed Committee meetings also.

E. SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE:

This Committee comprises of three Directors viz.

- (1) Mr. Berjis Desai (Chairman of the Committee)
- (2) Mr. Chandir Gidwani
- (3) Mr. Rishad Byramjee

The Committee functions with the objective of looking into redressal of Shareholders/ Investors grievances relating to non-receipt of dividend, non-receipt of Annual Report, delay in transfer or transmission of shares, and cases of refusal of transfer or transmission of shares etc.

The Company has appointed M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) as the Registrar and Share Transfer Agent. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends

measures for overall improvement in the quality of investor services. The Company and Registrars have not received any complaint during the year ended on June 30, 2009.

The Company has appointed Mr. Gajendra Thakur, Company Secretary as Compliance officer of the Company. In compliance with Clause 47(f) of the Listing Agreement, the Company has designated the following email id for registering the complaints of the investors.

cs@centrum.co.in

F. GENERAL BODY MEETINGS:

Particulars of Annual General Meeting held during the last three years and details of the special resolutions passed thereat:

| General Meeting | Day, Date and Time | Venue | Special Resolutions passed there at |
|------------------------|---|--|-------------------------------------|
| Annual General Meeting | Friday, December 29, 2006 at 5.00 p.m. | Bombay Mutual Building, 2nd Floor, Dr. D. N. Road, Fort, Mumbai - 400 001 | 2 |
| Annual General Meeting | Monday, December 31, 2007 at 5.00 p.m. | Bombay Mutual Building, 2nd Floor, Dr. D. N. Road, Fort, Mumbai - 400 001 | 1 |
| Annual General Meeting | Monday, December 29, 2008 at 10.30 a.m. | Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098 | 3 |

During the financial year 2008-09, the Company has not passed any special resolution by postal ballot process and as of now there is no special resolution proposed to be conducted through Postal Ballot.

G. DISCLOSURES:

a. Related Party Transactions

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company has entered into related party transactions as set

out in the notes to accounts, which are not likely to have any conflict with the interests of the Company at large.

b. No Penalty or strictures

During the last three years/period, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

c. Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

d. Disclosures on Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimisation procedures. These procedures have been periodically reviewed to ensure that the executive management controls the risk through properly defined framework. The risk management issues are discussed in the Management Discussion & Analysis Report.

e. Proceeds of Preferential Issue

The details of utilization of proceeds raised through preferential issue of equity shares are disclosed to the Audit Committee and in the Balance Sheet. The Company has not utilized these funds for purposes other than those stated in the notice convening the General Meeting.

f. Management

- (i) A Management Discussion and Analysis report forms part of the annual report and includes discussions on various matters specified under clause 49 of the Listing Agreement.
- (ii) No material transaction has been entered into by the Company with the Promoters, Directors or the Senior Management of the Company that may have a potential conflict with the interests of the Company.

g. Shareholders

- (i) The information as required under Clause 49 of the Listing Agreement, relating to the Directors retiring by rotation at the ensuing Annual General Meeting of the Company, is furnished as a part of the notice convening the Annual General Meeting.
- (ii) The mandatory as also various additional information of interest to the shareholders is furnished in various other sections of the Annual Report.

h. CEO/CFO Certification

In accordance with the Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, a certificate from the Managing Director & the Chief Financial Officer was placed before the Board.

i. Report on Corporate Governance

The Corporate Governance Report forms part of the Annual Report. The Company has fully complied with the provisions of Clause 49 of the Listing Agreement.

j. Compliance

- (i) Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed to the Director's Report and forms part of the Annual Report
- (ii) The Company has complied with all the mandatory requirements and has adopted following non-mandatory requirements of the Clause 49 of the Listing Agreement:

a. Chairman of the Board

The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities. No



specific tenure has been specified for the Independent Directors. However, they are liable to retire by rotation and seek re-appointment by the Members.

b. Remuneration Committee

The Board has set up a Remuneration/Compensation Committee details whereof are furnished at Clause D of this Report.

c. Training of Board members

The Board members are also provided with the necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, business environment, business strategy and risks involved.

H. MEANS OF COMMUNICATION:

The quarterly/annual financial results are regularly submitted to the Bombay Stock Exchange Limited in accordance with the Listing Agreement with the Bombay Stock Exchange Limited and published in one English daily newspaper and in a regional language newspaper.

I. GENERAL SHAREHOLDER INFORMATION:

a. AGM : December 31st, 2009 at 10.30 a.m. at Centrum House, C.S.T. Road, Vidyanageri Marg, Kalina, Santacruz (East), Mumbai – 400 098

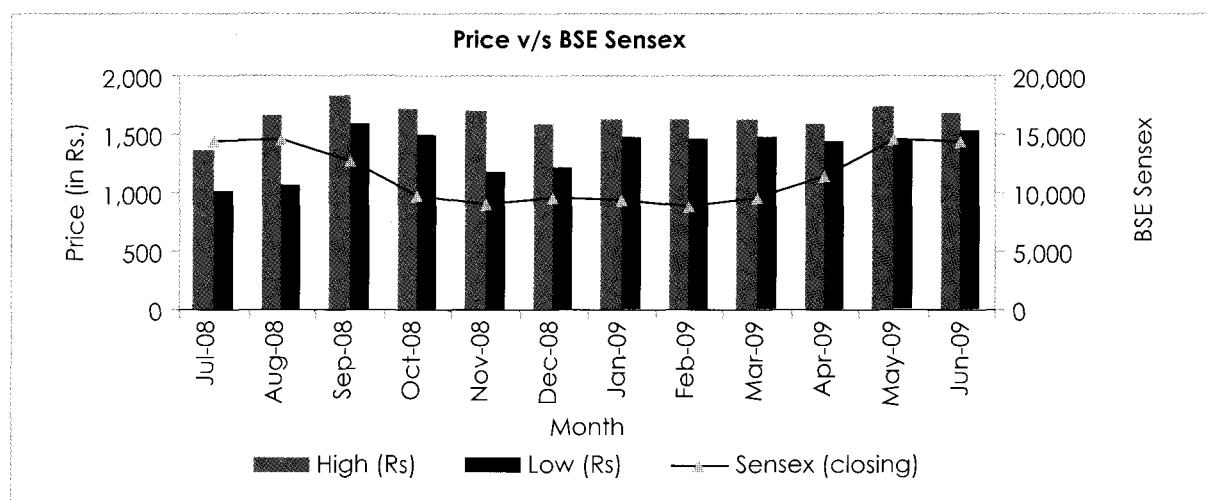
- b. Financial year : July 1 to June 30
- c. Date of Book Closure : December 24, 2009 to December 31, 2009
- d. Dividend Payment Date : within 30 days of the AGM
- e. Listing on Stock : Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.
- f. Stock code : 501150
- g. Market Price Data :

Share prices of the Company for the period July 2008 to June 2009

| Date | High (Rs.) | Low (Rs.) |
|-----------------|-------------|------------|
| July, 2008 | 1370.00 | 1021.30 |
| August, 2008 | 1675.00 | 1081.00 |
| September, 2008 | 1839.00 | 1600.00 |
| October, 2008 | 1719.00 | 1492.00 |
| November, 2008 | 1697.00 | 1180.70 |
| December, 2008 | 1599.00 | 1225.00 |
| January, 2009 | 1625.00 | 1480.00 |
| February, 2009 | 1632.75 | 1455.15 |
| March, 2009 | 1627.35 | 1472.45 |
| April, 2009 | 1600.00 | 1443.10 |
| May, 2009 | 1732.00 | 1471.60 |
| June, 2009 | 1690.00 | 1535.00 |



Performance of share price in comparison with broad based index, viz; BSE Sensex



h. Registrar and Transfer Agents:

Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited)
 C-13 Pannalal silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078.
 Tel. No. 022 - 25963838; Fax No.: 022 - 25672693

i. Share Transfer System:

Shares lodged for transfer at the Registrar's address are normally processed within 21 days from the date of lodgement, and requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days from the date of lodgement, if the documents are clear in all respect.

The Company Secretary who is also the Compliance Officer verifies the transfer register sent by the Registrar. Investors grievances, if any, are resolved by the Compliance Officer, failing which, they would be referred to the Shareholders/Investors Grievance Committee.

j. Categories of Shareholding as on June 30, 2009:

| | Category | No. of shares Held | Percentage of Shareholding |
|----------|---|--------------------|----------------------------|
| A | Promoter's holding | | |
| 1 | Promoters | | |
| | - Indian Promoters | 2303150 | 33.73 |
| | - Foreign Promoters | Nil | Nil |
| 2 | Persons acting in Concert | Nil | Nil |
| | Sub-Total | 2303150 | 33.73 |
| B | Non-Promoters Holding | | |
| 3 | Institutional Investors | Nil | Nil |
| a | Mutual Fund and UTI | | |
| b | Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions) | | |
| c | FIs | | |
| | Sub-Total | Nil | Nil |

| | Category | No. of shares Held | Percentage of Shareholding |
|---|-----------------------------|--------------------|----------------------------|
| 4 | Others | | |
| a | Corporate Bodies | 2867402 | 41.99 |
| b | Indian Public | 226601 | 3.32 |
| c | NRIs | 11 | - |
| d | Foreign Companies | 1020158 | 14.94 |
| e | Centrum ESPS Trust | 409686 | 6.00 |
| f | Any other (Clearing Member) | 88 | - |
| g | Any other (NRN) | 1000 | 0.01 |
| | Sub-Total | 4524946 | 66.27 |
| | GRAND TOTAL | 6828096 | 100.00 |

k. Distribution of Shareholding as on June 30, 2009:

| Shareholding of Shares | Shareholders | | Shares / Amount | | |
|------------------------|--------------|-----------------|-----------------|-----------------|-----------------|
| | Number | % of Total | No. of Shares | Rupees | % of Total |
| 1 - 5000 | 238 | 82.6389 | 21964 | 219640 | 0.3217 |
| 5001 - 10000 | 18 | 6.2500 | 13002 | 130020 | 0.1904 |
| 10001 - 20000 | 7 | 2.4306 | 9530 | 95300 | 0.1396 |
| 20001 - 30000 | 3 | 1.0417 | 7500 | 75000 | 0.1098 |
| 30001 - 40000 | 2 | 0.6944 | 6900 | 69000 | 0.1011 |
| 40001 - 50000 | 2 | 0.6944 | 9650 | 96500 | 0.1413 |
| 50001 - 100000 | 6 | 2.0833 | 54000 | 540000 | 0.7909 |
| 100001 - Above | 12 | 4.1667 | 6705550 | 67055500 | 98.2053 |
| TOTAL | 288 | 100.0000 | 6828096 | 68280960 | 100.0000 |

l. Dematerialization of shares:

The shares of the Company are available for dematerialization and Agreements have been signed with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). Around 90% of the Company's shares are held in dematerialized mode. Trading in dematerialized form is compulsory for all investors. The Company (through its Registrar and Share Transfer Agents) provides the facility of simultaneous transfer and dematerialization of shares and has confirmed the same to NSDL and CDSL.

m. Address of Correspondence:

1. To the Company:

Registered Office:

Bombay Mutual Building,
2nd Floor, Dr. D. N. Road,
Fort, Mumbai - 400 001.
Tel No. : 022 - 22662434;
Fax No.: 022 - 22611105
Email : info@centrum.co.in
cs@centrum.co.in

Corporate Office:

Centrum House, C.S.T. Road,
Vidyanagari Marg, Kalina, Santacruz (East),
Mumbai - 400 098.
Tel No.: 022 - 42159000
Fax No.: 022 - 42159533

2. Registrar and Share Transfer Agent:

Link Intime India Private Limited
(Formerly known as Intime Spectrum Private Limited)
Unit: Centrum Capital Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (W), Mumbai - 400 078.
Tel: 022 - 25963838
Fax: 022 - 25672693
Email: isrl@intimespectrum.com

By and on behalf of Board

T. R. Madhavan **K. V. Krishnamurthy**
Managing Director **Director**

Mumbai
September 30, 2009

Certification by the Managing Director and CFO of the Company

We, T. R. Madhavan, Managing Director and Himanshoo Bohara, Chief Financial Officer of Centrum Capital Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended on June 30, 2009;
- b. These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- c. These statements together present a true and fair view of the Company, and are in compliance with the existing accounting standards and/or applicable laws/regulations;
- d. There were, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- e. We are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company and the auditors, the Audit Committee and we have not come across any deficiencies in the design or operation of internal controls during the financial year;
- f. There were no instances of any fraud involving management or employees having a significant role in the Company's internal systems;
- g. There were no significant changes in internal control and/or of accounting policies during the year;
- h. We have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct);
- i. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For Centrum Capital Limited

T. R. Madhavan
Managing Director

Himanshoo Bohara
Chief Financial Officer

Mumbai
September 30, 2009

Auditors' Certificate

To,

The Members of Centrum Capital Limited

We have examined the compliance of conditions of corporate governance by, Centrum Capital Limited for the year ended on June 30, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. R. Batliboi & Co.

Chartered Accountants

per Shrawan Jalan

Partner

Membership No.: 102102

Place: Mumbai

Date: September 30, 2009

Auditors' Report

To,

The Members of Centrum Capital Limited

1. We have audited the attached Balance Sheet of Centrum Capital Limited ('the Company') as at June 30, 2009 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on June 30, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at June 30, 2009;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Balliboi & CO.

Chartered Accountants

per Shrawan Jalan

Partner

Membership No.: 102102

Place: Mumbai

Date: September 30, 2009

Annexure referred to in paragraph 3 of our report of even date

Re: Centrum Capital Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed in such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The stock of bonds and securities have been confirmed by the management with the holding statement provided by the Depository Participants (DP) at reasonable intervals. In our opinion the frequency of such verification is reasonable.
- (b) All the stock of bonds and securities are held in dematerialized form thus physical verification is not applicable. The procedures followed by the management for periodic verification of stock of bonds and securities with the demat statement are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loan to one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 3.40 crores and the year-end balance of loans granted was Rs. 3.40 crores.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) The loans granted are re-payable on demand. As informed, the Company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company had taken loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 8.4 crores and the year-end balance of loans taken was Rs. NIL.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.


- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, employees' state insurance and wealth-tax have been regularly deposited with appropriate authorities. Undisputed statutory dues relating to investor education and protection fund, income-tax and service tax have *not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious*. The provisions relating, sales-tax, customs duty and excise duty and cess are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. Undisputed dues in respect of profession tax and investor education and protection fund which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

| Name of the statute | Nature of the dues | Amount (Rs.) | Period to which the amount relates | Due Date | Date of Payment |
|--|--------------------|--------------|------------------------------------|--|--------------------|
| Profession Tax Officer | Profession tax | 86,812 | 2006-08 | 15 days from the end of the month in which it is payable | Not yet paid |
| Investor education and protection fund | Dividend payable | 10,251 | 1999-2000 | March 10, 2008 | September 15, 2009 |

- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax and cess which have not been deposited on account of any dispute. The service tax dues outstanding on account of dispute are as follows:

| Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|--|---------------------|--------------|------------------------------------|--|
| The Finance Act, 1994 (Service tax provisions) | Service tax payable | 1,477,923 | 2002-2006 | Additional Commissioner of Service tax |

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

- 
-
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 - (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 - (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.
 - (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
 - (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
 - (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
 - (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
 - (xix) The Company did not have any outstanding debentures during the year.
 - (xx) The Company has not raised any money through a public issue during the year.
 - (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & CO.

Chartered Accountants

per Shrawan Jalan

Partner

Membership No.: 102102

Place: Mumbai

Date: September 30, 2009

Balance Sheet as at June 30, 2009

Rupees

| | Schedule | June 30, 2009 | June 30, 2008 |
|--|----------|----------------------|---------------|
| SOURCES OF FUNDS | | | |
| Shareholder's Funds | | | |
| Share capital | 1 | 68,280,960 | 68,280,960 |
| Reserves and surplus | 2 | 1,914,124,365 | 1,759,892,871 |
| | | 1,982,405,325 | 1,828,173,831 |
| Loan Funds | | | |
| Secured loans | 3 | 150,292,333 | 136,397,379 |
| Unsecured loans | 4 | 338,356,309 | 262,610,453 |
| | | 488,648,642 | 399,007,832 |
| Deferred Tax Liability | | 23,354,123 | 201,710 |
| Total | | 2,494,408,090 | 2,227,383,373 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | 5-A | 342,197,258 | 290,867,956 |
| Less : Accumulated Depreciation/Amortisation | | 77,402,750 | 44,758,228 |
| Net Block | | 264,794,508 | 246,109,728 |
| Intangible Assets | 5-B | 5,125,673 | 658,338 |
| Investments | 6 | 904,997,043 | 1,318,691,155 |
| Current Assets, Loans and Advances | | | |
| Inventories | 7 | 11,466,322 | 14,469,864 |
| Sundry debtors | 8 | 393,667,736 | 361,907,846 |
| Cash and bank balances | 9 | 153,276,366 | 96,716,749 |
| Loans and advances | 10 | 876,298,902 | 321,751,447 |
| Interest accrued but not due | | 23,291,653 | - |
| | (A) | 1,458,000,979 | 794,845,906 |
| Less : Current Liabilities and Provisions | 11 | | |
| Current liabilities | | 127,188,938 | 54,471,218 |
| Provisions. | | 11,321,175 | 78,450,536 |
| | (B) | 138,510,113 | 132,921,754 |
| Net Current Assets | (A - B) | 1,319,490,866 | 661,924,152 |
| Total | | 2,494,408,090 | 2,227,383,373 |
| Notes to Accounts | 16 | | |

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For S.R.Batliloi & Co.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. : 102102

Place : Mumbai
Date: September 30, 2009

For and on behalf of Board of Directors
of Centrum Capital Limited

T. R. Madhavan
Managing Director

Himanshoo Bohara
Chief Financial Officer

Place : Mumbai
Date: September 30, 2009

K. V. Krishnamurthy
Director

Gajendra Thakur
Company Secretary

Profit and Loss Account for the year ended June 30, 2009

Rupees

| | Schedule | June 30, 2009 | June 30, 2008 |
|--|----------|--------------------|---------------|
| INCOME | | | |
| Syndication Fees, Brokerage & Commission (TDS Rs. 53,627,957/- Previous Year Rs. 26,519,842/-) | | 500,139,506 | 546,040,188 |
| Less : Service tax | | 51,023,563 | 60,066,365 |
| | | 449,115,943 | 485,973,823 |
| Trading in Bonds (net) | | 197,753,426 | 32,716,538 |
| Other Income | 12 | 82,313,391 | 11,394,157 |
| Total | | 729,182,760 | 530,084,518 |
| EXPENDITURE | | | |
| Personnel expenses | 13 | 162,557,497 | 94,102,422 |
| Operating and other expenses | 14 | 201,334,985 | 140,906,977 |
| Financial expenses | 15 | 46,522,342 | 16,945,511 |
| Depreciation/amortization | | 35,781,408 | 9,113,117 |
| Total | | 446,196,232 | 261,068,027 |
| Profit before tax, and prior period items | | 282,986,528 | 269,016,491 |
| Less : Provision for tax | | | |
| - Current tax [including provision for tax for earlier years Rs.6,258,436/- (previous year Rs.257,040/-)] | | 95,415,353 | 67,257,040 |
| - Wealth tax | | 295,000 | 225,000 |
| - Deferred tax charge / (credit) (Refer Note 14 of Schedule 16) | | 23,152,413 | (1,248,389) |
| - Fringe benefit tax | | 1,903,737 | 1,872,557 |
| | | 120,766,503 | 68,106,208 |
| Profit after tax | | 162,220,025 | 200,910,283 |
| Balance brought forward from previous year | | 363,594,590 | 170,672,838 |
| Profit available for appropriation | | 525,814,615 | 371,583,121 |
| Appropriations | | | |
| Proposed dividend | | 6,828,096 | 6,828,096 |
| Tax on dividend | | 1,160,435 | 1,160,435 |
| Surplus carried to Balance Sheet | | 517,826,084 | 363,594,590 |
| Basic and diluted earnings per share of Rs.10/- each (Refer Note 16 of Schedule 16) | | 23.76 | 34.43 |
| Notes to Accounts | 16 | | |

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

**For S.R.Batliloi & Co.
Chartered Accountants**

**per Shrawan Jalan
Partner
Membership No. : 102102**

**Place : Mumbai
Date: September 30, 2009**

**For and on behalf of Board of Directors
of Centrum Capital Limited**

**T. R. Madhavan
Managing Director**

**Himanshoo Bohara
Chief Financial Officer**

**Place : Mumbai
Date: September 30, 2009**

**K. V. Krishnamurthy
Director**

**Gajendra Thakur
Company Secretary**

Cash Flow Statement for the year ended June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|----------------------|-----------------|
| A. Cash flow from operating activities | | |
| Net profit before taxation | 282,986,528 | 269,016,491 |
| Adjustments for: | | |
| Depreciation/amortisation | 35,781,408 | 9,113,117 |
| Loss on sale of fixed assets | 697,803 | 191,428 |
| Write back of provisions | (286,993) | - |
| Profit on sale of Shares | (2,421,873) | (4,584,994) |
| Profit on redemption of mutual fund | (680,746) | - |
| Interest income | (54,959,588) | (895,662) |
| Dividend from shares | (370,656) | (426,673) |
| Dividend from mutual fund | (23,024,293) | (5,260,874) |
| Bad debts written off | 18,794,678 | 3,675,612 |
| Provision for doubtful debts | 8,400,993 | - |
| Interest expense | 45,540,765 | 15,630,091 |
| | 27,471,498 | 17,442,045 |
| Operating profit before working capital changes | 310,458,026 | 286,458,536 |
| Movements in working capital : | | |
| Decrease / (Increase) in sundry debtors | (58,955,560) | (159,488,498) |
| Decrease / (Increase) in inventories | 3,003,542 | (14,276,557) |
| Decrease / (Increase) loans and advances | (542,343,668) | (194,905,664) |
| Increase / (Decrease) in creditors & other liability | 65,091,151 | 9,544,436 |
| | (533,204,535) | (359,126,283) |
| Cash used in operations | (222,746,509) | (72,667,747) |
| Direct taxes paid (including tax deducted at source and fringe benefit tax) | (167,955,996) | (45,117,725) |
| Net cash used in operating activities | (390,702,505) | (117,785,472) |
| B. Cash flows from investing activities | | |
| Purchase of fixed assets | (50,713,070) | (228,562,001) |
| Proceeds from sale of fixed assets | 863,378 | 94,999 |
| Purchase of investments (including dividend reinvestment) | (3,688,148,160) | (1,510,365,549) |
| Proceed from sale of investment in subsidiaries | - | 10,000,000 |
| Deposits with other companies | (5,000,000) | (39,000,000) |
| Investment in subsidiaries | (38,303,175) | (14,500,000) |
| Investment in Joint Ventures/Associates | (501,998,270) | (101,397,000) |
| Sale proceeds from investments | 4,645,646,387 | 558,870,024 |
| Interest received | 27,545,242 | 217,103 |
| Dividends received from shares | 370,656 | 426,673 |
| Dividends received from mutual fund | 23,024,293 | 5,260,874 |
| Net cash from / (used) in investing activities | 413,287,281 | (1,318,954,877) |

Cash Flow Statement for the year ended June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|--|------------------------|-----------------|
| C. Cash flows from financing activities | | |
| Proceeds from issuance of share capital | - | 1,204,476,840 |
| Proceeds from long-term borrowings | 18,468,598 | 683,492,386 |
| Repayment of long-term borrowings | (232,269,174) | (404,936,579) |
| Proceeds from short-term borrowings | 9,911,240,000 | 9,088,145,678 |
| Repayment of short-term borrowings | (9,615,269,764) | (9,024,936,231) |
| Interest paid | (40,206,288) | (13,493,470) |
| Dividend paid | (6,828,096) | (5,735,600) |
| Tax on dividend paid | (1,160,435) | (974,765) |
| Net cash from financing activity | 33,974,841 | 1,526,038,259 |
| NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS | 56,559,617 | 89,297,910 |
| CASH AND CASH EQUIVALENTS | | |
| AS AT THE BEGINNING OF THE YEAR | | |
| Cash in Hand including foreign currencies | 8,929,136 | 4,079,912 |
| Balance with Scheduled Banks-Current Accounts | 84,037,996 | 2,217,256 |
| Debit Balance with other Banks-O/D A/c | 1,549,801 | - |
| Balance with other Banks-Current Accounts | 2,199,816 | 1,121,671 |
| Total | 96,716,749 | 7,418,839 |
| AS AT THE END OF THE YEAR | | |
| Cash in Hand including foreign currencies | 6,233,627 | 8,929,136 |
| Balance with Scheduled Banks-Current Accounts | 145,098,572 | 84,037,996 |
| Debit Balance with other Banks-O/D A/c | 181,110 | 1,549,801 |
| Balance with other Banks-Current Accounts | 1,763,057 | 2,199,816 |
| Total | 153,276,366 | 96,716,749 |
| | 56,559,617 | 89,297,910 |

The above cash flow statements have been prepared under the indirect method setout in Accounting Standard (AS)-3, 'Cash Flow Statement' notified pursuant to the Companies (Accounting Standards) Rules, 2006 .

As per our report of even date

**For S.R.Batliloi & Co.
Chartered Accountants**

per Shrawan Jalan
Partner
Membership No. : 102102

Place : Mumbai
Date: September 30, 2009

**For and on behalf of Board of Directors
of Centrum Capital Limited**

**T. R. Madhavan
Managing Director**

**Himanshoo Bohara
Chief Financial Officer**

Place : Mumbai
Date: September 30, 2009

**K. V. Krishnamurthy
Director**

**Gajendra Thakur
Company Secretary**

Schedules forming part of the Balance Sheet as at June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|----------------------|---------------|
| Schedule 1 | | |
| Share capital | | |
| Authorised | | |
| 10,000,000 (Previous year 10,000,000) equity shares of Rs.10/- each | 100,000,000 | 100,000,000 |
| Issued, Subscribed and Paid-Up | | |
| 6,828,096 Equity Shares (Previous year: 6,828,096) of Rs.10/- each fully paid-up | 68,280,960 | 68,280,960 |
| Of the above equity shares: | | |
| (a) 3,254,000 equity shares were allotted as bonus shares in the year 2000-01 by capitalisation of reserves. | 32,540,000 | 32,540,000 |
| (b) 409,686 were allotted by way of preferential allotment in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 to Centrum ESPS Trust on May 17, 2008 | 4,096,860 | 4,096,860 |
| (c) 682,810 were allotted by way of preferential allotment in terms of SEBI (Disclosure & Investor Protection) Guidelines 2000 to Indivision India Partners on June 5, 2008 | 6,828,100 | 6,828,100 |
| Schedule 2 | | |
| Reserves & Surplus | | |
| Capital Reserve | | |
| (Gift of 525,000 equity shares of Rap Media Limited) | 1 | 1 |
| General Reserve | | |
| | 2,770,000 | 2,770,000 |
| Securities Premium Account | | |
| Balance as per last account | 1,393,528,280 | 199,976,400 |
| Add : Received during the year | - | 1,193,551,880 |
| | 1,393,528,280 | 1,393,528,280 |
| Profit & Loss Account | | |
| | 517,826,084 | 363,594,590 |
| | 1,914,124,365 | 1,759,892,871 |

Schedules forming part of the Balance Sheet as at June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|--------------------|--------------------|
| Schedule 3 | | |
| Secured Loans | | |
| Loans and advances from banks | | |
| Vehicle Loans | | |
| (a) From Bank (Secured by hypothecation of vehicles) | 13,392,376 | 12,188,140 |
| (b) From Others (Secured by hypothecation of vehicles) | 533,334 | 872,412 |
| Overdraft / cash credit facilities | | |
| (a) The Federal Bank Limited (Secured by pledge of Government securities) | 3,453,819 | 5,959,187 |
| (b) The Lakshmi Vilas Bank Limited (Secured by pledge of bonds) | 4,140,776 | 14,340,700 |
| (c) The Federal Bank Limited (Secured against Fixed Deposits kept with the bank) | 74,169,308 | - |
| Term Loan | | |
| (a) The Federal Bank Limited (Secured by hypothecation of assets procured at Centrum House, Mumbai and personal guarantee of Chairman of the Company) | 54,602,720 | 103,036,940 |
| | 150,292,333 | 136,397,379 |
| Schedule 4 | | |
| Unsecured Loans | | |
| Inter Corporate Deposits | 2,500,000 | 98,500,000 |
| From Joint Venture Companies (Refer note 19 of schedule 16) | 335,856,309 | 164,110,453 |
| | 338,356,309 | 262,610,453 |
| Amount due within one year | 335,856,309 | 94,000,000 |

Schedules forming part of the Balance Sheet as at June 30, 2009

FIXED ASSETS

Rupees

| Description of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---------------------------|--------------------|--------------------|------------------|---------------------|-------------------|-------------------|------------------|--------------------|---------------------|---------------------|
| | As at July 1, 2008 | Additions | Deductions | As at June 30, 2009 | Upto July 1, 2008 | For the year | Deductions | Upto June 30, 2009 | As at June 30, 2009 | As at June 30, 2008 |
| Tangible Assets | | | | | | | | | | |
| SCHEDULE 5-A | | | | | | | | | | |
| Building | 1,297,850 | - | - | 1,297,850 | 203,609 | 21,212 | - | 224,821 | 1,073,029 | 1,094,241 |
| Computers - Hardware | 42,561,562 | 4,915,105 | - | 47,476,667 | 6,588,067 | 7,008,052 | - | 13,596,119 | 33,880,548 | 35,973,495 |
| Vehicles | 37,041,571 | 13,343,866 | 3,712,560 | 46,672,877 | 9,489,014 | 4,152,740 | 2,151,379 | 11,490,375 | 35,182,502 | 27,552,557 |
| Furniture & Fixtures | 18,034,903 | 112,392 | - | 18,147,295 | 2,466,170 | 1,137,471 | - | 3,603,641 | 14,543,654 | 15,568,733 |
| Air Conditioners | 11,709,612 | - | - | 11,709,612 | 461,085 | 544,910 | - | 1,005,995 | 10,703,617 | 11,248,527 |
| Office Equipments | 5,458,748 | 8,689,466 | - | 14,148,214 | 526,049 | 623,737 | - | 1,149,786 | 12,998,428 | 4,932,699 |
| Leasehold Development (*) | 151,162,668 | 27,981,033 | - | 179,143,701 | 1,545,750 | 21,185,221 | - | 22,730,971 | 156,412,730 | 149,616,918 |
| Total (A) | 267,266,914 | 55,041,862 | 3,712,560 | 318,596,216 | 21,279,744 | 34,673,343 | 2,151,379 | 53,801,708 | 264,794,508 | 245,987,170 |
| Leased Assets | | | | | | | | | | |
| Plant & Machinery | 23,601,042 | - | - | 23,601,042 | 23,478,484 | 122,558 | - | 23,601,042 | - | 122,558 |
| Total (B) | 23,601,042 | - | - | 23,601,042 | 23,478,484 | 122,558 | - | 23,601,042 | - | 122,558 |
| Total (A+B) | 290,867,956 | 55,041,862 | 3,712,560 | 342,197,258 | 44,758,228 | 34,795,901 | 2,151,379 | 77,402,750 | 264,794,508 | 246,109,728 |
| SCHEDULE 5-B | | | | | | | | | | |
| Intangible Assets | | | | | | | | | | |
| Goodwill | 10,180,000 | - | - | 10,180,000 | 10,180,000 | - | - | 10,180,000 | - | - |
| Computers - Software | 4,090,599 | 5,452,842 | - | 9,543,441 | 3,432,261 | 985,507 | - | 4,417,768 | 5,125,673 | 658,338 |
| Total | 14,270,599 | 5,452,842 | - | 19,723,441 | 13,612,261 | 985,507 | - | 14,597,768 | 5,125,673 | 658,338 |
| Grand Total | 305,138,555 | 60,494,704 | 3,712,560 | 361,920,699 | 58,370,489 | 35,781,408 | 2,151,379 | 92,000,518 | 269,920,181 | 246,768,066 |
| Previous Year | 77,338,310 | 228,562,001 | 761,757 | 305,138,554 | 49,732,702 | 9,113,117 | 475,330 | 58,370,489 | 246,768,064 | - |

*Note : Addition during the year to Leasehold Development is in respect of the following

Rupees

| | Current Year |
|------------------------------------|-------------------|
| Civil work and immovable furniture | 26,117,962 |
| Other Expenses | 1,863,071 |
| Total | 27,981,033 |

Schedules forming part of the Balance Sheet as at June 30, 2009

Schedule 6

Investments

| | Face value | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
|---|------------|--------------------------------|---------------|--------------------|---------------|
| | | No. of shares/debentures/units | | Rupees | Rupees |
| Long Term Investments (At cost) | | | | | |
| Trade (Unquoted) | | | | | |
| Equity Shares of Subsidiary Companies - Fully Paid up | | | | | |
| Centrum Infrastructure & Realty Limited (formerly Centrum Infrastructure Services Limited) | 10 | 50,000 | 50,000 | 500,000 | 500,000 |
| Centrum Investments Limited (Previous year : 50,000 shares subscribed) | 10 | 50,000 | 50,000 | 500,000 | 500,000 |
| Centrum Financial Services Limited (formerly Shri Santram Financial Services Limited) (12,50,000 shares acquired during the year) | 10 | 1,250,000 | - | 10,000,000 | - |
| Accounts Receivables Management Services (I) Limited (40,000 shares issued against share application money) | 10 | 40,000 | - | 400,000 | - |
| | | | | 11,400,000 | 1,000,000 |
| 100% Interest in limited liability corporation | | | | | |
| Centrum Capital Holdings LLC | | | | 28,303,175 | - |
| | | | | 28,303,175 | - |
| Equity Shares of Joint Ventures - Fully Paid up (Refer note 19 of schedule 16) | | | | | |
| FCH CentrumDirect Limited (formerly CentrumDirect Limited) (5,905 shares acquired during the year) | 10 | 2,952,217 | 2,946,312 | 133,471,490 | 131,971,620 |
| FCH Centrum Wealth Managers Limited (formerly Centrum Wealth Managers Limited) [2,800 shares acquired during the year (Previous year 1,400,000 shares subscribed)] | 10 | 1,402,800 | 1,400,000 | 14,498,400 | 14,000,000 |
| | | | | 147,969,890 | 145,971,620 |
| Equity Shares of Associates - Fully Paid up | | | | | |
| Centrum Securities Private Limited | 10 | 100,000 | 100,000 | 1,000,000 | 1,000,000 |
| Centrum Broking Private Limited [Shares acquired during the year Nil (Previous year: 499,000)] | 10 | 699,000 | 699,000 | 71,997,000 | 71,997,000 |
| Essel-Centrum Holdings Limited (Partly Paid up) | 10 | 500,000 | 500,000 | 1,000,000 | 1,000,000 |
| | | | | 73,997,000 | 73,997,000 |
| Preference Shares of Associate - Fully Paid up | | | | | |
| 12% Redeemable Non-cumulative Preference shares of Centrum Broking Private Limited (5,000,000 shares redeemable at par at the end of 5 years from the date of allotment i.e. March 5, 2009) | 100 | 5,500,000 | 500,000 | 550,000,000 | 50,000,000 |
| | | | | 550,000,000 | 50,000,000 |

Schedules forming part of the Balance Sheet as at June 30, 2009

Investments

| | Face value | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
|---|--------------------------------|---------------|---------------|-------------------|---------------|
| | No. of shares/debentures/units | | | Rupees | Rupees |
| Preference Shares | | | | | |
| 1% Preference shares of Indra Investments Advisory Private Limited (100,000 shares redeemable at par at the end of 20 years from the date of allotment i.e. October 18, 2008) | 100 | 100,000 | - | 10,000,000 | - |
| 9% Preference shares of SRR Consultants Private Limited (1,000,000 shares redeemable at par at the end of 20 years from the date of allotment i.e. August 29, 2008) | 10 | 1,000,000 | - | 10,000,000 | - |
| | | | | 20,000,000 | - |
| Quoted - Non-Trade | | | | | |
| Equity Shares - Fully Paid up | | | | | |
| Nikumbh Dairy Products Limited | 10 | 4,000 | 4,000 | 109,500 | 109,500 |
| Birla Transasia Carpets Limited | 10 | 9,100 | 9,100 | 153,159 | 153,159 |
| Kaiser Press Limited | 10 | 500 | 500 | 5,000 | 5,000 |
| Dynemic Products Limited | 10 | 10,000 | 10,000 | 350,000 | 350,000 |
| Sunil Hitech Engineers Limited | 10 | 6,500 | 6,500 | 650,000 | 650,000 |
| Goa Carbon Limited | 10 | - | 47,825 | - | 3,826,000 |
| Lumax Auto Technologies Limited | 10 | 55,000 | 55,000 | 2,475,000 | 2,475,000 |
| Jagjanani Textiles Limited | 10 | 10,000 | 10,000 | 250,000 | 250,000 |
| Hilton Metal Forging Limited | 10 | 5,000 | 5,000 | 350,000 | 350,000 |
| Rap Media Limited (Previous year: 83,550 shares purchased, 525,000 shares received by way of gift) | 10 | 608,550 | 608,550 | 12,104,675 | 12,104,675 |
| | | | | 16,447,334 | 20,273,334 |
| Unquoted - Non-Trade | | | | | |
| Equity Shares - Fully Paid up | | | | | |
| The Ratnakar Bank Limited* | 10 | 216,530 | 21,653 | 2,165,300 | 2,165,300 |
| Softchip Technologies Limited | 10 | 907,200 | 907,200 | 9,072,000 | 9,072,000 |
| Pan India Motors Private Limited | 10 | 11,800,000 | 11,800,000 | 43,000,000 | 43,000,000 |
| | | | | 54,237,300 | 54,237,300 |
| * consequent to stock split in the ratio of 1:10 during the year, the number of shares have increased from 21,653 to 216,530 | | | | | |
| 8.40% Non Convertible Debentures | | | | | |
| The Ratnakar Bank Limited | 1,000,000 | 2 | 2 | 2,000,000 | 2,000,000 |
| | | | | 2,000,000 | 2,000,000 |

Schedules forming part of the Balance Sheet as at June 30, 2009

Investments

| | Face value | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
|--|--------------------------------|------------------|---------------|--------------------|---------------|
| | No. of shares/debentures/units | | | Rupees | Rupees |
| Current Investments - | | | | | |
| At lower of cost and market value | | | | | |
| In Units of Mutual Funds | | | | | |
| LICMF Liquid Fund - Dividend Plan [Net Asset Value as on June 30, 2009 Rs.: Nil (Previous year Rs.: 64,862/-)] | 10 | - | 5,907 | - | 64,862 |
| HDFC Cash Management Fund - Call Plan- Daily Dividend Reinvestment [Net Asset Value as on June 30, 2009 Rs.: Nil (Previous year Rs.: 71,577/-)] | 10 | - | 6,865 | - | 71,577 |
| Reliance Money Manager-Daily Dividend Reinvestment Option (Formerly Reliance Liquid Plus Fund-Inst.Option-Daily Dividend Plan) [Net Asset Value as on June 30, 2009 Rs.: 590,795/- (Previous year Rs.: 971,216,362/-)] (228,934 units purchased and sold during the year) | 1,000 | 590.12 | 970,114 | 590,795 | 971,216,362 |
| Reliance Medium Term Fund - Daily Dividend Plan [Net Asset Value as on June 30, 2009 Rs.: 192,449/- (Previous year Rs.: Nil)] | 10 | 11,257.28 | - | 192,449 | - |
| | | | | 783,244 | 971,352,801 |
| | | | | 905,137,943 | 1,318,832,055 |
| Provision for Diminution in the Value of Investment | | | | 140,900 | 140,900 |
| | | | | 904,997,043 | 1,318,691,155 |
| Aggregate value of quoted investments [Market value Rs.35,139,788/-(Previous year Rs.58,764,225/-)] | | | | 16,306,434 | 20,132,434 |
| Aggregate value of unquoted investments | | | | 888,690,609 | 1,298,558,721 |

| | PURCHASE | | REDEMPTION | |
|---|----------------|---------------|----------------|---------------|
| | Units | Amount | Units | Amount |
| Purchase and Redemption during the year | | | | |
| LICMF Liquid Fund - Dividend Plan | 125.25 | 1,375 | 6,032.25 | 66,237 |
| HDFC Cash Management Fund - Call Plan Daily Dividend Reinvestment | 138.84 | 1,448 | 7,003.84 | 73,025 |
| Reliance Liquid Fund-Inst.Option- Daily Dividend Plan | 262,152,981.51 | 1,221,893,732 | 262,152,981.51 | 1,221,893,732 |
| Reliance Medium Term Fund - Daily Dividend Plan | 3,520,952.81 | 60,192,449 | 3,509,695.53 | 60,000,000 |
| Reliance Liquid Fund-Treasury Plan-IP_ Daily Dividend Reinvestment | 6,972,631.30 | 106,592,009 | 6,972,631.30 | 106,592,009 |
| Reliance Money Manager- Daily Dividend Reinvestment Option | 1,618,507.82 | 1,620,274,433 | 2,588,031.62 | 2,590,900,000 |

Schedules forming part of the Balance Sheet as at June 30, 2009

| | PURCHASE | | REDEMPTION | |
|---|----------------|---------------|----------------|---------------|
| | Units | Amount | Units | Amount |
| Reliance Monthly Interval Fund-Sr.II-Institutional Dividend Plan | 50,873,127.76 | 509,057,983 | 50,873,127.76 | 509,738,779 |
| ICICI Prudential Institutional Liquid Plan Super Institutional Daily Dividend | 15,012,722.47 | 150,134,731 | 15,012,722.47 | 150,134,731 |
| Purchase and Redemption during previous year | | | | |
| LICMF Liquid Fund - Dividend Plan | 18,991.95 | 208,534 | 4,280,471.03 | 47,000,000 |
| HDFC Cash Management Fund - Call Plan Daily Dividend Reinvestment | 3,450.67 | 35,979 | 863,176.87 | 9,000,000 |
| Reliance Liquidity Fund. Daily Dividend Reinvestment Option | 140,001,475.26 | 1,400,448,757 | 140,001,475.25 | 1,400,448,757 |
| Reliance Money Manager-Daily Dividend Reinvestment Option | 1,453,364.76 | 1,455,016,362 | 483,250.83 | 483,800,000 |

| | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
|---|---------------|---------------|---------------|---------------|
| | Quantity | Quantity | Rs. | Rs. |
| Schedule 7 | | | | |
| Inventories (at lower of cost and net realisable value) | | | | |
| Unquoted bonds | | | | |
| 8.30% Fertiliser Bonds 2023 | - | 10,000 | - | 936,881 |
| 7.49% Govt. Stock 2017 | - | 91,600 | - | 8,568,923 |
| PFC 9.28% NCD 28DC17 | - | 5 | - | 4,964,060 |
| 6.75% ICICI 2010 | 30 | - | 147,114 | - |
| 7.60% IDBI 2011 | 1 | - | 990,911 | - |
| 9.75% IDBI 2009 | 120 | - | 644,236 | - |
| 10.90% ICICI 2016 | 1 | - | 113,469 | - |
| 9.40% Syndicate Bank Perpetual | 4 | - | 4,216,093 | - |
| 8.59% UPSDL 2019 | 50,000 | - | 5,354,499 | - |
| Net realizable value Rs. 11,546,006/- (previous year Rs. 14,560,475/-) | | | 11,466,322 | 14,469,864 |

Schedule 8**Sundry Debtors (Unsecured, considered good, unless otherwise stated)****Debtors outstanding for a period exceeding six months****(Refer Note 3 of Schedule 16)**

| | | |
|-------------------------------------|--------------------|-------------|
| Unsecured, considered good | 229,099,144 | 202,192,664 |
| Unsecured, considered doubtful | 9,417,093 | 1,016,100 |
| | 238,516,237 | 203,208,764 |
| Other Debts | | |
| Unsecured, considered good | 164,568,592 | 159,715,182 |
| | 403,084,829 | 362,923,946 |
| Less : Provision for doubtful debts | 9,417,093 | 1,016,100 |
| | 393,667,736 | 361,907,846 |

Schedules forming part of the Balance Sheet as at June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|--------------------|--------------------|
| Included in Sundry Debtors are: | | |
| Dues from companies under the same management | | |
| Centrum Broking Private Limited | 2,632,001 | 5,346,812 |
| [Maximum amount outstanding during the year Rs.: 8,656,509/- (previous year Rs.: 8,042,877/-)] | | |
| Schedule 9 | | |
| Cash and Bank balances | | |
| Cash on Hand including foreign currencies | 6,233,627 | 8,929,136 |
| Balances with Scheduled Banks: | | |
| On current accounts | 40,622,511 | 33,986,126 |
| On deposit account | 104,371,840 | 50,025,956 |
| On unpaid dividend accounts | 104,221 | 25,914 |
| Debit balance in Overdraft Account | 181,110 | 1,549,801 |
| Balance with other banks | | |
| On current accounts | 1,763,057 | 2,199,816 |
| | 153,276,366 | 96,716,749 |
| Bank Balance with others include: | | |
| National Bank of Dubai - AED Current Account | 1,763,057 | 2,199,816 |
| [Maximum amount outstanding during the year Rs 3,139,139/- (Previous Year Rs.2,773,248/-)] | | |
| Schedule 10 | | |
| Loans and Advances (Refer Note 12 of Schedule 16) | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Advances and loans to subsidiaries | 649,705,594 | 84,827,749 |
| Advance for incorporation of subsidiaries | 8,950,570 | 3,366,119 |
| Advance tax (net of provision for tax) | 5,659,090 | - |
| Advance for purchase of shares | 39,600,000 | 40,000,000 |
| Loans to employees & others | 32,616,254 | 30,124,831 |
| Advances recoverable in cash or in kind or for value to be received | | |
| Considered good | 10,225,313 | 56,294,024 |
| Considered doubtful | 453,488 | 453,488 |
| Inter corporate deposits | 44,000,000 | 39,000,000 |
| Service tax (Input / Credit Account) | 16,710,978 | 3,563,789 |
| Deposits | 68,831,103 | 64,574,935 |
| | 876,752,390 | 322,204,935 |
| Less: Provision for Doubtful Advances | 453,488 | 453,488 |
| | 876,298,902 | 321,751,447 |
| Included in Loans and Advances are: | | |
| Dues from a director of the Company | 3,000,000 | 3,000,000 |
| [Maximum amount outstanding during the year Rs.3,000,000/- (Previous year Rs.3,000,000/-)] | | |

Schedules forming part of the Balance Sheet as at June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|--|--------------------|--------------------|
| Schedule 11 | | |
| Current Liabilities | | |
| Sundry creditors | | |
| (a) total outstanding dues of Micro, Medium and small Enterprises (Refer to Note no.17 in Schedule 16) | - | - |
| (b) total outstanding dues of creditors other than Micro, Medium and Small Enterprises | 54,104,513 | 12,994,674 |
| Advance from customers | 984,954 | - |
| Investor Education and Protection Fund shall be credited by unpaid dividend (as and when due) | 104,221 | 21,593 |
| Other liabilities | 71,995,250 | 41,454,951 |
| | 127,188,938 | 54,471,218 |
| Provisions | | |
| Provision for taxation (net of advance tax) | - | 66,881,553 |
| Provision for wealth tax (net of advance tax) | 653,393 | 358,393 |
| Provision for Fringe Benefit Tax (net of advance tax) | 562,758 | 837,017 |
| Provision for gratuity | - | 1,009,913 |
| Provision for Leave encashment | 2,116,493 | 1,375,129 |
| Proposed dividend | 6,828,096 | 6,828,096 |
| Tax on proposed dividend | 1,160,435 | 1,160,435 |
| | 11,321,175 | 78,450,536 |
| | 138,510,113 | 132,921,754 |

Schedules forming part of the Profit and Loss Account for the year ended June 30, 2009

| | | |
|--|--------------------|-------------------|
| Schedule 12 | | |
| Other Income | | |
| Interest | | |
| Bank deposits (TDS Rs.1,387,034/-, Previous year Rs.Nil) | 9,636,653 | 193,956 |
| Others (TDS Rs.6,263,775/-, Previous year Rs.38,069/-) | 45,322,935 | 701,706 |
| Dividend income | | |
| Dividend on Equity Shares - Non-trade | 370,656 | 426,673 |
| Dividend on Units of Mutual Fund - Non-trade | 23,024,293 | 5,260,874 |
| Profit on Sale of Investments - Long Term - Non-trade (net) | 2,421,873 | 1,840,486 |
| Profit on Sale of Investments - Short Term - Non-trade (net) | 680,746 | 2,744,508 |
| Foreign exchange gain (net) | 55,449 | 64,501 |
| Miscellaneous income | 800,786 | 161,453 |
| | 82,313,391 | 11,394,157 |
| Schedule 13 | | |
| Personnel Expenses | | |
| Salaries wages and bonus | 154,034,429 | 87,412,512 |
| Contribution to provident & other funds | | |
| - E.S.I.C. | 27,730 | 37,976 |
| - Provident Fund | 4,255,456 | 2,880,867 |
| Gratuity Expenses | 376,043 | 1,393,927 |
| Leave Encashment | 1,363,831 | 677,345 |
| Staff welfare expenses | 2,500,008 | 1,699,795 |
| | 162,557,497 | 94,102,422 |

Schedules forming part of the Profit and Loss Account for the year ended June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|--------------------|--------------------|
| Schedule 14 | | |
| Operating & Other Expenses | | |
| Rent | 81,084,632 | 12,975,475 |
| Rates & Taxes | 13,839,364 | 87,140 |
| Electricity | 4,295,694 | 1,344,021 |
| Repair and maintenance - others | 211,945 | 373,666 |
| Insurance | 677,324 | 163,850 |
| Advertising | 1,861,923 | 4,383,799 |
| Business promotion | 5,002,559 | 8,989,575 |
| Meeting and seminars | 1,909,957 | 1,091,847 |
| Subscription and membership fees | 1,172,634 | 970,579 |
| Commission and brokerage | 3,223,433 | 11,446,374 |
| Travelling and conveyance | 15,382,401 | 15,526,426 |
| Vehicle Expenses | 8,017,375 | 5,418,898 |
| Communication costs | 4,618,231 | 3,700,394 |
| Printing and stationery | 2,072,467 | 3,214,573 |
| Legal & professional fees | 23,449,189 | 54,226,533 |
| Sundry balances and bad debts written off | 18,794,678 | 3,675,612 |
| Provision for Doubtful Debts | 8,400,993 | - |
| Director's sitting fees | 420,000 | 190,000 |
| Auditor's remuneration | | |
| Audit Fees | 600,000 | 100,000 |
| Tax audit fees | - | 25,000 |
| Taxation and others | - | 284,634 |
| Donation and contributions to charitable institutions | 1,046,100 | 741,000 |
| Loss on sale of fixed assets (net) | 697,803 | 191,428 |
| Miscellaneous expenses | 4,556,283 | 11,786,153 |
| | 201,334,985 | 140,906,977 |
| Schedule 15 | | |
| Financial Expenses | | |
| Interest | | |
| - on intercorporate deposits | 19,217,742 | 3,628,970 |
| - on banks | 26,004,115 | 11,798,009 |
| - others | 318,908 | 203,111 |
| Bank charges | 981,577 | 1,315,421 |
| | 46,522,342 | 16,945,511 |

Schedule 16

Notes to Accounts

1. Nature of Operations

Centrum Capital Limited (the 'Company') is an Investment banking Company and a Category-I Merchant Banker. The Company is engaged in equity capital market, private equity, corporate finance, project finance, stressed asset resolution and offers a complete gamut of financial services. The Company is also engaged in trading of bonds.

2. Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets 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 fixed assets 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.

d) Depreciation

Depreciation on fixed assets is provided on straight line basis at the rates based on estimated useful life of the asset which is envisaged by schedule XIV of the Companies Act, 1956, except for leasehold improvements. Leasehold improvements are amortised over a period of 9 years.

Individual asset costing Rs.5,000 or less are fully depreciated in the year of purchase.

| | Rate (SLM) | Schedule XIV Rate (SLM) |
|--|------------|----------------------------|
| Building | 1.63% | 1.63% |
| Computers | 16.21% | 16.21% |
| Air Conditioners and Office equipments | 4.75% | 4.75% |
| Vehicles | 9.50% | 9.50% |
| Furnitures and Fixtures | 6.33% | 6.33% |



e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

f) Intangible Assets

Goodwill

Goodwill is amortized using the straight-line method over a period of ten years.

Computer Softwares

The Company capitalises software and related implementation cost where it reasonably estimated that the software has an enduring useful life. Softwares including operating system licenses are amortized over their estimated useful life of 6 – 9 years.

g) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i) Inventories

Inventories are valued as lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business.

j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Syndication fees

Syndication fees and brokerage income are accounted on achievements of the milestones as per the mandates / agreements with the clients, where there are no mandates / agreements, as per the terms confirmed and agreed by clients. Non refundable upfront fees are accounted as income on receipt. In the event of project stipulates performance measures, revenue is considered earned when such performance measure have been completed.

Income from trading in bonds

Income from trading in bonds is accounted when the risk and rewards of ownership of the bonds are passed to the customer, which is generally on sale of bonds.

Interest income

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.



Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

Profit / Loss on sale of investments

Profit or loss on investments is determined on the basis of the weighted average cost method.

k) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency, at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India on or before accounting period commencing after December 7, 2006 are capitalized as a part of fixed assets.

l) Retirement and other employee benefits

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

(i) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. The Company makes contribution to a scheme administered by the Life Insurance Corporation of India ("LIC") to discharge the gratuity liability to employees. The Company records its gratuity liability based on an actuarial valuation made by an independent actuary as at year end. Contribution made to the LIC fund and provision made for the funded amounts are expensed in the books of accounts.

(ii) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit Method.

(iii) All actuarial gains / losses are immediately taken to the Profit and Loss account and are not deferred.

m) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between



taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

n) Segment Reporting Policies

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

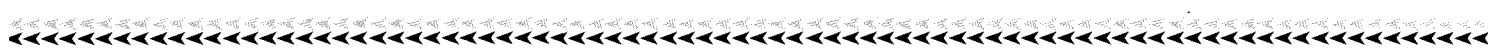
o) Earnings Per Share

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.

p) Provisions

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 not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



q) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

r) Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred.

3. Sundry debtors includes Rs. 226,985,560 (Previous year Rs. 219,987,974), amount overdue for more than 6 months Rs. 208,609,862 (Previous year Rs.183,527,154) receivable from certain parties. These parties have confirmed the balance outstanding, as at June 30, 2009 and in view of the management no provision is considered necessary.

4. Segment Information

Business Segment:

As of June 30, 2009, the Company has for the purpose of segment reporting identified two major businesses i.e. Investment Banking and Trading in bonds. Segments have been identified and reported based on the nature of operation involved, the risks and returns, the organization structure and the internal financial reporting systems.

Segment information for secondary segment reporting (by geographical segment):

Company's operations are mainly conducted in India. Company has a representative office at Dubai. Consequently the commercial risks and returns involved the basis of geographic segmentation are relatively insignificant. Accordingly, secondary segment disclosures based on geographic segments have not been reported.

Segment wise details are given in Annexure -1.

5. Related Party Disclosures

In terms of Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties as defined in AS-18 are given below :

| | |
|---|---|
| Subsidiary Companies (Refer note 19 of schedule 16) | Centrum Infrastructure & Realty Limited Centrum Financial Services Limited (Formerly known as Shri Santram Finance Limited) w.e.f. March 2, 2009 Centrum Investments Limited Accounts Receivables Management Services (I) Limited w.e.f. August 8, 2008 Centrum Capital Holdings LLC w.e.f. August 5, 2008 Centrum Securities LLC (Subsidiary of Centrum Capital Holdings LLC) |
| Joint Ventures (Refer note 19 of schedule 16) | FCH CentrumDirect Limited(formerly known as CentrumDirect Limited) FCH Centrum Wealth Managers Limited(formerly known as Centrum Wealth Managers Limited) |
| Names of other related parties with whom transactions have taken place during the year: | |
| Enterprise controlled by Key Management Personnel | Businessmatch Services (India) Private Limited P & M Infrastructure Limited Centrum Fiscal Private Limited Sonchajyo Investments & Finance Private Limited |
| Associates / entities where company has significant influence | Centrum Broking Private Limited Centrum Securities Private Limited Club 7 Holidays Limited(formerly known as Club 7 Holidays Private Limited) (Subsidiary of FCH CentrumDirect Limited, w.e.f.December 12, 2008) Centrum ESPS Trust |
| Key Management Personnel | Mr. Chandir Gidwani, Chairman Mr. T. R. Madhavan, Managing Director Ms. Sonia Gidwani, Whole Time Director |

| Nature of transaction | Joint Ventures | Subsidiary Companies | Enterprise controlled by Key Management Personnel | Key Management Personnel | Associates / Entities where company has significant influence |
|---|---------------------|-------------------------|---|--------------------------|---|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Investment in shares / Interest in the limited liability company (LLC) | | | | | |
| FCH CentrumDirect Limited | 254 (-) | - (-) | - (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | - (14,000,000) | - (-) | - (-) | - (-) | - (-) |
| Centrum Financial Services Limited | - (-) | 10,000,000 (-) | - (-) | - (-) | - (-) |
| Centrum Capital Holdings LLC | - (-) | 28,303,175 (-) | - (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 500,000,000 (101,397,000) |
| Accounts Receivables Management Services (I) Limited | - (-) | 400,000 (-) | - (-) | - (-) | - (-) |
| Centrum Investments Limited | - (-) | - (500,000) | - (-) | - (-) | - (-) |
| Total | 254 (14,000,000) | 38,703,175 (500,000) | - (-) | - (-) | 500,000,000 (101,397,000) |
| Purchase of investments* | | | | | |
| FCH CentrumDirect Limited | - (51,397,000) | - (-) | - (-) | - (-) | - (-) |
| Centrum Infrastructure & Realty Limited | - (-) | - (11,000,000) | - (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | - (32,000,000) |
| Total | - (51,397,000) | - (11,000,000) | - (-) | - (-) | - (32,000,000) |
| *Notes : Purchase of investments of other body corporates | | | | | |
| Share Application Money given | | | | | |
| Accounts Receivables Management Services (I) Limited | - (-) | - (30,000,000) | - (-) | - (-) | - (-) |
| Total | - (-) | - (30,000,000) | - (-) | - (-) | - (-) |

| Nature of transaction | Joint Ventures | Subsidiary Companies | Enterprise controlled by Key Management Personnel | Key Management Personnel | Associates / Entities where company has significant influence |
|---|------------------------------|----------------------------|---|--------------------------|---|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Advances Given | | | | | |
| Centrum Infrastructure & Realty Limited | - (-) | 194,007,086 (-) | - (-) | - (-) | - (-) |
| Centrum Securities Private Limited | - (-) | - (-) | - (-) | - (-) | 2,500,000 (-) |
| FCH Centrum Wealth Managers Limited | 38,099,821 (-) | - (-) | - (-) | - (-) | - (-) |
| Centrum Capital Holdings LLC | - (-) | 751,485 (3,336,119) | - (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 717,223,454 (6,883,215) |
| Centrum Financial Services Limited | - (-) | 510,451,000 (-) | - (-) | - (-) | - (-) |
| Centrum ESPS Trust | - (-) | - (-) | - (-) | - (-) | - (4,096,860) |
| Total | 38,099,821 (-) | 705,209,571 (3,336,119) | - (-) | - (-) | 719,723,454 (10,980,075) |
| Repayment of Advances given | | | | | |
| Centrum Infrastructure & Realty Limited | - (-) | 121,600,000 (-) | - (-) | - (-) | - (-) |
| Centrum Securities Private Limited | - (-) | - (-) | - (-) | - (-) | 1,000,000 (-) |
| FCH Centrum Wealth Managers Limited | 38,099,821 (-) | - (-) | - (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 682,865,000 (-) |
| Centrum Financial Services Limited | - (-) | 21,100,000 (-) | - (-) | - (-) | - (-) |
| Total | 38,099,821 (-) | 142,700,000 (-) | - (-) | - (-) | 683,865,000 (-) |
| Loan / Advances taken | | | | | |
| FCH CentrumDirect Limited | 959,858,008 (164,110,453) | - (-) | - (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 32,775,218 (-) | - (-) | - (-) | - (-) | - (-) |

| Nature of transaction | Joint Ventures | Subsidiary Companies | Enterprise controlled by Key Management Personnel | Key Management Personnel | Associates / Entities where company has significant influence |
|---|------------------------------|----------------------|---|--------------------------|---|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Businessmatch Services (I) Private Limited | - (-) | - (-) | - (84,000,000) | - (-) | - (-) |
| Total | 992,633,226 (164,110,453) | - (-) | - (84,000,000) | - (-) | - (-) |
| Repayment of Loan / Advances taken | | | | | |
| Businessmatch Services (I) Private Limited | - (-) | - (-) | 84,000,000 (-) | - (-) | - (-) |
| Centrum Investments Limited | - (-) | 59,689 (-) | - (-) | - (-) | - (-) |
| FCH CentrumDirect Limited | 813,863,578 (-) | - (-) | - (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 19,500,000 (-) | - (-) | - (-) | - (-) | - (-) |
| Total | 833,363,578 (-) | 59,689 (-) | 84,000,000 (-) | - (-) | - (-) |
| Purchase of Air Tickets | | | | | |
| FCH CentrumDirect Limited | 6,436,673 (7,722,816) | - (-) | - (-) | - (-) | - (-) |
| Club 7 Holidays Limited | - (-) | - (-) | - (-) | - (-) | 906,148 (-) |
| Total | 6,436,673 (7,722,816) | - (-) | - (-) | - (-) | 906,148 (-) |
| Outstanding Payable on Purchase of Air tickets | | | | | |
| FCH CentrumDirect Limited | 132,702 (-) | - (-) | - (-) | - (-) | - (-) |
| Club 7 Holidays Limited | - (-) | - (-) | - (-) | - (-) | 286,289 (-) |
| Total | 132,702 (-) | - (-) | - (-) | - (-) | 286,289 (-) |
| Purchase of Foreign Currency | | | | | |
| FCH CentrumDirect Limited | 1,724,462 (2,355,682) | - (-) | - (-) | - (-) | - (-) |
| Reimbursement of Expenses Claimed | | | | | |
| FCH CentrumDirect Limited - Rent | 382,444 (-) | - (-) | - (-) | - (-) | - (-) |

| Nature of transaction | Joint Ventures | Subsidiary Companies | Enterprise controlled by Key Management Personnel | Key Management Personnel | Associates / Entities where company has significant influence |
|--|-------------------|----------------------|---|--------------------------|---|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| FCH CentrumDirect Limited - Other expenses | 502,112 (-) | - (-) | - (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 38,099,821 (-) | - (-) | - (-) | - (-) | - (-) |
| Centrum Infrastructure and Realty Limited | - (-) | 1,789,961 (-) | - (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 3,716,057 (9,016,838) |
| Total | 38,984,377 (-) | 1,789,961 (-) | - (-) | - (-) | 3,716,057 (9,016,838) |
| Commission and Brokerage Paid | | | | | |
| FCH Centrum Wealth Managers Limited | 2,286,922 (-) | - (-) | - (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | - (778,679) |
| Centrum Securities Private Limited | - (-) | - (-) | - (-) | - (-) | - (2,148,057) |
| Total | 2,286,922 (-) | - (-) | - (-) | - (-) | - (2,926,736) |
| Rent expenses | | | | | |
| Businessmatch Services (I) Private Limited | - (-) | - (-) | 830,000 (720,135) | - (-) | - (-) |
| Total | - (-) | - (-) | 830,000 (720,135) | - (-) | - (-) |
| Interest Income | | | | | |
| Centrum Financial Services Limited | - (-) | 17,500,216 (-) | - (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 744,913 (-) | - (-) | - (-) | - (-) | - (-) |
| Centrum Infrastructure and Realty Limited | - (-) | 3,466,924 (-) | - (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 10,016,475 (821,918) |
| P&M Infrastructure Limited | - (-) | - (-) | 5,113,973 (-) | - (-) | - (-) |

| Nature of transaction | Joint Ventures | Subsidiary Companies | Enterprise controlled by Key Management Personnel | Key Management Personnel | Associates / Entities where company has significant influence |
|--|-------------------|----------------------|---|--------------------------|---|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Centrum Securities Private Limited | - (-) | - (-) | - (-) | - (-) | 453,055 (-) |
| Total | 744,913 (-) | 20,967,140 (-) | 5,113,973 (-) | - (-) | 10,469,530 (821,918) |
| Interest expenses | | | | | |
| Businessmatch Services (I) Private Limited | - (-) | - (-) | 2,535,780 (2,690,959) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 498,890 (-) | - (-) | - (-) | - (-) | - (-) |
| FCH CentrumDirect Limited | 15,948,818 (-) | - (-) | - (-) | - (-) | - (-) |
| Total | 16,447,708 (-) | - (-) | 2,535,780 (2,690,959) | - (-) | - (-) |
| Directors sitting Fees | | | | | |
| Mr. Chandir Gidwani | - (-) | - (-) | - (-) | 100,000 (30,000) | - (-) |
| Total | - (-) | - (-) | - (-) | 100,000 (30,000) | - (-) |
| Professional Fees expenses | | | | | |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 2,500,000 (10,293,193) |
| Sonchajyo Investment and Finance Private Limited | - (-) | - (-) | 360,000 (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 1,669,518 (-) | - (-) | - (-) | - (-) | - (-) |
| Total | 1,669,518 (-) | - (-) | 360,000 (-) | - (-) | 2,500,000 (10,293,193) |
| Professional Fees Income | | | | | |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 2,500,000 (5,000,000) |
| FCH CentrumDirect Limited | 1,892,594 (-) | - (-) | - (-) | - (-) | - (-) |
| Total | 1,892,594 (-) | - (-) | - (-) | - (-) | 25,00,000 (5,000,000) |

| Nature of transaction | Joint Ventures | Subsidiary Companies | Enterprise controlled by Key Management Personnel | Key Management Personnel | Associates / Entities where company has significant influence |
|--|------------------------------|----------------------|---|---------------------------|---|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Managerial Remuneration | | | | | |
| Mr. T. R. Madhavan | - (-) | - (-) | - (-) | 5,864,031 (2,475,500) | - (-) |
| Ms. Sonia Gidwani | - (-) | - (-) | - (-) | 5,017,280 (3,965,438) | - (-) |
| Total | - (-) | - (-) | - (-) | 10,881,311 (6,440,938) | - (-) |
| Guarantees | | | | | |
| Corporate guarantees given | | | | | |
| FCH CentrumDirect Limited | 390,000,000 (310,000,000) | - (-) | - (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 660,100,000 (310,100,000) |
| Total | 390,000,000 (310,000,000) | - (-) | - (-) | - (-) | 660,100,000 (310,100,000) |
| Guarantees obtained | | | | | |
| Mr. Chandir Gidwani | - (-) | - (-) | - (-) | - (120,000,000) | - (-) |
| Total | - (-) | - (-) | - (-) | - (120,000,000) | - (-) |
| Balances outstanding as at the year end | | | | | |
| Centrum Financial Services Limited | - (-) | 534,044,283 (-) | - (-) | - (-) | - (-) |
| Businessmatch Services (India) Private Limited | - (-) | - (-) | 3,000,000 (3,000,000) | - (-) | - (-) |
| P&M Infrastructure Limited | - (-) | - (-) | 35,271,507 (34,000,000) | - (-) | - (-) |
| Centrum Fiscal Private Limited | - (-) | - (-) | 100,000 (100,000) | - (-) | - (-) |
| Mr. Chandir Gidwani | - (-) | - (-) | - (-) | 3,000,000 (3,000,000) | - (-) |
| Centrum Securities Private Limited | - (-) | - (-) | - (-) | - (-) | 4,327,904 (2,468,179) |
| Centrum Broking Private Limited | - (-) | - (-) | - (-) | - (-) | 2,988,785 (6,883,215) |
| Centrum ESPS Trust | - (-) | - (-) | - (-) | - (-) | 4,096,860 (4,096,860) |

| Nature of transaction | Joint Ventures | Subsidiary Companies | Enterprise controlled by Key Management Personnel | Key Management Personnel | Associates / Entities where company has significant influence |
|--|------------------------------|-----------------------------|---|--------------------------|---|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Centrum Capital Holdings LLC | - (-) | 4,749,875 (3,336,119) | - (-) | - (-) | - (-) |
| Accounts Receivables Management Services (I) Private Limited | - (-) | 29,600,000 (-) | - (-) | - (-) | - (-) |
| Centrum Infrastructure and Realty Limited | - (-) | 115,661,311 (40,968,000) | - (-) | - (-) | - (-) |
| Centrum Investments Limited | - (-) | - (59,689) | - (-) | - (-) | - (-) |
| Total | - | 684,055,469 (44,363,808) | 38,371,507 (37,100,000) | 3,000,000 (3,000,000) | 11,413,549 (13,448,254) |
| Loans / advances payable | | | | | |
| FCH CentrumDirect Limited | 320,312,370 (164,110,453) | - (-) | - (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 15,543,939 (-) | - (-) | - (-) | - (-) | - (-) |
| Businessmatch Services (India) Private Limited | - (-) | - (-) | - (-) | - (-) | - (84,000,000) |
| Total | 335,856,309 (164,110,453) | - (-) | - (-) | - (-) | - (84,000,000) |

6 Operating lease

- The Company has entered into cancellable leasing arrangements for corporate and branch offices and residential premises. The lease rentals of Rs. 8,625,614 (previous year Rs.3,318,325) have been included under the head Rent under Schedule 14 of Profit and Loss account.
- The Company has also entered into non-cancellable leasing arrangement for corporate office and other offices.

| Particulars | July 1, 2008 – June 30, 2009 (Rs.) | July 1, 2007 – June 30, 2008 (Rs.) |
|---|--|--|
| Lease rental paid during the year ended June 30, 2009 | 72,459,018 | 9,657,150 |
| Future minimum lease payments are as under | As at June 30,2009 (Rs.) | As at June 30,2008 (Rs.) |
| Payment not later than one year | 64,506,533 | 72,389,888 |
| Payment later than one year but not later than five years | 157,624,836 | 222,131,369 |
| Payment later than 5 years | - | - |

General description of Company's significant leasing arrangement

Corporate Office premises in Mumbai are obtained on operating lease. The lease rent payable (including amenities) is Rs. 6,023,019 per month for the period July 1, 2008 to December 10, 2008 and Rs. 6,324,170 per month for the period December 11, 2008 to April 30, 2009. The lease rent was revised by 15% on lower side with effect from May 1, 2009 accordingly Rs. 5,375,544 per month was paid for the period from May 1, 2009 to June 30, 2009. The lease term is for a period of 9 years with a lock in period of 5 year and there after as per the mutual agreement between the lessor and the Company. There is an escalation clause in the lease agreement @ 5% every year which will be reviewed mutually every year by the Company and the lessor hence effect of escalation is not taken in the above disclosure. There are no subleases.

7. Interest in joint venture

The Company has a 50% interest in the assets, liabilities, expenses and income of FCH CentrumDirect Limited engaged in money changing business and FCH Centrum Wealth Managers Limited engaged in the business of wealth management and distribution of investment products.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity are as follows at 30 June 09.

| Particulars | June 30,2009 |
|--|----------------|
| Assets | 870,440,235 |
| Liabilities | 273,296,499 |
| Revenue | 10,801,321,808 |
| Depreciation/ Amortisation | 15,345,387 |
| Other expenses | 10,880,635,826 |
| Loss before tax | 94,659,404 |
| Capital expenditure, commitments and contingent liabilities | |
| Bank Guarantees | 390,000,000 |
| Capital Commitments | 1,341,853 |

8. Allotment to Centrum ESPS Trust as per Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

In the previous year, the Company had allotted 409,686 Equity Shares of Rs.10/- each at a premium of Rs.740.05 per share aggregating to Rs.750.05 per share to Centrum ESPS Trust. The face value of Rs.10/- per share payable on the said shares has been received by the Company by using the proceeds of loan taken from the Company. The premium amount shall be accounted as and when received. The Trust will allocate the said shares as per the resolutions passed in the meeting of the shareholders of the Company and in accordance with the terms and conditions mentioned in the Employee Stock Purchase Scheme 2008 approved by the Remuneration/ Compensation Committee of the Board of the Company.

9. Contingent Liabilities not provided for

Rupees

| Particulars | As at June 30, 09 | As at June 30, 08 |
|---|-------------------|-------------------|
| Corporate Guarantees given by the Company: | | |
| (i) Associate | 660,100,000 | 310,100,000 |
| (ii) Joint Ventures | | |
| Limit | 390,000,000 | 310,000,000 |
| Outstanding | 287,541,695 | 198,467,891 |
| Partly paid equity shares of Essel Centrum Holdings Limited | 4,000,000 | 4,000,000 |

10. Gratuity and Post employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service gets a gratuity on leaving the services of the Company, at 15 days salary (last drawn basic salary) for each completed year of service. The Company makes contribution to an approved gratuity fund which is covered under the group gratuity scheme of the Life Insurance Corporation of India.

The following table summaries the components of net benefit expense recognized in the Profit and Loss account and funded status and amount recognized in the balance sheet for gratuity.

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost) :

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Current service cost | 1,104,715 | 416,536 |
| Interest cost on benefit obligation | 316,767 | 143,383 |
| Expected return on plan assets | (258,629) | (140,781) |
| Past Service Cost (non vested Benefit) Recognised | Nil | Nil |
| Past Service Cost (vested Benefit) Recognised | Nil | Nil |
| Recognition of transition liability | Nil | Nil |
| Net actuarial (gain) / loss recognised in the year | (786,810) | 974,788 |
| Net benefit expense | 376,043 | 1,393,927 |

Balance sheet

Details for provision for gratuity :

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Liability at the end of the year | 3,230,917 | 2,854,874 |
| Fair Value of Plan Assets at the end of the year | 3,232,865 | 1,844,961 |
| Difference | (1,948) | 1,009,913 |
| Unrecognised past service cost | Nil | Nil |
| Unrecognised transition liability | Nil | Nil |
| Amount recognized in the Balance Sheet | (1,948) | 1,009,913 |

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

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Opening defined benefit obligation | 2,854,874 | 1,375,745 |
| Interest cost | 316,767 | 143,383 |
| Current service cost | 1,104,715 | 416,536 |
| Past service cost (non vested benefit) | Nil | Nil |
| Past service cost (vested benefit) | Nil | Nil |
| Settlement | Nil | Nil |
| Liability transfer in | Nil | Nil |
| Liability transfer out | Nil | Nil |
| Benefit paid | Nil | Nil |
| Actuarial (gain)/loss on obligation | (1,045,439) | 919,210 |
| Closing defined benefit obligation | 3,230,917 | 2,854,874 |

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

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Opening fair value of plan assets | 1,844,961 | 946,693 |
| Expected Return on Plan Assets | 258,629 | 140,781 |
| Contributions by employer | 1,387,904 | 813,066 |
| Transfer from other Company | Nil | Nil |
| Transfer to other Company | Nil | Nil |
| Benefit paid | Nil | Nil |
| Actuarial gain/(loss) on Plan Assets | (258,629) | (55,579) |
| Closing fair value of plan assets | 3,232,865 | 1,844,961 |
| Total Actuarial Gain / (Loss) to be recognized | 786,810 | (974,788) |

The Company expects to contribute Rs. 451,252 to gratuity for the year July 1, 2009 to June 30, 2010 (Previous year Rs. 1,397,384).

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

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--------------------------|-------------------------------------|-------------------------------------|
| Investments with insurer | 100% | 100% |

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

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

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Discount rate | 7.75% | 8.00% |
| Expected rate of return on assets | 8.00% | 8.00% |
| Salary escalation | 5.00% | 5.00% |
| Employee turnover | 2.00% | 2.00% |

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

Amounts for the current year are as follows*

| | Gratuity* |
|--|--------------------------------|
| | July 01, 2008 to June 30, 2009 |
| Defined benefit obligation | 3,230,917 |
| Plan assets | 3,232,865 |
| Surplus / (deficit) | 1,948 |
| Experience adjustments on plan liabilities | (1,118,135) |
| Experience adjustments on plan assets | (258,629) |

* The disclosure is required pursuant to Accounting Standard 15 Notified by Companies (Accounting Standards) Amendment Rules, 2008. The Company has disclosed the amounts determined for each accounting period prospectively from the current year and hence disclosure of earlier year figures have not been made.

11. Derivative Instruments and Un-hedged Foreign Currency Exposure

- i. There were no contracts outstanding as at balance sheet date.
- ii. Particulars of Unhedged Foreign Currency Exposure are detailed below at the exchange rate prevailing as at balance sheet date

(Rupees)

| Particulars | June 30, 2009 | June 30, 2008 |
|--------------------|---|---|
| Bank balance | 1,763,057 (AED 135619.75 @ Closing rate of 1AED=Rs.13.00) | 2,199,816 (AED 188,825.40 @ Closing rate of 1AED=Rs11.65) |
| Loans and Advances | 4,749,875 (USD 98,750 @ Closing rate of 1USD=Rs.48.10) | NIL |
| Loans and Advances | 4,200,695 (GBP 53,246 @ Closing rate of 1GBP=Rs.78.89) | NIL |

12. Loans and Advances includes amounts due from

| Particulars | As at June 30, 2009 | Maximum outstanding during the year | As at June 30, 2008 | Maximum outstanding during the year |
|--|---------------------------|--|---------------------------|--|
| Subsidiary companies | | | | |
| Centrum Infrastructure and Realty Limited | 115,661,311 | 232,608,574 | 40,968,000 | 40,968,000 |
| Centrum Investments Limited | - | 59,689 | 59,689 | 19,959,689 |
| Centrum Financial Services Limited (Formerly known as Shri Santram Finance Limited) | 534,044,283 | 548,973,912 | - | - |
| Accounts Receivables Management Services (I) Limited | 29,600,000 | 30,000,000 | - | - |
| Centrum Capital Holdings LLC | 4,749,875 | 4,749,875 | 3,336,119 | 3,336,119 |
| Joint Venture companies / parties under the same management | | | | |
| FCH Centrum Wealth Managers Limited | - | 21,026,301 | - | - |
| Centrum Broking Private Limited | 2,988,785 | 372,224,724 | 6,883,215 | 390,235,334 |
| Centrum Securities Private Limited | 4,327,904 | 9,821,420 | 2,468,179 | 7,066,963 |
| Centrum ESPS Trust | 4,096,860 | 4,096,860 | 4,096,860 | 4,096,860 |
| Parties in which directors are interested | | | | |
| Centrum Fiscal Private Limited | 100,000 | 100,000 | 100,000 | 100,000 |
| P & M Infrastructure Limited | 35,271,507 | 37,842,466 | 34,000,000 | 34,000,000 |
| Businessmatch Services (India) Private Limited | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |

13. Directors Remuneration Details

| Particulars | June 30, 2009 | June 30, 2008 |
|-----------------------------|-------------------|------------------|
| Salary and Bonus | 9,755,601 | 5,996,590 |
| Contribution to Funds | 206,550 | 74,352 |
| Reimbursement of Allowances | 919,160 | 369,996 |
| Total | 10,881,311 | 6,440,938 |

Note: As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

14. Deferred Tax Asset / Liability

In accordance with the Accounting Standard 22 on Accounting for Taxes on Income, the Company has made adjustments in its accounts for deferred tax liabilities / assets.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are:

| Deferred tax liability / (assets) | June 30, 2009 | June 30, 2008 |
|--|-------------------|----------------|
| Deferred tax liabilities | | |
| Difference between book and tax depreciation | 8,113,012 | 760,227 |
| Leasehold expenses claimed in Income Tax | 21,114,916 | - |
| Total (A) | 29,227,928 | 760,227 |
| Less : Deferred tax assets | | |
| Provision for Gratuity | 81,409 | 343,269 |
| Provision for leave | 251,990 | 215,248 |
| on a/c of Depreciation on leasehold in Company | 2,684,908 | - |
| on a/c of Provision for Bad debts | 2,855,498 | - |
| Total (B) | 5,873,805 | 558,517 |
| Net deferred tax liability (A – B) | 23,354,123 | 201,710 |

*Deferred tax liability on leasehold expenses claimed in Income Tax include prior period amounts of Rs.21,114,916/-

15. (a) Earnings in foreign exchange (Accrual basis)

| Particulars | June 30, 2009 (Rupees) | June 30, 2008 (Rupees) |
|-------------------------------|---------------------------|---------------------------|
| Commission / Syndication fees | 842,916 | 109,515 |
| Total | 842,916 | 109,515 |

(b) Expenditure in foreign currency (Accrual basis)

| Particulars | June 30, 2009 (Rupees) | June 30, 2008 (Rupees) |
|---|---------------------------|---------------------------|
| Travelling | 1,750,941 | 1,826,969 |
| Meetings & Seminars | 68,686 | 72,944 |
| Business promotion | 447,916 | - |
| Professional Fees (net of tax deducted at source) | 1,913,654 | 18,119,776 |
| Branch Expenses | 25,989,441 | 17,155,802 |
| Total | 30,170,638 | 37,175,491 |

16. Earnings Per Share

| Particulars | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | June 30, 2009 | June 30, 2008 |
| | (in Rs.) | (in Rs.) |
| Profit after taxes (net of prior period items) attributable to equity shareholders | 162,220,025 | 200,910,283 |
| Number of Equity Shares of Rs.10/- each issued and outstanding | | |
| - At the end of the Year | 6,828,096 | 6,828,096 |
| - Weighted average number of equity shares outstanding | 6,828,096 | 5,834,748 |
| Basic and Diluted Earnings Per Share | 23.76 | 34.43 |
| Nominal Value of Equity Shares | 10/- | 10/- |

17. The Company has initiated the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006, by obtaining confirmations from all suppliers. The Company has not received intimation from all the 'suppliers' regarding their status under MSMED Act, 2006 and hence disclosures if any, relating to amounts unpaid as at the year end together with interest paid/payable as required have not been furnished.

18. Additional Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

Particulars of traded bonds:

| | Opening Stock | Purchases | Sales | Closing Stock |
|-----------------|-------------------------|-----------------------------------|-----------------------------------|----------------------------|
| Quantity (Nos.) | 101,605 (2,000) | 29,313,070 (24,647,442) | 29,364,519 (24,548,837) | 50,156 (101,605) |
| Amount (Rs.) | 14,469,864 (193,307) | 11,378,003,272 (8,164,779,755) | 11,578,760,240 (8,183,219,736) | 11,466,322 (14,469,864) |

Note: Figures in brackets are for previous year.

19. During the year, 0.1% share holding of FCH Centrum Wealth Managers Limited and FCH CentrumDirect Limited was transferred from Future Capital Holdings Limited (FCH) to Centrum Capital Limited (CCL), in accordance with the Joint Venture Agreement executed on 11th March 2008 between CCL and FCH, the same are now 50:50 joint venture partners effective June 12, 2009 and June 16, 2009 respectively. This has resulted in a change in the status of FCH CentrumDirect Limited and FCH Centrum Wealth Managers Limited from subsidiaries of CCL (by virtue of control till previous year) to Joint Ventures between CCL and FCH.

20. Previous year comparatives

Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

The figures of previous year were audited by a firm of Chartered Accountants other than S.R.Batliloi & Co.

As per our report of even date

For S. R. Batliloi & Co.
Chartered Accountants

per Shrawan Jalan
Partner

Membership No. : 102102

Place : Mumbai

Date : September 30, 2009

For and on behalf of Board of Directors of Centrum Capital Limited

T. R. Madhavan
Managing Director

Himanshoo Bohara
Chief Financial Officer

Place : Mumbai

Date : September 30, 2009

K. V. Krishnamurthy
Director

Gajendra Thakur
Company Secretary

Annexure 1 to Note No. 4 of Schedule 16

Segment Information for the year ended June 30, 2009

Information about Primary business Segments

| | Investment Banking | Trading in Bonds | Unallocated | Total |
|--|------------------------------|------------------------------|----------------------------------|----------------------------------|
| Revenue | | | | |
| Income from operations | 449,115,943 (485,973,823) | 197,753,426 (32,716,538) | 82,313,391 (11,394,157) | 729,182,760 (530,084,518) |
| Total revenue | 449,115,943 (485,973,823) | 197,753,426 (32,716,538) | 82,313,391 (11,394,157) | 729,182,760 (530,084,518) |
| Result | | | | |
| Segment result | 118,778,832 (279,264,352) | 127,435,070 (-6,011,928) | 82,313,391 (11,394,157) | 328,527,293 (284,646,581) |
| Interest expense | 19,031,380 (4,946,994) | 7,291,643 (6,851,015) | 19,217,742 (3,832,081) | 45,540,765 (15,630,090) |
| Profit/(Loss) before taxation and prior period items | 99,747,452 (274,317,358) | 120,143,427 (-12,862,943) | 63,095,649 (7,562,076) | 282,986,528 (269,016,491) |
| Tax expenses | | | 120,766,503 (68,106,208) | 120,766,503 (68,106,208) |
| Net Profit/(Loss) | | | | 162,220,025 (200,910,283) |
| Other Information | | | | |
| Segment assets | 751,878,563 (714,228,489) | 63,082,303 (69,552,209) | 1,817,957,337 (1,576,524,429) | 2,632,918,203 (2,360,305,127) |
| Total Assets | 751,878,563 (714,228,489) | 63,082,303 (69,552,209) | 1,817,957,337 (1,576,524,429) | 2,632,918,203 (2,360,305,127) |
| Segment liabilities | 179,756,314 (146,063,941) | 19,892,473 (36,541,698) | 450,864,091 (349,525,657) | 650,512,878 (532,131,296) |
| Total liabilities | 179,756,314 (146,063,941) | 19,892,473 (36,541,698) | 450,864,091 (349,525,657) | 650,512,878 (532,131,296) |
| Capital expenditure | 51,420,498 (194,277,701) | 9,074,206 (34,284,300) | - | 60,494,704 (228,562,001) |
| Depreciation | 29,576,516 (7,166,648) | 5,219,385 (1,264,702) | - | 34,795,901 (8,431,350) |
| Amortisation | 837,681 (579,502) | 147,826 (102,265) | - | 985,507 (681,767) |
| Provision for bad and doubtful debts and bad debts written off | 27,195,671 (3,675,612) | - | - | 27,195,671 (3,675,612) |

- (i) All of the Company's operations are conducted in India. Consequently the commercial risks and returns involved on the basis of geographic segmentation are relatively insignificant. Accordingly, secondary segment disclosures based on geographic segments have not been reported.
- (ii) The Company is organised into two main business segments namely:
- Investments Banking - Comprising financial services and merchant banking activities.
 - Trading in Bonds - Comprising of purchase and sale of bonds.
- (iii) Items that relate to the enterprise as a whole or at corporate level not attributable to a particular segment are included under "Unallocated".
- (iv) There are no Intersegment transfers.

(Figures in brackets are that of previous year)

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile

| I. Registration Details | | | | |
|---|----------------------------|--------------------|---------------------------------|--------------------|
| | Registration No. | 11-19986 | State Code | 11 |
| | Balance Sheet Date | 30-06-2009 | | |
| II. Capital raised during the year | | | | (Rs. in thousands) |
| | Public Issue | Nil | Right Issue | Nil |
| | Bonus Issue | Nil | Private Placement | Nil |
| III. Position of Mobilisation and Deployment of Funds | | | | |
| | Total Liabilities | 2,494,408 | Total Assets | 2,494,408 |
| Sources of Funds | | | | |
| | Paid-up Capital | 68,281 | Reserves & Surplus | 1,914,124 |
| | Secured Loans | 150,292 | Unsecured Loans | 338,356 |
| | Deferred Taxation (net) | 23,354 | | |
| Application of Funds | | | | |
| | Net Fixed Assets | 269,920 | Investments | 904,997 |
| | Net Current Assets | 1,319,491 | Deferred Revenue Expenditure | Nil |
| IV. Performance of Company | | | | |
| | Total Income | 729,183 | Total Expenditure | 446,196 |
| | Profit/(Loss) before taxes | 282,987 | Profit/(Loss) after taxes | 162,220 |
| | Earning Per Share in Rs. | 23.76 | Dividend rate % | 10 |
| V. Generic Names of Principal Products/Services of Company (as per monetary terms) | | | | |
| | Item Code No. | N. A. | | |
| | Product Description | MERCHANT BANKING | | |
| | | INVESTMENT BANKING | | |
| | | INVESTMENTS | | |

**For and on behalf of Board of Directors
of Centrum Capital Limited**

T. R. Madhavan
Managing Director

K. V. Krishnamurthy
Director

Himanshu Bohara
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place : Mumbai
Date: September 30, 2009

Statement Pursuant to Section 212 of the Companies Act, 1956

| 1 | Name of the Subsidiary Company | Centrum Infrastructure & Realty Limited | Centrum Investments Limited | Accounts Receivables Management Services (I) Private Limited | Centrum Financial Services Limited | Centrum Capital Holdings LLC | Centrum Securities LLC |
|---|---|---|-----------------------------|--|------------------------------------|------------------------------|------------------------|
| 2 | Financial Year/period of the Subsidiary ended on | June 30, 2009 | June 30, 2009 | June 30, 2009 | June 30, 2009 | June 30, 2009 | June 30, 2009 |
| 3 | Holding Company's interest | | | | | | |
| | Number of Equity Shares (of Rs.10/- each) | 50,000 | 50,000 | 40,000 | 1,250,000 | | |
| | Extent of Holding | 100% | 100% | 80% | 100% | 100% | 99% |
| 4 | The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the members of Centrum Capital Limited | | | | | | |
| | (i) Not dealt with in the Holding Company's accounts | | | | | | |
| | (a) For the financial year of the Subsidiary | (65,150,602) | (105,452) | (2,139,185) | 2,896,714 | (17,612,133) | (12,873,573) |
| | (b) For the previous financial year of the Subsidiary Company since it became the Holding Company's Subsidiary | (1,365,423) | (103,320) | N.A. | N.A. | N.A. | N.A. |
| | (ii) Dealt with in the Holding Company's accounts | | | | | | |
| | (a) For the financial year of the subsidiary | NIL | NIL | NIL | NIL | NIL | NIL |
| | (b) For the previous financial year of the Subsidiary Company since it become the Holding Company's Subsidiary | NIL | N.A. | NIL | N.A. | N.A. | N.A. |
| 5 | Material changes, if any, between the end of the financial year of the Subsidiary Company and that of the Holding Company | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

**For and on behalf of Board of Directors
of Centrum Capital Limited**

T. R. Madhavan
Managing Director

K. V. Krishnamurthy
Director

Himanshoo Bohara
Chief Financial Officer

Gajendra Thakur
Company Secretary

Place : Mumbai

Date : September 30, 2009

Auditors' Report on the Consolidated Financial Statements

The Board of Directors Centrum Capital Limited

1. We have audited the attached consolidated balance sheet of Centrum Capital Limited ('the Company') and its subsidiary (collectively referred as 'the Group'), as at June 30, 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs. 650,930,916 (net of current liabilities) as at June 30, 2009 and the total revenue of Rs. 28,355,145 and cash flows amounting to Rs. 12,036,757 and of three associates which reflect the Group's share of loss of Rs. 72,627,000, for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. Without qualifying our opinion, we draw attention to note 22 of Schedule 17 to the financial statements. FCH CentrumDirect Limited (FCH CDL) and FCH Centrum Wealth Managers Limited (FCH CWML) (joint ventures of the Company) have exceeded limit prescribed for managerial remuneration in the Schedule XIII to the Companies Act, 1956 in respect of their managing director and three whole time directors respectively. FCH CDL has made an application to the Central Government for approval for appointment and payment of remuneration to the Managing Director in excess of the limits prescribed under Schedule XIII of the Companies Act 1956 aggregating Rs. 2,371,461, FCH CWML has made applications to the Central Government, for appointment and payment of excess remuneration aggregating Rs. 6,969,982 and have received approval in respect of one whole-time-director for an amount aggregating Rs. 737,902. Pending the final outcome of the applications, no adjustments have been made to the accompanying financial statements in this regard.
5. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements", AS 23, "Accounting for Investments in Associates in Consolidated Financial Statements," and AS 27, "Financial reporting of Interest in Joint Ventures" [notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended)].
6. Based on our audit and on consideration of report of other auditor on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the consolidated balance sheet, of the state of affairs of the Group as at June 30, 2009; and
 - b. in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
 - c. in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.

Chartered Accountants

per Shrawan Jalan

Partner

Membership No.:102102

Place: Mumbai

Date: September 30, 2009

Consolidated Balance Sheet as at June 30, 2009

| | Schedule | June 30, 2009 | Rupees June 30, 2008 |
|--|----------|----------------------|-------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share capital | 1 | 68,280,960 | 68,280,960 |
| Reserves and surplus | 2-A | 2,123,554,143 | 2,208,628,468 |
| | | 2,191,835,103 | 2,276,909,428 |
| Minority interest (Refer note 12 of Schedule 17) | 2-B | 3,399,815 | 643,534,600 |
| Loan funds | | | |
| Secured loans | 3-A | 320,419,480 | 337,748,636 |
| Unsecured loans | 3-B | 215,790,902 | 361,110,609 |
| | | 536,210,382 | 698,859,245 |
| Deferred tax liabilities (net) (Refer note 17 of Schedule 17) | | 26,404,865 | 14,940,828 |
| Total | | 2,757,850,165 | 3,634,244,101 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross block | 4-A | 435,105,301 | 439,842,260 |
| Less: Accumulated depreciation | | 104,308,160 | 65,890,138 |
| Net block | | 330,797,141 | 373,952,122 |
| Share in capital work-in-progress (including capital advances) of Joint Ventures | | 7,174,580 | 10,208,095 |
| | | 337,971,721 | 384,160,217 |
| Intangible Assets | 4-B | 15,630,994 | 2,858,338 |
| Investments | 5 | 783,494,203 | 1,942,783,315 |
| Current assets, Loans and Advances | | | |
| Inventories | 6 | 11,466,322 | 14,469,864 |
| Sundry debtors | 7 | 566,094,220 | 681,685,889 |
| Cash and bank balances | 8 | 379,562,625 | 421,085,814 |
| Loans and advances | 9 | 944,689,735 | 588,506,358 |
| Interest accrued but not due | | 4,888,082 | - |
| | (A) | 1,906,700,984 | 1,705,747,925 |
| Less: Current liabilities and Provisions | 10 | | |
| Current liabilities | | 274,093,106 | 298,080,065 |
| Provisions | | 14,083,456 | 103,814,886 |
| | (B) | 288,176,562 | 401,894,951 |
| Net current assets | (A - B) | 1,618,524,422 | 1,303,852,974 |
| Miscellaneous expenditure (To the extent not written off or adjusted) | 11 | 2,228,825 | 589,257 |
| Total | | 2,757,850,165 | 3,634,244,101 |
| Notes to Accounts | 17 | | |

The schedules referred to above and notes to accounts form an integral part of the Consolidated Balance Sheet.

As per our report of even date

For S. R. Batliboi & Co.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. : 102102

Place : Mumbai
Date : September 30, 2009

For and on behalf of the Board of Directors
of Centrum Capital Limited

T. R. Madhavan
Managing Director

Himanshoo Bohara
Chief Financial Officer

Place : Mumbai
Date : September 30, 2009

K. V. Krishnamurthy
Director

Gajendra Thakur
Company Secretary

Consolidated Profit and Loss Account for the year ended June 30, 2009

Rupees

| | Schedule | June 30, 2009 | June 30, 2008 |
|--|----------|-----------------------|----------------|
| Income | | | |
| Income from operations | 12 | 11,375,938,860 | 17,567,763,357 |
| Other income | 13 | 122,728,945 | 40,888,753 |
| Total | | 11,498,667,805 | 17,608,652,110 |
| Expenditure | | | |
| Share in Cost of goods/ services sold of joint venture | | 10,546,827,783 | 16,707,018,899 |
| Personnel expenses | 14 | 321,710,394 | 234,147,832 |
| Administrative and other expenses | 15 | 393,687,434 | 290,917,502 |
| Financial expenses | 16 | 66,586,094 | 44,558,009 |
| Depreciation/ amortisation | | 51,633,566 | 18,777,866 |
| Total | | 11,380,445,271 | 17,295,420,108 |
| Profit before tax | | 118,222,534 | 313,232,002 |
| Less : Provision for tax | | | |
| - Current tax (Net off credit of Rs. 1,213,527 share in Joint Venture) [Includes provision for tax for earlier years Rs. 3,474,739, (Previous year Rs. 257,040)] | | 94,671,827 | 79,457,041 |
| - Deferred tax charge/ (credit) (Refer Note 17 of Schedule 17) (Net off credit of Rs. 4,879,332 of share in Joint Venture) | | 18,273,081 | 3,290,053 |
| - Wealth tax | | 295,000 | 225,000 |
| - Fringe benefit tax (Including shares in Fringe benefit tax of Joint Ventures Rs. 1,273,373) | | 3,369,354 | 3,974,187 |
| Profit after tax | | 1,613,272 | 226,285,721 |
| Prior period adjustments (Net off shares in prior period adjustments of Joint Ventures Rs. 6,966,097) | | 13,342,315 | - |
| Profit after tax, and before share in associates loss, minority interest | | 14,955,587 | 226,285,721 |
| Share in loss of associates | | (72,627,000) | (11,987,446) |
| Minority interest (Refer Note 12 of Schedule 17) (Including shares in Minority interest of Joint Ventures Rs. 2,490,353) | | (2,067,529) | (13,721,261) |
| (Loss) / Profit after tax and share in associates loss, minority interest | | (59,738,942) | 200,577,014 |
| Balance brought forward from previous year | | 378,030,584 | 240,646,907 |
| Profit available for appropriation | | 318,291,642 | 441,223,921 |
| Appropriations | | | |
| Proposed dividend | | 6,828,096 | 6,828,096 |
| Tax on dividend | | 1,160,435 | 1,160,435 |
| Surplus carried to Consolidated Balance Sheet | | 310,303,111 | 433,235,390 |
| Basic and diluted earnings per share of Rs.10/- each | | (8.75) | 34.38 |
| Earnings per share: (Refer Note 18 of Schedule 17) | | | |

Notes to Accounts

17

The schedules referred to above and notes to accounts form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date

**For S. R. Batliboi & Co.
Chartered Accountants**

**per Shrawan Jalan
Partner
Membership No. : 102102**

**Place : Mumbai
Date : September 30, 2009**

**For and on behalf of the Board of Directors
of Centrum Capital Limited**

**T. R. Madhavan
Managing Director**

**Himanshoo Bohara
Chief Financial Officer**

**Place : Mumbai
Date : September 30, 2009**

**K. V. Krishnamurthy
Director**

**Gajendra Thakur
Company Secretary**

Consolidated Cash Flow Statement for the year ended June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|----------------------|------------------------|
| A. Cash flow from operating activities | | |
| Net profit before taxation, and extraordinary items | 118,222,534 | 313,232,002 |
| Adjustments for: | | |
| Depreciation/Amortisation | 51,633,566 | 18,777,866 |
| Loss on sale of fixed assets | 781,201 | 191,428 |
| Write back of provisions | (577,083) | (428,691) |
| Profit on sale of shares | (2,421,873) | (4,584,994) |
| Loss on redemption of mutual fund investment (net) | 6,302,647 | - |
| Interest income | (69,632,057) | (6,827,169) |
| Dividend from shares | (3,468,286) | (426,673) |
| Dividend from mutual fund | (43,281,647) | (21,055,798) |
| Preliminary/share issue expenses written off | 155,887 | 298,371 |
| Bad debts written off | 20,427,855 | 5,156,197 |
| Provision for doubtful debts and advances | 11,188,941 | - |
| Unrealised loss (net) | 320,967 | - |
| Prior period adjustment | (7,233,552) | - |
| Interest expense | 59,785,783 | 23,982,349 |
| | 36,693,501 | 27,794,038 |
| Operating profit before working capital changes | 142,204,883 | 341,026,040 |
| Movements in working capital : | | |
| Increase in sundry debtors | (58,377,745) | (287,145,278) |
| Decrease / (Increase) in inventories | 3,003,542 | (14,276,557) |
| Increase in loans and advances | (131,398,085) | (278,791,293) |
| Increase in creditors & other liability | 52,827,804 | (133,944,484) |
| | 120,504,201 | (459,708,927) |
| Cash from/(used in) for operations | 8,260,399 | (118,682,887) |
| Direct taxes paid (including tax deducted at source and fringe benefit tax) | (200,569,111) | (55,034,617) |
| Net cash used in operating activities | (192,308,712) | (173,717,504) |
| B. Cash flows from investing activities | | |
| Purchase of fixed assets | (69,873,180) | (304,093,251) |
| Proceeds from sale of fixed assets | 886,333 | 290,100,504 |
| Purchase of investments (including dividend reinvestment) | (4,268,905,218) | (4,736,419,622) |
| Proceed from sale of investment | 899,600,541 | 2,261,465,165 |
| Investment in subsidiaries | (38,303,175) | - |
| Investment in Joint Ventures/Associates | (522,860,270) | (101,397,000) |
| Deposits with other companies | (605,700,164) | (238,018,405) |
| Sale proceeds from investments | 4,645,646,387 | 558,870,024 |
| Interest received | 44,483,544 | 3,765,048 |
| Dividends received from shares | 20,592,143 | 12,984,898 |
| Dividends received from mutual fund | 26,157,790 | 8,497,573 |
| Net cash from / (used) in investing activities | 131,724,731 | (2,244,245,066) |
| C. Cash flows from financing activities | | |
| Proceeds from issuance of share capital | - | 2,206,036,374 |
| Increase in working capital facilities from banks | 52,675,884 | 106,182,700 |
| Proceeds from long-term borrowings | 22,968,598 | 120,396,954 |
| Repayment of long-term borrowings | (258,654,324) | 150,370,855 |

Consolidated Cash Flow Statement for the year ended June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|--|--------------------|----------------------|
| Proceeds from short-term borrowings | 9,932,086,901 | 9,170,176,116 |
| Repayment of short-term borrowings | (9,637,749,765) | (9,024,936,231) |
| Interest paid | (52,138,727) | (34,556,880) |
| Dividends paid | (6,828,096) | (5,735,600) |
| Tax on dividend paid | (1,160,435) | (974,765) |
| Net cash (used in) /from financing activity | 51,200,036 | 2,686,959,523 |
| NET (DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS | (9,383,945) | 268,996,953 |
| CASH AND CASH EQUIVALENTS | | |
| AS AT THE BEGINNING OF THE YEAR | | |
| Cash in hand including forex and forex equivalents | 194,766,293 | 112,144,839 |
| Cheques on hand | 37,448,989 | 16,464,151 |
| Balance with scheduled banks-current accounts | 185,120,915 | 22,358,200 |
| Debit Balance with other banks overdraft account | 1,549,801 | - |
| Balance with other banks-current accounts | 2,199,816 | 1,121,671 |
| | 421,085,814 | 152,088,861 |
| Add: Taken over on acquisition of subsidiary | 25,127,523 | - |
| Less: Reversal on account of conversion into Joint Ventures | (161,638,606) | - |
| Total | 284,574,731 | 152,088,861 |
| CASH AND CASH EQUIVALENTS | | |
| AS AT THE END OF THE YEAR | | |
| Cash in hand including forex and forex equivalents | 97,042,984 | 194,766,293 |
| Cheques on hand | 11,109,715 | 37,448,989 |
| Balance with scheduled banks-current accounts | 148,725,524 | 185,120,915 |
| Debit Balance with other banks overdraft account | 181,110 | 1,549,801 |
| Balance with other banks-current accounts | 1,763,057 | 2,199,816 |
| Deposits (including deposit aggregating Rs.9,139,452 pledged with bank for secured overdraft facility) | 17,499,545 | - |
| Less: Effect of exchange difference on cash and cash equivalent | (1,131,149) | - |
| Total | 275,190,786 | 421,085,814 |
| | (9,383,945) | 268,996,953 |

The above cash flow statements have been prepared under the indirect method set out in (AS)-3, 'Cash Flow Statement' notified pursuant to the Companies (Accounting Standards) Rules, 2006.

As per our report of even date

For S. R. Batliboi & Co.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. : 102102

Place : Mumbai
Date : September 30, 2009

For and on behalf of the Board of Directors
of Centrum Capital Limited

T. R. Madhavan
Managing Director

Himanshoo Bohara
Chief Financial Officer

Place : Mumbai
Date : September 30, 2009

K. V. Krishnamurthy
Director

Gajendra Thakur
Company Secretary

Schedules forming part of the Consolidated Balance Sheet as at 30 June, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|----------------------|---------------|
| Schedule 1 | | |
| Share Capital | | |
| Authorised | | |
| 10,000,000 (Previous year 10,000,000) equity shares of Rs.10/- each | 100,000,000 | 100,000,000 |
| | 100,000,000 | 100,000,000 |
| Issued, Subscribed and Paid-up | | |
| 6,828,096 Equity Shares (Previous year 6,828,096) of Rs.10/- each fully paid-up | 68,280,960 | 68,280,960 |
| Of the above equity shares: | | |
| (a) 3,254,000 equity shares were allotted as bonus shares in the year 2000-01 by capitalisation of reserves. | 32,540,000 | 32,540,000 |
| (b) 409,686 were allotted by way of preferential allotment in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 to Centrum ESPS Trust on May 17, 2008 | 4,096,860 | 4,096,860 |
| (c) 682,810 were allotted by way of preferential allotment in terms of SEBI (Disclosure & Investor Protection) Guidelines 2000 to Indivision India Partners on June 5, 2008 | 6,828,100 | 6,828,100 |
| Schedule 2-A | | |
| Reserves and surplus | | |
| Capital Reserve | 1 | 1 |
| (Gift of 525,000 equity shares of Rap Media Limited) | | |
| General reserve | | |
| Opening General Reserve | 6,554,924 | 6,525,580 |
| Add: Adjustment for share of profit for prior year | - | 1,615,860 |
| Less: Capital Reserves on dilution in subsidiary (Net) | - | 1,586,516 |
| Less: Adjustment in opening balance (Refer Note 21 of Schedule 17) | 3,784,924 | - |
| | 2,770,000 | 6,554,924 |
| Capital Reserve on Consolidation (Refer Note 11, 20 and 21 of Schedule 17) | | |
| Opening Capital Reserve on Consolidation | 3,867,736 | 2,281,220 |
| Add/ (Less) : Adjustment during the year | (15,065,632) | 1,586,516 |
| Less: Adjustment in opening balance | 477,460,787 | - |
| | 466,262,891 | 3,867,736 |
| Securities Premium Account | | |
| Opening balance of Securities Premium Account | 1,820,175,223 | 199,976,400 |
| Add : Received during the year | - | 2,151,474,204 |
| Less: Adjustment in opening balance (Refer Note 21 of Schedule 17) | 426,646,943 | - |
| | 1,393,528,280 | 2,351,450,604 |
| Less : Minority Interest | - | 531,275,381 |
| | 1,393,528,280 | 1,820,175,223 |
| Profit and Loss Account | | |
| Balance in Consolidated Profit & Loss Account | 310,303,111 | 433,235,390 |
| Less: Adjustment in opening balance (Refer Note 21 of Schedule 17) | 49,310,140 | - |
| Less: Minority interest | - | 55,204,806 |
| | 260,992,971 | 378,030,584 |
| | 2,123,554,143 | 2,208,628,468 |

Schedules forming part of the Consolidated Balance Sheet as at 30 June, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|--|--------------------|--------------------|
| Schedule 2-B | | |
| Minority Interest | | |
| Opening Minority Interest | 643,534,600 | - |
| Less: Reversal of Minority interest (Refer Note 20 of Schedule 17) | 643,534,600 | - |
| Add: Addition during the year (Refer Note 12 of Schedule 17) | 3,399,815 | 643,534,600 |
| | 3,399,815 | 643,534,600 |
| Schedule 3 | | |
| (A) Secured Loans | | |
| Loans and advances from banks | | |
| Vehicle Loans | | |
| (a) From Banks (Secured by hypothecation of vehicles) | 13,392,376 | 15,071,506 |
| (b) From Others (Secured by hypothecation of vehicles) | 533,334 | 872,412 |
| Overdraft / cash credit facilities | | |
| (a) The Federal Bank Limited (Secured by pledge of Government securities) | 3,453,819 | 5,959,187 |
| (b) The Lakshmi Vilas Bank Limited (Secured by pledge of bonds) | 4,140,776 | 14,340,700 |
| (c) The Federal Bank Limited (Secured against Fixed Deposits kept with the bank) | 74,169,308 | - |
| (d) Cash credit from HDFC Bank Limited (Secured against first charge of hypothecation of stock) | - | 153,607,737 |
| (e) Cash Credit from Axis Bank Limited (Secured against first pari passu charge by way of hypothecation of company's entire current assets) | - | 44,860,154 |
| Term Loan | | |
| (a) The Federal Bank Limited (Secured by hypothecation of assets procured at Centrum House, Mumbai and personal guarantee of Chairman of the Company) | 54,602,720 | 103,036,940 |
| Share in secured loans of joint ventures | 170,127,147 | - |
| | 320,419,480 | 337,748,636 |
| (B) Unsecured Loans | | |
| Inter Corporate Deposits | 17,084,799 | 361,110,609 |
| From Joint Venture Companies | 167,928,155 | - |
| Share in unsecured loans of joint ventures | 30,777,948 | - |
| | 215,790,902 | 361,110,609 |
| Amount due within one year | 182,512,954 | 9,400,000 |

Schedules forming part of the Consolidated Balance Sheet as at 30 June, 2009

SCHEDULE 4-A

FIXED ASSETS (Refer Note 20 of Schedule 17)

| Description of Assets | GROSS BLOCK | | | | As at June 30, 2009 | DEPRECIATION | | | | NET BLOCK | | |
|--|--------------------|---------------------|--------------------|------------------|---------------------|-------------------|----------------------------|-------------------|------------------|--------------------|---------------------|---------------------|
| | As at July 1, 2008 | Adjustments | Additions | Deductions | | Upto July 1, 2008 | Adjustments (Refer Note 1) | For the year | Deductions | Upto June 30, 2009 | As at June 30, 2009 | As at June 30, 2008 |
| (Rupees) | | | | | | | | | | | | |
| Tangible Assets (Refer Note 1 below) | | | | | | | | | | | | |
| Building | 1,297,850 | - | - | - | 1,297,850 | 203,609 | - | 21,212 | - | 224,821 | 1,073,029 | 1,094,241 |
| Computers - Hardware | 71,281,110 | (28,507,388) | 4,967,644 | - | 47,741,366 | 13,861,152 | (7,255,647) | 7,103,812 | - | 13,709,317 | 34,032,049 | 57,419,958 |
| Vehicles | 46,704,492 | (9,662,921) | 13,343,866 | 3,712,560 | 46,672,877 | 10,970,450 | (1,481,436) | 4,152,740 | 2,151,379 | 11,490,375 | 35,182,502 | 35,734,042 |
| Furniture & Fixtures | 50,637,362 | (43,047,454) | 499,974 | - | 8,089,882 | 6,341,259 | (5,103,526) | 1,191,286 | - | 2,429,019 | 5,660,863 | 44,296,103 |
| Air Conditioners | 17,970,472 | (6,260,860) | - | - | 11,709,612 | 1,072,042 | (610,957) | 544,910 | - | 1,005,995 | 10,703,617 | 16,898,430 |
| Office Equipments | 14,131,168 | (8,652,421) | 8,839,520 | - | 14,318,267 | 1,464,383 | (937,854) | 655,497 | - | 1,182,026 | 13,136,241 | 12,666,785 |
| Leasehold Development (Refer Note 3 below) | 214,218,764 | (52,611,102) | 27,981,033 | - | 189,588,695 | 8,498,759 | (5,724,572) | 21,185,221 | - | 23,959,408 | 165,629,287 | 205,720,005 |
| Total (A) | 416,241,218 | 148,742,146 | 55,632,037 | 3,712,560 | 319,418,549 | 42,411,654 | (21,113,992) | 34,854,678 | 2,151,379 | 54,000,961 | 265,417,588 | 373,829,564 |
| Leased Assets | | | | | | | | | | | | |
| Plant & Machinery | 23,601,042 | - | - | - | 23,601,042 | 23,478,484 | - | 122,558 | - | 23,601,042 | - | 122,558 |
| Total (B) | 23,601,042 | - | - | - | 23,601,042 | 23,478,484 | - | 122,558 | - | 23,601,042 | - | 122,558 |
| Share in Tangible Assets of Joint Ventures (C) (Refer Note 2 below) | - | 80,018,407 | 12,402,682 | 335,379 | 92,085,710 | - | 12,469,513 | 14,315,617 | 78,973 | 26,706,157 | 65,379,553 | - |
| Total (A+B+C) | 439,842,260 | (68,723,739) | 68,034,719 | 4,047,939 | 435,105,301 | 65,890,138 | (8,644,479) | 49,292,853 | 2,230,352 | 104,308,160 | 330,797,141 | 373,952,122 |
| SCHEDULE 4-B | | | | | | | | | | | | |
| Intangible Assets | | | | | | | | | | | | |
| Goodwill | 10,180,000 | - | - | - | 10,180,000 | 10,180,000 | - | - | - | 10,180,000 | - | - |
| Computers - Software | 7,390,599 | (3,300,000) | 6,073,311 | - | 10,163,910 | 4,532,261 | (1,100,000) | 1,046,326 | - | 4,478,587 | 5,685,323 | 2,858,338 |
| Share in Intangible Assets of Joint Ventures (Refer Note 2 below) | - | 1,682,708 | 10,108,304 | - | 11,791,012 | - | 550,954 | 1,294,387 | - | 1,845,341 | 9,945,671 | - |
| Total | 17,570,599 | (1,617,292) | 16,181,615 | - | 32,134,922 | 14,712,261 | (549,046) | 2,340,713 | - | 16,503,928 | 15,630,994 | 2,858,338 |
| Grand Total | 457,412,859 | (70,341,031) | 84,216,334 | 4,047,939 | 467,240,223 | 80,602,399 | (9,193,525) | 51,633,566 | 2,230,352 | 120,812,088 | 346,428,135 | 376,810,460 |
| Previous year | 156,778,475 | - | 301,396,141 | 761,757 | 457,412,859 | 62,299,863 | - | 18,777,866 | 475,330 | 80,602,399 | 376,810,460 | - |
| Share in capital work in progress (including capital advance) of Joint Ventures. | | | | | | | | | | | 7,174,580 | |

Notes:-

- Adjustment for reversal of 100% share in gross block and accumulated depreciation of Joint Venture entities.
- Adjustment for 50% share in opening gross block and accumulated depreciation of Joint venture entities (including subsidiary of Joint Ventures)
- Addition during the year to Leasehold Development is in respect of the following :

| | Rupees | |
|-----------------------------------|-------------------|---------------|
| | Current year | Previous year |
| Civil work and immovable property | 26,117,962 | 90,904,773 |
| Rent | - | 68,307,506 |
| Other Expenses | 1,863,071 | 9,029,169 |
| Total | 27,981,033 | 168,241,448 |

Schedules forming part of the Consolidated Balance Sheet as at 30 June, 2009

| Schedule 5 | Face value | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
|---|--------------------------------|---------------|---------------|--------------------|--------------------|
| Investments | No. of shares/debentures/units | | | Rupees | Rupees |
| Long term investments (At cost) | | | | | |
| Non-Trade (Unquoted) | | | | | |
| Equity/ Preference Shares of Associates- Fully paid up | | | | | |
| Centrum Securities Private Limited | 10 | 100,000 | 100,000 | 1,000,000 | 1,000,000 |
| Centrum Broking Private Limited | 10 | 699,000 | 699,000 | 71,997,000 | 71,997,000 |
| Essel Centrum Holdings Limited (Partly Paid up) | 10 | 500,000 | 500,000 | 1,000,000 | 1,000,000 |
| 12% Redeemable Non Cumulative Preference Shares of Centrum Broking Private Limited (5,000,000 shares redeemable at par at the end of 5 years from the date of allotment i.e March 5,2009) | 100 | 5,500,000 | 500,000 | 550,000,000 | 50,000,000 |
| Share in accumulated loss of associates | | | | (75,042,311) | (6,616,006) |
| | | | | 548,954,689 | 117,380,994 |
| Preference Shares - Others | | | | | |
| 1% Preference shares of Indra Investments Advisory Private Limited (100,000 shares redeemable at par at the end of 20 years from the date of allotment i.e. October 18, 2008) | 100 | 100,000 | - | 10,000,000 | - |
| 9% Preference shares of SRR Consultants Private Limited (1,000,000 shares redeemable at par at the end of 20 years from the date of allotment i.e. August 29, 2008) | 10 | 1,000,000 | - | 10,000,000 | - |
| | | | | 20,000,000 | - |
| Non-Trade (Quoted) - Others | | | | | |
| Equity Shares- Fully paid up | | | | | |
| Nikumbh Dairy Products Limited | 10 | 4,000 | 4,000 | 109,500 | 109,500 |
| Birla Transasia Carpets Limited | 10 | 9,100 | 9,100 | 153,159 | 153,159 |
| Kaiser Press Limited | 10 | 500 | 500 | 5,000 | 5,000 |
| Dynemic Products Limited | 10 | 10,000 | 10,000 | 350,000 | 350,000 |
| Sunil Hitech Engineers Limited | 10 | 6,500 | 6,500 | 650,000 | 650,000 |
| Goa Carbon Limited | 10 | - | 47,825 | - | 3,826,000 |
| Lumax Auto Technologies Limited | 10 | 55,000 | 55,000 | 2,475,000 | 2,475,000 |
| Jagjanani Textiles Limited | 10 | 10,000 | 10,000 | 250,000 | 250,000 |
| Hilton Metal Forging Limited | 10 | 5,000 | 5,000 | 350,000 | 350,000 |
| Rap Media Limited | 10 | 608,550 | 608,550 | 12,104,675 | 12,104,675 |
| Shares in quoted non trade investments of joint ventures | | | | 61,250 | - |
| | | | | 16,508,584 | 20,273,334 |
| Non Trade (Unquoted) - Others | | | | | |
| Equity Shares- Fully paid up | | | | | |
| The Ratnakar Bank Limited* | 10 | 216,530 | 21,653 | 2,165,300 | 2,165,300 |
| Softchip Technologies Limited | 10 | 907,200 | 907,200 | 9,072,000 | 9,072,000 |
| Pan India Motors Private Limited | 10 | 11,800,000 | 11,800,000 | 43,000,000 | 43,000,000 |
| Oasis Counsel And Advisory Private Limited | 10 | 1 | - | 10 | - |
| | | | | 54,237,310 | 54,237,300 |

* consequent to stock split in the ratio of 1:10 during the year, the number of shares have increased from 21,653 to 216,530

Schedules forming part of the Consolidated Balance Sheet as at 30 June, 2009

| | Face value | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
|---|------------|--------------------------------|---------------|--------------------|---------------|
| | | No. of shares/debentures/units | | Rupees | Rupees |
| Non Convertible Debentures | | | | | |
| 8.40% Non Convertible Debentures of The Ratnakar Bank Limited | 1,000,000 | 2 | 2 | 2,000,000 | 2,000,000 |
| Non Convertible Debentures of Oasis Counsel And Advisory Private Limited | 1,000 | 50,000 | - | 50,000,000 | - |
| Secured Non Convertible Debentures of Polar Industries Limited | 100 | 300,000 | - | 15,161,000 | - |
| | | | | 67,161,000 | 2,000,000 |
| Portfolio Management Service | | | | | |
| PMS - Scheme Centrum One | | | | 4,740,951 | - |
| Current Investments - At lower of cost and market value | | | | | |
| In Units of Mutual Funds | | | | | |
| LICMF Liquid Fund - Dividend Plan [Net Asset Value as on June 30, 2009 Rs. Nil (Previous year Rs. 64,862)] | 10 | - | 5,907.00 | - | 64,862 |
| HDFC Cash Management Fund - Call Plan - Daily Dividend Reinvestment [Net Asset Value as on June 30, 2009 Rs. Nil (Previous year Rs. 71,577)] | 10 | - | 6,865.00 | - | 71,577 |
| Reliance Money Manager - Daily Dividend Reinvestment Option (Formerly Reliance Liquid Plus Fund - Institutional Option - Daily Dividend Plan) [Net Asset Value as on June 30, 2009 Rs. 590,795] (Previous year Rs. 1,144,307,638)] | 1,000 | 590.12 | 1,143,008.80 | 590,795 | 1,144,307,638 |
| Reliance Medium Term Fund - Daily Dividend Plan [Net Asset Value as on June 30, 2009 Rs. 192,449 (Previous year Rs. Nil)] | 10 | 11,257 | - | 192,449 | - |
| Reliance Liquid Plus Fund - Institutional Option - Daily Dividend Plan [Net Asset Value as on June 30, 2009 Rs. Nil (Previous year Rs. 600,414,827)] | | - | 599,733.29 | - | 600,414,827 |
| HSBC Mutual Fund Ultra Short term Bond Fund - Institutional Plus - Daily Dividend Plan [Net Asset Value as on June 30, 2009 Rs. Nil (Previous year Rs. 4,173,683)] | | - | 416,843.13 | - | 4,173,683 |
| SBI Gilt Magnum Fund [Net Asset Value as on June 30, 2009 Rs. 30,862,336 (Previous year Rs. Nil)] | | 1,700,364.49 | - | 28,025,067 | - |
| Shares in current investments of joint ventures | | | | 43,224,258 | - |
| | | | | 72,032,569 | 1,749,032,587 |
| | | | | 783,635,103 | 1,942,924,215 |
| Provision for diminution in the value of investments | | | | 140,900 | 140,900 |
| | | | | 783,494,203 | 1,942,783,315 |
| Aggregate value of quoted investments | | | | 16,367,684 | 20,132,434 |
| Aggregate value of unquoted investments | | | | 767,126,519 | 1,922,650,881 |
| Aggregate market value value of the quoted investments | | | | 35,288,904 | 58,764,225 |

Schedules forming part of the Consolidated Balance Sheet as at 30 June, 2009

Rupees

| | June 30, 2009 No. of bonds | June 30, 2008 No. of bonds | June 30, 2009 | June 30, 2008 |
|---|-------------------------------|-------------------------------|--------------------|------------------|
| Schedule 6 | | | | |
| Inventories (lower of cost and net realisable value) | | | | |
| Unquoted bonds | | | | |
| 8.30% Fertiliser Bonds 2023 | - | 10,000 | - | 936,881 |
| 7.49% Govt. Stock 2017 | - | 91,600 | - | 8,568,923 |
| PFC 9.28% NCD 28DC17 | - | 5 | - | 4,964,060 |
| 6.75% ICICI 2010 | 30 | - | 147,114 | - |
| 7.60% IDBI 2011 | 1 | - | 990,911 | - |
| 9.75% IDBI 2009 | 120 | - | 644,236 | - |
| 10.90% ICICI 2016 | 1 | - | 113,469 | - |
| 9.40% Syndicate Bank Perpetual | 4 | - | 4,216,093 | - |
| 8.59% UPSDL 2019 | 50,000 | - | 5,354,499 | - |
| [NetrealizablevalueRs.11,546,006(PreviousyearRs.14,560,475)] | | | 11,466,322 | 14,469,864 |
| Schedule 7 | | | | |
| Sundry Debtors (Unsecured, considered good, unless otherwise stated) | | | | |
| Debtors outstanding for a period exceeding six months (Refer Note 6 of Schedule 17) | | | | |
| Considered good | | | 253,107,108 | 261,702,129 |
| Considered doubtful | | | 9,417,093 | 1,016,100 |
| | | | 262,524,201 | 262,718,229 |
| Other Debts | | | | |
| Considered good | | | 166,663,607 | 419,983,760 |
| | | | 429,187,808 | 682,701,989 |
| Less: Provision for doubtful debts | | | 9,417,093 | 1,016,100 |
| | | | 419,770,715 | 681,685,889 |
| Shares in sundry debtors of joint ventures (net of provision for doubtful debts Rs.4,286,187 in respect of debts outstanding for more than 6 months) | | | 146,323,505 | - |
| | | | 566,094,220 | 681,685,889 |
| Schedule 8 | | | | |
| Cash and Bank balances | | | | |
| Cheques on hand | | | - | 37,448,989 |
| Cash on hand including foreign currencies | | | 20,877,067 | 194,766,293 |
| Balance with scheduled banks: | | | | |
| - on current account | | | 42,644,770 | 135,069,045 |
| - on fixed deposit account | | | 104,371,840 | 50,025,956 |
| - on unpaid dividend accounts | | | 104,221 | 25,914 |
| Debit balance in overdraft account | | | 181,110 | 1,549,801 |
| Other current accounts | | | 1,763,057 | 2,199,816 |
| Shares in cash and bank balance of joint ventures | | | 209,620,560 | - |
| | | | 379,562,625 | 421,085,814 |
| Bank Balance with other include: | | | | |
| National Bank of Dubai -AED current account [Maximum amount outstanding during the year Rs. 3,139,139(Previous year Rs. 2,773,248)] | | | 1,763,057 | 2,199,816 |

Schedules forming part of the Consolidated Balance Sheet as at 30 June, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|--|--------------------|--------------------|
| Schedule 9 | | |
| Loans and Advances | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Advance tax (net of provision for tax) | 10,475,556 | - |
| Advance for purchase of shares | 10,000,000 | 40,000,000 |
| Loans to employees & others | 44,682,922 | 47,624,831 |
| Advances recoverable in cash or in kind or for value to be received | | |
| Considered good | 61,493,126 | 120,004,997 |
| Considered doubtful | 453,488 | 453,488 |
| Inter corporate deposits | 513,627,265 | 238,018,405 |
| Service tax (input/credit account) | 16,710,978 | 13,924,906 |
| Deposits | 72,131,104 | 128,933,219 |
| | 729,574,439 | 588,959,846 |
| Less: Provision for doubtful advances | 453,488 | 453,488 |
| | 729,120,951 | 588,506,358 |
| Share in loans and advances of joint ventures (net of provision for doubtful loans & advances Rs. 472,939) | 215,568,784 | - |
| | 944,689,735 | 588,506,358 |
| Schedule 10 | | |
| (a) Current Liabilities | | |
| Sundry creditors | | |
| (i) total outstanding dues of Micro, Medium and Small enterprises | - | - |
| (ii) total outstanding dues of creditors other than Micro, Medium and Small enterprises | 54,290,734 | 241,747,700 |
| Advance from customers | 984,954 | - |
| Advance from related party | 3,623,795 | - |
| Investor Education and Protection Fund shall be credited by unpaid dividend (as and when due) | 104,221 | 21,593 |
| Other liabilities | 74,289,056 | 56,310,772 |
| Share in current liabilities of joint ventures | 140,800,346 | - |
| | 274,093,106 | 298,080,065 |
| (b) Provisions | | |
| Provision for taxation (net of advance tax) | - | 88,822,499 |
| Provision for wealth tax (net of advance tax) | 653,393 | 358,393 |
| Provision for fringe benefit tax (net of advance tax) | 562,758 | 1,234,660 |
| Provision for gratuity | 371,132 | 1,696,170 |
| Provision for leave encashment | 2,358,151 | 3,714,633 |
| Proposed dividend | 6,828,096 | 6,828,096 |
| Tax on proposed dividend | 1,160,435 | 1,160,435 |
| Share in provisions of joint ventures | 2,149,491 | - |
| | 14,083,456 | 103,814,886 |

Schedules forming part of the Consolidated Balance Sheet as at 30 June, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|------------------|---------------|
| Schedule 11 | | |
| Miscellaneous expenditures | | |
| (to the extent not written off or adjusted) | | |
| Preliminary expenditures | 2,032,453 | 589,257 |
| Share in miscellaneous expenditures of joint ventures | 196,372 | - |
| | 2,228,825 | 589,257 |

Schedules forming part of the Consolidated Profit and Loss Account for the year ended 30 June, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|-----------------------|----------------|
| Schedule 12 | | |
| Income from Operation | | |
| Syndication fees, Brokerage and Commission (TDS Rs. 53,831,665, Previous Year Rs. 26,519,842) | 502,734,291 | 620,457,259 |
| Less: Service Tax | 51,023,563 | 60,177,605 |
| | 451,710,728 | 560,279,654 |
| From Trading in bonds | 197,753,426 | 32,716,538 |
| Forex / Forex equivalents (Refer Note 20 of Schedule 17) | - | 16,880,324,549 |
| Other Fees, Commission and Brokerage | - | 94,442,616 |
| Share in income from operation of joint ventures (Refer Note 20 of Schedule 17) | 10,726,474,706 | - |
| | 11,375,938,860 | 17,567,763,357 |

Schedule 13

Other Income

| | | |
|---|--------------------|------------|
| Interest | | |
| Bank deposits (TDS Rs. 1,387,034, Previous year Rs. NIL) | 9,636,653 | 193,956 |
| Other interest (TDS Rs. 10,671,277, Previous year Rs. 1,053,960) | 48,210,798 | 6,633,213 |
| Dividend Income | | |
| Dividend on Equity shares- Non trade | 406,523 | 426,673 |
| Dividend on Units of Mutual Fund- Non trade | 23,024,293 | 21,055,798 |
| Profit on Sale of Investments- Long term - Non trade (net) | - | 1,840,486 |
| Profit on Sale of Investments- Short term - Non trade (net) | 749,862 | 2,744,508 |
| Profit on Sale of shares (net) | 2,421,873 | - |
| Sundry balances write back | - | 428,691 |
| Others | 1,337,856 | 7,565,428 |
| Share in other income of joint ventures | 36,941,087 | - |
| | 122,728,945 | 40,888,753 |

Schedules forming part of the Consolidated Profit and Loss Account for the year ended 30 June, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|--|--------------------|--------------------|
| Schedule 14 | | |
| Personnel expenses | | |
| Salaries, wages and allowances | 203,499,862 | 217,913,467 |
| Contribution to provident fund and ESIC | 6,084,760 | 8,345,431 |
| Gratuity and leave encashment | 2,510,292 | 3,817,555 |
| Staff welfare expenses | 3,980,227 | 4,071,379 |
| Share in personnel expenses of joint ventures | 105,635,253 | - |
| | 321,710,394 | 234,147,832 |
| Schedule 15 | | |
| Administrative and other expenses | | |
| Rent | 97,808,854 | 47,793,722 |
| Rates and Taxes | 15,531,010 | 749,512 |
| Electricity | 4,654,289 | 2,510,248 |
| Repair and maintenance | 211,945 | 1,011,694 |
| Repair and maintenance- Buildings and others | - | 1,825,649 |
| Insurance | 808,705 | 1,639,435 |
| Meetings and Seminars | 2,367,251 | 1,854,996 |
| Vehicle Expenses | 9,952,823 | 9,776,445 |
| Business promotion | 5,241,167 | 12,207,648 |
| Advertisement and marketing expenses | 1,975,164 | 4,649,471 |
| Commission and brokerage | 2,641,772 | 41,709,957 |
| Travelling and conveyance | 17,247,895 | 32,831,220 |
| Communication costs | 5,614,645 | 15,046,142 |
| Printing and stationery | 2,237,340 | 8,931,547 |
| Legal and professional fees | 28,295,735 | 79,579,489 |
| Subscription and membership fees | 1,272,634 | 1,057,684 |
| Postage and Courier | - | 210,604 |
| Registration & Stamp Duty Charges | 1,558,396 | - |
| Auditors Remuneration | | |
| - Audit fees | 675,000 | 500,000 |
| - Tax Audit fees | 5,000 | 158,708 |
| - Taxation and other matters | - | 284,634 |
| | 680,000 | 943,342 |
| Donation | 1,141,899 | 741,000 |
| Bad debts | 18,794,678 | 5,156,196 |
| Provision for doubtful debts | 8,400,993 | - |
| Loss on sale of fixed assets | 697,803 | 191,428 |
| Miscellaneous expenses | 7,057,509 | 20,500,073 |
| Share in administrative and other expenses of joint ventures | 159,494,927 | - |
| | 393,687,434 | 290,917,502 |

| | June 30, 2009 | June 30, 2008 |
|---|-------------------|-------------------|
| Schedule 16 | | |
| Financial Expenses | | |
| Interest | | |
| - on intercorporate deposits | 10,993,888 | 3,628,970 |
| - on banks | 26,004,115 | 32,861,419 |
| - on others | 701,674 | 203,111 |
| Bank charges | 982,627 | 7,864,509 |
| Share in financial expenses of joint ventures | 27,903,790 | - |
| | 66,586,094 | 44,558,009 |

Schedule 17**Consolidated Notes to Accounts****1. Basis of preparation**

The Consolidated Financial Statements (CFS) have been prepared in accordance with Accounting Standard "(AS)" 21 "Consolidated Financial Statements", Accounting Standard "AS"23. "Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard "AS" 27."Financial Reporting of Interest in Joint Ventures" notified in the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements comprises the financial statements of Centrum Capital Limited (CCL) (Holding Company), its subsidiaries being Centrum Infrastructure and Realty Limited (CIRL), Centrum Financial Services Limited (formerly known as Shri Santram Finance Limited) (CFSL), Centrum Investments Limited (CIL), Centrum Capital Holdings LLC (CCH LLC) (including Centrum Securities LLC), Accounts Receivables Management Services India Limited (ARMS), its joint ventures being FCH CentrumDirect Limited (FCH CDL) (including Club 7 Holidays Limited) (formerly known as Club 7 Holidays Private Limited) and FCH Centrum Wealth Managers Limited (FCH CWML) and its associates being Centrum Broking Private Limited (CBPL), Centrum Securities Private Limited (CSPL) and Essel-Centrum Holdings Limited (ECHL) hereinafter collectively referred as "the Group".

The Consolidated Financial Statements has been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year except for the changes in accounting policies discussed more fully in note 4(a) below.

The notes and significant policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Holding Company has disclosed such notes which represent the required disclosure.

2. Principles of consolidation

- a. The Consolidated Financial Statements of Centrum Capital Limited and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealized profits / losses have been fully eliminated.
- b. Interests in joint ventures are accounted by using proportionate consolidation method.
- c. Interest in associates are accounted by using equity method.
- d. The subsidiary companies, joint ventures and associates considered in the presentation of the Consolidated Financial Statements are :

| Particulars | Country of Incorporation | Proportion of ownership interest as at June 30,2009 | Proportion of ownership interest as at June 30,2008 | Financial years ends on* |
|--|--------------------------|---|---|--------------------------|
| a) Subsidiaries | | | | |
| Centrum Infrastructure and Realty Limited | India | 100% | 100% | June 30,2009 |
| Centrum Financial Services Limited | India | 100% | - | June 30,2009 |
| Centrum Investments Limited | India | 100% | 100% | June 30,2009 |
| Centrum Capital Holdings LLC | USA | 100% | - | June 30,2009 |
| Accounts Receivables Management Services (India) Limited | India | 80% | - | June 30,2009 |
| b) Joint Ventures | | | | |
| FCH CentrumDirect Limited | India | 50% | 49.90% | June 30,2009 |
| FCH Centrum Wealth Managers Limited | India | 50% | 49.90% | June 30,2009 |
| c) Associates | | | | |
| Centrum Broking Private Limited | India | 48.74% | 48.74% | June 30,2009 |
| Centrum Securities Private Limited* | India | 47.62% | 47.62% | March 31,2009 |
| Essel-Centrum Holdings Limited | India | 33.33% | 33.33% | June 30,2009 |

* for the purpose of consolidation of accounts are drawn upto June 30, 2009

Comparative figures do not include the figures of newly acquired / incorporated subsidiaries namely, Centrum Financial Services Limited, Centrum Capital Holding LLC, Accounts Receivables Management Services (India) Limited.

For the purpose of Consolidated Financial Statements, the results of CCL and its subsidiaries for the year/ period ended June 30, 2009 have been derived from the respective company's audited financials of the year ended June 30, 2009. The audited financials are not available in respect of an associate company which reflect the Group's share of loss in associates of Rs. 10 lacs for the year ended June 30, 2009. Consequently, the unaudited financial statements for the year ended June 30, 2009, as certified by Group's management have been used for consolidation and we have relied upon the same. The results of the subsidiary company as on the date of acquisition have not been audited but these have been certified by the management.

3. Goodwill / Capital Reserves on consolidation

The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

4. Statement of Significant Accounting Policies

a. Change in Accounting policy

i. Amortisation of goodwill (Joint Ventures FCH CDL and FCH CWML)

In the current year after considering various indicators of impairment, the management has concluded that there are no positive indicators that necessitate impairment of goodwill and hence has discontinued amortisation of goodwill.

Had the joint venture entity continued to use the earlier basis of amortizing goodwill over a period of ten years, the charge to the Profit and Loss account after taxation for the current year would have been higher by Rs. 2,050,000 and the net block of fixed assets would have been lower by Rs. 2,050,000.

ii. Network development (Joint Venture FCH CDL)

During the current year, costs related to set up branches have been reclassified from network development into leasehold improvement. All general and marketing overheads have been charged to the Profit and Loss account and the Company has changed its accounting policy for amortisation from ten years to five years.

Had the joint venture entity continued to use the earlier basis of amortizing network development over a period of ten years, the charge to the Profit and Loss account after taxation for the current year would have been lower by Rs. 918,609 (before tax Rs. 1,391,621) and the net block of fixed assets would have been higher by Rs. 1,391,621.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed Assets

Fixed assets 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. Advances paid towards acquisition of fixed assets outstanding at balance sheet date and the cost of fixed assets not ready to use before such date are disclosed under capital work in progress.

d. Depreciation

Depreciation on fixed assets is provided on straight line basis at the rates based on estimated useful life of the asset which is envisaged by schedule XIV of the Companies Act, 1956, except for leasehold improvements. Leasehold improvements are amortised over a period of 6 - 9 years.

Individual asset costing Rs. 5,000 or less are fully depreciated in the year of purchase.

| | Rate (SLM) | Schedule XIV Rates (SLM) |
|--|------------|--------------------------|
| Building | 1.63% | 1.63% |
| Computers | 16.21% | 16.21% |
| Air Conditioners and Office equipments | 4.75% | 4.75% |
| Vehicles | 9.50% | 9.50% |
| Furnitures and Fixtures | 6.33% | 6.33% |

e. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f. Intangible Assets

Computer Softwares

The Group capitalises software and related implementation cost where it reasonably estimated that the software has an enduring useful life. Softwares including operating system licenses are amortized over their estimated useful life of 3 – 9 years.

g. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

h. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i. Inventories

Inventories are valued as lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business.

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Syndication fees

Syndication fees and brokerage income are accounted on achievements of the milestones as per the mandates / agreements with the clients, where there are no mandates / agreements, as per the terms confirmed and agreed by clients. Non refundable upfront fees are accounted as income on receipt. In the event of project stipulates performance measures, revenue is considered earned when such performance measures have been completed.

Income from trading in bonds

Income from trading in bonds is accounted when the risk and rewards of ownership of the bonds are passed to the customer, which is generally on sale of bonds.

Interest income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Revenue from services

Consultancy fees / referral fees and brokerage and commission incomes are accounted on accrual basis.

Revenue on foreign exchange

Revenue on foreign exchange business is recognized as and when the disbursement of money is made to beneficiary.

Income from Inward money transfer

Commission from money transfer business is recognised as and when the disbursement of money is made to beneficiary.

Revenue on Tour Income

Profit/ Loss in respect of tours is recognized when the tour is completed

Income from Commission

Commission income is accounted on accrual basis.

Incentives

Incentives on prepaid travel cards and travellers cheques are recognised on the basis of the business transacted during the year as confirmed by the party.

Dividend

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

Profit / Loss on sale of investments

Profit or loss on investments is determined on the basis of the weighted average cost method.

k. Foreign currency transactions**i. Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India on or before accounting period commencing after December 7, 2006 are capitalized as a part of fixed asset.

l. Retirement and other employee benefits

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

- (i) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. The Group makes contribution to a scheme administered by the Life Insurance Corporation of India ("LIC") to discharge the gratuity

liability to employees. The Group records its gratuity liability based on an actuarial valuation made by an independent actuary as at year end. Contribution made to the LIC fund and provision made for the funded amounts are expensed in the books of accounts.

- (ii) Long term compensated absences are provided for, based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit Method.
- (iii) All actuarial gains / losses are immediately taken to the Profit and Loss account and are not deferred.

m. Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

n. Segment Reporting Policies

Identification of segments :

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.



o. Earnings Per Share

Basic earnings per share are 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.

p. Provisions

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 not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

q. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, in hand and foreign currency stocks.

r. Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred.

s. Deferred Revenue Expenditure

Deferred Revenue Expenditure (DRE) disclosed under Miscellaneous Expenditure to the extent not written off or adjusted is written off over 10 years.

5. Prior Period Adjustment (Joint Venture FCH CDL)

Upto previous financial year, forex and forex equivalents were valued by the joint venture entity on the basis of its 'card rate' (buy and sell rate). From the current year, forex and forex equivalents are valued based on the prevailing interbank rates at year end certified by an external agency "Mecklai Financial Services Limited". The effect of this change has resulted into write down of opening balance of forex and forex equivalents (to the extent of joint venture share i:e 50%) by Rs.5,725,122. The net impact in opening and closing balance of forex and forex equivalents during the year aggregates to credit (to the extent of joint venture share i:e 50%) of Rs. 715,798.

6. Sundry debtors includes Rs. 236,549,250 (Previous year Rs. 233,233,638), amount overdue for more than 6 months Rs. 216,758,110 (Previous year Rs.183,527,154) receivable from certain parties. These parties have confirmed the balance outstanding, as at June 30, 2009 and in view of the management no provision is considered necessary.

7. Segment Information

Primary Segment

As of June 30, 2009, the Group has for the purpose of segment reporting identified the following major business as primary business segment.

- i) Advisory and Transactional Services consists of Investment Banking, Wealth Management and Realty / Infrastructure Advisory services thereby earning transaction based fees.
- ii) Trading in Bonds – Purchase and sale of bonds and government securities in secondary market.



- iii) Forex business mainly comprising of Money changing services.
- iv) Travel and Tours – Travels and tours related services.
- v) Treasury – Treasury operations ensure liquidity for business and manages investment of surplus funds to optimize returns within the approved risk management framework.

Items that relate to the Group as a whole or at the corporate level not attributable to particular segments are included in "Unallocated".

Segment information for secondary segment reporting (by geographical segment).

Group's operations are mainly conducted in India. The Company has a subsidiary in USA and a representative office at Dubai and the commercial risks and returns involved on the basis of geographic segmentation are relatively insignificant. Thus, secondary segment disclosures based on geographic segments have not been made.

Segment wise details are given in Annexure -1.

8. Related Party Disclosures

In terms of Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties as defined in AS-18 are given below :

| Names of related parties with whom transactions have taken place during the year | |
|---|---|
| Joint Ventures in which Holding Company is a Venturer | FCH CentrumDirect Limited FCH Centrum Wealth Managers Limited |
| Enterprise controlled by Key Management Personnel or their relatives | Businessmatch Services (India) Private Limited P & M Infrastructure Limited (formerly known as P & M Infrastructure Private Limited) Centrum Fiscal Private Limited Sonchajyo Investments & Finance Private Limited |
| Associates / entities where the Company has significant influence | Centrum Broking Private Limited Centrum Securities Private Limited Club 7 Holidays Limited Centrum ESPS Trust |
| Key Management Personnel | Mr. Chandir Gidwani, Chairman of the Holding Company Mr. T. R. Madhavan, Managing Director of the Holding Company Ms. Sonia Gidwani, Whole Time Director of the Holding Company Mr. Gopal Sharma - Managing Director of FCH CDL (from July 1, 2008 to December 15, 2008) Mr. Rajan Bhat - Managing Director of FCH CDL (from December 16, 2008 to June 30, 2009) Mr. Srimanta Basu Mallik - Whole Time director of Club 7 Holidays Limited. Mr. Pradeep Kumar Mukherjee - Whole Time director of Club 7 Holidays Limited. Mr. Sriram Venkatasubramanian - Whole Time director of FCH CWML (from December 30, 2008) Mr. K Raghunath Kamath - Whole Time director of FCH CWML (from December 30, 2008) Mr. Rahul Rege - Whole Time director of FCH CWML (upto December 30, 2008) Ms. Meher Baburaj - Whole Time director of FCH CWML (upto January 30, 2009) Mr. Hardeep Dayal – Designated as Managing Director of Centrum Infrastructure and Realty Limited Mr. Rishad Byramjee – Director of Centrum Financial Services Limited. |

Transactions during the year with related parties and the status of outstanding balances as on June 30, 2009

Amount (Rs.)

| Nature of transaction | Joint Ventures | Enterprise controlled by Key Management Personnel or their relatives | Associates/ entities where the Company has significant influence |
|--|-------------------|--|--|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Investment in equity / preference shares | | | |
| FCH CentrumDirect Limited | 254 (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | 500,000,000 (101,397,000) |
| Total | 254 (-) | - (-) | 500,000,000 (101,397,000) |
| Purchase of investments* | | | |
| FCH CentrumDirect Limited | - (51,397,000) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (32,000,000) |
| Total | - (51,397,000) | - (-) | - (32,000,000) |
| <i>*Notes : Purchase of investments of other body corporates</i> | | | |
| Issue of Equity Shares | | | |
| Centrum ESPS Trust | - (-) | - (-) | - (4,096,860) |
| Total | - (-) | - (-) | - (4,096,860) |
| Advances Given | | | |
| Centrum Securities Private Limited | - (-) | - (-) | 2,500,000 (-) |
| FCH Centrum Wealth Managers Limited | 19,049,911 (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | 717,223,454 (6,883,215) |
| Centrum ESPS Trust | - (-) | - (-) | - (4,096,860) |
| Total | 19,049,911 (-) | - (-) | 719,723,454 (10,980,075) |
| Repayment of Advances given | | | |
| Centrum Securities Private Limited | - (-) | - (-) | 1,000,000 (-) |
| FCH Centrum Wealth Managers Limited | 19,049,911 (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | 682,865,000 (-) |
| Total | 19,049,911 (-) | - (-) | 683,865,000 (-) |

Amount (Rs.)

| Nature of transaction | Joint Ventures | Enterprise controlled by Key Management Personnel or their relatives | Associates/ entities where the Company has significant influence |
|---|------------------------------|--|--|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Loan / Advances taken | | | |
| FCH CentrumDirect Limited | 482,903,731 (164,110,453) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 16,387,609 (-) | - (-) | - (-) |
| Businessmatch Services (India) Private Limited | - (-) | - (84,000,000) | - (-) |
| Total | 499,291,340 (164,110,453) | - (84,000,000) | - (-) |
| Repayment of Loan / Advances taken | | | |
| Businessmatch Services (India) Private Limited | - (-) | 84,000,000 (-) | - (-) |
| FCH CentrumDirect Limited | 407,180,139 (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 9,750,000 (-) | - (-) | - (-) |
| Total | 416,930,139 (-) | 84,000,000 (-) | - (-) |
| Purchase of Air Tickets | | | |
| FCH CentrumDirect Limited | 3,651,045 (7,722,816) | - (-) | - (-) |
| Club 7 Holidays Limited | - (-) | - (-) | 906,148 (-) |
| Total | 3,651,045 (7,722,816) | - (-) | 906,148 (-) |
| Outstanding Payable on Purchase of Air tickets | | | |
| FCH CentrumDirect Limited | 66,351 (-) | - (-) | - (-) |
| Club 7 Holidays Limited | - (-) | - (-) | 143,145 (-) |
| Total | 66,351 (-) | - (-) | 143,145 (-) |
| Purchase of Foreign Currency | | | |
| FCH CentrumDirect Limited | 941,071 (2,355,682) | - (-) | - (-) |
| Total | 941,071 (2,355,682) | - (-) | - (-) |

Amount (Rs.)

| Nature of transaction | Joint Ventures | Enterprise controlled by Key Management Personnel or their relatives | Associates/ entities where the Company has significant influence |
|--|-------------------|--|--|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Reimbursement of Expenses Claimed | | | |
| FCH CentrumDirect Limited - Rent | 191,222 (-) | - (-) | - (-) |
| FCH CentrumDirect Limited - Other expenses | 3,225,783 (-) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 19,049,911 (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | 3,716,057 (9,016,838) |
| Total | 22,466,916 (-) | - (-) | 3,716,057 (9,016,838) |
| Commission and Brokerage Paid | | | |
| FCH Centrum Wealth Managers Limited | 1,143,461 (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | - (778,679) |
| Centrum Securities Private Limited | - (-) | - (-) | - (2,148,057) |
| Total | 1,143,461 (-) | - (-) | - (2,926,736) |
| Rent Expenses | | | |
| Businessmatch Services (India) Private Limited | - (-) | 830,000 (720,135) | - (-) |
| Total | - (-) | 830,000 (720,135) | - (-) |
| Interest Income | | | |
| FCH Centrum Wealth Managers Limited | 372,457 (-) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | 10,016,475 (821,918) |
| P & M Infrastructure Limited | - (-) | 5,113,973 (-) | - (-) |
| Centrum Securities Private Limited | - (-) | - (-) | 453,055 (-) |
| Total | 372,457 (-) | 5,113,973 (-) | 10,469,530 (821,918) |
| Interest expenses | | | |
| Businessmatch Services (India) Private Limited | - (-) | 2,535,780 (2,690,959) | - (-) |
| FCH Centrum Wealth Managers Limited | 249,445 (-) | - (-) | - (-) |
| FCH CentrumDirect Limited | 8,111,521 (-) | - (-) | - (-) |
| Total | 8,360,966 (-) | 2,535,780 (2,690,959) | - (-) |

Amount (Rs.)

| Nature of transaction | Joint Ventures | Enterprise controlled by Key Management Personnel or their relatives | Associates/entities where the Company has significant influence |
|---|------------------------------|--|---|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Professional Fees expenses | | | |
| Centrum Broking Private Limited | - (-) | - (-) | 2,500,000 (10,293,193) |
| Sonchajyo Investments & Finance Private Limited | - (-) | 360,000 (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 834,759 (-) | - (-) | - (-) |
| Total | 834,759 (-) | 360,000 (-) | 2,500,000 (10,293,193) |
| Professional Fees income | | | |
| Centrum Broking Private Limited | - (-) | - (-) | 2,500,000 (5,000,000) |
| FCH CentrumDirect Limited | 946,297 (-) | - (-) | - (-) |
| Total | 946,297 (-) | - (-) | 2,500,000 (5,000,000) |
| Corporate guarantees given | | | |
| FCH CentrumDirect Limited | 80,000,000 (310,000,000) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | 350,000,000 (310,100,000) |
| Total | 80,000,000 (310,000,000) | - (-) | 350,000,000 (310,100,000) |
| Corporate guarantee outstanding as at June 30,2009 | | | |
| FCH CentrumDirect Limited | 390,000,000 (310,000,000) | - (-) | - (-) |
| Centrum Broking Private Limited | - (-) | - (-) | 660,100,000 (310,100,000) |
| Total | 390,000,000 (310,000,000) | - (-) | 660,100,000 (310,100,000) |
| Balances outstanding as at the year end | | | |
| Businessmatch Services (India) Private Limited | - (-) | 3,000,000 (3,000,000) | - (-) |
| P & M Infrastructure Limited | - (-) | 35,271,507 (34,000,000) | - (-) |
| Centrum Fiscal Private Limited | - (-) | 100,000 (100,000) | - (-) |
| Centrum Securities Private Limited | - (-) | - (-) | 4,327,904 (2,468,179) |
| Centrum Broking Private Limited | - (-) | - (-) | 2,988,785 (6,883,215) |
| Centrum ESPS Trust | - (-) | - (-) | 4,096,860 (4,096,860) |
| Total | - (-) | 38,371,507 (37,100,000) | 11,413,549 (13,448,254) |

Amount (Rs.)

| Nature of transaction | Joint Ventures | Enterprise controlled by Key Management Personnel or their relatives | Associates/ entities where the Company has significant influence |
|--|------------------------------|--|--|
| | 2009 (2008) | 2009 (2008) | 2009 (2008) |
| Loans / advances payable as at the year end | | | |
| FCH CentrumDirect Limited | 162,991,429 (164,110,453) | - (-) | - (-) |
| FCH Centrum Wealth Managers Limited | 7,771,969 (-) | - (-) | - (-) |
| Businessmatch Services (India) Private Limited | - (-) | - (-) | - (84,000,000) |
| Total | 170,763,398 (164,110,453) | - (-) | - (84,000,000) |

(Amount in Rs.)

| Transaction with Key Management Personnel | 2009 | 2008 |
|---|------------|-------------|
| Directors sitting fees | | |
| Mr. Chandir Gidwani | 100,000 | 30,000 |
| Total | 100,000 | 30,000 |
| Managerial Remuneration | | |
| Mr. T. R. Madhavan | 5,864,031 | 2,475,500 |
| Ms. Sonia Gidwani | 5,017,280 | 3,965,438 |
| Mr. Gopal Sharma | 1,193,073 | 2,966,400 |
| Mr. Rajan Bhat | 2,319,223 | - |
| Mr. Srimanta Basu Mallik | 197,431 | - |
| Mr. Pradeep Kumar Mukherjee | 174,606 | - |
| Mr. Sriram Venkatasubramanian | 1,084,292 | - |
| Mr. K Raghunath Kamath | 690,220 | - |
| Mr. Rahul Rege | 3,990,864 | - |
| Ms. Meher Baburaj | 1,207,097 | - |
| Mr. Hardeep Dayal | 9,894,028 | 4,170,081 |
| Total | 31,632,145 | 13,577,419 |
| Guarantees obtained | | |
| Mr. Chandir Gidwani | - | 120,000,000 |
| Total | - | 120,000,000 |
| Loan / Advance outstanding as at the year end | | |
| Mr. Chandir Gidwani | 3,000,000 | 3,000,000 |
| Mr. Hardeep Dayal [net of repayment of Rs. 1,933,334 (previous year Rs. Nil) being adjusted against remuneration] | 3,866,666 | 5,800,000 |
| Total | 6,866,666 | 8,800,000 |

(Amount in Rs.)

| | 2009 | 2008 |
|--|-------------|-------------|
| Loan / Advance repaid during the year | | |
| Mr. Rishad Byramjee | 13,80,000 | - |
| Total | 13,80,000 | - |
| Guarantees outstanding as at year end | | |
| Mr. Chandir Gidwani | 120,000,000 | 120,000,000 |
| Total | 120,000,000 | 120,000,000 |

9. Operating lease

- i) The Group has entered into cancellable leasing arrangements for corporate and branch offices and residential premises. The lease rentals of Rs. 47,685,927 (previous year Rs.30,548,645) have been included under the head Rent under Schedule 15 of Profit and Loss account.
- ii) The Group has also entered into non-cancellable leasing arrangement for corporate office and other offices.

(Amount in Rs.)

| Particulars | July 1, 2008 – June 30, 2009 | July 1, 2007 – June 30, 2008 |
|---|--------------------------------------|--------------------------------------|
| Lease rental paid during the year ended June 30, 2009 | 113,072,953 | 17,245,127 |
| Future minimum lease payments are as under | As at June 30, 2009 (Rs.) | As at June 30, 2008 (Rs.) |
| Payment not later than one year | 100,951,030 | 107,162,280 |
| Payment later than one year but not later than five years | 240,243,455 | 331,209,109 |
| Payment later than 5 years | - | - |

General description of Group's Significant leasing arrangement

- iii) Corporate Office premises in Mumbai are obtained on operating lease. The lease rent payable (including amenities) is Rs. 9,034,524 per month for the period July 1, 2008 to December 10, 2008 and Rs. 9,473,468 per month for the period December 11, 2008 to April 30, 2009. The lease rent was revised by 15% on lower side with effect from May 1, 2009 accordingly Rs. 8,063,312 per month was paid for the period from May 1, 2009 to June 30, 2009. The lease term is for a period of 9 years with a lock in period of 5 years and there after as per the mutual agreement between the lessor and the Group. There is an escalation clause in the lease agreement @ 5 % every year which will be reviewed mutually every year by the Group and the lessor hence effect of escalation is not taken in the above disclosure. There are no subleases.

10. Interest in joint venture

The Company has 50% interest in the assets, liabilities, expenses and income of FCH CentrumDirect Limited engaged in money changing business and FCH Centrum Wealth Managers Limited engaged in the business of wealth management and distribution of investment products.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity as at June 30, 2009 are as follows :

(Amount in Rs.)

| Particulars | As at June 30,2009 |
|---|--------------------|
| Balance sheet | |
| Reserves and Surplus | 602,309,325 |
| Fixed assets (net) | 101,474,804 |
| Investments | 110,330,837 |
| Current assets | |
| Sundry Debtors | 146,533,001 |
| Cash and Bank | 209,620,560 |
| Loans and Advances | 387,475,567 |
| Miscellaneous expenses | 196,372 |
| Current liabilities and provisions | 142,949,837 |
| Deffered tax liability | 3,050,741 |
| Unsecured loans | 30,777,948 |
| Secured loans | 170,127,147 |
| Profit and Loss Account | |
| Revenue | 10,776,323,585 |
| Other expenses | 10,812,904,259 |
| Finance expenses | 30,663,507 |
| Depreciation/ Amortisation | 15,610,004 |
| Loss before tax | 82,854,185 |
| Capital expenditure commitments and contingent liabilities | |
| Bank Guarantees | 391,224,658 |
| Capital Commitments | 1,426,603 |
| Legal Claims | 1,773,214 |

11. The Goodwill /Capital Reserve on acquisition of subsidiary or share in acquisition of Joint Venture's subsidiary. As the consideration paid by the Company exceeds or short of the book value of the net assets acquired, the Goodwill or Capital Reserve respectively on acquisition amount as follows:

(Amount in Rs.)

| | Consideration Paid | Book Value of Net Asset Acquired | Goodwill / (Capital Reserve) |
|---|--------------------|----------------------------------|------------------------------|
| | (a) | (b) | (a-b) |
| Subsidiaries (A) | | | |
| Opening Balance as at July 1,2008 | - | - | (3,867,736). |
| Adjustment in opening balance of previous year (Refer Note 21 of Schedule 17) | - | - | (477,460,787) |
| Sub total | - | - | (481,328,523) |
| Less: Considered separately in Joint Ventures (Refer Note 20 of Schedule 17) | - | - | 481,328,523 |
| Add: | | | |
| Accounts Receivables Management Services (India) Limited | 400,000 | 508,086 | (108,086) |

(Amount in Rs.)

| | Consideration Paid | Book Value of Net Asset Acquired | Goodwill / (Capital Reserve) |
|---|--------------------|----------------------------------|------------------------------|
| Centrum Financial Services Limited | 10,000,000 | 11,871,611 | (1,871,611) |
| Sub total (A) | | | (1,979,697) |
| Joint Ventures (B) | | | |
| Joint Ventures restated from 'A' above | | | (481,328,523) |
| Add: Club 7 Holidays Limited (a subsidiary of Joint Venture) (to the extent of Joint Venture share) | 20,862,000 | 3,816,671 | 17,045,329 |
| Sub total (B) | | | (464,283,194) |
| Net Total (A-B) | | | (466,262,891) |

12. Minority interest represents that part of the net results of operations and of the net assets of a subsidiary and subsidiary of joint venture entity attributable to interests which are not owned, directly or indirectly through subsidiaries by Centrum Capital Limited / Joint Venture entities as follows :

(Amount in Rs.)

| Particulars | As at June 30, 2009 | As at June 30, 2008 |
|---|---------------------|---------------------|
| Subsidiary (A) | | |
| Share Capital | 100,000 | 43,637,210 |
| Share Premium | - | 531,275,381 |
| Share of opening reserve | 27,021 | 54,900,748 |
| Share of current year profit/(loss) | (422,824) | 13,721,261 |
| Total (A) | (295,803) | 643,534,600 |
| Subsidiary of Joint Venture (to the extent of share in Joint Venture) (B) | | |
| Share Capital | 180,000 | Nil |
| Share of opening reserve | 1,025,265 | Nil |
| Share of current year profit/(loss) | 2,490,353 | Nil |
| Total (B) | 3,695,618 | NIL |
| Net Total (A-B) | 3,399,815 | 643,534,600 |

13. Contingent Liabilities and capital commitments

(Amount in Rs.)

| Particulars | As at June 30, 2009 | As at June 30, 2008 |
|--|---------------------|---------------------|
| Corporate Guarantees given by the Company: | | |
| Associate | 660,100,000 | 310,100,000 |
| Joint Ventures | | |
| Limit | 390,000,000 | 310,000,000 |
| Outstanding | 287,541,695 | 198,467,891 |
| Partly paid equity shares of Essel-Centrum Holdings Limited | 4,000,000 | 4,000,000 |
| Bank guarantees of associates (to the extent of share in associate) | 311,936,000 | 389,920,000 |
| Bank guarantees of Joint Ventures (to the extent of share in Joint Ventures) | 1,224,658 | 1,449,316 |
| Estimated amount of contracts remaining to be executed (to the extent of share in Joint Ventures) | 1,426,603 | - |
| Legal Claims pending in consumer court (to the extent of share in Joint Venture) | 1,773,214 | - |

14. Gratuity and Post employment benefit plans

The Group has a defined benefit gratuity plan. The following table summaries the components of net benefit expense recognized in the profit and loss accounts recognized in the balance sheet for the plans. Gratuity expense has been included in salaries, wages and allowances under personnel expenses.

Profit and Loss account

Net employee benefit expense (recognized in personnel expense)

(Amount in Rs.)

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Current service cost | 2,121,975 | 1,414,237 |
| Interest cost on benefit obligation | 514,238 | 312,062 |
| Expected return on plan assets | (404,735) | (311,994) |
| Past service cost(non vested benefit) recognised | Nil | Nil |
| Past service cost (vested benefit) recognised | Nil | Nil |
| Recognition of transition liability | Nil | Nil |
| Net actuarial(gain) / loss recognised in the year | (360,850) | 658,462 |
| Net benefit expense | 1,870,629 | 2,072,769 |

Balance sheet

Details for provision for gratuity

(Amount in Rs.)

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Liability at the end of the year | 7,267,886 | 5,350,760 |
| Fair Value of Plan Assets at the end of the year | 6,163,351 | 4,244,825 |
| Difference | (1,104,535) | (1,105,935) |
| Unrecognised past service cost | Nil | Nil |
| Unrecognised transition liability | Nil | Nil |
| Amount recognized in the Balance Sheet | (1,104,535) | (1,105,935) |

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

(Amount in Rs.)

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Opening defined benefit obligation | 5,365,327 | 2,671,227 |
| Interest cost | 514,238 | 312,062 |
| Current service cost | 2,121,975 | 1,414,237 |
| Past service cost (non vested benefit) | Nil | Nil |
| Past service cost (vested benefit) | Nil | Nil |
| Settlement | Nil | Nil |
| Liability transfer in | 231,776 | 448,668 |
| Liability transfer out | (231,776) | Nil |
| Benefit paid | (49,269) | (88,269) |
| Actuarial (gain)/loss on obligation | (684,385) | 592,835 |
| Closing defined benefit obligation | 7,267,886 | 5,350,760 |

Changes in the fair value of plan assets are as follows

(Amount in Rs.)

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Opening fair value of plan assets | 3,888,030 | 2,247,853 |
| Expected return on plan assets | 404,735 | 311,994 |
| Contributions by employer | 2,243,391 | 1,838,876 |
| Transfer from other Company | 231,776 | Nil |
| Transfer to other Company | Nil | 448,668 |
| Benefit paid | (49,269) | (88,269) |
| Actuarial gain/(loss) on plan assets | (323,535) | (65,629) |
| Closing fair value of plan assets | 6,163,351 | 4,244,825 |
| Total actuarial gain / (loss) to be recognized | 360,850 | (658,462) |

The Group expects to contribute Rs. 1,318,979 to gratuity for the year July 1, 2009 to June 30, 2010.

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

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--------------------------|-------------------------------------|-------------------------------------|
| Investments with insurer | 100% | 100% |

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

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

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Discount rate | 7.75% | 8.00% |
| Expected rate of return on assets | 8.00% | 8.00% |
| Salary escalation | 5.00% | 5.00% |
| Employee turnover | 2.00% | 2.00% |

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

Amounts for the current year are as follows*

(Amount in Rs.)

| Particulars | July 01, 2008 to June 30, 2009 |
|--|--------------------------------|
| Defined benefit obligation | (7,267,886) |
| Plan assets | 6,163,351 |
| Surplus / (deficit) | (1,104,535) |
| Experience adjustments on plan liabilities | (817,519) |
| Experience adjustments on plan assets | (323,535) |

*The disclosure is required pursuant to Accounting Standard 15 Notified by Companies (Accounting Standards)

Amendment Rules, 2008. The Group has disclosed the amounts determined for each accounting period prospectively from the current year and hence disclosure of earlier year figures have not been made.

15. Derivative instruments and un-hedged foreign currency exposure

- i. There were no forward contracts outstanding as at balance sheet date.
- ii. Particulars of unhedged foreign currency exposure are detailed below at the exchange rate prevailing as at balance sheet date.

| Particulars | Current Year | | | Previous Year | | |
|------------------------------------|--------------|-------|-------------------|---------------|-------|--------------------|
| | Quantity | Rate | Amount (Rs.) | Quantity | Rate | Amount (Rs.) |
| Sundry creditors | | | | | | |
| USD | 159,475 | 48.10 | 7,670,748 | 938,917 | 42.74 | 40,129,313 |
| EURO | 53,621 | 67.24 | 3,605,476 | 671,474 | 66.58 | 44,706,739 |
| GBP | 41,430 | 78.89 | 3,268,413 | 200,106 | 79.00 | 15,808,374 |
| CAD | 30,734 | 41.23 | 1,267,163 | 188,469 | 42.18 | 7,949,622 |
| AUD | 14,338 | 38.65 | 554,164 | 328,559 | 40.67 | 13,362,495 |
| OTHERS | - | - | 311,284 | - | - | 1,490,531 |
| Total | | | 16,677,248 | | | 123,447,074 |
| Forex and forex equivalents | | | | | | |
| USD | 624,231 | 48.10 | 30,025,511 | 1,574,183 | 46.45 | 73,120,800 |
| EURO | 193,623 | 67.24 | 13,019,211 | 369,653 | 72.96 | 26,969,883 |
| GBP | 85,854 | 78.89 | 6,773,022 | 193,547 | 92.13 | 17,831,485 |
| CAD | 38,390 | 41.23 | 1,582,820 | 146,648 | 45.73 | 6,706,213 |
| JPY | 4,996,950 | 0.50 | 2,498,475 | 6,524,100 | 0.43 | 2,805,363 |
| AED | 252,553 | 13.00 | 3,283,189 | 455,523 | 11.65 | 5,306,843 |
| AUD | 35,757 | 38.65 | 1,382,008 | 103,051 | 44.07 | 4,541,458 |
| SGD | 31,006 | 33.10 | 1,026,299 | 98,056 | 34.77 | 3,409,407 |
| CHF | 20,051 | 44.11 | 884,450 | 51,303 | 46.71 | 2,396,363 |
| SAR | 63,987 | 12.77 | 817,114 | 90,162 | 12.56 | 1,132,435 |
| OTHERS | - | - | 3,387,660 | - | - | 10,529,401 |
| Total | | | 64,679,759 | | | 154,749,651 |
| Loan and Advance | | | | | | |
| USD | 98,750 | 48.10 | 4,749,875 | Nil | Nil | Nil |
| GBP | 53,246 | 78.89 | 4,200,577 | Nil | Nil | Nil |
| Total | | | 8,950,452 | | | Nil |

16. Loans and Advances includes amounts due from

Loans and advance granted to companies under same management pursuant to section 372A of the Companies Act, 1956, associates and companies in which directors are interested pursuant to Clause 32 of the listing agreement.

(Amount in Rs.)

| Particulars | As at June 30, 2009 | Maximum outstanding during the year | As at June 30, 2008 | Maximum outstanding during the year |
|--|------------------------|--|------------------------|--|
| Parties under the same management | | | | |
| Centrum Broking Private Limited | 2,988,785 | 372,224,724 | 6,883,215 | 390,235,334 |
| Centrum Securities Private Limited | 4,327,904 | 9,821,420 | 2,468,179 | 7,066,963 |
| Centrum ESPS Trust | 4,096,860 | 4,096,860 | 4,096,860 | 4,096,860 |
| Parties in which directors are interested | | | | |
| Centrum Fiscal Private Limited | 100,000 | 100,000 | 100,000 | 100,000 |
| P & M Infrastructure Limited | 35,271,507 | 37,842,466 | 34,000,000 | 34,000,000 |
| Businessmatch Services (India) Private Limited | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Deposits outstanding from Director of the Holding Company | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |

17. Deferred Tax Asset / Liability

The breakup of Net Deferred Tax Liability or (Asset) into major components of the respective balance is as follows:

(Amount in Rs.)

| Deferred tax liability / (assets) | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|--|-------------------------------------|-------------------------------------|
| Deferred tax liabilities | | |
| Difference between book and tax depreciation* | 26,543,020 | 16,174,582 |
| Share in deferred tax liability of Joint Ventures entity | 10,612,346 | - |
| Total (A) | 37,155,366 | 16,174,582 |
| Less : Deferred tax assets | | |
| Provision for gratuity and leave encashment | 333,399 | 1,233,754 |
| Provision for bad debts | 2,855,498 | - |
| Share in deferred tax assets of Joint Ventures entity | 7,561,604 | - |
| Total (B) | 10,750,501 | 1,233,754 |
| Net deferred tax liability (A – B) | 26,404,865 | 14,940,828 |

* Including prior period charge of Rs. 21,114,916 (Previous year Rs. Nil) towards lease expenses fully expensed off in income tax.

Deferred tax reconciliation

(Amount in Rs.)

| | |
|---|-------------------|
| Opening deferred tax liability as on July 1, 2008 | 14,940,828 |
| Less: Reversal on account of proportionate shares of Joint Ventures | 6,809,044 |
| | 8,131,784 |
| Closing deferred tax liability as on June 30, 2009 | 26,404,865 |
| Deferred tax liabilities charge to Profit & Loss account | 18,273,081 |

18. Earnings Per Share

(Amount in Rs.)

| Particulars | For the year ended June 30, 2009 | For the year ended June 30, 2008 |
|---|-------------------------------------|-------------------------------------|
| Profit/(Loss) after taxes (net of prior period items) attributable to equity shareholders | (59,738,942) | 200,577,014 |
| Number of Equity Shares of Rs.10/- each issued and outstanding at the end of the year | 6,828,096 | 6,828,096 |
| Weighted average number of equity shares outstanding during the year | 6,828,096 | 5,834,748 |
| Basic and diluted earnings per share | (8.75) | 34.38 |
| Nominal Value of Equity Shares | 10/- | 10/- |

19. The effect of acquisition (net of minority interest)/ incorporation of subsidiaries during the year in the profit & loss account of Consolidated Financial Statements is as under:

(Amount in Rs.)

| Particulars | Effect on Group profit/(loss) | Net assets as at June 30,2009 |
|--|----------------------------------|----------------------------------|
| Centrum Financial Services Limited | 2,426,714 | 12,551,585 |
| Accounts Receivables Management Services (India) Limited | (1,691,294) | (1,479,011) |
| Centrum Capital Holdings LLC | (17,628,594) | 10,674,580 |

20. During the year, 0.1% share holding of FCH CentrumDirect Limited and FCH Centrum Wealth Managers Limited was transferred from Future Capital Holdings Limited (FCH) to Centrum Capital Limited (CCL), in accordance with the Joint Venture Agreement executed on 11th March 2008 between CCL and FCH, the same are now 50:50 joint venture partners effective June 16, 2009 and June 12, 2009, respectively. This has resulted in a change in the status of FCH CentrumDirect Limited (FCH CDL) and FCH Centrum Wealth Managers Limited (FCH CWML) from subsidiaries of CCL (by virtue of control) to Joint Ventures between CCL and FCH.

Due to such change the share in the opening capital reserve, minority interest, deferred tax liability, fixed assets, cash and cash equivalents of FCH CDL and FCH CWML have been reversed from respective opening balances and have been adjusted to the extent of Joint Ventures share in the accounts.

21. During the previous year general reserve, capital reserve on consolidation, securities premium account and profit and loss account balances were inaccurately stated which have been adjusted in the current year against the opening balances of general reserve, capital reserve on consolidation, securities premium account and profit and loss account. Details of the said adjustments are as follows:

(Amount in Rs.)

| | | |
|--|--|--------------------|
| General reserve: | | |
| Reversal of profit in associates squared off during 2007-08 | | 5,371,440 |
| Less: Incorrect transfer to capital reserve from general reserve | | 1,586,516 |
| Net reversal in General reserve | | 3,784,924 |
| Capital reserve on consolidation: | | |
| Carrying cost of Investment as on the date of dilution - A | | 145,971,620 |
| Share in net worth of acquirees - B | | 627,300,143 |
| Capital reserve [C = (B-A)] | | 481,328,523 |

| | |
|--|--------------------|
| Less: Considered in opening balance - D | (3,867,736) |
| Adjusted in the opening balance [E = (C-D)] | 477,460,787 |
| Securities premium account: | |
| Share in securities premium of acquirees to be considered for capital reserve | 426,646,943 |
| Profit and loss account: | |
| Shares in Profit & Loss of acquiree as on date of acquisition to be considered in capital reserve on consolidation | 54,681,580 |
| Reversal of profit in associates squared off during 2007-08 | (5,371,440) |
| Net reversal in Profit and loss account | 49,310,140 |

22. During the year, FCH CDL and FCH CWML (Joint Ventures of the Company) have exceeded limit prescribed for managerial remuneration in the Schedule XIII to the Companies Act, 1956, the details are mentioned here under :-

a) FCH CDL

The Company has made an application to the Central Government for its approval for the appointment and payment of remuneration to the Managing Director of the Company in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. Pending such approval, the Company has paid Rs. 2,371,461 as excess remuneration to the Managing Director of the Company for the financial year ending on June 30, 2009.

b) FCH CWML

In respect of three Whole Time Directors the Company has made applications to the Central Government for waiver of excess remuneration amounting to Rs. 6,969,982 in respect of three Whole Time Directors and approval is received in respect of one Whole Time Director for an amount aggregating to Rs. 737,902. For remaining two Whole Time Directors, the approval from the Central Government is still awaited.

23. Previous year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification to the extent practicable.

Previous year's figures do not include the figures of newly acquired / incorporated subsidiaries namely, Centrum Financial Services Limited, Centrum Capital Holdings LLC, Accounts Receivables Management Services (India) Limited. Further during the year status of two erstwhile subsidiaries of the Group viz, FCH CentrumDirect Limited and FCH Centrum Wealth Managers Limited has changed to that of Joint Venture entities and hence previous year figures are not comparable.

The figures of previous year were audited by a firm of Chartered Accountants other than S.R.Batliloi & Co.

As per our report of even date

For S. R. Batliboi & Co.
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. : 102102

Place : Mumbai
Date : September 30, 2009

**For and on behalf of the Board of Directors
of Centrum Capital Limited**

T. R. Madhavan
Managing Director

Himanshoo Bohara
Chief Financial Officer

Place : Mumbai
Date : September 30, 2009

K. V. Krishnamurthy
Director

Gajendra Thakur
Company Secretary

Annexure 1 to Note No.7 of Schedule 17

Segment Information for the year ended June 30, 2009

(i) Information about Primary business Segments

| (Amount in Rs.) | | | | | | | | |
|--|--|---|--|---------------------------------|--|--|--|--|
| | Advisory & Transactional Services | Trading in Bonds | Forex and Forex equivalents | Tours & Travels | Treasury | Unallocated | Elimination | Total |
| Revenue | | | | | | | | |
| Income from operations | 485,867,259 (613,908,628) | 197,753,426 (32,716,538) | 10,675,928,442 (16,926,758,450) | 29,041,317 (-) | 61,487,846 (23,874,337) | 83,783,199 (25,394,157) | (35,193,684) (14,000,000) | 11,498,667,805 (17,608,652,110) |
| Total revenue | 485,867,259 (613,908,628) | 197,753,426 (32,716,538) | 10,675,928,442 (16,926,758,450) | 29,041,317 (-) | 61,487,846 (23,874,337) | 83,783,199 (25,394,157) | (35,193,684) (14,000,000) | 11,498,667,805 (17,608,652,110) |
| Result | | | | | | | | |
| Segment Result | (23,252,326) (265,894,948) | 127,435,070 (-6,011,928) | (23,064,824) (55,031,503) | 12,156,524 (-) | 54,356,470 (23,874,337) | 62,465,228 (24,786,643) | (32,087,822) (13,650,000) | 178,008,320 (349,925,503) |
| Interest expenses | 25,602,169 (4,987,126) | 7,291,643 (6,851,015) | 14,411,581 (21,023,278) | 855,599 (-) | 24,494,873 (-) | 19,217,743 (3,832,082) | (32,087,822) (-) | 59,785,786 (36,693,501) |
| Profit/(Loss) before taxation and prior period items | (48,854,495) (260,907,822) | 120,143,427 (-12,862,943) | (37,476,405) (34,008,225) | 11,300,925 (-) | 29,861,597 (23,874,337) | 43,247,485 (20,954,561) | - (13,650,000) | 118,222,534 (313,232,002) |
| Tax expenses | - (-) | - (-) | - (-) | - (-) | - (-) | 116,609,262 (86,946,281) | - (-) | 116,609,262 (86,946,281) |
| Prior period Items | 1,508,430 (-) | - (-) | 5,725,122 (-) | - (-) | - (-) | (20,575,867) (-) | - (-) | (13,342,315) (-) |
| Net Profit/(Loss) | | | | | | | | 14,955,587 (226,285,721) |
| Other Information | | | | | | | | |
| Segment assets | 904,164,640 (1,141,910,886) | 63,082,303 (69,552,209) | 359,689,685 (675,104,805) | 90,922,020 (-) | 893,933,550 (975,358,419) | 1,608,809,842 (1,429,395,333) | (874,575,314) (255,182,600) | 3,046,026,726 (4,036,139,052) |
| Total Assets | 904,164,640 (1,141,910,886) | 63,082,303 (69,552,209) | 359,689,685 (675,104,805) | 90,922,020 (-) | 893,933,550 (975,358,419) | 1,608,809,842 (1,429,395,333) | (874,575,314) (255,182,600) | 3,046,026,726 (4,036,139,052) |
| Segment liabilities | 314,343,234 (247,463,343) | 19,892,473 (36,541,698) | 232,032,156 (424,335,327) | 72,870,387 (-) | 597,860,447 (262,610,610) | 488,368,429 (386,276,646) | (874,575,318) (241,532,600) | 850,791,808 (1,115,695,024) |
| Minority Interest | - (-) | - (-) | - (-) | - (-) | - (-) | 3,399,815 (643,534,600) | - (-) | 3,399,815 (643,534,600) |
| Total liabilities | 314,343,234 (247,463,343) | 19,892,473 (36,541,698) | 232,032,156 (424,335,327) | 72,870,387 (-) | 597,860,447 (262,610,610) | 491,768,244 (1,029,811,246) | (874,575,318) (241,532,600) | 854,191,623 (1,759,229,624) |
| Capital expenditure | 71,881,465 (228,429,407) | 9,074,206 (34,284,300) | 9,592,287 (62,890,529) | 692,903 (-) | - (-) | 150,050 (-) | - (14,000,000) | 91,390,911 (311,604,236) |
| Depreciation | 31,635,439 (8,314,728) | 5,219,385 (1,264,702) | 12,144,368 (5,616,669) | 264,616 (-) | - (-) | 29,045 (-) | - (350,000) | 49,292,853 (14,846,099) |
| Amortisation | 1,594,651 (579,502) | 147,826 (102,265) | 323,181 (3,250,000) | - (-) | - (-) | 275,055 (-) | - (-) | 2,340,713 (3,931,767) |
| Provision for doubtful advances, debts and bad debts written off | 27,621,323 (3,675,612) | - (-) | 3,995,473 (1,480,584) | - (-) | - (-) | - (-) | - (-) | 31,616,796 (5,156,196) |
| Miscellaneous expenditure (to the extent of not written off or adjusted) | 36,880 (84,700) | - (-) | - (-) | - (-) | - (-) | 119,003 (146,100) | - (-) | 155,883 (230,800) |

- i. There are no intersegment transfers.
- ii. Figures in brackets are that of previous year.

Subsidiary Company
Centrum Financial Services Limited
(Formerly known as Shri Santram Finance Limited)

Annual Report 2008 -2009



Corporate Information

BOARD OF DIRECTORS

Mr. Rishad Byramjee Director
Mr. T. R. Madhavan Director
Mr. Himanshoo Bohara Director

BANKERS

The Ratnakar Bank Limited
HDFC Bank Limited
Standard Chartered Bank
ABN Amro Bank
AXIS Bank Limited

AUDITORS

F K Mody & Co.
Chartered Accountants
C/o. Surendra Nijsure, Partner
702, Pelican CHS., Nanda Patkar Road,
Near Telephone Exchange,
Vile Parle (E), Mumbai - 400 057.

REGISTERED OFFICE

Bombay Mutual Building,
2nd Floor, Dr. D.N. Road, Fort,
Mumbai - 400 001.
Tel.: 022-22662434
Fax: 022-226611105
Website: www.centrum.co.in
E-Mail: info@centrum.co.in

CORPORATE OFFICE

Centrum House, CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East),
Mumbai - 400 098.
Tel.: 022-42159000
Fax: 022-42159533

Directors' Report

To,

The Members

Centrum Financial Services Limited

(Formerly known as Shri Santram Finance Limited)

Your Directors have pleasure in presenting the Annual Report with the Audited Accounts of the Company for the period ended June 30, 2009.

FINANCIAL HIGHLIGHTS:

(Figures in Rupees)

| Particulars | Period ended June 30, 2009 |
|---|-------------------------------|
| Profit/(Loss) Before Tax | (1,805,860) |
| Less: Provision For Tax | 470,000 |
| Profit/(Loss) After Tax | (2,275,860) |
| Prior Period Profit/(Loss) | (92,524) |
| Profit/(Loss) Brought Forward | (39,121,567) |
| Balance carried forward to the Balance Sheet | (41,489,950) |

DIVIDEND:

In view of the loss incurred, your Directors do not recommend any dividend for the period under review.

CHANGE OF NAME:

During the period Centrum Capital Limited has acquired 12,50,000 equity shares of the Company, by virtue of which the Company has become a wholly owned subsidiary of Centrum Capital Limited.

Pursuant to the said acquisition, the name of the Company has been changed from Shri Santram Finance Limited to Centrum Financial Services Limited vide certificate received from Registrar of Companies dated January 19, 2009.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Rishad Byramjee retires by rotation in the forthcoming Annual General Meeting. Mr. Rishad Byramjee, being eligible, offers himself for re-appointment.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, and the Articles of Association of the Company, Mr. T. R. Madhavan and Mr. Himanshu Bohara were appointed as Additional Directors of the Company with effect from March 2, 2009.

During the year, Mrs. Mahakurshid Byramjee and Mr. Meherjee Cassinath resigned from the directorship due to their pre occupation in other activities. The Board wishes to place on record its appreciation for the contributions made by them during their tenure.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- The accounting policies which have been selected have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- The annual accounts have been prepared on a going concern basis.

AUDITORS AND AUDITOR'S REPORT:

The Auditors, M/s F. K. Mody & Co., Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained a

written certificate from the above auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

SECRETARIAL COMPLIANCE CERTIFICATE:

As required under proviso to sub-section 1 of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Compliance Certificate is annexed herewith.

FIXED DEPOSITS:

The Company has not accepted any Fixed/ Public Deposits from any member, director or public.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

FOREIGN EXCHANGE EARNING AND OUTGO:

The Company earned Rs. Nil in foreign exchange during the period (previous year Nil). There were no foreign exchange outgoes in the current year (previous year Nil).

PARTICULARS OF EMPLOYEES:

As required under section 217(2A) of the Companies Act, 1956 and Rules made thereunder, we confirm that there are no employees who were in receipt of remuneration of not less than Rs. 24,00,000/- per annum during the period ended June 30, 2009 or not less than Rs. 200,000/- per month during any part of the said period.

ACKNOWLEDGEMENTS:

The Directors have pleasure in placing on record their appreciation to its Bankers and Clients for their co-operation and support to the Company.

By Order of the Board

T. R. Madhavan
Director

Himanshoo Bohara
Director

September 28, 2009
Mumbai

Secretarial Compliance Certificate

Secretarial Compliance Certificate for the period ended 30th June, 2009 in respect of Centrum Financial Services Limited (Formerly Shri Santram Finance Limited).

CIN of the Company: U65910MH1993PLC192085

Nominal Capital: Rs. 5,00,00,000/-

To,

The Members,

Centrum Financial Services Limited

(Formerly Shri Santram Finance Limited)

Mumbai.

We have examined the registers, records, books and papers of **CENTRUM FINANCIAL SERVICES LIMITED (FORMERLY SHRI SANTRAM FINANCE LIMITED)** ("the Company") as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the 15 months period ended on 30th June 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder except the forms specified vide serial nos. 2, 3, 10, 12 and 13 which have been filed after lapse of respective time period specified for the said forms.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met nine times respectively on 1st April 2008, 1st June 2008, 30th September 2008, 12th December 2008, 2nd March, 2009 at 11.00 a.m., 2nd March 2009 at 5.00 p.m., 30th April, 2009, 14th May, 2009 and 29th May, 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture Holders during the period under review.
6. The Annual General Meeting for the financial year ended on 31st March 2008 was held on 30th September 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. Two Extraordinary General Meetings of the Company were held on 2nd March 2009 and 18th June 2009 respectively, during the period under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on transfer of securities in accordance with the provisions of the Act.
(ii) The Company has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
(iv) The Company was not required to transfer any amount to Investor Education and Protection Fund.
(v) The Company has duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointment of additional directors has been duly made.
15. The Company has not appointed any Managing Director/Whole Time Director/Manager during the period under review.
16. The Company has not appointed any sole selling agents during the period under review.
17. The Company has obtained all necessary approvals under the applicable provisions of the Act during the period under review as detailed below:
 - a. Approval from the Company Law Board, Western Region Bench, Mumbai for shifting of Registered Office from State of Gujarat to State of Maharashtra;
 - b. Approval from the Registrar of Companies, Gujarat for change of name of the Company
 Apart from the above, the Company was not required to obtain any approval from Central Government, Company Law Board, Regional Director or the Registrar of Companies under the provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the period under review.
20. The Company has not bought back any shares during the period under review.
21. There was no redemption of preference shares or debentures during the period under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A, 58AA and the rules framed thereunder during the period under review.
24. The Company has made borrowings during the period under review which are within the limit specified vide resolution passed under Section 293(1)(d) of the Act.
25. The Company has made investments in and given loans and advances to other bodies corporate during the period under review in compliance with Section 372A of the Act and requisite entries have been made in the registers kept for the purpose.
26. The Company has altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the period under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the period under review.
28. The Company has altered the provisions of the Memorandum with respect to name of the Company during the period under review.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the period under scrutiny.
30. The Company has not altered its Articles of Association during the period under review.
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution towards Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Rathi & Associates

Company Secretaries

Himanshu S. Kamdar

Partner

C.P. No.3030

Place: Mumbai

Date: 28th September 2009

'Annexure A'

Statutory Registers as maintained by the Company

1. Register of Members u/s. 150
2. Register of Directors, Managing Director, Manager and Secretary u/s. 303
3. Register of Disclosure of Interest by Directors u/s. 301(3)
4. Minutes Book u/s. 193
5. Register of Contracts u/s. 301
6. Register of Investments or Loans made or Guarantees Given or Security Provided u/s. 372A

'Annexure B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the period ended 30th June 2009.

| Sr. No. | Form No./ Return | For | Date of Filing | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid Yes/No |
|---------|------------------|--|----------------|---|---|
| 1 | Form 18 | Shifting of Registered Office from the state of Gujarat to state of Maharashtra | 24.03.2009 | Yes | NA |
| 2 | Form 23AC & ACA | Filing of Balance sheet and Profit & Loss Account for FY 2007-08 | 27.02.2009 | No | Yes |
| 3 | Form 66 | Secretarial Compliance Certificate for FY 2007-08 | 29.11.2008 | No | Yes |
| 4 | Form 20B | Annual Return for 2008 | * | | |
| 5 | Form 23 | Special Resolution under Section 21 for change of name of the Company | * | | |
| 6 | Form 1B | Application under Section 21 for change of name of the Company | * | | |
| 7 | Form 61 | Extension of financial year to 15 months from 31st March 2009 to June 2009 | 12.05.2009 | Yes | NA |
| 8 | Form 21 | Shifting of Registered Office from the State of Gujarat to State of Maharashtra | 18.03.2009 | Yes | NA |
| 9 | Form 1A | For availability of new name | 19.04.2009 | Yes | NA |
| 10 | Form 32 | Appointment of Mr. Himanshoo Bohara and Mr. T. R. Madhavan as Additional Directors w.e.f. 02.03.2009 | 30.04.2009 | No | Yes |
| 11 | Form 32 | Cessation of Mrs. Mahakhurshid Byramjee as Director of the Company w.e.f. 01.06.2009 | 19.06.2009 | Yes | NA |
| 12 | Form 22B | Declaration by persons not holding beneficial interest in shares | 02.07.2009 | No | Yes |
| 13 | Form 22B | Declaration by persons not holding beneficial interest in shares | 02.07.2009 | No | Yes |

* Date of filing of the respective document not available.

Auditors' Report

To,
**The Members of
Centrum Financial Services Ltd.
(Formerly known as Shri Santram Finance Ltd.)**

We have audited the attached Balance Sheet of Centrum Financial Services Ltd. (Formerly known as Shri Santram Finance Ltd.) as at June 30, 2009, the Profit and Loss Account and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) Amendment Order, 2004 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph (1) above:
 - a) we have 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 appears from our examination of the books;

- c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, and according to the information and explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply in all material respects with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on June 30, 2009 from being appointed as a directors, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2009;
 - ii) in the case of the Profit & Loss Account, of the loss of the Company for the period ended on that date;
 - iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For F.K. Mody & Co.,
Chartered Accountants

Surendra Nijsure
Partner
M.No.-.042547

Place: Mumbai
Date: September 28, 2009

Annexure to Auditors' Report

(Referred to in Paragraph 1 of our report of even date to the members of Centrum Financial Services Ltd. (Formerly known as Shri Santram Finance Ltd.) on the financial statements for the period ended June 30, 2009)

1. The nature of Company's activities have been such that clauses (i), (ii) and (iv) of paragraph 4 of the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditors' Report) Amendment Order, 2004 are not applicable to the Company.
2.
 - a) The Company has taken loan from its holding company. The maximum amount outstanding during the period and period end balance is Rs. 534,044,283/-
 - b) The company as granted loan to 1 company covered in the register maintained under section 301 of the Act and the maximum amount outstanding at any time during the period is Rs. 6,000,000/- and period end balance is Rs. 5,066,574 /-
 - c) The rate of interest and other terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
 - d) According to the information and explanations given to us, the payment of principal amount and interest is regular, wherever applicable.
- 3 In respect of contracts or arrangements covered under section 301 of the Act, 1956.

In our opinion and according to information and explanation given to us, particulars of contract that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 has been so entered.

In our opinion and according to information and explanation given to us, each of these transaction has been made at a price, which are reasonable having regard to the prevailing market price at the relevant time.

4. We have been informed that the company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India

and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.

5. The company does not have an internal audit system to commensurate with the size of the company and nature of its business.
6. We have been informed that the Central Government has not prescribed maintenance of cost records u/s 209(1)(d) of the Companies Act 1956.
7. In respect of statutory dues:
 - (a) In our opinion and according to the information and explanations given to us, the company has been generally regular in depositing undisputed statutory dues.
 - (b) In our opinion and according to the information and explanations given to us, there were no disputed liabilities on account of Provident Fund, Employee State Insurance, sales tax, income tax, Custom duty, Wealth tax, Excise duty, Cess, Investor Education and Protection Fund, Service tax, and any other statutory dues.
8. The accumulated losses of the company at the end of the financial period exceed fifty percent of its net worth and it has incurred cash losses in such financial period and in the financial year immediately preceding such financial period also.
9. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or a bank during the period under the audit.
10. The company has maintained adequate documents and records where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
12. In our opinion and according to the information and explanation given to us, the company is not

- a dealer or a trader in securities. The company has invested certain funds in Portfolio Management Services (PMS). According to the information and explanations given to us, proper records have been maintained as regards to these investments and held by the company in its own name.
13. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
 14. According to the information and explanations given to us, the term loans taken by the company were applied for the purpose for which the loans were obtained.
 15. According to the information and explanations given to us and as per our verification of the records of the Company, the funds raised by the Company on short-term basis have not been used for long-term investment.
 16. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
 17. The Company has not issued any debentures during the period and hence the question of creating securities or charge in respect there of does not arise.
 18. The Company has not raised any money by public issue during the period.
 19. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the period, nor have we been informed of such case by management.

For F.K. Mody & Co.,
Chartered Accountants

Surendra Nijsure

Partner

M.No.-.042547

Place: Mumbai

Date: September 28, 2009

Balance Sheet as at June 30, 2009

Rupees

| | Schedule | June 30, 2009 | March 31, 2008 |
|---|----------|--------------------|-------------------|
| SOURCES OF FUNDS | | | |
| Shareholder's Fund | | | |
| Share Capital | 1 | 12,500,000 | 12,500,000 |
| Reserves & Surplus | 2 | 43,288,276 | 43,288,276 |
| Loan Funds | | | |
| Unsecured Loan | 3 | 548,629,082 | 1,280,000 |
| Total | | 604,417,358 | 57,068,276 |
| APPLICATION OF FUNDS | | | |
| Investments | 4 | 69,901,961 | 10,000,000 |
| Current Assets, Loans & Advances | | | |
| Cash and Bank Balances | 5 | 1,136,790 | 199,968 |
| Loans and Advances | 6 | 509,065,333 | 6,000,000 |
| | | 510,202,123 | 6,199,968 |
| Less : Current Liabilities & Provisions | | | |
| Current Liabilities | 7 | 18,453,417 | - |
| Provisions | 8 | 470,000 | - |
| | | 18,923,417 | - |
| Net Current Assets | | 491,278,706 | 6,199,968 |
| Miscellaneous Expenditure (to the extent not written off or adjusted) | | | |
| Preliminary Expenditure | | 1,746,741 | 1,746,741 |
| Profit & Loss Account | | 41,489,950 | 39,121,567 |
| Total | | 604,417,358 | 57,068,276 |
| Singnificant Accounting Policies & Notes to Accounts | 13 | | |

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet

As per our attached report of even date

For F K Mody & Co
Chartered Accountants

Surendra Nijsure
Partner

Place : Mumbai
Date : September 28, 2009

For Centrum Financial Services Limited

T. R. Madhavan **Himanshoo Bohara**
Director **Director**

Place : Mumbai
Date : September 28, 2009

Profit and Loss Account for the period from April 01, 2008 to June 30, 2009

Rupees

| | Schedule | June, 30 2009 | March, 31 2008 |
|--|----------|---------------------|----------------|
| INCOME | | | |
| Income from Operation (TDS Rs 3,795,710/- Previous Year Rs NIL) | 9 | 27,900,882 | 255,618 |
| Other Income | 10 | 44,828 | 15,811 |
| Total | | 27,945,710 | 271,429 |
| EXPENDITURE | | | |
| Administration and other Expenses | 11 | 262,303 | 251,130 |
| Financial Expenses | 12 | 24,314,180 | - |
| Loss on sale of Investments | | 5,175,087 | 36,683,744 |
| Total | | 29,751,570 | 36,934,874 |
| Net Profit / (Loss) Before Tax | | (1,805,860) | (36,663,445) |
| Less : Provision for Tax | | 470,000 | - |
| Net Profit / (Loss) After Tax | | (2,275,860) | (36,663,445) |
| Prior Period Loss | | (92,524) | - |
| Profit / (Loss) Brought Forward | | (39,121,567) | (2,458,122) |
| Balance carried over to the Balance Sheet | | (41,489,950) | (39,121,567) |
| Significant Accounting Policies & Notes to Accounts | 13 | | |
| Basic Earning per share | | (1.89) | (29.33) |

The Schedule referred to above and notes to accounts form an integral part of the Profit & Loss Account.

As per our attached report of even date

For F K Mody & Co
Chartered Accountants

Surendra Nijsure
Partner

Place : Mumbai
Date : September 28, 2009

For Centrum Financial Services Limited

T. R. Madhavan
Director

Himanshoo Bohara
Director

Place : Mumbai
Date : September 28, 2009

Cash Flow Statement for the period ended June 30, 2009

Rupees

| | | June 30, 2009 |
|--|---------------|----------------------|
| A. Cash flow from operating activities | | |
| Net profit before taxation, and extraordinary items | | (1,805,860) |
| Adjustments for: | | |
| Loss on sale of investments | 5,175,087 | |
| Dividend from mutual fund | (44,828) | 5,130,259 |
| Operating profit before working capital changes | | 3,324,399 |
| Movements in working capital : | | |
| Decrease / (Increase) loans and advances | (499,269,623) | |
| Increase / (Decrease) in creditors & other liability | 18,453,417 | (480,816,206) |
| Cash used for operations | | (477,491,806) |
| Direct taxes paid (net of refunds) | | (3,795,710) |
| Net used for operating activities | | (481,287,516) |
| B. Cash flows from investing activities | | |
| Purchase of investments | (76,825,998) | |
| Sale Proceeds from investments | 11,656,425 | |
| Dividend received from mutual fund | 44,828 | |
| Net cash from investing activities | | (65,124,745) |
| C. Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 569,829,082 | |
| Repayment of long-term borrowings | (22,480,000) | |
| Net cash from financial activity | | 547,349,082 |
| | | 936,821 |
| CASH AND CASH EQUIVALENTS | | |
| AS AT THE BEGINNING OF THE YEAR | | |
| Cash on Hand | | - |
| Balance with Scheduled Banks-Current Accounts | 199,968 | |
| Total | | 199,968 |
| AS AT THE END OF THE YEAR | | |
| Cash on Hand | 219,765 | |
| Balance with Scheduled Banks-Current Accounts | 917,024 | |
| Total | | 1,136,789 |
| NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS | | 936,821 |

The above cash flow statements have been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

For F K Mody & Co
Chartered Accountants

Surendra Nijsure
Partner

Place : Mumbai

Date : September 28, 2009

For Centrum Financial Services Limited

T. R. madhavan
Director

Himanshoo Bohara
Director

Place : Mumbai

Date : September 28, 2009

Schedules forming part of Balance Sheet as at June 30, 2009

Rupees

| | June 30, 2009 | March 31, 2008 |
|---|--------------------|-------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| AUTHORISED CAPITAL | | |
| 4,999,900 Equity Shares of Rs.10/- each | 49,999,000 | 49,999,000 |
| 10,000 9% Cumulative Convertible Preference Shares of 10 Paise each | 1,000 | 1,000 |
| | 50,000,000 | 50,000,000 |
| Issued, Subscribed & Paid-up | | |
| 1,250,000 Equity Shares of Rs.10/- each Fully Paid up (are held by Centrum Capital Ltd - The Holding Company) | 12,500,000 | 12,500,000 |
| | 12,500,000 | 12,500,000 |
| SCHEDULE 2 | | |
| RESERVES & SURPLUS | | |
| Security Premium Account | 43,288,276 | 43,288,276 |
| | 43,288,276 | 43,288,276 |
| SCHEDULE 3 | | |
| UNSECURED LOANS | | |
| Loan from Director | - | 1,280,000 |
| Loan from Company | 548,629,082 | - |
| | 548,629,082 | 1,280,000 |
| Amount due within one year | 548,629,082 | 1,280,000 |
| SCHEDULE 4 | | |
| INVESTMENTS | | |
| Long Term (at cost) | | |
| In Mutual funds & PMS Scheme | | |
| In PMS - Scheme Centrum one (refer annexure A&B) | 4,740,951 | 10,000,000 |
| In Unquoted Equity Shares | | |
| 1 (PY Nil) In Equity Shares of Oasis Counsel and Advisory Private Limited | 10 | - |
| In Non convertible Debentures | | |
| 50,000 (PY Nil) Oasis Counsel and Advisory Private Limited (FV Rs 1,000) | 50,000,000 | - |
| In Secured Non convertible Debentures | | |
| 300,000 (PY Nil) Polar Industries Limited (refer note 2(f) of schedule 13) | 15,161,000 | - |
| | 69,901,961 | 10,000,000 |
| SCHEDULE 5 | | |
| CASH AND BANK BALANCES | | |
| Cash on Hand (as certified by management) | 219,765 | - |
| Balance with Scheduled Bank - In current account | 917,024 | 199,968 |
| | 1,136,790 | 199,968 |

Schedules forming part of Balance Sheet as at June 30, 2009

Rupees

| | June 30, 2009 | March 31, 2008 |
|--|--------------------|------------------|
| SCHEDULE 6 | | |
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| Unsecured Loans considered good | 27,066,574 | - |
| Secured Loans considered good | 463,501,600 | - |
| Advances recoverable in cash or in kind or for value to be received | 14,701,448 | 6,000,000 |
| Advance Taxes | 3,795,710 | - |
| | 509,065,333 | 6,000,000 |
| Included in Loan & Advances are: | | |
| Dues from a Company in which Director is interested (Maximum amount outstanding during the year Rs. 6,000,000/-) (Previous year Rs. 6,000,000/-) | | |
| SCHEDULE 7 | | |
| CURRENT LIABILITIES | | |
| Sundry Creditors | | |
| (a) total outstanding due of Micro, Medium and Small Enterprises | - | - |
| (b) total outstanding due of creditors other than Micro, Medium and Small Enterprises | | |
| -For Expenses | 49,846 | - |
| -For Other Finance | 18,403,571 | - |
| | 18,453,417 | - |
| SCHEDULE 8 | | |
| PROVISIONS | | |
| Provision for Tax | 470,000 | - |
| | 470,000 | - |
| SCHEDULE 9 | | |
| INCOME FROM OPERATION | | |
| Interest Income (TDS Rs. 3,795,710/- Previous Year Rs NIL) | 27,900,882 | 255,618 |
| | 27,900,882 | 255,618 |
| SCHEDULE 10 | | |
| OTHER INCOME | | |
| Dividend Income | 44,828 | - |
| Balances written back | - | 15,811 |
| | 44,828 | 15,811 |
| SCHEDULE 11 | | |
| ADMINISTRATION AND OTHER EXPENSES | | |
| Advertisement Expenses | 13,241 | - |
| Audit Fees | 20,000 | 1,000 |
| Tax Audit Fees | 5,000 | - |
| Demat Charges | 59,748 | - |
| Professional Fees | 127,575 | 150,000 |
| PMS Expenses | 34,165 | - |
| Miscellaneous Expenses | 2,574 | 100,130 |
| | 262,303 | 251,130 |

Schedules forming part of Balance Sheet as at June 30, 2009

Rupees

| | June 30, 2009 | March 31, 2008 |
|---------------------------|-------------------|----------------|
| SCHEDULE 12 | | |
| FINANCIAL EXPENSES | | |
| tBank Charges | 3,747 | - |
| Interest Paid on ICD | 24,258,439 | - |
| Interest Paid - Others | 51,994 | - |
| | 24,314,180 | - |

SCHEDULE - 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

COMPANY OVERVIEW

The company is a NBFC company registered with RBI. The company's name stands changed from "Shri Santram Finance Limited" to "Centrum Financial Services Limited". Centrum Capital Limited on 2nd March 2009 acquired 100% of Equity share capital of the company from existing shareholders and thereupon the Company has become a subsidiary of Centrum Capital Limited.

1. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

METHOD OF ACCOUNTING

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

REVENUE RECOGNITION

Revenues/Income and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.

FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost includes all expenditure necessary to bring the assets to its working conditions for its intended use.

DEPRECIATION

Depreciation is provided on the Written Down Value method based as per the rate specified in Schedule XIV of the Companies Act, 1956.

INVESTMENTS

Long-term investments are carried at cost. However, provision is made to recognize, other than temporary, in the value of long-term investments. Current investments are carried at lower of cost and fair values, determined on individual basis.

PROVISION FOR RETIREMENT BENEFITS

Staff benefits arising on retirement / death comprising Provident Fund, Superannuation and Gratuity Scheme, are not accounted for as the same is not applicable to the Company.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A Provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are not discounted to their present value and are determined based on estimates required to settle the obligation at the balance sheet date and adjusted to reflect the current best estimates. Contingent assets are not recognised.

TAXATION

Provision for current income tax is made in accordance with the Income Tax Act, 1961. Deferred Tax Liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on the timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

IMPAIRMENT

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of Profit and Loss and the carrying amount of the asset is reduced to its recoverable amount.

2. NOTES TO ACCOUNTS :

- (a) Credit and Debit Balance of the parties are subject to confirmation/reconciliation if any.
- (b) Preliminary Expenditure - in view of accumulated losses & losses for the current period preliminary expenditure has not been written off in current year.
- (c) The balance sheet to the best of our knowledge and belief contains a true account of liabilities and assets of the company. In the opinion of the Directors, the Current Assets, Loans and Advances are appropriately stated as its value, if realised in the ordinary course of business. The provisions for all the known liabilities are adequate and there is no contingent liabilities.
- (d) In accordance with the Accounting Standard AS -22 "Accounting for taxable Income" issued by The Institute of Chartered Accountants of India, the Company has not accounted for the Deferred Tax Assets, as there is no reasonable certainty that sufficient future taxable income will be available against amount of business loss, as a method of prudence the deferred tax assets has not been recognised.
- (e) There are no Small Scale Industry, Micro and Medium Enterprises undertakings to whom the Company owes a sum which is outstanding for more than 30 days. (As certified by Management).
- (f) During the year the company has purchased NCD's issued by Polar Industries Ltd from Canara Robeco Mutual Fund and Principal Mutual Fund for a sum of Rs.151.61 Lacs. This is a part of the Polar Industries Ltd debt restructuring and is negotiated to give a return of 17.11% over a period of two years.
- (g) RELATED PARTY DISCLOSURE AS REQUIRED UNDER AS-18 ISSUED BY ICAI

| A | NATURE OF RELATIONSHIP | NAME | |
|---|--|-------------------------|---------------|
| | | Current period | Previous year |
| | HOLDING COMPANY | Centrum Capital Limited | |
| | Loan received | 555,144,283 | Nil |
| | Loan repaid | 21,100,000 | Nil |
| | Balance payable at the end of the financial year | 534,044,283 | Nil |

| | | | | |
|---|---|---|---------------------------------|-----------|
| B | NATURE OF RELATIONSHIP | | NAME | |
| | Associates | | Casby Logistics Private Limited | |
| | (i) | Loan given | 6,000,000 | Nil |
| | | Repayment of loan given | 933,426 | Nil |
| | | Balance receivable at the end of the financial year | 5,066,574 | Nil |
| | (ii) | Advance given | Nil | 6,000,000 |
| | | Repayment of advance given | 6,000,000 | Nil |
| | Balance receivable at the end of the financial year | Nil | 6,000,000 | |
| C | RELATED PARTY TRANSACTIONS IN ORDINARY COURSE OF BUSINESS | | | |
| | NATURE OF TRANSACTIONS | | NAME | |
| | Key Managerial Person | | Rishad Byramjee | |
| | | Loan received | 100,000 | 1,280,000 |
| | | Loan repaid | 1,380,000 | Nil |
| | | Balance payable at the end of the financial year | Nil | 1,280,000 |

Note: The name of Persons with whom there are transactions during the year are only reported

- (h) The accounts have been prepared under the going concern assumption inspite of the losses incurred by the company. The management is of the view that inspite of losses the company will be able to carry out the operations in the future and it will recoup the losses incurred.
- (i) The Balance Sheet abstract and the Company's General Business Profile as required under Part IV of Schedule VI to the Companies Act, 1956, is given in Annexure - A
- (j) Information required to be furnished pursuant to Para 3 & 4 of Part II of Schedule VI of the Companies Act, 1956, the extent applicable.

| | | | |
|-------|---------------------------------|----------------|---------------|
| (i) | Auditors Remuneration includes | Current period | Previous year |
| | Audit Fees | 20,000/- | 1,000/- |
| | Tax Audit Fees | 5,000/- | Nil |
| (ii) | Earning in foreign currency | Nil | Nil |
| (iii) | Expenditure in foreign currency | Nil | Nil |

- (k) The previous year's figures are for 12 months ended March 2008, while those of the current period are for 15 months ended June 30, 2009, hence the same are not strictly comparable. The previous year's figure have been regrouped /reclassified wherever necessary to conform to current periods presentation.
- (l) The accounting year of the company has been changed this year from year ended March to June. Thus the accounts for the current period are for 15 months ending on June 30, 2009. This change in accounting year was made to ensure that the balance sheet date of the company matches with that of the Holding company.
- (m) Additional information pursuant to the provisions of paragraph 2, 3 & 4 (c) & (d) of Part II of Schedule VI of the Companies Act, 1956 are either Nil or not applicable.
- (n) Schedule 1 to 12 forms an integral part of accounts.

As per our attached report of even date

**For F K Mody & Co
Chartered Accountants**

**Surendra Nijsure
Partner**

**Place : Mumbai
Date : September 28, 2009**

For Centrum Financial Services Limited

**T. R. Madhavan
Director**

**Himanshoo Bohara
Director**

**Place : Mumbai
Date : September 28, 2009**

Balance Sheet Abstract and Company's General Business profile as per schedule VI, part (IV) of the Companies Act, 1956

| | | | | |
|--------------------------|--|---|---------------------------|---------|
| I. | Registration Details | | | |
| | Registration No. | 192085 | State Code | 11 |
| | Balance Sheet Date | 30-06-2009 | | |
| II. | Capital raised during the year (Amount in Rs. Thousands) | | | |
| | Public Issue | Nil | Right Issue | Nil |
| | Bonus Issue | Nil | Private Placement | Nil |
| III. | Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) | | | |
| | Total Liabilities | 604,417 | Total Assets | 604,417 |
| | Sources of Funds | | | |
| | Paid-up Capital | 12,500 | Reserves & Surplus | 43,288 |
| | Secured Loans | Nil | Unsecured Loans | 548,629 |
| | Application of Funds | | | |
| | Net Fixed Assets | - | Investments | 69,902 |
| | Net Current Assets | 491,279 | Miscellaneous Expenditure | 1,747 |
| | Accumulated Losses | 41,489 | Deferred Tax Assets | - |
| | IV. | Performance of Company (Amount in Rs. Thousands) | | |
| Total Income | | 27,946 | Total Expenditure | 29,752 |
| Taxes | | 470 | Profit/(Loss) after taxes | (2,276) |
| Earning Per Share in Rs. | | (1.89) | Dividend rate | Nil |
| V. | Generic Names of Principal Products/Services of Company (as per monetary terms) | | | |
| | Item Code No. | N. A. | | |
| | Product Description | Finance | | |
| | | Investments | | |

As per our attached report of even date

For F K Mody & Co
Chartered Accountants

Surendra Nijsure
Partner

Place : Mumbai
Date : September 28, 2009

For Centrum Financial Services Limited

T. R. Madhavan **Himanshoo Bohara**
Director **Director**

Place : Mumbai
Date : September 28, 2009



Subsidiary Company
Centrum Infrastructure & Realty Limited
Annual Report 2008 -2009



Corporate Information

BOARD OF DIRECTORS

| | |
|---------------------|----------|
| Mr. T. R. Madhavan | Director |
| Mr. Rajendra Naik | Director |
| Mr. Shailendra Apte | Director |

BANKERS

The Ratnakar Bank Limited

HDFC Bank Limited

AUDITORS

Vivek V. Joshi & Associates

Chartered Accountants

A/708, Zaitoon Apartment, Station Road,
Goregaon (W), Mumbai - 400 062.

REGISTERED OFFICE

Bombay Mutual Building,
2nd Floor, Dr. D.N. Road, Fort,
Mumbai - 400 001.
Tel.: 022-22662434
Fax: 022-22611105
Website: www.centrum.co.in
email: info@centrum.co.in

CORPORATE OFFICE

Centrum House, CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East),
Mumbai - 400 098
Tel.: 022-42159000;
Fax: 022-42159533

Directors' Report

To,

The Members

Centrum Infrastructure and Realty Limited

Your Directors are pleased to present their Third Annual Report together with the Audited Accounts of the Company for the year ended June 30, 2009.

FINANCIAL HIGHLIGHTS:

(Figure in Rupees)

| Particulars | Year ended June 30, 2009 | Year ended June 30, 2008 |
|--|--------------------------------|--------------------------------|
| Gross Income | 6,508,865 | 23,512,000 |
| Profit / (Loss) Before tax | (64,958,358) | (1,240,729) |
| Less: Taxation | 192,244 | 124,694 |
| Profit / (Loss) After tax | (65,150,602) | (1,365,423) |
| Balance of Profit / (Loss) Brought Forward | (1,826,542) | (461,119) |
| Balance carried forward to the Balance Sheet | (67,244,599) | (1,826,542) |

DIVIDEND:

In view of the loss incurred, your Directors do not recommend any dividend for the year under review.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Shailendra Apte retires by rotation in the forthcoming Annual General Meeting. Mr. Shailendra Apte, being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- The accounting policies which have been selected have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- The annual accounts have been prepared on a going concern basis.

AUDITORS AND AUDITORS' REPORT:

The Auditors, M/s Vivek V. Joshi & Associates, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the above auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

DEPOSITS:

The Company has not accepted any Fixed/ Public Deposits from any member, director or public.

CONSERVATION OF ENERGY AND TECHNOLOGY

ABSORPTION:

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

FOREIGN EXCHANGE EARNING AND OUTGO:

The Company earned Rs. Nil in foreign exchange during the year (previous year Nil). There were no foreign exchange outgoes in the current year (previous year Nil).

PARTICULARS OF EMPLOYEES:

As required under section 217(2A) of the Companies Act, 1956, details of the employees who were in receipt

of remuneration of not less than Rs. 24,00,000/- per annum during the year ended June 30, 2009 or not less than Rs. 2,00,000/- per month during any part of the said year is mentioned below:-

| Name | Designation & Nature of Duties | Age | Remuneration (in Rs.)* | Qualification | Experience | Date of commencement of Employment | The Last employment held |
|---------------------|---------------------------------|-----|------------------------|--------------------------------|------------|------------------------------------|--------------------------------------|
| Mr. Hardeep Dayal | Designated as Managing Director | 39 | Rs. 98,94,028/- | MBA | 16 years | 1/3/2008 | Regenesis Project Mgmt Co. Pvt. Ltd. |
| Mr. Tushar Rane | Senior Vice President | 38 | Rs. 45,74,732/- | B.Sc | 16 years | 1/3/2008 | Regenesis Project Mgmt Co. Pvt. Ltd. |
| Mr. Shivjot Cheema | Senior Vice President | 37 | Rs. 45,80,902/- | MBA in Finance & Marketing | 13 years | 1/3/2008 | Regenesis Project Mgmt Co. Pvt. Ltd. |
| Mr. Prakash Shetty | Senior Vice President | 37 | Rs. 45,99,192/- | B.Com | 16 years | 1/3/2008 | Regenesis Project Mgmt Co. Pvt. Ltd. |
| Mr. Virendra Sharma | Assistant Vice President | 36 | Rs. 24,26,053/- | BE, MBA in Finance & Marketing | 10 years | 1/3/2008 | Regenesis Project Mgmt Co. Pvt. Ltd. |
| Mr. Satya Mohapatra | Senior Vice President | 36 | Rs. 47,15,588/- | MBA in Finance & Marketing | 12 years | 15/04/2008 | Regenesis Project Mgmt Co. Pvt. Ltd. |
| Ms. Sona Gaharwar | Vice President | 35 | Rs. 29,51,852/- | B.Sc. PGDBA | 13 years | 9/5/2008 | ICICI Bank Ltd. |

*Remuneration includes Salary, allowance and monetary value of perquisites as per Income Tax Act Rules, superannuation fund etc., whenever applicable.

ACKNOWLEDGEMENTS:

The Directors have pleasure in placing on record their appreciation to its Bankers and Clients for their co-operation and support to the Company. Your Directors also place on record the commitment and involvement of employees at all level and look forward to their continued co-operation.

By Order of the Board

T. R. Madhavan **Rajendra Naik**
Director **Director**
September 30, 2009
Mumbai

Auditors' Report

To,
The Member's
Centrum Infrastructure & Reality Ltd. (Formerly Centrum Infrastructure Services Ltd),

1. We have audited the attached Balance Sheet of Centrum Infrastructure & Reality Limited (the Company) as at June 30, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on the date, annexed thereto. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) the Balance Sheet, the Profit and loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors, as on June 30, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2009 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2009;
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For VIVEK V JOSHI & ASSOCIATES

Chartered Accountants

Vivek V Joshi

Proprietor

Membership No.38293

Place: Mumbai

Date: September 30, 2009

Annexure to the Auditors' Report

Referred to in Paragraph 3 of our report of even date:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, except in the case of furniture and fixtures, the details of which are under compilation
- (b) We are informed that fixed assets except, furniture and fixtures have been physically verified by the management at reasonable intervals during the year and that the management on such verification noticed no material discrepancies.
- (c) The Company has not disposed off a substantial part of fixed assets during the year.
- (ii) There being no manufacturing/trading activities, the question of verification of Inventories and its Valuation and maintenance of records in respect thereof does not arise.
- (iii) (a) The Company has not granted any loans secured or unsecured to Companies, firms and parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has taken loans from one Company, covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year in respect of such party aggregated to Rs. 21.65 (Net) crores and the year end balance of such loans aggregated to Rs. 11.57 crores.
- (c) In our opinion and according to the information and explanations given to us, the interest rate where applicable and other terms and conditions, are not, prima facie, prejudicial to the interest of the company
- (d) There is no stipulation as to the time period for payment of the principal amount of unsecured loans and advance taken.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lacs have been entered during the period at a price, which are reasonable having regard to the prevailing market prices at the relevant time except in certain cases the transaction has been incurred at a price which depends on the special circumstances under which that transaction is entered into where no comparison of price could be made available.
- (vi) The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
- (vii) The internal audit system is not applicable as at the commencement of financial year the company's paid up capital and reserve does not exceed Rs. 50 lakhs and its annual turnover does not exceed Rs. 5 crores
- (viii) We have been informed that the Central Government has not prescribed maintenance of cost records u/s 209(1) (d) of the Companies Act 1956
- (ix) (a) In our opinion the company, is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sale Tax, Wealth Tax, Service Tax, Custom Duty,

- Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts in respect of Provident Fund, Employee State Insurance, Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Cess, Investor Education and Protection Fund, Service Tax and other material statutory dues were outstanding as at 30th June 2009 for a period of more than Six months from the date they became payable.
- (x) The Company has accumulated losses at the end of the financial year under audit and it has incurred cash losses during the year and immediately preceeding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or Bank.
- (xii) According to the information and explanation given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi /Mutual benefit fund/ society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us no term loans have been taken during the year.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and hence the question of creating securities or charge in respect there of does not arise.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year

For VIVEK V JOSHI & ASSOCIATES

Chartered Accountants

Vivek V Joshi

Proprietor

Membership No.38293

Place: Mumbai

Date: September 30, 2009

Balance Sheet as at June 30, 2009

Rupees

| | Schedule | June 30, 2009 | June 30, 2008 |
|--|----------|--------------------|-------------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDER'S FUND | | | |
| Share Capital | 1 | 500,000 | 500,000 |
| LOAN FUNDS | | | |
| Unsecured Loan | 2 | 115,661,311 | 40,968,060 |
| Total | | 116,161,311 | 41,468,060 |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| | 3 | | |
| Gross Block | | 1,292,750 | 232,160 |
| Less : Depreciation | | 231,027 | 17,918 |
| Net Block | | 1,061,723 | 214,242 |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| Sundry Debtors | 4 | 25,381,480 | 24,014,034 |
| Cash and Bank Balances | 5 | 983,484 | 991,862 |
| Loans and Advances | 6 | 32,218,112 | 21,443,013 |
| Other Current Assets | 7 | 13,081 | - |
| | | 58,596,157 | 46,448,909 |
| Less : Current Liabilities & Provisions | 8 | 10,751,168 | 7,036,634 |
| Net Current Assets | | 47,844,989 | 39,412,276 |
| MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED | | | |
| Miscellaneous Expenditure | 9 | 10,000 | 15,000 |
| Profit & Loss Account | | 67,244,599 | 1,826,542 |
| Total | | 116,161,311 | 41,468,060 |
| Significant Accounting Policies & Notes to Accounts | 12 | | |

The Schedules referred to above and notes to accounts form and integral part of the Balance Sheet.

As per our attached report of even date

For Centrum Infrastructure & Realty Ltd.

Vivek V Joshi & Associates

Chartered Accountants

Vivek V Joshi

Proprietor

M.No.38293

Place: Mumbai

Date: September 30, 2009

T. R. Madhavan

Director

Rajendra Naik

Director

Place: Mumbai

Date: September 30, 2009

Profit and Loss Account for the year ended June 30, 2009

Rupees

| | Schedule | June 30, 2009 | June 30, 2008 |
|--|----------|---------------------|-------------------|
| INCOME | | | |
| Consultancy Fees | | 2,905,982 | 23,512,000 |
| Interest Received | | 3,602,883 | - |
| Total | | 6,508,865 | 23,512,000 |
| EXPENDITURE | | | |
| Staff Cost | 10 | 43,673,763 | 18,102,027 |
| Office & Administration Expenses | 11 | 27,575,350 | 6,627,784 |
| Preliminary expenses w/off | | 5,000 | 5,000 |
| Depreciation/amortization | | 213,110 | 17,918 |
| Total | | 71,467,223 | 24,752,729 |
| Net Profit / (Loss) Before Tax | | (64,958,358) | (1,240,729) |
| Provision for Taxation | | - | - |
| Fringe Benefit Tax | | 192,244 | 124,694 |
| Net Profit / (Loss) After Tax | | (65,150,602) | (1,365,423) |
| Profit / (Loss) Brought Forward | | (1,826,542) | (461,119) |
| Prior Period Adjustment (Net) | | 267,455 | - |
| Balance carried over to the Balance Sheet | | (67,244,599) | (1,826,542) |
| Significant Accounting Policies & Notes to Accounts | 12 | | |
| Weighted average number of Equity Shares outstanding | | 50,000 | 50,000 |
| Basic & Diluted Earning per share | | (1,303.01) | (27.31) |

The Schedules referred to above and notes to accounts form and integral part of the Profit and Loss Account.

As per our attached report of even date

For Centrum Infrastructure & Realty Ltd.

Vivek V Joshi & Associates

Chartered Accountants

Vivek V Joshi

Proprietor

M.No.38293

T. R. Madhavan

Director

Rajendra Naik

Director

Place: Mumbai

Date: September 30, 2009

Place: Mumbai

Date: September 30, 2009

Cash Flow Statement for the year ended June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|--|---------------------|---------------------|
| A. Cash flow from operating activities | | |
| Net profit before taxation, and extraordinary items | (64,958,358) | (1,365,423) |
| Depreciation | 213,110 | 17,918 |
| Provision for Leave encashment | 614,739 | - |
| Interest income | 3,602,883 | - |
| Preliminary Expenses written off | 5,000 | 5,000 |
| Prior Period Income | 150,000 | - |
| Prior Period Expenses | (417,455) | - |
| Interest expense & Financial Charges | 3,811,072 | 7,979,349 |
| | | - 22,918 |
| Operating profit before working capital changes | (56,979,009) | (1,342,505) |
| Movements in working capital : | | |
| Decrease / (Increase) in sundry debtors | (1,367,446) | (24,014,034) |
| Decrease / (Increase) in inventories | - | - |
| Decrease / (Increase) loans and advances | (9,940,437) | (21,565,588) |
| Increase / (Decrease) in creditors & other liability | 3,604,781 | 6,103,090 |
| | (7,703,102) | (39,476,532) |
| Cash used for operations | (64,682,111) | (40,819,037) |
| Direct taxes paid (net of refunds) | (1,544,973) | - |
| Net used for operating activities | (66,227,084) | (40,819,037) |
| B. Cash flows from investing activities | | |
| Purchase of fixed assets | (1,060,590) | (232,160) |
| Purchase of investments | - | 1,100,000 |
| Interest received | (3,602,883) | - |
| Net cash from investing activities | (4,663,473) | 867,840 |

Cash Flow Statement for the year ended June 30, 2009

| | June 30, 2009 | June 30, 2008 |
|--|-------------------|---------------|
| C. Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 74,693,251 | 40,943,000 |
| Interest paid | (3,811,072) | - |
| | 70,882,179 | 40,943,000 |
| Net cash (used in) /from financing activity | (8,378) | 991,803 |
| CASH AND CASH EQUIVALENTS | | |
| AS AT THE BEGINNING OF THE YEAR | | |
| Cash in Hand including foreign currencies | - | 60 |
| Cheques in Hand | 25,079 | - |
| Balance with Scheduled Banks-Current Accounts | 966,783 | - |
| | 991,862 | 60 |
| AS AT THE END OF THE YEAR | | |
| Cash in Hand including foreign currencies | 44,232 | 25,079 |
| Balance with Scheduled Banks-Current Accounts | 939,253 | 966,783 |
| | 983,484 | 991,863 |
| NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS | (8,378) | 991,803 |

The above cash flow statements have been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

Vivek V Joshi & Associates
Chartered Accountants

Vivek V Joshi
Proprietor
M.No.38293

Place: Mumbai
Date: September 30, 2009

For **Centrum Infrastructure & Realty Ltd.**

T. R. Madhavan Rajendra Naik
Director Director

Place: Mumbai
Date: September 30, 2009

Schedules forming part of the Balance Sheet as at June 30, 2009

Rupees

June 30, 2009 June 30, 2008

SCHEDULE 1**SHARE CAPITAL****AUTHORISED CAPITAL**

| | | |
|---|-------------------|------------|
| 50,00,000 (50,000) Equity Shares of Rs.10/- each | 50,000,000 | 50,000,000 |
| Issued, Subscribed & Paid-up | | |
| 50,000 Equity Shares of Rs.10/- each fully paidup (P.Y. 50,000 of Rs. 10/- each) | 500,000 | 500,000 |
| | 500,000 | 500,000 |

SCHEDULE 2**UNSECURED LOANS**

| | | |
|-------------------------|--------------------|------------|
| Inter Corporate Deposit | 115,661,311 | 40,968,060 |
| | 115,661,311 | 40,968,060 |

SCHEDULE 3**FIXED ASSETS**

| Assets | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|------------------------|-------------------|------------------|--------------------|-------------------|----------------|--------------------|--------------------|--------------------|
| | As on 1-7-2008 | Additions | As on 30-6-2009 | As on 1-7-2008 | Additions | As on 30-6-2009 | As on 30-6-2009 | As on 30-6-2008 |
| Computers | 212,160 | 52,539 | 264,699 | 17,438 | 95,760 | 113,198 | 151,501 | 194,722 |
| Office Equipments | 20,000 | - | 20,000 | 480 | 2,715 | 3,195 | 16,805 | 19,520 |
| Furniture and Fixtures | - | 387,582 | 387,582 | - | 53,815 | 53,815 | 333,767 | - |
| Computer Software | - | 620,469 | 620,469 | - | 60,819 | 60,819 | 559,650 | - |
| Total | 232,160 | 1,060,590 | 1,292,750 | 17,918 | 213,109 | 231,027 | 1,061,723 | 214,242 |

SCHEDULE 4**SUNDRY DEBTORS**

(Unsecured, considered good unless otherwise stated)

| | | |
|---|-------------------|------------|
| Debts outstanding for a period exceeding 6 months | 24,007,964 | - |
| Other Debts | 1,373,516 | 24,014,034 |
| | 25,381,480 | 24,014,034 |

SCHEDULE 5**CASH AND BANK BALANCES**

| | | |
|-----------------------------|----------------|---------|
| Cash on Hand | 44,232 | 25,079 |
| Balance with Scheduled Bank | 939,253 | 966,783 |
| | 983,484 | 991,862 |

SCHEDULE 6**CURRENT ASSETS, LOANS AND ADVANCES**

| | | |
|--|-------------------|------------|
| Advance Recoverable in cash or kind for value to be received | - | 504,986 |
| Income Tax (Net) | 1,490,756 | 138,027 |
| Loans to Companies | 15,360,689 | - |
| Security Deposit for office premises | 3,300,000 | 3,300,000 |
| Staff Loans | 12,066,667 | 17,500,000 |
| | 32,218,112 | 21,443,013 |

Schedules forming part of the Balance Sheet as at June 30, 2009

Rupees

June 30, 2009 June 30, 2008

SCHEDULE 7

OTHER CURRENT ASSETS

| | | |
|-------------------|---------------|---|
| Pre-paid Expenses | 13,081 | - |
| | 13,081 | - |

SCHEDULE 8

CURRENT LIABILITIES & PROVISIONS

| | | |
|---|-------------------|-----------|
| Current Liabilities | | |
| Other liabilities | 10,136,429 | 4,689,018 |
| Provision for Leave Encashment | 614,739 | 244,760 |
| Bank Overdraft (due to over issue of cheques) | - | 2,102,856 |
| | 10,751,168 | 7,036,634 |

SCHEDULE 9

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

| | | |
|----------------------|---------------|--------|
| Preliminary Expenses | 10,000 | 15,000 |
| | 10,000 | 15,000 |

Schedules forming part of the Profit and Loss Account for the year ended June 30, 2009

SCHEDULE 10

STAFF COST

| | | |
|-----------------------------|-------------------|------------|
| Salaries | 39,621,552 | 17,184,459 |
| Employees Welfare Expenses | 61,792 | 25,239 |
| Staff Medical Reimbursement | 174,206 | - |
| Provident Fund Paid | 1,801,574 | 647,569 |
| Leave Encashment | 397,337 | 244,760 |
| Gratuity | 373,081 | - |
| Leave Travel Allowance | 1,244,221 | - |
| | 43,673,763 | 18,102,027 |

SCHEDULE 11

OFFICE & ADMINISTRATION EXPENSES

| | | |
|-----------------------------|-----------|---------|
| Audit Fees | 22,060 | 22,472 |
| Advertisement Expenses | 100,000 | - |
| Bank Charges | 427 | 1,919 |
| Books and Periodicals | 8,755 | - |
| Brokerage on Rent | 561,800 | - |
| Business Promotion Expenses | 168,916 | 288,640 |
| Computer Software Expenses | - | 27,090 |
| Conveyance Expenses | 136,634 | 883,751 |
| Donation | 95,799 | - |
| Electricity Expenses | 358,595 | 46,849 |
| Filing Fees | 75,606 | 8,100 |
| Interest -Others | 3,811,072 | - |

Schedules forming part of the Profit and Loss Account for the year ended June 30, 2009

| | Rupees | |
|---------------------------------|-------------------|------------------|
| | June 30, 2009 | June 30, 2008 |
| Legal & Professional Charges | 1,171,787 | 503,574 |
| Office Expenses | 833,963 | 12,731 |
| Meeting and Conference Expenses | 457,294 | 763,149 |
| Printing and Stationery | 164,873 | 25,066 |
| Rent, Rates & Taxes | 15,140,336 | 1,500,000 |
| Repairs & Maintenance Expenses | - | 150,000 |
| Subscription & Membership | 100,000 | 87,105 |
| Telephone Expenses | 671,539 | 172,691 |
| Travelling Expenses | 1,760,446 | 1,695,647 |
| Share Issue Expenses | - | 439,000 |
| Vehicle Expenses | 1,935,448 | - |
| | 27,575,350 | 6,627,784 |

SCHEDULE - 12**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :****COMPANY OVERVIEW**

The company is a subsidiary company of Centrum Capital Ltd. which holds 50,000 shares aggregating 100% of Share holding.

1. SIGNIFICANT ACCOUNTING POLICIES:**METHOD OF ACCOUNTING**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis.

USE OF ESTIMATES

The Presentation of Financial statements in conformity with the generally accepted accounting Principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated.

REVENUE RECOGNITION

Revenues/Income and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.

FIXED ASSETS**Tangible Assets**

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost includes all expenditure necessary to bring the assets to its working conditions for its intended use.

Intangible Assets

The Company capitalises computer software and related implementation cost where it is reasonably estimated that the software has an enduring useful life. Software is depreciated over management estimate of its useful life of 9 years.

DEPRECIATION

Depreciation is provided on the Written Down Value method based as per the rate specified in the schedules XIV of the companies act, 1956 .

INVESTMENTS

Long- term investments are carried at cost. However , provision is made to recognize, other than temporary, in the value of long term investments. Current investments are carried at lower of cost and fair values, determined on individual basis.

BORROWING COST

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A quality asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

PROVISION FOR RETIREMENT BENEFITS

- i The Company's employees benefits primarily cover provident fund and gratuity.
- ii Provident fund is a defined contribution scheme and the company has no further obligation beyond the contributions made to the fund. Contributions are charged to the profit and loss account in the year in which they accrue.
- iii Gratuity Liability is a defined benefit obligation and is recorded based on actuarial valuation on projected unit credit method made at the end of the year. The gratuity liability and the net periodic gratuity cost is actuarially determined after considering discount rates, expected long term return on planned assets and increase in compensation levels. All actuarial gains / losses are immediately charged to the profit and loss account and are not deferred. Further in accordance with transitional provisions of AS 15 (Revised), the Company has obtained the gratuity valuation certificate from the appointed actuary as on June 30, 2009.
- iv Liability as to leave encasement is accounted on the basis of Acturial Valuation as on the date of balance sheet.
- v Effective July 1, 2007, the company has adopted Accounting Standard (AS)- 15 (Revised), 'Employee benefits' issued by The Institute of Chartered Accountants of India

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A Provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resourses will be required to settle the obligation, in respect of which are reliable estimate can be made. Provisions are not discounted to their present value and are determined based on estimates required to settle the obligation at the balance sheet date and adjusted to reflect the current best estimates. Contingent assets are not recognised

TAXATION

Provision for current income tax is made in accordance with the Income Tax Act, 1961. Deffered Tax Liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

EARNING PER SHARE

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

IMPAIRMENT

Impairment loss is recognized wherever the carrying amount of an assets is excess of its recoverable amount and the same is recognized as an expenses in the statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable amount.

2. NOTES TO ACCOUNTS :

- (a) Credit and Debit Balance of the parties are subject to confirmation/reconciliation if any.
- (b) The balance sheet to the best of our knowledge and belief contains a true account of liabilities and assets of the company. In the opinion of the Directors, the Current Assets, Loans and Advances are appropriately stated as its value, if realised in the ordinary course of business. The provisions for all the known liabilities are *adequate and there is no contingent liabilities.*
- (c) In accordance with the Accounting Standard AS -22 "Accounting for taxable Income" issued by The Institute of Chartered Accountants of India, the Company has not accounted for the Deferred Tax Assets, as there is no reasonable certainty that sufficient future taxable income will be available against amount of business loss, as a method of prudence the deferred tax assets has not been recognised.
- (d) There are no Small Scale Industry, Micro and Medium Enterprises undertakings to whom the Company owe a sum which is outstanding for more than 30 days on the basis of information available with the company.
- (e) RELATED PARTY DISCLOSURE AS REQUIRED UNDER AS-18 ISSUED BY ICAI

| A | NATURE OF RELATIONSHIP | NAME |
|----------|---|---|
| | Holding Company | Centrum Capital Limited (CCL) |
| | RELATED PARTY TRANSACTIONS IN ORDINARY COURSE OF BUSINESS | |
| | NATURE OF TRANSACTIONS | Amount (Rs) |
| | Rent, Rates and Taxes Payable to CCL | 19,69,877/- (Inclusive of Service Tax 1,79,916/-) |
| | Inter Corporate Loan Taken from CCL | 13,24,00,000/- |
| | Inter Corporate Loan Paid Back to CCL | 12,16,00,000/- |
| | Working Capital Loan Taken from CCL | 5,94,70,500/- |
| | Interest Payable to CCL | 34,66,924/- |
| | Balance Payable at the end of the Financial Year | 11,56,61,311/- (P.Y. 40,968,060/-) |
| B | NATURE OF RELATIONSHIP | NAME |
| | Associate | FCH Centrum Direct Limited (FCH CDL) |
| | RELATED PARTY TRANSACTIONS IN ORDINARY COURSE OF BUSINESS | |
| | NATURE OF TRANSACTIONS | Amount (Rs) |
| | Rent, Rates and Taxes Payable to FCH CDL | 63,52,341/- (Inclusive of Service Tax 5,22,337/-) |
| | Interest Payable to FCH CDL | 2,74,158/- |
| | Forex Purchased from FCH CDL | 1,57,679/- (net of Forex surrendered) |
| | Air Tickets purchased from FCH CDL | 8,65,417/- |
| | Balance Payable at the end of the Financial Year | 56,70,434/- (P.Y.NIL) |

| C | NATURE OF RELATIONSHIP | NAME |
|----------|---|--------------------------------|
| | Key Managerial Person | Hardeep Dayal |
| | RELATED PARTY TRANSACTIONS IN ORDINARY COURSE OF BUSINESS | |
| | NATURE OF TRANSACTIONS | Amount (Rs) |
| | Loan given to Mr. Hardeep Dayal adjusted against salary payable | 19,33,334/- |
| | Balance Receivable at the end of the Financial Year | 38,66,666/- (P.Y. 58,00,000/-) |
| D | NATURE OF RELATIONSHIP | NAME |
| | Associate | Club 7 Holidays Ltd. |
| | RELATED PARTY TRANSACTIONS IN ORDINARY COURSE OF BUSINESS | |
| | NATURE OF TRANSACTIONS | Amount (Rs) |
| | Air Tickets Purchased | 89,284/- |
| | Balance Payable at the end of the Financial Year | 12,893/- (P.Y.NIL) |

Note : The name of persons with whom there are transactions during the year are only reported.

(f) The Company has one operating lease for office premises which is renewable / cancellable mutually.

(ff) Employee Benefits

The following table summaries the components of net benefit expense recognized in the Profit and Loss account and funded status and amount recognized in the balance sheet for gratuity.

| Actuarial Assumptions | For the year ended 30-Jun-09 |
|-----------------------------------|---|
| Discount rate Current Year | 7.75% |
| Expected rate of return on assets | 0.00% |
| Salary escalation | 5.00% |
| Attretion Rate Current Year | 2.00% |

| Reconciliation of opening and closing balances of defined benefit obligation | For the year ended 30-Jun-09 |
|---|---|
| Opening defined benefit obligation | Nil |
| Interest cost | Nil |
| Current service cost | 373,081 |
| Past service cost (non vested benefit) | Nil |
| Past service cost (vested benefit) | Nil |
| Liability transfer in | Nil |
| Liability transfer out | Nil |
| Benefit paid | Nil |
| Actuarial (gain)/loss on obligation | Nil |
| Defined benefit obligation at the end of the year | 373,081 |

| Changes in the fair value of plan assets are as follows | For the year ended 30-Jun-09 |
|--|---|
| Opening fair value of plan assets | Nil |
| Expected Return on Plan Assets | Nil |
| Contributions by employer | Nil |

| | |
|--|---|
| Transfer from other Company | Nil |
| Transfer to other Company | Nil |
| Benefit paid | Nil |
| Actuarial gain/(loss) on Plan Assets | Nil |
| Fair value of plan assets at the end of the year | Nil |
| Total Actuarial Gain / (Loss) to be recognized | Nil |
| Actual Return on Plan Assets | For the year ended 30-Jun-09 |
| Expected Return on Plan Assets | Nil |
| Actuarial gain/(loss) on Plan Assets | Nil |
| Actual Return on Plan Assets | Nil |
| Amount recognized in the Balance Sheet | For the year ended 30-Jun-09 |
| Defined benefit obligation at the end of the year | 373,081 |
| Fair Value of Plan Assets at the end of the year | Nil |
| Amount recognized in the Balance Sheet | 373,081 |
| Expenses recognized in the income statement | For the year ended 30-Jun-09 |
| Current service cost | 373,081 |
| Interest cost | Nil |
| Expected return on plan assets | Nil |
| Past Service Cost (non vested Benefit) Recognized | Nil |
| Past Service Cost (vested Benefit) Recognised | Nil |
| Amount not recognized as asset | Nil |
| Actuarial gain or loss | Nil |
| Expenses recognized in P & L | 373,081 |
| Balance Sheet Reconciliation | For the year ended 30-Jun-09 |
| For the year ended June 30, 2009 | 373,081 |
| Opening net liability | Nil |
| Expenses as above | 373,081 |
| Employers contribution | Nil |
| Amount recognized in Balance Sheet | 373,081 |

(g) Earning per share

Rupees

| | | Current year | Previous year |
|-----|---|---------------------|---------------|
| i | Profit after Taxes attributable to equity shareholders | (65,150,602) | (1,365,423) |
| ii | Number of equity shares of Rs. 10 each issued and outstanding | | |
| | At the end of the year | 50,000 | 50,000 |
| | Weighted average number of shares outstanding | 50,000 | 50,000 |
| iii | Basic and Diluted Earnings per share | (1,303.01) | (27.31) |

- (h) The accounts have been prepared under the going concern assumption inspite of the losses incurred by the company. The management is of the view that inspite of losses the company will be able to carry out the operations in the future and it will recoup the losses incurred.
- (i) Information required to be furnished pursuant to Para 3 & 4 of the part II of schedule VI of the Companies Act, 1956, the extent applicable.

Rupees

| (i) | | Current year | Previous year |
|-------|---------------------------------|------------------|---------------|
| | Auditors Remuneration includes | | |
| | Audit Fees | 20,000/- | 20,000/- |
| | Service Tax | 2,060/- | 2,472/- |
| (ii) | Earning in foreign currency | NIL | NIL |
| (iii) | Expenditure in foreign currency | 428,205/- | 997,730/- |

| Particulars | | Current year | Previous year |
|-------------|------------------------|----------------|---------------|
| a | Conference And Seminar | 270,577 | 716,989 |
| b | Travelling | 157,679 | 280,741 |
| | Total | 428,256 | 997,730 |

- (j) Previous years figures has been regrouped or rearranged wherever necessary.
- (k) Additional information pursuant to the provisions of paragraph 2, 3 & 4 (c) & (d) of part II of the Schedule VI of the Companies Act, 1956 are either Nil or not applicable.
- (l) The Balance Sheet abstract and the Company's General Business Profile as required under Part IV of Schedule VI to the Companies Act, 1956, is given in Annexure - A
- (m) Schedule 1 to 11 forms an integral part of accounts.

As per our attached report of even date

Vivek V Joshi & Associates
Chartered Accountants

Vivek V Joshi
Proprietor
M.No.38293

Place: Mumbai
Date: September 30, 2009

For Centrum Infrastructure & Realty Ltd.

T. R. Madhavan
Director

Rajendra Naik
Director

Place: Mumbai
Date: September 30, 2009

Annexure - A

Balance Sheet Abstract and Company's General Business profile as per Schedule VI, part (IV) of the Companies Act, 1956

| | | | | |
|---|-------------------|---------------------------|--|----------|
| I. Registration Details | | | | |
| Registration No. | 166127 | State Code | | 11 |
| Balance Sheet Date | 30-06-2009 | | | |
| II. Capital raised during the year (Amount in Rs. Thousands) | | | | |
| Public Issue | Nil | Right Issue | | Nil |
| Bonus Issue | Nil | Private Placement | | Nil |
| III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) | | | | |
| Total Liabilities | 116,161 | Total Assets | | 116,161 |
| Sources of Funds (Amount in Rs. Thousands) | | | | |
| Paid-up Capital | 500 | Reserves & Surplus | | - |
| Secured Loans | Nil | Unsecured Loans | | 115,661 |
| Application of Funds (Amount in Rs. Thousands) | | | | |
| Net Fixed Assets | 1,062 | Investments | | - |
| Net Current Assets | 47,845 | Miscellaneous Expenditure | | 10 |
| IV. Performance of Company (Amount in Rs. Thousands) | | | | |
| Total Income | 6,509 | Total Expenditure | | 71,467 |
| Profit/(Loss) before taxes | (64,958) | Profit/(Loss) after taxes | | (65,151) |
| Earning Per Share in Rs. | (1303) | Dividend rate % | | Nil |
| V. Generic Names of Principal Products/Services of Company (as per monetary terms) | | | | |
| Item Code No. | N. A. | | | |
| Product Description | Advisory services | | | |
| | Infrastructure | | | |
| | Realty | | | |

As per our attached report of even date

Vivek V Joshi & Associates
Chartered Accountants

Vivek V Joshi
Proprietor
M.No.38293

Place: Mumbai
Date: September 30, 2009

For Centrum Infrastructure & Realty Ltd.

T. R. Madhavan **Rajendra Naik**
Director Director

Place: Mumbai
Date: September 30, 2009



Subsidiary Company
Accounts Receivables
Management Services (India) Limited

Annual Report 2008 -2009

Corporate Information

BOARD OF DIRECTORS

Mr. Himanshoo Bohara Director

Mr. Francis George Nazareth Director

Mr. P. G. Kakodkar Director

Mr. Krishna Mohan Seth Director

BANKERS

Bank of Maharashtra

AUDITORS

M/s.B.K. Khare & Co. Chartered Accountants

REGISTERED OFFICE

Flat No. 1006, Mayuresh Chambers,
Plot No. 60, Sector 11, CBD Belapur,
Navi Mumbai – 400 614.

Directors' Report

To

The Members

Accounts Receivables Management Services (India) Ltd.

Your directors have pleasure in placing before you the Second Annual Report of the Company along with the Audited Accounts for the 15 months Period from 1st April, 2008 to 30th June 2009:

1. Financial Results:

The following the gist of business activities for the period ended 30th June 2009:

(Figures in Rs.)

| Particulars | 30.06.2009 | 31.03.2008 |
|--|-------------|------------|
| TOTAL INCOME | 403,052 | 1,000 |
| TOTAL EXPENDITURE | 2,322,448 | 60,615 |
| NET PROFIT / (LOSS) BEFORE TAX | (1,919,396) | (59,615) |
| TAX | Nil | Nil |
| NET PROFIT / (LOSS) AFTER TAX | (1,919,396) | (59,615) |
| SURPLUS / (DEFECIT) TRANSFERRED TO BALANCE SHEET | (1,919,396) | (59,615) |

During the period under review the total income of the company was Rs. 4,03,052/- and net loss was Rs. 19,19,396/- The directors expect growth in business activities in the upcoming year.

2. Reserves:

There are no funds that are transferred to reserves during the financial period ended 30th June, 2009.

3. Dividend:

In view of loss incurred, your Directors do not recommend payment of any dividend for the period ended 30th June, 2009.

4. Conversion of the Company into Public Limited Company:

During the period under review the company has changed its status from Private Limited company into Public Limited Company in an Extra Ordinary General Meeting of Members duly convened on

25th August, 2008 and has received its approval for the same from Registrar of Companies, Maharashtra, Mumbai vide fresh certificate of incorporation dated 19th November, 2008.

5. Share Capital:

During the period under review the company has increased its authorised share capital from Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10/- each to Rs. 20,00,00,000 divided into 2,00,00,000 equity shares of Rs. 10/- each by passing an ordinary resolution in an Extra Ordinary General Meeting of Members duly convened on 25th August, 2008.

The company has issued and allotted 40000 Equity Shares of Rs. 10/- each at par aggregating to Rs. 4,00,000 for cash at par on 7th August, 2008 to Centrum Capital Limited. Consequent to the allotment of 40000 Equity Shares, the company has become a subsidiary of Centrum Capital Limited.

6. Directors:

During the period under review, the following changes took place in the Board of Directors of the Company

Mr. R. Balakrishnan was appointed as an Additional Director of the company on 24th April, 2008 subsequently he resigned from Directorship with effect from 11th February, 2009 due to his other pre-occupations. The Board appreciates the valuable services rendered by him as a Director of the Company.

Mr. Himanshoo Bohara has been appointed as an Additional Director of the company on 11th February, 2009 to hold office till the ensuing Annual General Meeting. Necessary resolution for his appointment as a Director is covered in the notice convening the Annual General Meeting. The Board extends a warm welcome to Mr. Himanshoo Bohara, who has joined the Board of the Company.

7. Particulars of employees:

Particulars of employees as required u/s 217 (2A) of the Companies Act, 1956 are not annexed since there are no employees covered under this Section.

8. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that to the best of their knowledge and belief and according to the information and explanations available to them:

In preparation of the annual accounts, the applicable accounting standards have been followed;

Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at June 30, 2009 and of the loss of the Company for the period ended on June 30, 2009.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities;

The annual accounts have been prepared on a going concern basis.

Additional Information Required Under The Companies (Disclosure Of Particulars In The Report Of Board Of Directors) Rules 1988:

In terms of the above rules issued by the Central Government the following information is furnished.

a) Conservation of Energy & Technology Absorption:

Since the company does not own any manufacturing facility, the disclosure under this head is not applicable. Further, the other particulars in the companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are also not applicable.

b) Foreign Exchange Earnings and Outgo:

During the period under review, there are no foreign exchange outgo & foreign exchange earnings.

9. Fixed Deposits:

During the period under review, the company has not accepted any deposits from the public under section 58-A of the Companies Act, 1956.

10. Auditors:

M/s.B.K. Khare & Co., Chartered Accountants, the Statutory Auditors retires at the ensuing Annual General meeting. The Company has received a Certificate from them certifying that if re-appointed their appointment will be within the purview of Section 224 (1-B) of the Companies Act 1956.

11. Personnel:

Employee relations remained cordial during the financial period. The Directors place on record their appreciation of the dedicated work put in by all the employees.

12. Acknowledgement:

The Board of Directors of the Company expresses their sincere gratitude to their bankers and business associates for their assistance and continued support. They also take this opportunity to appreciate the valuable services rendered by the employees of the Company

On Behalf of the Board of Directors

Himanshoo Bohara
Director

Francis George Nazareth
Director

Place : Mumbai

Date : September 29, 2009

Auditors' Report

To

The Members

Accounts Receivables Management Services (India) Ltd.

We have audited the attached Balance Sheet of M/s. Accounts Receivables Management Services (India) Ltd. as at 30th June 2009 and the Profit and Loss Account of the Company for the 15 months period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

(v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th June 2009;

(b) in the case of Profit and Loss Account, of the profit / (loss) for the period ended on that date; and

(c) in case of Cash Flow Statement, of the cash flows for the period ended as on that date.

For B. K. KHARE & CO.

Chartered Accountants

Padmini Khare Kaicker

Partner

Membership No. 44784

Place : Mumbai

Date : September 29, 2009

Balance Sheet as at June 30, 2009

Rupees

| Particulars | June 30,2009 | March 31,2008 |
|---|--------------------|----------------|
| Liabilities | | |
| Share Capital | | |
| Authorised | 200,000,000 | 500,000 |
| 20,000,000 Equity Shares of Rs.10/- each | | |
| Issued, Subscribed & Paid up | | |
| 50,000 Equity Shares of Rs.10/- each fully paid up (Of the above, 40,000 equity shares of Rs.10/- each are held by Centrum Capital Limited, the holding company) | 500,000 | 100,000 |
| Share Application Money | 29,600,000 | - |
| Current Liabilities | | |
| Audit Fees payable | 34,469 | 28,090 |
| Provision For Expenses | 16,545 | - |
| Total | 30,151,014 | 128,090 |
| Assets | | |
| Investments | | |
| (Market Value as on 30th June, 2009 Rs.30,864,336.02) | 28,025,067 | - |
| Current Assets, Loans and Advances | | |
| Cash in hand | - | 55,400 |
| Balance in current account with scheduled bank | 146,936 | 13,075 |
| Profit & Loss A/c (Debit Balance) | 1,979,011 | 59,615 |
| Total | 30,151,014 | 128,090 |
| Significant Accounting Policies : Schedule A | | |

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants

For Accounts Receivables Management Services (India) Limited

Padmini Khare Kaicker
Partner
M.No. 44784

Himanshoo Bohara
Director

Francis George Nazareth
Director

Place : Mumbai
Date : September 29, 2009

Place : Mumbai
Date : September 29, 2009

Profit and Loss Account for the period from April 01, 2008 to June 30, 2009

Rupees

| Particulars | June 30, 2009 | March 31, 2008 |
|---|------------------|----------------|
| Income | | |
| Interest Income | 67,200 | - |
| Profit on sale | 335,852 | - |
| Miscellaneous Income | - | 1,000 |
| Total | 403,052 | 1,000 |
| Expenses | | |
| Office Rent | 384,495 | - |
| Travel Expenses | 189,018 | 12,800 |
| Bank Charges | 4,125 | 125 |
| Audit Fees | 34,469 | 28,090 |
| Preliminary Expenses | - | 19,600 |
| Directors Fees | 80,000 | - |
| Registration & Stamp Duty Charges | 1,558,396 | - |
| Accounting Expenses | 16,545 | - |
| Office Maintenance Expenses | 55,400 | - |
| Total | 2,322,448 | 60,615 |
| Net Profit/(Loss) Before Tax | (1,919,396) | (59,615) |
| Income Tax | - | - |
| Net Profit/(Loss) After Tax | (1,919,396) | (59,615) |
| Balance Brought forward | (59,615) | - |
| Surplus/ (Defecit) carried forward to Balance sheet | (1,979,011) | (59,615) |
| Significant Accounting Policies : Schedule A | | |

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
M.No. 44784

Place : Mumbai
Date : September 29, 2009

For Accounts Receivables Management Services (India) Limited

Himanshoo Bohara
Director

Francis George Nazareth
Director

Place : Mumbai
Date : September 29, 2009

Cash Flow Statement for the period ended June 30, 2009

Rupees

| Particulars | June 30,2009 | March 31,2008 |
|---|---------------------|---------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Profit/(Loss) Before Taxes | (1,919,396) | (59,615) |
| Adjustment for: | | |
| Interest Income | 67,200 | - |
| Dividend Income | 335,852 | - |
| Operating Profit Before Working Capital Changes | (2,322,448) | (59,615) |
| Adjustments for: | | |
| Increase in creditors & other liabilities | 22,924 | 28,090 |
| Cash Generated from Operations | (2,299,524) | (31,525) |
| Taxes Paid(Including tax deducted at source and fringe benefit tax) | - | - |
| Net Cash used in Operating Activities | (2,299,524) | (31,525) |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| (Purchase) / Decrease in investment (including dividend reinvestment) | (28,025,067) | - |
| Interest Income | 67,200 | - |
| Dividend Income | 335,852 | - |
| Net Cash from Investing Activities | (27,622,015) | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Monies received towards Share Application | 29,600,000 | |
| Issue of Shares | 400,000 | 100,000 |
| Net Cash used in Financing Activities | 30,000,000 | 100,000 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 78,461 | 68,475 |
| Cash and Bank Balance | | |
| As at the beginning of the Period | 68,475 | - |
| As at the end of the Year | 146,936 | 68,475 |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS: | 78,461 | 68,475 |
| Significant Accounting Policies : Schedule A | | |

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants

For Accounts Receivables Management Services (India) Limited

Padmini Khare Kaicker
Partner
M.No. 44784

Himanshoo Bohara
Director

Francis George Nazareth
Director

Place : Mumbai
Date : September 29, 2009

Place : Mumbai
Date : September 29, 2009

Significant Accounting Policies and Notes to Accounts for the fifteen months ended June 30, 2009.

1. Basis for preparation

The accounts have been prepared in accordance with historical cost convention and on accrual basis, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

2. Revenue recognition:

All income and expenses are accounted on the accrual basis and provision is made for all known losses and liabilities.

Dividend income is recognised when Company's right to receive dividend is established. Interest income is recognised on time proportion basis.

3. Investments:

Current investments are carried at lower of cost and fair value. Long term investments are carried at cost. Provision is made to recognise a decline other than temporary in the carrying amount of long term investment.

Notes to Accounts:

1. During the period, 40,000 equity shares of Rs.10/- each were issued and allotted for cash to Centrum Capital Limited, holding company.
2. Auditor's remuneration (including Service Tax and education cess where applicable) as follows

| | April 08-June 09 | 2007-08 |
|---|------------------|---------|
| | Rs. | Rs. |
| Audit fees (including Service Tax and Cess) | 34,469 | 28,090 |

3. Micro, small and medium enterprises

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been indentified on the basis of information available with the Company. The amount of principal and interest outstanding during April 08-June 09 is given below:

| | | April 08-June 09 | 2007-08 |
|-------|--|------------------|---------|
| (i) | Amounts unpaid as at year end - Interest | NIL | NIL |
| (ii) | Amounts unpaid after appointed date during the current year - Principal | NIL | NIL |
| (iii) | Amount of interest accrued and unpaid as at year end | NIL | NIL |

4. Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date

**For B. K. Khare & Co.
Chartered Accountants**

For Accounts Receivables Management Services (India) Limited

**Padmini Khare Kaicker
Partner
M.No. 44784**

**Himanshoo Bohara
Director**

**Francis George Nazareth
Director**

**Place : Mumbai
Date : September 29, 2009**

**Place : Mumbai
Date : September 29, 2009**

Balance Sheet Abstract and Company's General Business profile as per schedule VI, part (IV) of the Companies Act, 1956

| | | | | |
|---|------------|---------------------------|---------|--|
| I. Registration Details | | | | |
| Registration No. | 176913 | State Code | 11 | |
| Balance Sheet Date | 30-06-2009 | | | |
| II. Capital raised during the year (Amount in Rs. Thousands) | | | | |
| Public Issue | Nil | Right Issue | Nil | |
| Bonus Issue | Nil | Private Placement | 400 | |
| III. Position of Mobilisation and Deployment of Funds | | | | |
| Total Liabilities | 30,100 | Total Assets | 30,100 | |
| Sources of Funds | | | | |
| Paid-up Capital | 500 | Reserves & Surplus | Nil | |
| Secured Loans | Nil | Unsecured Loans | 29,600 | |
| Application of Funds | | | | |
| Net Fixed Assets | Nil | Loans and Investments | 28,025 | |
| Net Current Assets and Advances | 96 | Deferred Tax Assets | Nil | |
| Accumulated Losses | 1979 | Miscellaneous Expenditure | Nil | |
| IV. Performance of Company (Amount in Rs. Thousands) | | | | |
| Turnover (Gross Income) | 403 | Total Expenditure | 2,322 | |
| Profit before Tax | (1,919) | Profit after tax | (1,919) | |
| Earning Per Share in Rs. | (38.39) | Dividend rate | 0% | |
| V. Generic Names of Principal Products/Services of Company | | | | |
| Asset Securitization/Asset Reconstruction | | Item Code | Nil | |

As per our report of even date

For B. K. Khare & Co.

Chartered Accountants

For Accounts Receivables Management Services (India) Limited

Padmini Khare Kaicker

Partner

M.No. 44784

Himanshoo Bohara

Director

Francis George Nazareth

Director

Place : Mumbai

Date : September 29, 2009

Place : Mumbai

Date : September 29, 2009

Subsidiary Company Centrum Investments Limited

Annual Report 2008 -2009

Corporate Information

BOARD OF DIRECTORS

| | |
|----------------------|----------|
| Mr. T. R. Madhavan | Director |
| Mr. Himanshoo Bohara | Director |
| Mr. Shailendra Apte | Director |

BANKERS

The Ratnakar Bank Limited

AUDITORS

Vivek V. Joshi & Associates
Chartered Accountants
A/708, Zaitoon Apartment, Station Road,
Goregaon (W), Mumbai - 400 062.

REGISTERED OFFICE

Bombay Mutual Building,
2nd Floor, Dr. D.N. Road, Fort,
Mumbai - 400 001.
Tel.: 022-22662434
Fax : 022-22611105
Website: www.centrum.co.in
Email: info@centrum.co.in

CORPORATE OFFICE

Centrum House, CST Road,
Vidyanagari Marg, Kalina,
Santacruz (East),
Mumbai - 400 098.
Tel.: 022-42159000
Fax: 022-42159533

Directors' Report

To,
The Members
Centrum Investments Limited

Your Directors are pleased to present their Second Annual Report together with the Audited Accounts of the Company for the year ended on June 30, 2009.

FINANCIAL HIGHLIGHTS:

The Company has incurred losses of Rs.1,05,452/-.

DIVIDEND:

In view of the loss incurred, your Directors do not recommend any dividend for the year under review.

DIRECTORS:

Mr. Shailendra Apte retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) The accounting policies which have been selected have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.

AUDITORS AND AUDITORS' REPORT:

The Auditors, M/s Vivek V. Joshi & Associates, Chartered Accountants, Mumbai, retire at the ensuing Annual

General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the above auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

DEPOSITS:

The Company has not accepted any Fixed/ Public Deposits from any member, director or public.

CONSERVATION OF ENERGY AND TECHNOLOGY

ABSORPTION:

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

FOREIGN EXCHANGE EARNING AND OUTGO:

The Company earned Rs. Nil in foreign exchange during the year (previous year Nil). There were no foreign exchange outgoes in the current year (previous year Nil).

PARTICULARS OF EMPLOYEES:

As required under section 217(2A) of the Companies Act, 1956 and Rules made there under, we confirm that there are no employees who were in receipt of remuneration of not less than Rs.24,00,000/- per annum during the year ended June 30, 2009 or not less than Rs.200,000/- per month during any part of the said year.

ACKNOWLEDGEMENTS:

The Directors have pleasure in placing on record their appreciation to its Bankers for their co-operation and support to the Company.

By Order of the Board

| | |
|---------------------------|------------------------|
| T. R. Madhavan | Shailendra Apte |
| Director | Director |
| September 19, 2009 | |
| Mumbai | |

Auditors' Report

The Members,

Centrum Investments Ltd.

Mumbai.

1. We have audited the attached Balance Sheet of Centrum Investments Ltd. as at June 30, 2009, and the Profit & Loss Account of the Company for the Year ended on that date and also the Cash Flow Statement for the Year Ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies Auditor's Report Amendment Order, 2004 issued by the Central Government Of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure Statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in Paragraph 3 above, we report that;
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company

so far as appears from our examination of the books;

- (iii) The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of account of the company;
- (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956; to the extent applicable;
- (v) On the basis of written representations received from the Directors, as on June 30, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at June 30, 2009.
 - (b) In the case of the Profit & Loss Account, of the Loss for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Vivek V Joshi & Associates

Chartered Accountants

Vivek V Joshi

Proprietor

M No. 38293

Date: September 19, 2009

Place: Mumbai

Annexure Referred to in Paragraph 3 of our report of even date to the members of Centrum Investments Ltd on the financial statements for the period ended June 30, 2009.

- (i) The Company does not own any fixed Assets and Inventories and has not purchased or sold any goods and services, therefore clauses (i), (ii) & (iv) of the Order are not applicable to the Company.
- (ii) The Company has not granted not taken any loans, Secured or Unsecured to/from Companies, firms or other parties covered in Register maintained under section 301 of the Companies Act, 1956.
- (iii) The company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Act, and rules framed made there under apply.
- (iv) Provisions for reporting on Internal Audit system does not arise as the Company was incorporated during the preceeding financial year.
- (v) The Company has not commenced business, therefore clause (viii), (ix), (xi), (xii), (xiii) and (xiv) of the Order are not applicable.
- (vi) The Company has not given any guarantee for

loans taken by others from Bank and Financial Institutions.

- (vii) The Company has not obtained any term loans.
- (viii) The Company has not raised any funds on short term basis.
- (ix) The Company has not made preferential allotment of shares to parties and the Companies covered in the register maintained u/s. 301 of the Companies Act, 1956.
- (x) The Company has not issued any debentures, therefore, the question of creation of security or charge in respect of debentures does not arise.
- (xi) The company has not raised monies by public issues.
- (xii) No fraud on or by the Company has been noticed or reported during the period under audit.

For Vivek V Joshi & Associates

Chartered Accountants

Vivek V Joshi

Proprietor

M No. 38293

Date: September 19,2009

Place: Mumbai

Balance Sheet as at June 30, 2009

Rupees

| | Schedule | June 30, 2009 | June 30, 2008 |
|---|----------|----------------|----------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDER'S FUND | | | |
| Share Capital | 1 | 500,000 | 500,000 |
| LOAN FUNDS | | | |
| Unsecured Loan | 2 | - | 59,689 |
| TOTAL | | 500,000 | 559,689 |
| APPLICATION OF FUNDS | | | |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| Cash & Bank Balance | 3 | 26,546 | 99,988 |
| | | 26,546 | 99,988 |
| Less : Current Liabilities & Provisions | 4 | 11,030 | 11,236 |
| Net Current Assets | | 15,516 | 88,752 |
| MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED | | | |
| Preliminary Expenses | | 275,712 | 367,617 |
| Profit & Loss Account | | 208,772 | 103,320 |
| TOTAL | | 500,000 | 559,689 |
| Significant Accounting Policies & Notes to Accounts | 5 | | |

The Schedules referred to above and notes to accounts form and integral part of the Balance Sheet.

As per our attached report of even date

Vivek V Joshi & Associates
Chartered Accountants

Vivek V Joshi
Proprietor
M.No.38293

Place: Mumbai

Date: September 19, 2009

For Centrum Investments Limited

T. R. Madhavan
Director

Shailendra Apte
Director

Place: Mumbai

Date: September 19, 2009

Profit and Loss Account for the year ended June 30, 2009

Rupees

| | Schedule | For the year ended June 30, 2009 | For the period ended June 30, 2008 |
|---|----------|--|--|
| INCOME | | | |
| Income Received | | - | - |
| Total | | - | - |
| EXPENDITURE | | | |
| Audit Fees | | 11,030 | 11,236 |
| Bank Charges | | 17 | 112 |
| Miscellaneous Expenses | | 2,500 | 67 |
| Preliminary expenses w/off | | 91,905 | 91,905 |
| Total | | 105,452 | 103,320 |
| Net Profit / (Loss) Before Tax | | (105,452) | (103,320) |
| Provision for Taxation | | - | - |
| Net Profit / (Loss) After Tax | | (105,452) | (103,320) |
| Balance Brought forward | | (103,320) | - |
| Balance carried over to the Balance Sheet | | (208,772) | (103,320) |
| Singnificant Accounting Policies & Notes to Accounts | 5 | | |
| Weighted average number of Equity Shares outstanding | | 50,000 | 50,000 |
| Basic & Diluted Earning per share | | (2.11) | (2.07) |

The Schedules referred to above and notes to accounts form and integral part of the Profit and Loss Account.

As per our attached report of even date

Vivek V Joshi & Associates
Chartered Accountants

Vivek V Joshi
Proprietor
M.No.38293

Place: Mumbai
Date: September 19, 2009

For Centrum Investments Limited

T. R. Madhavan **Shailendra Apte**
Director **Director**

Place: Mumbai
Date: September 19, 2009

Cash Flow Statement for the year ended June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|--|------------------|------------------|
| A. Cash flow from operating activities | | |
| Net profit before taxation, and extraordinary items | (105,452) | (103,320) |
| Adjustments for: | | |
| Preliminary Expenses written off | 91,905 | 91,905 |
| | 91,905 | 91,905 |
| Operating profit before working capital changes | (13,547) | (11,415) |
| Movements in working capital : | | |
| Miscellaneous Expenditure | - | (459,522) |
| Increase / (Decrease) in creditors & other liability | (206) | 11,236 |
| | (206) | (448,286) |
| Cash used for operations | (13,753) | (459,701) |
| Direct taxes paid (net of refunds) | - | - |
| Net used for operating activities | (13,753) | (459,701) |
| B. Cash flows from investing activities | | |
| Net cash from investing activities | - | - |
| C. Cash flows from financing activities | | |
| Proceeds from issuance of share capital | - | 500,000 |
| Proceeds from short-term borrowings | - | 59,689 |
| Repayment of short-term borrowings | (59,689) | - |
| | (59,689) | 559,689 |
| Net cash (used in) /from financing activity | (73,442) | 99,988 |
| CASH AND CASH EQUIVALENTS | | |
| AS AT THE BEGINNING OF THE YEAR | | |
| Cash in Hand | - | - |
| Balance with Scheduled Banks-Current Accounts | 99,988 | - |
| | 99,988 | - |
| AS AT THE END OF THE YEAR | | |
| Cash in Hand including foreign currencies | 7,500 | - |
| Balance with Scheduled Banks-Current Accounts | 19,046 | 99,988 |
| | 26,546 | 99,988 |
| NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS | (73,442) | 99,988 |

The above cash flow statements have been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

Vivek V Joshi & Associates
Chartered Accountants

Vivek V Joshi
Proprietor
M.No.38293

Place: Mumbai
Date: September 19, 2009

For Centrum Investments Limited

T. R. Madhavan
Director
Shailendra Apte
Director

Place: Mumbai
Date: September 19, 2009

Schedule's forming part of the Balance Sheet as at June 30, 2009

Rupees

| | June 30, 2009 | June 30, 2008 |
|---|----------------|----------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| AUTHORISED CAPITAL | | |
| 50,000 Equity Shares of Rs.10/- each | 500,000 | 500,000 |
| Issued, Subscribed & Paid-up | | |
| 50,000 Equity Shares of Rs.10/- each fully paidup (are held by Centrum Capital Ltd-the Holding Company) | 500,000 | 500,000 |
| | 500,000 | 500,000 |
| SCHEDULE 2 | | |
| UNSECURED LOANS | | |
| Inter Corporate Deposit | - | 59,689 |
| | - | 59,689 |
| SCHEDULE 3 | | |
| CASH AND BANK BALANCES | | |
| Cash in Hand | 7,500 | - |
| Balance with Schedule Bank | 19,046 | 99,988 |
| | 26,546 | 99,988 |
| SCHEDULE 4 | | |
| CURRENT LIABILITIES & PROVISIOINS | | |
| Current Liabilities | | |
| Other liabilities | 11,030 | 11,236 |
| | 11,030 | 11,236 |

SCHEDULE - 5

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS :

COMPANY OVERVIEW

The Company is subsidiary of Centrum Capital Ltd. which holds 50,000 shares aggregating 100% of Share holding.

1. SIGNIFICANT ACCOUNTING POLICIES:

METHOD OF ACCOUNTING

The financial statement are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis.

USE OF ESTIMATES

The Presentation of Financial statements in conformity with the generally accepted accounting Principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period, actual results could differ from those estimates.

REVENUE RECOGNITION

Revenues/Income and Costs/Expenditure are generally accounted on accrual,as they are earned or incurred.

FIXED ASSETS

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost includes all expenditure necessary to bring the assets to its working conditions for its intended use.

DEPRECIATION

Depreciation is provided on the Written Down Value method based as per the rate specified in the schedules XIV of the companies act, 1956 .

INVESTMENTS

Long- term investments are carried at cost. However , provision is made to recognize, other than temporary, in the value of long term investments. Current investments are carried at lower of cost and fair values, determined on individual basis.

BORROWING COST

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A quality asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

PROVISION FOR RETIREMENT BENEFITS

Staff benefits arising on retirement/ death comprising Provident Fund, Superannuation and Gratuity Scheme, are not accounted for as the same is not applicable to the Company.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A Provision is recognized when the Company has a present obligation as a result of past events and 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 not discounted to their present value and are determined based on estimates required to settle the obligation at the balance sheet date and adjusted to reflect the current best estimates. Contingent assets are not recognized.

TAXATION

Provision for current income tax is made in accordance with the Income Tax Act, 1961 . Deffered Tax Liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference between taxable income and accounting income that original in one period and are capable of reversal in one or more subsequent period.

IMPAIRMENT

Impairment loss is recognized wherever the carrying amount of an asset is excess of its recoverable amount and the same is recognized as an expenses in the statement of Profit and Loss and carrying amount of the asset is reduced to its recoverable amount.

2. NOTES TO ACCOUNTS :

- (a) Credit and Debit Balance of the parties are subject to confirmation/reconciliation if any.
- (b) The balance sheet to the best of our knowledge and belief contains a true account of liabilities and assets of the company. In the opinion of the Directors, the Current Assets, Loans and Advances are appropriately stated as its value, if realised in the ordinary course of business. The provisions for all the known liabilities are adequate and there is no Contingent Liabilities.



- (c) In accordance with the Accounting Standard AS -22 "Accounting for taxable Income" issued by The Institute of Chartered Accountants of India, the Company has not accounted for the Deferred Tax Assets, as there is no reasonable certainty that sufficient future taxable income will be available against amount of business loss, as a method of prudence the deferred tax assets has not been recognised.
- (d) There are no Small Scale Industry, Micro and Medium Enterprises undertakings to whom the Company owe a sum. which is outstanding for more than 30 days on the basis of information available with the Company.
- (e) RELATED PARTY DISCLOSURE AS REQUIRED UNDER AS-18 ISSUED BY ICAI

| | | |
|---|---|-------------------------|
| A | NATURE OF RELATIONSHIP | NAME |
| | HOLDING COMPANY | Centrum Capital Limited |
| B | RELATED PARTY TRANSACTIONS IN ORDINARY COURSE OF BUSINESS | |
| | NATURE OF TRANSACTIONS | HOLDING COMPANY |
| | | Rs. |
| | Repayment of loan | 59,689 |

Note: The name of Persons with whom there are transactions during the year are only reported

- (f) The Balance Sheet abstract and the Company's General Business Profile as required under Part IV of Schedule VI to the Companies Act, 1956, is given in Annexure - A
- (g) Information required to be furnished pursuant to Para 3 & 4 of the part II of schedule VI of the Companies Act, 1956, the extent applicable.

Rupees

| (i) | Auditors Remuneration includes | Current Year | Previous Year |
|-------|---------------------------------|--------------|---------------|
| | Audit Fees | 10,000 | 10,000 |
| | Service Tax | 1,030 | 1,236 |
| (ii) | Earning in foreign currency | Nil | Nil |
| (iii) | Expenditure in foreign currency | Nil | Nil |

- (h) Schedule 1 to 5 form on integral part of accounts.

As per our attached report of even date

Vivek V Joshi & Associates
Chartered Accountants

Vivek V Joshi
Proprietor
M.No.38293

Place: Mumbai

Date: September 19, 2009

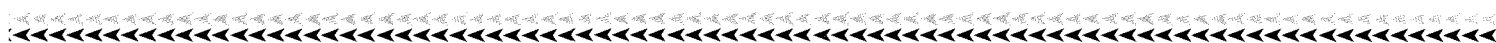
For Centrum Investments Limited

T. R. Madhavan
Director

Shailendra Apte
Director

Place: Mumbai

Date: September 19, 2009



Balance Sheet Abstract and Company's General Business profile as per Schedule VI, part (IV) of the Companies Act, 1956

| | | | | |
|---|--------------------------|--------------------|---------------------------|-------|
| I. Registration Details | | | | |
| | Registration No. | 178252 | State Code | 11 |
| | Balance Sheet Date | 30-06-2009 | | |
| II. Capital raised during the year (Amount in Rs. Thousands) | | | | |
| | Public Issue | Nil | Right Issue | Nil |
| | Bonus Issue | Nil | Private Placement | NIL |
| III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) | | | | |
| | Total Liabilities | 500 | Total Assets | 500 |
| Sources of Funds (Amount in Rs. Thousands) | | | | |
| | Paid-up Capital | 500 | Reserves & Surplus | - |
| | Secured Loans | Nil | Unsecured Loans | - |
| Application of Funds (Amount in Rs. Thousands) | | | | |
| | Net Fixed Assets | - | Investments | - |
| | Net Current Assets | 16 | Miscellaneous Expenditure | 484 |
| IV. Performance of Company (Amount in Rs. Thousands) | | | | |
| | Total Income | - | Total Expenditure | 105 |
| | Taxes | - | Profit/(Loss) after taxes | (105) |
| | Earning Per Share in Rs. | (2.11) | Dividend rate % | Nil |
| V. Generic Names of Principal Products/Services of Company (as per monetary terms) | | | | |
| | Item Code No. | N. A. | | |
| | Product Description | Investments | | |
| | | Financial Services | | |
| | | Finance | | |

As per our attached report of even date

Vivek V Joshi & Associates
Chartered Accountants

Vivek V Joshi
Proprietor
M.No.38293

Place: Mumbai
Date: September 19, 2009

For Centrum Investments Limited

T. R. Madhavan **Shailendra Apte**
Director Director

Place: Mumbai
Date: September 19, 2009



Subsidiary Company
Centrum Capital Holdings LLC
Financial Statements
For the period ended June 30, 2009

Management Report

Centrum Capital Holdings LLC (CCH LLC) was incorporated in New York, USA as a wholly owned subsidiary of Centrum Capital Limited.

CCH LLC has incorporated a subsidiary, namely, Centrum Securities LLC (CSLLC) which has obtained registration as a broker dealer from the Financial Industry Regulatory Authority (FINRA) on November 4, 2008.

Thus, CCH LLC was incorporated to act as holding company for the different business activities to be carried out through its subsidiaries.

There is a loss reflected in the first financial year amounting to US\$427,733 (INR 17,612,133) on account

of the operational expenses and global markets meltdown.

The audited statements of the Company, its subsidiary, as well as their consolidated audited statements for the period ending June 30, 2009 together with the report of Auditors thereon, for the year ended June 30, 2009 are annexed.

The Managing Members express their gratitude towards statutory authorities and the Company's bankers for their continued support.

August 3, 2009

Managing Member

Independent Auditors' Report

To the Members of
Centrum Capital Holdings LLC
18 East 48th Street
New York, NY 10017

We have audited the accompanying statement of financial condition of Centrum Capital Holdings LLC as of June 30, 2009 and the related statements of operations, changes in members' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to

above present fairly, in all material respects, the financial position of Centrum Capital Holdings LLC as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The presentation of financial information in Indian rupees in the financial statements is not a required part of the basic financial statements. We have verified the arithmetic accuracy of the presentation based upon an exchange rate provided by management. We did not audit and do not express an opinion on such information.

We have also audited in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of Centrum Capital Holdings LLC and Subsidiary (none of which are presented herein) and issued an unqualified opinion thereon. Such consolidated financial statements are the general-purpose financial statements of Centrum Capital Holdings LLC and Subsidiary.

Lerner & Sipkin CPAs LLP
Certified Public Accountants (NY)
New York, NY
August 3, 2009

Statement of Financial Condition June 30, 2009

| | U.S. \$ | INR |
|---|----------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | 93 | 4,473 |
| Investment in Centrum Securities LLC | 321,124 | 15,446,064 |
| Total | 321,217 | 15,450,537 |
| LIABILITIES AND MEMBER'S CAPITAL | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | 200 | 9,620 |
| Advances from related party | 98,750 | 4,749,875 |
| | 98,950 | 4,759,495 |
| Commitments and Contingencies (Note 4) | | |
| Members' Capital | | |
| Members' Capital | 222,267 | 10,691,042 |
| Total | 321,217 | 15,450,537 |

Statement of Operations for the period ended June 30, 2009

| | U.S.\$ | INR |
|---|------------------|---------------------|
| REVENUES: | | |
| Fee income | - | - |
| Interest | - | - |
| Total | - | - |
| EXPENSES: | | |
| Professional fees | 67,000 | 2,836,780 |
| Rent | 25,000 | 1,058,500 |
| Other expense | 6,857 | 290,325 |
| Loss from subsidiary | 328,876 | 13,924,610 |
| Total | 427,733 | 18,110,215 |
| Net (loss) before exchange rate gain | (427,733) | (18,110,215) |
| Exchange rate gain | - | 498,082 |
| Net (loss) | (427,733) | (17,612,133) |

Statement of Changes in Member's Equity for the period ended June 30, 2009

| | U.S. \$ | INR |
|------------------------------|----------------|-------------------|
| Balance - beginning of year | - | - |
| Add: Contributions | 650,000 | 28,303,175 |
| Less: Withdrawals | - | - |
| Net (loss) | (427,733) | (17,612,133) |
| Balance - end of year | 222,267 | 10,691,042 |

Statement of Cash Flows for the period ended June 30, 2009

| | U.S. \$ | INR |
|---|------------------|---------------------|
| Cash flows from operating activities: | | |
| Net (loss) | (427,733) | (17,612,133) |
| Adjustments to reconcile net income to cash used in operating activities: | | |
| Increase in accounts payable and accrued expenses | 200 | 9,620 |
| Net cash (used in) operating activities | (427,533) | (17,602,513) |
| Cash flows (used in) investing activities | | |
| Investment in subsidiary | (321,124) | (15,446,064) |
| Net cash (used in) investing activities | (321,124) | (15,446,064) |
| Cash flows from financing activities | | |
| Advances from related party | 98,750 | 4,749,875 |
| Members equity contribution | 650,000 | 28,303,175 |
| Net cash from financing activities | 748,750 | 33,053,050 |
| Net increase in cash | 93 | 4,473 |
| Cash and cash equivalents - beginning of the year | - | - |
| Cash and cash equivalents - end of the year | 93 | 4,473 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the year for : | | |
| Interest | - | - |
| Taxes | - | - |

Notes to Financial Statements for the period ended June 30, 2009

Note 1 - Nature of Business

Centrum Capital Holdings LLC, a Limited Liability Company, a wholly owned subsidiary of Centrum Capital Limited, an Indian financial services company listed on the Bombay Stock Exchange, is the 99% owner of Centrum Securities LLC ("Centrum").

Centrum provides marketing, research and corporate finance services to institutional investors in the United States investing in securities of companies principally headquartered in India. Centrum is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA).

The settlement of the customer securities transactions is facilitated by Centrum Broking Private Limited (Affiliate), an affiliate of the Parent, in India for securities traded

in the Indian stock markets. Accordingly, Centrum operates under the exemptive provisions of Rule 15c3-3(k)(2)(i) of the Securities Exchange Act of 1934, and it is also subject to Rule 15c3-1, the Uniform Net Capital Rule.

Note 2 - Going Concern

The accompanying statements have been prepared assuming the Company will continue as a going concern. This was the initial year of operations and as such the Company had limited operating revenues. For the year ended June 30, 2009 the Company had a net loss of approximately (\$427,733) (17,612,133 INR).

Management of the Company expects to increase operating revenue during the year to enable it to meet operating expenses.

Note 3 - Summary of Significant Accounting Policies

a) Revenue Recognition

Centrum provides marketing and research services to facilitate securities transactions. Fees for these services are recognized quarterly. Interest and dividend revenues are earned from the underlying financial instruments owned.

b) Income Taxes

Income taxes are not payable by, or provided for, the Company. Members are taxed individually on their share of Company earnings for federal and state income tax purposes. The accompanying financial statements have been adjusted to provide for unincorporated business tax based upon Company income, if applicable.

c) Cash and Cash Equivalents

The Company considers demand deposited money market funds to be cash equivalents. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

d) Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities

as of June 30, 2009, and the reported amounts of revenues and expenses during the year then ended. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

e) Foreign Currency

The Company accounts for foreign currency translation in accordance with Statement of Financial Accounting Standards No. 52, Foreign Currency Translation. Asset and liability accounts are translated at the exchange rate in effect at year-end, and income accounts are translated at the month end exchange rates. The U.S. dollar is considered the functional currency.

f) Subsequent Events

The Company has evaluated events and transactions that occurred between June 30, 2009 and August 3, 2009, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**Note 4- Commitments and Contingencies
Premises**

The Company leases its premises under a lease expiring March 31, 2010 at \$3,500 per month. The lease can be canceled by either party upon 90 days notice. The aggregate minimum future payment under this lease during the year following June 30, 2009, is as follows:

| | | |
|------|--------|---------------|
| 2010 | 31,500 | 1,515,150 INR |
|------|--------|---------------|

Independent Auditors' Report

**To the Members of
Centrum Capital Holdings LLC and Subsidiary**
18 East 48th Street
New York, NY 10017

We have audited the accompanying consolidated statement of financial condition of Centrum Capital Holdings LLC and Subsidiary as of June 30, 2009 and the related consolidated statements of operations, changes in members' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and

significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Centrum Capital Holdings LLC and Subsidiary, as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The presentation of financial information in Indian rupees in the financial statements is not a required part of the basic financial statements. We have verified the arithmetic accuracy of the presentation based upon an exchange rate provided by management. We did not audit and do not express an opinion on such information.

Lerner & Sipkin CPAs LLP
Certified Public Accountants (NY)

New York, NY
August 3, 2009

Consolidated Statement of Financial Condition June 30, 2009

| | U.S. \$ | INR |
|---|----------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | 298,793 | 14,371,943 |
| Fees receivable (Note 4) | 15,000 | 721,500 |
| Property, equipment, net of accumulated depreciation of \$686 | 2,858 | 121,008 |
| Other assets | 5,273 | 253,631 |
| Total | 321,924 | 15,468,082 |
| LIABILITIES AND MEMBER'S CAPITAL | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | 907 | 43,627 |
| Advances from related party | 98,750 | 4,749,875 |
| | 99,657 | 4,793,502 |
| Commitments and Contingencies (Note 5) | | |
| Members' Capital | | |
| Members' Capital (Note 6) | 222,267 | 10,674,580 |
| Total | 321,924 | 15,468,082 |

Consolidated Statement of Operations for the period ended June 30, 2009

| | U.S. \$ | INR |
|---|------------------|---------------------|
| REVENUES: | | |
| Fee income (Note 4) | 15,000 | 635,100 |
| Interest | 1,251 | 52,967 |
| Total | 16,251 | 688,067 |
| EXPENSES: | | |
| Employee Compensation & Payroll Taxes | 232,496 | 9,843,881 |
| Meals & Entertainment | 1,646 | 69,692 |
| Professional fees | 105,856 | 4,481,943 |
| Regulatory Fees | 9,551 | 404,389 |
| Insurance | 3,103 | 131,381 |
| Rent | 70,500 | 2,984,970 |
| Telephone | 7,673 | 324,875 |
| Other expense | 13,159 | 557,152 |
| Total | 443,984 | 18,798,283 |
| Net (loss) before exchange rate gain | (427,733) | (18,110,216) |
| Exchange rate gain | - | 481,621 |
| Net (loss) | (427,733) | (17,628,595) |

Consolidated Statement of Changes in Member's Equity for the period ended June 30, 2009

| | U.S. \$ | INR |
|------------------------------|----------------|-------------------|
| Balance - beginning of year | - | - |
| Add: Contributions | 650,000 | 28,303,175 |
| Less: Withdrawals | - | - |
| Net (loss) | (427,733) | (17,628,595) |
| Balance - end of year | 222,267 | 10,674,580 |

Consolidated Statement of Cash Flows for the period ended June 30, 2009

| | U.S. \$ | INR |
|--|------------------|---------------------|
| Cash flows from operating activities: | | |
| Net (loss) | (427,733) | (17,628,595) |
| Adjustments to reconcile net income to | | |
| Cash used in operating activities: | | |
| Depreciation | 686 | 29,045 |
| Changes in assets and liabilities | | |
| Increase in commissions receivable | (15,000) | (721,500) |
| Increase in other assets | (5,273) | (253,631) |
| Increase in accounts payable and accrued expenses | 907 | 43,627 |
| Net cash (used in) operating activities | (446,413) | (18,531,054) |
| Cash flows (used in) investing activities | | |
| Purchase of fixed assets | (3,544) | (150,053) |
| Net cash (used in) investing activities | (3,544) | (150,053) |
| Cash flows from financing activities | | |
| Advances from related party | 98,750 | 4,749,875 |
| Members' equity contribution | 650,000 | 28,303,175 |
| Net cash from financing activities | 748,750 | 33,053,050 |
| Net increase in cash | 298,793 | 14,371,943 |
| Cash and cash equivalents - beginning of the year | - | - |
| Cash and cash equivalents - end of the year | 298,793 | 14,371,943 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the year for : | | |
| Interest | - | - |
| Taxes | - | - |

Notes to Consolidated Financial Statements for the period ended June 30, 2009

Note 1 - Nature of Business

Centrum Capital Holdings LLC, a Limited Liability Company; ("Parent") a wholly owned subsidiary of Centrum Capital Limited, an Indian financial services company listed on the Bombay Stock Exchange, is the 99% owner of Central Securities LLC ("Centrum").

Centrum provides marketing, research and corporate finance services to institutional investors in the United States investing in securities of companies principally headquartered in India. Centrum is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA).

The settlement of the customer securities transactions is facilitated by Centrum Broking Private Limited (Affiliate), an affiliate of the Parent, in India for securities traded in the Indian stock markets. Accordingly, Centrum operates under the exemptive provisions of Rule 15c3-3(k)(2)(i) of

the Securities Exchange Act of 1934, and it is also subject to Rule 15c3-1, the Uniform Net Capital Rule.

The consolidated financial statements include the accounts of the Parent and its 99% owned subsidiary, Centrum (collectively the "Company"), after elimination of all material intercompany accounts, transactions, and profits.

Note 2 - Going Concern

The accompanying statements have been prepared assuming the Company will continue as a going concern. This was the initial year of operations and as such the Company had limited operating revenues. For the year ended June 30, 2009 the Company had a net loss of approximately (\$427,733) (17,628,595 INR).

Management of the Company expects to increase operating revenue during the year to enable it to meet operating expenses.

On August 3, 2009 the Company received \$50,000 (2,383,500 INR) of additional capital from the parent, which has pledged additional financial support to the Company, if needed, to enable it to continue as a going concern, which includes the maintenance of required levels of capital.

Note 3 - Summary of Significant Accounting Policies

a) Revenue Recognition

Centrum provides marketing and research services to facilitate securities transactions. Fees for these services are recognized quarterly. Interest and dividends revenues are earned from the underlying financial instruments owned.

b) Income Taxes

Income taxes are not payable by, or provided for, the Company. Members are taxed individually on their share of Company earnings for federal and state income tax purposes. The accompanying financial statements have been adjusted to provide for unincorporated business tax based upon Company income, if applicable.

c) Cash and Cash Equivalents

The Company considers demand deposited money market funds to be cash equivalents. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

d) Fixed Assets

Fixed assets are carried at cost and depreciated over an estimated useful life of 3-5 years using the straight line method.

e) Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of June 30, 2009, and the reported amounts of revenues and expenses during the year then ended. Management believes

that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

f) Foreign Currency

The Company accounts for foreign currency translation in accordance with Statement of Financial Accounting Standards No. 52, Foreign Currency Translation. Asset and liability accounts are translated at the exchange rate in effect at year-end, and income accounts are translated at the month end exchange rates. The U.S. dollar is considered the functional currency.

g) Subsequent Events

The Company has evaluated events and transactions that occurred between June 30, 2009 and August 3, 2009, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Note 4 - Related Party Transactions

Centrum provides marketing and research services to facilitate sales of Indian securities through the Affiliate (Note 1). Fees for such services are determined quarterly. For the year ended June 30, 2009, all of the income of the Company was earned from this arrangement.

At June 30, 2009, the \$15,000 (721,500 INR) of fees receivable is due from the Affiliate.

**Note 5 - Commitments and Contingencies
Premises**

The Company leases its premises under a lease expiring March 31, 2010 at \$3,500 per month. The lease can be canceled by either party upon 90 days notice. The aggregate minimum future payment under this lease during the year following June 30, 2009, is as follows:

| | | |
|------|--------|---------------|
| 2010 | 31,500 | 1,515,150 INR |
|------|--------|---------------|

Note 6 - Net Capital Requirement

Centrum is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. Centrum uses the alternative method to compute net capital. At June 30, 2009, Centrum had net capital of \$302,209 (14,536,252 INR) which was \$52,209 (2,511,252 INR) in excess of its required net capital of \$250,000 (12,025,000 INR).

Subsidiary Company
Centrum Securities LLC
Financial Statements
For the period ended June 30, 2009



Management Report

Centrum Securities LLC (CS LLC) was incorporated in New York, USA to explore the business opportunities in USA.

CS LLC has obtained registration as a broker dealer from the Financial Industry Regulatory Authority (FINRA) on November 4, 2008 to carry on the business activities of a broker dealer and during the period under review has organized various meetings and road shows for enhancing reach across the institutional investors in US.

FINANCIAL HIGHLIGHTS

| | 2009 | |
|----------|-----------|--------------|
| | US \$ | INR |
| Revenues | 16,251 | 688,067 |
| Net Loss | (328,876) | (12,873,573) |

The Company established the office and appointed the operating team in anticipation of FINRA approval.

However, it could not commence its business activities because the FINRA approval was delayed. The first financial year therefore reported a loss on account of operational expenses such as employee cost, professional fees, rent etc. were incurred and there was no corresponding revenue booked.

However, the Company is optimistic towards the next financial year.

The audited statements of the Company together with Auditors Report thereon, for the year ended on June 30, 2009 are annexed.

The Managing Members express their gratitude towards its clients, statutory authorities and the Company's bankers for their continued support.

August 3, 2009
Managing Member

Independent Auditors' Report

To the Members of Centrum Securities LLC

18 East 48th Street
New York, NY 10017

We have audited the accompanying statement of financial condition of Centrum Securities LLC as of June 30, 2009 and the related statements of operations, changes in members' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position

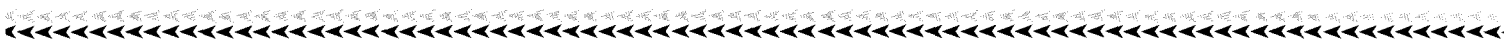
of Centrum Securities LLC, as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The presentation of financial information in Indian rupees in the financial statements is not a required part of the basic financial statements. We have verified the arithmetic accuracy of the presentation based upon an exchange rate provided by management. We did not audit and do not express an opinion on such information.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lerner & Sipkin CPAs LLP
Certified Public Accountants (NY)

New York, NY
August 3, 2009



Statement of Financial Condition June 30, 2009

| | U.S. \$ | INR |
|---|----------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | 298,700 | 14,367,470 |
| Fees receivable (Note 4) | 15,000 | 721,500 |
| Property, equipment, net of accumulated depreciation of \$686 | 2,858 | 121,008 |
| Other assets | 5,273 | 253,631 |
| Total | 321,831 | 15,463,609 |
| LIABILITIES AND MEMBER'S CAPITAL | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | 707 | 34,007 |
| | 707 | 34,007 |
| Commitments and Contingencies (Note 5) | | |
| Members' Capital | | |
| Members' Capital (Note 6) | 321,124 | 15,429,602 |
| Total | 321,831 | 15,463,609 |

Statement of Operations for the period ended June 30, 2009

| | U.S.\$ | INR |
|---|------------------|---------------------|
| REVENUES: | | |
| Fee income (Note 4) | 15,000 | 635,100 |
| Interest | 1,251 | 52,967 |
| Total | 16,251 | 688,067 |
| EXPENSES: | | |
| Employee Compensation & Payroll Taxes | 232,496 | 9,843,881 |
| Meals & Entertainment | 1,646 | 69,692 |
| Professional fees | 38,856 | 1,645,163 |
| Regulatory Fees | 9,551 | 404,389 |
| Insurance | 3,103 | 131,381 |
| Rent | 45,500 | 1,926,470 |
| Telephone | 7,673 | 324,875 |
| Other expense | 6,302 | 266,827 |
| Total | 345,127 | 14,612,677 |
| Net (loss) before exchange rate gain | (328,876) | (13,924,610) |
| Exchange rate gain | - | 1,051,037 |
| Net (loss) | (328,876) | (12,873,573) |

Statement of Changes in Member's Equity for the period ended June 30, 2009

| | U.S. \$ | INR |
|------------------------------|----------------|-------------------|
| Balance - beginning of year | - | - |
| Add: Contributions | 650,000 | 28,303,175 |
| Less: Withdrawals | - | - |
| Net (loss) | (328,876) | (12,873,573) |
| Balance - end of year | 321,124 | 15,429,602 |

Statement of Cash Flows for the period ended June 30, 2009

| | U.S. \$ | INR |
|---|------------------|---------------------|
| Cash flows from operating activities: | | |
| Net (loss) | (328,876) | (12,873,573) |
| Adjustments to reconcile net income to cash used in operating activities: | | |
| Depreciation | 686 | 29,045 |
| Changes in assets and liabilities | | |
| Increase in commissions receivable | (15,000) | (721,500) |
| Increase in other assets | (5,273) | (253,631) |
| Increase in accounts payable and accrued expenses | 707 | 34,007 |
| Net cash (used in) operating activities | (347,756) | (13,785,652) |
| Cash flows (used in) investing activities | | |
| Purchase of fixed assets | (3,544) | (150,053) |
| Net cash (used in) investing activities | (3,544) | (150,053) |
| Cash flows from financing activities | | |
| Members' equity contribution | 650,000 | 28,303,175 |
| Net cash from financing activities | 650,000 | 28,303,175 |
| Net increase in cash | 298,700 | 14,367,470 |
| Cash and cash equivalents - beginning of the year | - | - |
| Cash and cash equivalents - end of the year | 298,700 | 14,367,470 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the year for : | | |
| Interest | - | - |
| Taxes | - | - |

Notes to Financial Statements for the period ended June 30, 2009

Note 1 - Nature of Business

Centrum Securities LLC (The "Company") is a 99% owned subsidiary of Centrum Capital Holdings LLC (Parent), which is a wholly owned subsidiary of Centrum Capital Limited, an Indian financial services company listed on the Bombay Stock Exchange. The Company provides marketing, research and corporate finance services to institutional investors in the United States investing in securities of companies principally headquartered in India. The Company is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA).

The settlement of the customer securities transactions is facilitated by Centrum Broking Private Limited (Affiliate), an affiliate of the Parent, in India for securities traded in the Indian stock markets. Accordingly, the Company operates under the exemptive provisions of Rule 15c3-

3(k)(2)(i) of the Securities Exchange Act of 1934, and it is also subject to Rule 15c3-1, the Uniform Net Capital Rule.

Note 2 - Going Concern

The accompanying statements have been prepared assuming the Company will continue as a going concern. This was the initial year of operations and as such the Company had limited operating revenues. For the year ended June 30, 2009 the Company had a net loss of approximately (\$328,876) (12,873,573 INR).

Management of the Company expects to increase operating revenue during the year to enable it to meet operating expenses.

On August 3, 2009 the Company received \$50,000 (2,383,500 INR) of additional capital from the parent, which has pledged additional financial support to the Company, if needed, to enable it to continue as

a going concern, which includes the maintenance of required levels of capital.

Note 3 - Summary of Significant Accounting Policies

a) Revenue Recognition

The Company provides marketing and research services to facilitate securities transactions. Fees for these services are recognized quarterly. Interest and dividend revenues are earned from the underlying financial instruments owned.

b) Income Taxes

Income taxes are not payable by, or provided for, the Company. Members are taxed individually on their share of Company earnings for federal and state income tax purposes. The accompanying financial statements have been adjusted to provide for unincorporated business tax based upon Company income, if applicable.

c) Cash and Cash Equivalents

The Company considers demand deposited money market funds to be cash equivalents. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

d) Fixed Assets

Fixed assets are carried at cost and depreciated over an estimated useful life of 3-5 years using the straight line method.

e) Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of June 30, 2009, and the reported amounts of revenues and expenses during the year then ended. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

f) Foreign Currency

The Company accounts for foreign currency translation in accordance with Statement of Financial Accounting Standards No. 52, Foreign Currency Translation. Asset and liability accounts are translated at the exchange rate in effect at year-end, and income accounts are translated at the month end exchange rates. The U.S. dollar is considered the functional currency.

g) Subsequent Events

The Company has evaluated events and transactions that occurred between June 30, 2009 and August 3, 2009, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Note 4 - Related Party Transactions

The Company provides marketing and research services to facilitate sales of Indian securities through the Affiliate (Note 1). Fees for such services are determined quarterly. For the year ended June 30, 2009, all of the income of the Company was earned from this arrangement.

At June 30, 2009, the \$15,000 (721,500 INR) of fees receivable is due from the Affiliate.

Note 5- Commitments and Contingencies

Premises

The Company leases its premises under a lease expiring March 31, 2010 at \$3,500 per month. The lease can be canceled by either party upon 90 days notice. The aggregate minimum future payment under this lease during the year following June 30, 2009, is as follows:

| | | |
|------|--------|---------------|
| 2010 | 31,500 | 1,515,150 INR |
|------|--------|---------------|

Note 6- Net Capital Requirement

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. The Company uses the alternative method to compute net capital. At June 30, 2009, the Company had net capital of \$302,209 (14,536,252 INR), which was \$52,209 (2,511,252 INR) in excess of its required net capital of \$250,000 (12,025,000 INR).



IM

CENTRUM HOUSE

CENTRUM

Your aim is our only target

Registered Office: Bombay Mutual Building, 2nd Floor, Dr. D. N. Road, Fort, Mumbai - 400 001

Tel: (022) 22642434 Fax: (022) 22611165

Corporate Office: Centrum House, CST Road, Vajrapur Marg, Kalina

Santacruz (East), Mumbai - 400 026

Tel: (022) 42159000 Fax: (022) 42159533

Email: cs@centrum.co.in; info@centrum.co.in Website: www.centrum.co.in

Investment Banking - Infrastructure & Realty - Loans & Travel - Portfolio Management - Insurance & Stock Exchange