


**Annexure 1**

**Form A**

1	Name of the Company	Centrum Capital Limited
2	Annual Financial Statements for the year ended	30th June, 2013
3	Type of Audit observation	Emphasis of Matter
4	Frequency of observation	<p>Refer Emphasis of Matter in the Independent Auditors' Report on <b>Standalone Financial Statements:</b></p> <p><b><u>First Year FY 2012-13</u></b></p> <ul style="list-style-type: none"> <li>▪ Regarding exposure in Centrum Infrastructure and Realty Limited (Subsidiary Company)</li> <li>▪ Regarding exposure in Centrum Wealth Management Limited (Subsidiary Company)</li> </ul> <p><b><u>Repetitive</u></b></p> <ul style="list-style-type: none"> <li>▪ Regarding exposure in Centrum Broking Limited (Subsidiary Company since FY 2011-12, Associate Since FY 2004-05 – Repetitive since 2010-11)</li> <li>▪ Regarding Long outstanding trade receivables (Repetitive since 2011-12)</li> </ul> <p>Refer Emphasis of Matter in the Independent Auditors' Report on <b>Consolidated Financial Statements :</b></p> <ul style="list-style-type: none"> <li>▪ Regarding Long outstanding trade receivables (Repetitive since 2011-12)</li> </ul>
5	Signed by-	
	For Centrum Capital Limited Mr. P. R. Kalyanaraman Managing Director	

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	<p>For Centrum Capital Limited Mr. Rajesh Nanavaty Chairman- Audit Committee</p> <p>Auditor of the Company</p>	<p></p> <p>For Haribhakti &amp; Co. Chartered Accountants (Firm Registration No. 103523W)</p> <p></p> <p><del>Mr. Sumant Sakhardande</del> Partner Membership No. 034828</p>
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MUMBAI.

DATED : 14th November 2013

**EXCELLENCE**

Through

**INTEGRATION**



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# CHAIRMAN'S LETTER

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Dear Shareholders,

I am writing this letter to you when the Indian economy has struggled for a second year in a row as the financial year 2012-13 posted a decade low GDP growth of 5%. The industrial economy almost stagnated. India also suffered from very high twin deficits on Current Account Balance of BOP and fiscal balance. The developed world continued to suffer poor economic growth which led to lower inflows from Foreign Direct Investments and almost stagnating exports. This double whammy of weak global factors and further slippage in the domestic economy has had its impact on the financial services industry reflecting in continued low activity in both primary equity markets and M&A segments. However, stagnation in the industrial economy and high interest rate regime led to continued momentum in corporate restructuring activity. Both the RBI and government have initiated significant measures like strict restrictions on gold imports, easing short term liquidity by cutting down short term rates substantially, encouraging larger dollar inflows by permitting swapping of FCNR deposits, clearing of over ₹ 3 lakh crore worth of investment projects, etc. I believe that these initiatives would continue and they give us hope that the investment and financial services activity should see some credible improvement in the current fiscal.

Despite severe slowdown in the economy at Centrum Group, business still progressed quite impressively in relative terms. The total income of the Company, on a standalone basis, grew by 20.3% to ₹ 707.37 million for the 12 months ending 30<sup>th</sup> June, 2013, as compared to ₹ 587.80 million for the same period in the previous year. However, the Company posted about three and half times jump in operating profits to ₹ 322.28 million during the year ending 30<sup>th</sup> June, 2013 over ₹ 91.19 million posted in the previous year. Such impressive jump in profits were possible on account of both significant improvement in total revenues and Company's continued thrust on streamlining operating expenses which were initiated

in the last financial year. We have brought down the employee expenses by 27% to ₹ 178.20 million during the year ending 30<sup>th</sup> June, 2013 as compared to ₹ 244.00 million spent in the previous year. We have posted a net profit of ₹ 137.14 million in FY2013, on stand alone basis, as compared to a net loss of ₹ 97.32 million in FY2012.

Centrum's endeavor is to build strong business relationships and be the partner of choice for all its stakeholders - corporate, institutions, retail customers, employees and investors. As an integrated, complete financial services Company, Centrum specializes in equity, debt, infrastructure, wealth management, fixed income, foreign exchange, margin funding and loan against securities.

Centrum's foray into wealth management led to building up of assets a little in excess of ₹ 20 billion at present as compared to ₹ 10 billion last year. We have over 1700 active clients whose networth is more than ₹ 200 billion. During the year we have launched five innovative structured products successfully. In the wealth business we also strengthened our sales team to 50 members across 10 major HNI locations.

Our debt team successfully introduced CDR as a product and also closed some marquee transactions. Our investment bank closed 17 private equity and ECM transactions in a challenging environment.

Centrum Direct consolidated its position as the 2<sup>nd</sup> largest retail money changer during the year. It bagged exclusive rights to operate in the Chennai Airport, thus making us one of the leaders in money changing business executed at airports. It posted 15% yoy growth in revenue and crossed a turnover of ₹ 300 billion. It also increased margins by 21% in FY2013.

Our institution equity desk executed 6 placement / block deals in a challenging environment. It conducted 25 road

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shows, which were patronized by more than 150 investors including the FIIs, MFs, banks and insurance companies. It is currently empanelled with 135 institutions. To reinforce its growth going forward and create a niche position within institutional equity segment in the country, it has started focusing on midcap research as this segment within Indian equity is known for tremendous wealth creation over the medium to long term.

Our initiatives highlighted above helped in improving our asset base in wealth business and also in improving productivity in our other subsidiaries. The Company posted a net profit of ₹ 145.65 million at consolidated level in FY2013 as compared to net loss of ₹ 308.25 million in FY2012. Centrum continues to be recognized as a premium integrated financial services company, renowned for its ethics and good business practices.

Moving forward, we expect continued volatility in the domestic capital markets and hence, the investment banking business is expected to have a fair share of challenges. However, we believe that our wealth management and debt restructuring businesses will continue to grow both revenues and profits significantly going forward. As the industrial economy continues to stagnate and there are no signs of repo rate going down, we, at Centrum, see the environment of increasing Non Performing Assets (NPAs) as an opportunity for a lot of Corporate Debt Restructuring (CDR). Our experienced team of senior banking professionals, with deep domain understanding, provides us a strong footing in this business segment.

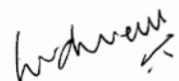
During the year we could not grow our offshore fund (Progressive India Fund) substantially as this is a US \$ denominated fund and INR exchange rate took a major jolt during the year. However, we remain confident that with INR stabilizing around 62 against the US\$ due to significant measures implemented by both the government and RBI we expect our offshore fund to grow to a bigger size in the next 2 years.

Notwithstanding the current slowdown in the domestic economy we believe that there are still significant opportunities for both financial services and wealth management business in the country in the medium term. Despite overall slowdown, our GDP in nominal terms is still growing closer to 12% and the banking business is growing significantly. The burgeoning Indian middle class, rising income levels, liberalization policies towards foreign capital inflows especially in the areas of FDI and attracting capital from NRIs in the form of FCNR deposits, etc augur well for significant business potential in the areas in which we operate. Our core expertise, dedicated, talented professionals and focused business approach will enable us to make the best of the emerging opportunities. Our ability to successfully establish strong relationships with our corporate clients, financial institutions, banks, retail clients, employees and investors, boosted by our initial success in drawing clients across the globe will enable us to nurture these relationships, providing us a strategic advantage.

As we meticulously and carefully traverse the future with concrete plans, I thank you for the faith and confidence reposed in the Centrum Group of Companies and solicit your continued trust. I take this opportunity to thank all members of the Board and senior management team for their valuable insights, particularly in the prevailing scenario which will test the mantle of our industry and the country as a whole.

I would also like to thank all our clients, bankers and stakeholders for the trust reposed in the Centrum Group. On behalf of the members of the Board, I would specially like to place on record our sincere and heart-felt gratitude to all employees for their commitment, and I hope you will continue to support the Company in its future endeavor of growth and prosperity.

Yours sincerely,



**Chandir Gidwani**

# Corporate Information

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## BOARD OF DIRECTORS

Mr. P. R. Kalyanaraman  
Managing Director

Mr. Chandir Gidwani  
Non Executive Chairman

Mr. Rishad Byramjee  
Non Executive Director

Mrs. Mahakurshid Byramjee  
Non Executive Director

Mr. Manmohan Shetty  
Non Executive Director

Mr. Dhanpal Jhaveri  
Non Executive Director

Mr. Rajesh Nanavaty  
Independent Director

Mr. Ibrahim S. Belseh  
Independent Director

Mr. Subimal Bhattacharjee  
Independent Director

Mr. Ameet Naik  
Independent Director

Mr. Rashid Kidwai  
Independent Director

Mr. R. S. Reddy  
Independent Director

## COMPANY SECRETARY

Mr. Alpesh Shah

## BANKERS

The Ratnakar Bank Limited  
HDFC Bank Limited  
Standard Chartered Bank  
The Lakshmi Vilas Bank Limited  
The Federal Bank Limited  
Bank of Baroda  
City Union Bank

## AUDITORS

Haribhakti & Co.  
Chartered Accountants  
701, Leela Business Park, Andheri Kurla Road,  
Andheri (East), Mumbai - 400059

## REGISTERED OFFICE

Bombay Mutual Building,  
2<sup>nd</sup> Floor, Dr. D.N. Road, Fort,  
Mumbai-400001  
Tel: 2266 2434  
Fax: 2261 1105  
Website: [www.centrum.co.in](http://www.centrum.co.in)  
E-Mail: [info@centrum.co.in](mailto:info@centrum.co.in)  
[cs@centrum.co.in](mailto:cs@centrum.co.in)

## CORPORATE OFFICE

Centrum House, CST Road,  
Vidyanagari Marg, Kalina,  
Santacruz (East),  
Mumbai-400098  
Tel.:022-4215 9000  
Fax: 022-4215 9833



# Directors' Report

## Dear Members,

Your Directors present their Thirty Fifth Annual Report together with the Audited Accounts for the year ended 30<sup>th</sup> June, 2013.

## FINANCIAL PERFORMANCE:

The financial performance of the Company for the year ended 30<sup>th</sup> June, 2013 is summarized below:

(₹ in Million)

Particulars	2012-2013	2011-2012
Total Income	712.04	602.57
Profit/Loss before Interest, Depreciation ,Tax and Exceptional Items	322.76	103.34
Less: Interest	162.52	150.72
Less: Depreciation	36.81	36.69
Add: Exceptional Item	30.21	-
Profit/Loss before tax	153.64	(84.07)
Less: Provision for Taxation	16.50	13.25
Profit/Loss after tax	137.14	(97.32)
Add: Balance brought forward from previous year	369.62	466.93
Profit available for appropriation	506.76	369.62
Less: Proposed Dividend	Nil	Nil
Provision for Dividend Tax	Nil	Nil
Balance carried to Balance Sheet	506.76	369.62

## PERFORMANCE:

Detailed information on the overall performance of the Company is given in the Management Discussion and Analysis Report which forms part of this Report.

## DIVIDEND:

In order to preserve cash for the operating businesses, your Directors do not recommend any dividend for the financial year 2012-2013.

## SHARE CAPITAL:

(i) The Authorised Share capital of the Company was increased from ₹100,000,000/- (Rupees Ten Crores) divided into 10,000,000 (One Crore) Equity Shares of ₹ 10/- (Rupees Ten) to ₹ 420,000,000/- (Rupees Forty Two Crores) divided into 420,000,000 (Forty Two Crore) equity shares of ₹ 1/- (Rupee One) each by the members at the Extra Ordinary General Meeting of the Company held on 13<sup>th</sup> June, 2013.

## (ii) SUB-DIVISION OF EQUITY SHARES (FROM FACE VALUE OF ₹ 10/- EACH TO FACE VALUE OF ₹ 1/- EACH):

With a view to encourage participation of the investors and also with a view to increase the liquidity of the equity shares of the Company, the equity shares of face value of ₹ 10/- (Rupees Ten) each are sub-divided into ten equity shares of the face value ₹ 1/- (Rupee One) each.

## (iii) BONUS SHARES:

In order to increase the liquidity in the shares and to reward the existing shareholders and in view of the comfortable reserves position, the Company allotted 346,693,950 each credited as fully paid-up Bonus Shares in the proportion of 5 (Five) Equity Share of ₹ 1/- each for every 1 (One) Equity Share of ₹ 1/- each held, by capitalising ₹ 346,693,950 (Rupees Thirty Four Crore Sixty Six Lakhs Ninety Three Thousand Nine Hundred and Fifty) out of Company's Securities Premium Account.

(iv) Consequent to the sub-division of equity shares and allotment of the fully paid bonus equity shares, the Issued, Subscribed and Paid up equity capital of the Company has increased from ₹ 69,338,790 (Rupees Six Crore Ninety Three Lakhs Thirty Eight Thousand Seven Hundred and Ninety) divided into 6,933,879 (Sixty Nine Lakhs Thirty Three Thousand

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Eight Hundred and Seventy Nine) equity shares of ₹ 10/- (Rupees Ten) each to ₹ 416,032,740 (Rupees Forty One Crore Sixty Lakhs Thirty Two Thousand Seven Hundred and Forty) divided into 416,032,740 (Forty One Crore Sixty Lakhs Thirty Two Thousand Seven Hundred and Forty) equity shares of ₹ 1/- (Rupee One) each.

**DEBENTURES:**

The Board of Directors has approved the issue of secured, unlisted, unrated, redeemable non-convertible debentures of ₹ 100,000/- (Rupees One Lakh) each through private placement, including the greenshoe option, upto a limit of ₹ 650,000,000 (Rupees Sixty Five Crores).

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Dhanpal Jhaveri and Mr. Subimal Bhattacharjee retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. P. R. Kalyanaraman has been appointed as the Managing Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> November, 2012, Mr. Manmohan Shetty has been appointed as Non Executive Director w.e.f. 1<sup>st</sup> November, 2012 and Mr. Rashid Kidwai and Mr. Ameet Naik have been appointed as Independent Directors of the Company w.e.f. 1<sup>st</sup> November, 2012.

The Board at its meeting held on 14<sup>th</sup> February, 2013 appointed Mr. R.S. Reddy as an Additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956, Mr. R. S. Reddy holds office as a Director upto the date of the ensuing Annual General Meeting. Approval of Members is being sought for his appointment as Director at the ensuing Annual General Meeting.

Mr. Rajesh Narian Gupta resigned from the Board w.e.f. 1<sup>st</sup> November, 2012 and Mr. T. R. Madhavan resigned from

the Board as Executive Chairman w.e.f. 1<sup>st</sup> November, 2012. Mr. K. V. Krishnamurthy, Independent Director of the Company passed away on 16<sup>th</sup> January, 2013 and ceased to be a Director of the Company w.e.f. 16<sup>th</sup> January, 2013. The Board wishes to place on record its appreciation for the invaluable services and guidance given by each of them during their respective tenures as Directors of the Company.

A brief profile of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting, nature of their expertise and names of the other Companies in which they hold Directorship and Committee Membership is provided as a 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 Directors hereby certify and confirm that:

- 1) in the preparation of the Annual Accounts for the year 2012-13, the applicable Accounting Standards have been followed and there are no material departures;
- 2) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of Company for that period;
- 3) they 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;

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- 4) they have prepared the annual accounts on a going concern basis.

**SUBSIDIARY / JOINT VENTURE COMPANIES:**

In terms of the General Circular of the Ministry of Corporate Affairs, Government of India has granted general exemption under Section 212(8) of the Companies Act, 1956. In view of this copies of the Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors of its subsidiaries namely Centrum Financial Services Limited, Centrum Infrastructure and Realty Limited, Centrum Wealth Management Limited (Formerly Centrum Investments Limited), Accounts Receivables Management Services (India) Limited, CentrumDirect Limited, Club 7 Holidays Limited (step down subsidiary), Centrum Capital Holdings LLC and Centrum Securities LLC (step down subsidiary), Centrum Broking Limited have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company interested in obtaining the same at the Corporate Office of the Company. However, as directed by the MCA in the aforesaid circulars, the financial information of the said subsidiaries has been disclosed in the Annual Report.

The annual accounts of the subsidiary companies will also be kept for inspection by any shareholders at the Corporate Office of the Company and that of respective subsidiary companies.

Further pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include financial information of its aforesaid subsidiaries.

**CONSOLIDATED FINANCIAL STATEMENTS:**

As required under the Listing Agreement with the Bombay Stock Exchange Limited, Consolidated

Financial Statements of the Company are attached. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards 21, 23 and 27 issued by the Institute of Chartered Accountants of India. These statements have been prepared on the basis of Audited Financial Statements received from Subsidiaries, Joint Ventures and Associate Companies, as approved by their respective Boards of Directors.

**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 Annual Report. The Company has not utilized these funds for purposes other than those stated in the notice convening the Extra Ordinary General Meeting called for the approval of said preferential issue of equity shares.

**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 forms part of the Annual Report.

**PARTICULARS OF EMPLOYEES AND EMPLOYEES STOCK PURCHASE SCHEME:**

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 certain 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 Secretary at its Corporate Office.

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The disclosure(s) required under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 are annexed and forms part of this Report.

#### **AUDITORS AND AUDITORS' REPORT:**

M/s. Haribhakti & Co., Chartered Accountants, retire as Statutory Auditors 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 forming part of financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

With Regards the Emphasis of Matter in the Auditors Report, we wish to submit as under:

a) Based on the financial estimates provided by the management of Centrum Broking Limited (CBL), Centrum Wealth Management Limited (CWML) and Centrum Infrastructure & Realty Limited (CIRL) confirming fair valuation higher than the cost of investments of ₹ 815,523,945 Lakhs in CBL, ₹ 500,000 in CWML and ₹ 500,000 in CIRL respectively, the management believes that no impairment provision is required in respect of said Investments along with loans advanced amounting to ₹ 32,394,297 to CBL and ₹ 327,280,258 to CWML and ₹ 72,250,413 to CIRL.

b) Subsequent to the end of the financial year, Company has received part payment from the said party. Based on recent trends in collection, sale of pledge shares and status of ongoing law suit, the outstanding amount of ₹ 45,832,632 in view of Board of Directors is fully recoverable and accordingly the same need not be subject to any further provisioning.

#### **FIXED DEPOSITS:**

The Company has not invited nor accepted any fixed deposits pursuant to the provisions of Section 58A of the Companies Act, 1956 during the year under review.

#### **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 foreign exchange earnings and outgo during the year under review are provided at Item No. 33(a) & 33(b) (Notes forming part of financial statements) of the Audited Accounts. The members are requested to refer to the said Note for details in this regard.

#### **CORPORATE GOVERNANCE:**

A detailed Report on Corporate Governance pursuant to the requirements of Clause 49 of the Listing Agreement forms part of the Annual Report. A Certificate from the Auditors of the Company, M/s Haribhakti & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, also forms part of the Annual Report.

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**ACKNOWLEDGEMENTS:**

Your Directors place on record their appreciation to Company's clients, vendors, investors, business associates and bankers for their support to the Company.

The Directors also thank the Government of India, the Governments of various countries, the concerned State Governments, Government Departments and Governmental Agencies for their co-operation.

The Directors appreciate and value the contribution made by every member of the Centrum family. Your Directors

look forward to the continued support of all stakeholders in the future.

**For and on behalf of the Board of Directors**

**P. R. Kalyanaraman**  
**Managing Director**

**Chandir Gidwani**  
**Non Executive Chairman**

**Place: Mumbai**

**Date: 29<sup>th</sup> August, 2013**

**ANNEXURE TO THE DIRECTOR'S REPORT**

Disclosures as required under the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 in respect of the year ended 30<sup>th</sup> June, 2013 is mentioned herein below:

<b>Number of Equity Shares issued during the year</b>	<b>During the year, no equity shares were issued under the ESPS Scheme 2008.</b>
Price at which Equity Shares were issued during the year	N.A.
Employee-wise details of Equity Shares issued during the year to:	
i) Directors and senior managerial employees	Nil
ii) any other employee who is issued Equity Shares in any one year amounting to 5% or more of Equity Shares issued during that year	Nil
iii) identified employees who are issued Equity Shares, during any one year equal to or exceeding 1% of the issued capital of the Company at the time of issuance	Nil
Diluted EPS pursuant to issuance of Equity Shares under ESPS during the year	N.A.
Consideration received against the issuance of Equity Shares	Nil

**For and on behalf of the Board of Directors**

**P. R. Kalyanaraman**  
**Managing Director**

**Chandir Gidwani**  
**Non Executive Chairman**

**Place: Mumbai**

**Date: 29<sup>th</sup> August, 2013**

# Management Discussion and Analysis

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## 1. Economic scenario

By the fag end of first half of 2013, while the developed world especially the US and Euro zone started showing some signs of improvement in a few broad macroeconomic indicators, the domestic economic environment started worsening further. Failure to contain import of gold in time and maintenance of high interest regime despite over 400 bps in fall in WPI inflation from its peak took a toll on exchange rate of India rupee (INR) and the growth of industrial economy respectively.

The global slowdown impacted India's exports which de-grew at 1.76% yoy in FY2013. Failure to contain gold imports, poor exports and some improvement in employment levels in the US – which led to hope of stimulus withdrawal in the US – resulted in average price of INR falling by 13.5% in FY2013 over average of the previous year. The average crude oil price however fell just 3.4% yoy in FY2013, compounding India's import bill for oil in Rupee terms. Lack of bold measures on overall FDI policy, failure to increase the FDI limit in the insurance sector and confusion associated with FDI in retail sector all led to a fall of 10% in FDI inflows during FY2013.

In India, the fiscal year 2012-13 continued to see further deterioration in the macro economy – GDP growth hit a 10 year low at 5% and the manufacturing GDP posted merely 1.05% growth, which is the lowest since 1998. Severe slowdown in the economy and consequent dent in sales growth on one hand and stress in working capital management due to piling up inventories and receivables on the other hand, high domestic borrowing costs and ballooning cost of external borrowings in dollar terms have crippled the corporate world.

During the 12 month period ending June 2013 Sensex rose 11% yoy – however, this recovery after 7.5% fall in the markets during the year ending June 2012 does not provide the real picture as this recovery was highly skewed. While the domestic institutions (DIIs) and retail investors continued to remain sellers, only FIIs were net buyers of Indian equities for the year ending June 2013. This led to lack of appetite for buying midcap stocks and the FIIs concentrated on only select large cap stocks and hence, over 80% of listed stocks eroded their market caps substantially in the last year. The corporate sector, which had already come under tremendous stress due to economic slowdown, liquidity crunch and high borrowing costs, also suffered from lack of recourse to the capital markets to mobilize financial resources.

## 2. Industry overview

During the FY2013 the primary markets also remained very weak due to deterioration in the economy and secondary equity markets. Just about 10 companies mobilized ₹ 6,000 crore through IPOs (Initial Public Offering) in FY2013 as compared to total deal size of close to ₹ 10,463 crore in FY2012. If we exclude the IPO of Bharti Infratel to the tune of ₹ 4,118 crore, then the net mobilization in FY2013 has been pathetically low.

Gloomy scenario extended to the M&A and Private Equity space as well – for instance, M&A deal value fell 26% in Oct-Dec 2012. For CY2012 as a whole, the M&A deal value went up by 23% to \$36 billion according to Mergermarkets. However, this value includes outbound M&A deal values of \$11.2 billion and the \$10.3 billion deal value of Sesa Goa – Sterlite restructuring.

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Investments by private equity and venture capital players in the country fell 21% to \$7.6 billion in 2012 and are expected to be at similar levels in 2013, according to global consultancy firm Ernst & Young. Private equity deals in India were down 19% in the first 6 months of 2013 to \$3.35 billion as compared to \$4.143 billion during the same period last year, as per Venture Intelligence.

**Wealth Management:** Fast economic growth in early 2000s and rich harvest of entrepreneurs have resulted in unprecedented wealth creation in the country till 2008. In fact, most of the asset classes – especially equity and real estate – joined the process of wealth creation till 2008. However, the last 5 year period has seen huge volatility in various asset prices and the equity asset class especially has eroded wealth by roughly about 15%. In our estimate, India is still home to over 7,000 ultra high net worth individuals who have a combined wealth in excess of USD 800bn. The Indian promoters hold in excess of USD300bn in the Indian equity markets even after the erosion in the market cap of a large number of mid-sized companies.

**Tours & Travel:** The luxury hotels industry and tourism industry are expected to come under pressure in the current fiscal due to lower demand from domestic travellers due to the severe economic slowdown. However, going forward this industry is expected to get a major boost in terms of accelerating foreign tourist travellers as the Rupee has depreciated by over 40% against the USD. Severe fall in Rupee should also improve the prospects of a larger flow of NRIs into the country and encourage medical tourism.

**Forex:** Opportunities for this business arise from Foreign Currency, Travelers' Cheques, Foreign

Exchange remittances – inward and outward, Travel Card, Travel Insurance, etc. Business in the segment witnessed significant push as out-bound tourism, both at retail and corporate (business travel and Meetings Incentives Conferences Exhibitions - MICE) levels, increased. In the recent past, this business also received an impetus from the increasing number of students opting to study in Universities overseas, and the entertainment industry continuing to explore overseas locations to provide an edge to their movies and tap overseas market with glamorous Bollywood entertainment shows. However, going forward these two segments are likely to create subdued demand due to the recent crash in Rupee which would lead to spiraling of costs of foreign education and foreign travel.

### 3. Business overview

Incorporated in 1977, Centrum is one of the leading financial services Groups in the country, offering innovative, customized and integrated financial solutions. Centrum Capital Limited ('the Company'), the Group's flagship Company along with its subsidiaries and associate companies mainly Centrum Broking Limited, Centrum Wealth Management Limited, CentrumDirect Limited, Club7 Holidays Limited, Centrum Infrastructure and Realty Limited and Centrum Financial Services Limited form a well diversified, yet integrated financial services Group known as 'Centrum'.

Within India, Centrum's distribution reach extends across 88 locations and the Company maintains direct relationship with over 900,000 High Net Worth Individuals and retail investors. Our global footprint extends to Dubai and Hong Kong. During the year we closed our US operations as part of cost control measures.

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## **CENTRUM GROUP COMPANIES**

### **Centrum Capital Limited**

Centrum Capital Limited, the flagship Company of the Centrum Group, is a Category I Merchant Banker registered with the Securities & Exchange Board of India (SEBI) and listed on the Bombay Stock Exchange Limited (BSE). The Company is among the leading merchant bankers in the country. The activities of Centrum Capital Limited encompass the entire gamut of investing banking activities such as Lead Managing of Public Issues, Private Placements, Loan Syndication, Corporate Debt Restructuring, Mergers and Acquisitions, Corporate Advisory Services, Infrastructure Solutions, Private Equity Investments etc., besides dealing in the Primary and Secondary markets of securities.

Centrum Capital Limited has, over the years, built a very strong foundation by investing in high quality talent and technology that drives business and state-of-the-art infrastructure to extend our reach further.

On the debt side, the performance has been satisfactory considering the dismal performance of the domestic secondary equity markets which denied access to many corporate for resource mobilization through primary markets and private placements. The Company has done a total deal size of ₹ 65 billion (₹ 6,500 crores) including debt restructuring during the year. The Company has dedicated teams to enable expansion in Corporate Debt Restructuring and One Time Settlement (OTS) transactions. Moving forward, as the scenario for both banks and the corporate remain very tough, debt syndication would continue to suffer but since several companies are going through stressful times, restructuring and CDR opens new vistas of opportunities. The Company's diversified services will help tap these opportunities.

### **Centrum Broking Limited**

A full-service broking house, Centrum Broking Limited offers comprehensive financial solutions to a cross-section of clients comprising High Net Worth Individuals, corporates, NRIs, FIIs, Mutual Funds, Insurance Companies, Banks and other financial entities. Centrum's institutional broking firm is empanelled with over 130 clients.

The Company's research product portfolio is highly differentiated and comparable in quality with the best of the domestic brokers. During the year we have further increased our research focus on midcap value stocks as we find a lot of potential for this segment in the long term.

Centrum believes the year ahead will see the benefits of recent consolidation in the industry and the incremental opportunities would be significant for the domestic players like Centrum Broking which managed to stay in the business while many withdrew from the industry. Hence, the Company, despite stressful conditions in the industry, decided to add few senior resources in Centrum Broking and to continue to focus on value research and effective client servicing to increase our market share.

### **GROUP RETAIL FINANCIAL SERVICES**

With India having emerged as a most exciting market for retail financial services and providing a huge potential for wealth creation, Centrum Group has further strengthened our foray into retail financial services during the year as part of ambitious long-term plans to build a strong retail franchise and thus transform ourselves into a fully-integrated provider of financial services. The Group is committed to achieving our objectives on the strength of our core expertise, solid team of professionals and through a mix of acquisitions, strategic alliances and tie-ups in select areas with domestic and international synergistic partners.



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### **Centrum Wealth Management Limited**

Centrum Wealth Management Limited (CWML) expanded our services across the country by consolidating offices set up last year in cities like Bengaluru, Chennai, Hyderabad, Kolkata, Pune, Ahmedabad, Vadodara, etc.

The Centrum proposition for wealth advice is supported by a comprehensive set of products across asset classes and set an array of client investment objectives and risk-return profiles. These include mutual funds, discretionary and non-discretionary portfolio management services, alternative investments like private equity offerings, real estate products, structured products and other emerging asset classes, trading capabilities in equities and equity futures, options (derivatives) and capital market lending products.

We continued our efforts in successfully drawing talent from the reputed global organizations and crossed the 100 member mark in the year FY2013. We are proud of the fact that today we continue to provide wealth management services to several well known CEOs and top-end professionals in the corporate world and also to the NRI clients drawn from countries like Dubai, Oman, Hong Kong, Canada, etc.

Our offshore fund “Progressive India Fund” started as a joint venture with reputed Commonwealth Finance Corporation Limited, Hong Kong could not progress towards a fund size of \$100 million due to steep fall in both marketcap of midsized companies across the board and exchange rate of Rupee. However, we remain confident that we will be able to grow our fund size substantially once the exchange rate of rupee stabilizes and the domestic equity markets recover post General Elections.

Centrum will continue to invest and grow our Wealth Management and High Net Worth broking and distribution businesses on the Centrum Broking platform.

The Company will continue to grow our retail financial services business in India and have drawn up ambitious plans to be a leading player in the Wealth Management space.

### **CentrumDirect Limited**

CentrumDirect Limited (CDL) is one of the leading Authorized Dealers – Category II foreign exchange service providers in India. CentrumDirect Limited is a wholly owned subsidiary of Centrum Capital Limited.

CDL services leading multinationals, large corporate entities, public sector undertakings, banks, large tour operators and retail clients through its wide network of branches and counters in 83 locations. CDL, with 19 outlets in 3 airports including Mumbai international and domestic airports, provides money changing services to both inbound and outbound travellers. CDL offers multifarious services which include currency exchange, travel card, travelers’ cheque, outward remittance, inward money transfer, travel insurance and global calling card to our customers.

CDL deals in all major destination currencies. We are one of the leading aggregators of physical currencies and preferred buyers of foreign currency notes from more than 30 banks across India. We have franchisee tie-ups with over 200 hotels and are empanelled with over 2,500 corporate for currency procurement. CDL also imports foreign currency notes to meet domestic demands.

CDL is the largest seller of prepaid travel cards. We offer white label “Centrum Travel Card” and also other Travel Cards, issued by leading banks, which international travelers use at overseas ATMs and merchant establishments. We also offer foreign currency Demand Drafts and remit foreign currencies overseas for various purposes such as private visits, business travels, overseas education, medical treatment, tour arrangements for travel agents, film shooting, etc.

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CDL have positioned ourselves to emerge as a unique financial services boutique offering diverse foreign exchange services to our customers. Recently CDL inaugurated 8 forex Counters at various locations at Domestic & International terminal at Chennai International Airport. CDL would be exclusive provider of foreign exchange services for the next 3 years at Chennai, which is ranked as India's 3<sup>rd</sup> largest airport.

#### **Club 7 Holidays Limited**

Centrum offers complete travel solutions suite through Club 7 Holidays Limited. Earlier, pre-dominantly East India-focused, this boutique travel Company has slowly and steadily expanded into a pan-India presence. Club7 offers a wide range of travel services including customized holidays and group tours for individual travelers and MICE tours to international and domestic destinations for corporates. Club7 is IATA accredited and an active member of TAAI, in addition to being a General Sales Agent for Trafalgar & Insight Tours. Club 7 will continue its thrust for aggressively expanding the business, targeting identified segments which hold immense potential for growth.

#### **Centrum Financial Services Limited**

In the multi-tier financial system of India, NBFCs have turned out to be engines of growth and are integral part of the Indian financial system, enhancing competition and diversification in the financial sector, spreading risks specifically at times of financial distress and have been increasingly recognized as complementary of the banking system at competitive prices.

The company has attempted strengthening focus on security-backed financing like Loans against shares, Margin Funding, IPO Funding, etc. However, the setback in the secondary markets has impacted the business opportunities, especially in IPO funding. We expect the

business potential to increase from the second half of current fiscal ie post Elections as the economy would be set for reversal of interest rate cycle and also stability of currency.

#### **Commonwealth Centrum Advisors Ltd (CCAL)**

The 50:50 joint venture between Commonwealth Finance Corporation Ltd. (CFCL) and Centrum Capital Ltd. (CCL) successfully commissioned "Progressive India Fund" during the year. The Fund's performance has been impacted to some extent by the steep fall in exchange rate of Rupee and meltdown in the marketcap of large number of midcap companies as the stated objective of this USD denominated fund has been to invest in value stocks in the midcap space . The Indian equity market is well known for creating wealth over the long term though it is equally well known for a lot of volatility in the short to medium term. Hence, we remain confident of this fund making a major success in terms of both size and returns to the investors over the next two years.

#### **Centrum Infrastructure & Realty Limited (CIRL)**

A wholly-owned subsidiary of Centrum Capital Limited, CIRL has in-depth sector expertise, superior transaction execution capabilities and a proven track record of hand-holding transactions with efficiency, strong local domain knowledge and prompt response management. CIRL has extensive experience in execution of transactions related to land, commercial, retail, logistics, residential, re-development and joint-development arena.

#### **4. Opportunities**

While the current domestic economic scenario is challenging, India still remains a significant long-term growth story. Vibrant domestic demand drivers in the areas of telecom, rural markets, service sector, healthcare, etc are expected to provide triggers in the medium to long term. In the short term also, opportunities exist in terms of

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significant revival post General Election slated for early 2014. The new government is likely to revive confidence among investors and savers residing in India as well as outside the country. Recent steep fall in gold imports and hence in trade deficits, highly successful monsoon performance this season and steep fall in Rupee which would make both Indian goods, services and assets substantially cheaper in USD terms, are likely to help revival of the Indian economy. These developments are likely to reopen significant opportunities in segments where Centrum is operating and is well-established. Meanwhile, the deterioration in the performance of corporates is expected to continue offering significant opportunity for restructuring of debt for companies – a business segment that Centrum has commenced nearly six years ago, giving the Group an early-mover advantage in this segment. Going forward, the challenging economic scenario would offer opportunities for further restructuring, which the Group has already initiated. A strong team with years of experience in this sector, along with the ability to nurture business relationships, will shape Centrum's evolution in this segment.

Though overall economic growth and savings, especially the financial savings of the household sector have fallen significantly the country still enjoys a favorable demographic profile with a large segment of the population under 30 years.

As this working age-group population expands over the next two decades, the savings rate is likely to rise further. The growing aspirations and the urge for a planned retirement corpus will create significant demand for professional financial planning, portfolio management, wealth building and wealth management services in the country across various asset classes. This young emerging

class of the population with visible earning capacity will stimulate the demand for diverse financial products like insurance, mutual funds and new, emerging investment avenues. Already the favourable impact of this demographic profile is evident from the young educated population increasingly going abroad for jobs and remitting back home continuously higher financial resources. Last year, NRI remittances touched a record high of close to \$70 billion.

The Centrum group's basket of forex products and services is diverse and the ability to offer travel and forex along with financial services is a unique offering for a business Group. The potential for growth in the forex business is directly linked to the large opportunity matrix in the travel and wealth management businesses, in which Centrum has an established presence with extensive future growth plans. Cross-selling opportunities through excellent corporate relationships across the industry also indirectly push business opportunities to the doorsteps of the forex business division. The forex business has evolved corporate level arrangements, wherein Centrum has forex counters within the premises of corporate houses across the country. We have also gained a strong foothold in forex business through servicing of entertainment and film-making industries.

Continued consolidation of institutional broking business in the country and recent exit of many firms from this business augur well for players like us who successfully remain in the business. We expect market share in the institutional business to improve in the long term as the number of players have come down significantly.

In wealth management business also we have

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seen exit of some of foreign players. Continued consolidation in the industry and our core strength of understanding the local markets and clients' customized needs provide us better opportunity to grow faster growing forward.

Backed by our core expertise, solid team of professionals and through a mix of acquisitions, strategic alliances and tie-ups in select areas with domestic synergistic partners and focused approach with foresight to build various business lines, Centrum is well positioned to grow our financial retail services to capitalize on the unfolding opportunities.

## 5. Threats

Rupee instability and high interest regime remain the major threats to the economy in general and financial sector in particular. Despite the RBI selling over \$62 billion in the spot market since the Lehman crisis in 2008, rupee has crashed by 40% in the last 2 years. This would lead to stress on fiscal balance in terms of soaring fuel and fertilizer subsidies. The corporate sector would also see pressure on account of rise in external debt burden and in cost of imported raw materials. Continued instability could also lead to dip in inflows from the FIIs into both equity and debt instruments. Hence, all-round pessimism and deceleration in the industrial economy could continue. On top of these possible developments, forthcoming General Election can lead to more uncertainty on policy front, further adding to confusion in the markets. For the first 4 months of the current fiscal, indirect tax collections have grown just 2.9% yoy as against the target of 19% set in the FY2014 Budget. Moreover, the collections from excise duty de-grew in double digit at 11% during this period, indicating severe aggregate demand pressures in the economy.

The country's economy expanded at just 5% in FY2013, the lowest GDP growth in the last decade. During the first quarter of the current fiscal, the Index of Industrial Production de-grew at 1.1%, indicating continued challenges for the corporate. Hence, there exists major threat to the financial services industry for at least the next 6 months.

## 6. Future outlook

While the year ahead is also likely to be highly challenging, Centrum's focused and visionary approach positions us well to tackle the obstacles ahead. With our ability to anticipate the challenging scenario from the overall global developments, Centrum has been preparing for them and is confident of successfully emerging through the difficult conditions that are once again threatening to derail the Indian economy.

In the current year, the Company has strategically focused on select areas which are suited to provide growth opportunities even in challenging times. These include Corporate Debt Restructuring, emphasis on non-equity products within Wealth Management, Foreign Exchange, Travel Services and Infrastructure & Real Estate advisory services.

Banking on a new pool of talent drawn from various global firms, Centrum will continue our focus on building strong relationships with our clients by offering them solutions according to their needs and as required by the evolving economic scenario. As in the past, the Group intends to continue providing our clients with a high degree of customer service, flexible, tailored and configurable products and services, with a dedicated focus on returns with least possible risk.

The Company's Investment Banking business can be expected to have its fair share of challenges

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in the year ahead due to volatility in the market conditions, continued selling of shares by the domestic institutions despite the FII's remaining quite optimistic and several listed stocks still quoting at very cheap valuations. Unless the valuations of listed entities improve significantly, it would be difficult for the primary markets to revive significantly.

The debt scenario is an area where Centrum is well equipped to capitalize on our strengths. In the year 2013-14 corporate sector is also experiencing tremendous stress and hence, we expect the company to do deal size of over ₹ 90 billion (₹ 9,000 crores) during this year. The Company's policy to shift from soft restructuring to a deeper, more focused CDR shall enable us to emerge as a major player in this area, going ahead.

In the forex business, with help of our team of professionals and expanded tie up with corporate, hotels, etc we expect to achieve a total turnover of ₹ 42 billion (₹ 4,200 crores).

In the wealth business, we expect to increase the size of assets under management by about 31% to over ₹ 35 billion (₹ 3,500 crores) from ₹ 19 billion due to significant expansion of team of professionals and branches across the country. We are actively managing close to ₹ 3 billion of equity funds – we hope to increase this size to ₹ 5 billion within a year's time.

Overall, with the diversified offerings and renewed focus on fast growing businesses like wealth management, forex and credit restructuring, the Company is optimistic of managing the turbulent time ahead. However, India's long-term growth potential is vast and the multifarious opportunities

within the financial services industries augur well for the long-term growth potential of the industry, of which Centrum remains an integral participant.

## **7. Risk management**

For Centrum, an effective risk management policy lies at the core of our business philosophy, which is centered on delivering higher and better returns to all our stakeholders.

With ups and downs, volatility and fluctuations in the financial business in which the Company operates, Centrum is exposed to various risks and uncertainties in the normal course of our business. Since such variations can cause deviations in the results from operations and affect our financial state, the focus on risk management continues to be high.

Centrum's risk management strategy has product neutrality, speed of trade execution, reliability of access and delivery of service at its core. Multiple products and diverse revenue streams enable the Company to ensure continued offering of customized solutions to suit client needs at all times – good and bad.

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

## **8. Internal controls and their adequacy**

Centrum has always focused on maintaining a strong internal control system which is commensurate with our size and the nature of operations. The Company's

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internal controls are structured in a manner that ensure reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies, laws and accounting standards.

With a strong monitoring system in place, the Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. Internally we have also set up Investment Committee comprising Compliance Officer, Chief Operating Officer apart from the core team which manages the investment products to effectively monitor both the process and returns to clients. Centrum has also appointed an independent Internal Audit Firm. The Audit Committee regularly reviews the Internal Audit Reports as well as the findings and recommendations of the Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors posted with its observations.

## **9. Human resources**

People constitute the nucleus of Centrum's business strategy and the Company is constantly working towards ensuring the best human resource (HR) policies and practices.

The thrust is on hiring, nurturing and retaining the best talent available in the country, which Centrum has successfully managed through focused

attention on right fitment. A stringent screening process ensures that Centrum has a highly qualified talent pool of professionals.

Employee engagement at Centrum does not end with hiring of an employee; in fact it begins with the employee's appointment and continues through his whole career span in the organization. The Company has a robust system for employee development and enhancement, which the top leadership leverages on a regular basis to ensure growth from one level to the next as the individual progresses through Centrum's hierarchy.

The Company has performance appraisal systems that are benchmarked with the best in the industry, offering, on the one hand a high level of transparency, and on the other, providing adequate scope for continuous self-improvement through a streamlined counseling process.

The coherent efforts in this direction have also been recognized externally.

As on 30<sup>th</sup> June, 2013, there were 874 people employed with Centrum Group.

## **10. Financial overview**

The volatility in the global and Indian markets, coupled with slowdown in the macroeconomic scenario created significant challenges for businesses and industries in general and to Centrum, which offers services to the overall businesses and industries. However, Centrum was able to manage costs and performed relatively better even in the current tough environment. The operating performance showed a turnaround this year as highlighted below.

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**Income:** The total income for the Company on a standalone basis stood at ₹ 712.05 million as compared to ₹ 602.57 million during the previous year, a growth of 18.17% yoy.

**PBDIT:** The Company reported a PBDIT of ₹ 352.97 million as compared to PBDIT of ₹ 103.34 million in 2011-12, a growth of 241.56% yoy.

**PAT:** For the year under review, the Profit After Tax (PAT) stood at ₹ 137.14 million as against ₹ (97.317) million in 2011-12. This improved performance was due to increase in revenues and benefit of significant cost rationalization measures carried out by the Company during the year.

#### 11. **Cautionary statement**

This report contains several forward-looking statements that involve risks and uncertainties, including, but not limited to, risks inherent in Centrum'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.

#### **For and on behalf of the Board of Directors**

**P. R. Kalyanaraman**  
**Managing Director**

**Chandir Gidwani**  
**Non Executive Chairman**

**Place: Mumbai**

**Date: 29<sup>th</sup> August, 2013**

# Corporate Governance Report

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**(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 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 as under:

## **B. BOARD OF DIRECTORS:**

### **a. Composition of the Board:**

The present strength of the Board of Directors of the Company is 12 Directors. The Board of Directors comprises of 1 (One) Managing

Director, 1 (One) Non Executive Chairman, 4 (Four) Non Executive Directors and 6 (Six) Independent Directors.

Half of the Board of Directors comprises of Independent Directors which fulfills the requirements as required under clause 49 of the Listing Agreement.

The details of the Director being appointed and re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV)(G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.

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 Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956), Chairmanship and the Committee Memberships held by Directors as on 30<sup>th</sup> June, 2013 are given below:



Name of Director	Category	Attendance Particulars			No. of outside Directorships	No. of Committee positions held (including in the Company)*	
		No. of Board Meetings held during the tenure of Director	No. of Board Meetings attended by the Director	Attended the Last AGM held on 31 <sup>st</sup> December 2012		Chairman	Member
# Mr. T. R. Madhavan	Executive Chairman (Till 1 <sup>st</sup> November, 2012)	2	1	N.A	N.A	N.A	N.A
Mr. Chandir Gidwani	Non Executive Chairman (w.e.f. 1 <sup>st</sup> November, 2012)	7	7	No	4	1	1
@Mr. P. R. Kalyanaraman	Managing Director	5	5	Yes	3	-	1
Mr. Ibrahim Belselah	Independent Director	7	Nil	No	-	-	-
Mr. Subimal Bhattacharjee	Independent Director	7	1	No	-	-	-
Mr. Rajesh Nanavaty	Independent Director	7	7	Yes	2	2	2
@Mr. Ameet Naik	Independent Director	5	2	No	1	-	1
^Mr. R. S. Reddy	Independent Director	2	1	No	5	1	-
@Mr. Rashid Kidwai	Independent Director	5	1	No	1	-	-
#Mr. Rajesh Narian Gupta	Independent Director	2	-	N.A.	N.A	N.A	N.A
\$Mr. K. V. Krishnamurthy	Independent Director	4	4	No	N.A	N.A	N.A
Mrs. Mahakhurshid Byramjee	Non-Executive Director	7	-	No	-	-	-
Mr. Rishad Byramjee	Non-Executive Director	7	6	No	2	-	3
Mr. Dhanpal Jhaveri	Non-Executive Director	7	1	No	3	-	2
@Mr. Manmohan Shetty	Non Executive Director	5	2	No	6	1	-

**Notes:**

\*Other Directorship does not include Directorship of Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorship. Chairman includes Member. Only Membership and Chairmanship of Audit Committee and Shareholders / Investors Grievances Committee are considered.

# As mentioned in Annual Report for the year 2011-2012, Mr. Rajesh Narian Gupta resigned from the Board w.e.f 1<sup>st</sup> November, 2012 and Mr. T. R. Madhavan resigned from the Board as Executive Chairman w.e.f. 1<sup>st</sup> November, 2012.

@ Mr. P. R. Kalyanaraman has been appointed as the Managing Director of the Company w.e.f. 1<sup>st</sup> November, 2012, Mr. Manmohan Shetty has been appointed as Non Executive Director w.e.f. 1<sup>st</sup> November, 2012 and Mr. Rashid Kidwai and Mr. Ameet Naik have been appointed as Independent Directors of the Company w.e.f. 1<sup>st</sup> November, 2012.

^ The Board at its meeting held on 14<sup>th</sup> February, 2013 appointed Mr. R.S. Reddy as an Additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956, Mr. R. S. Reddy hold office as a Director upto the date of the ensuing Annual General Meeting. Approval of Members is being sought for his appointment as Director at the ensuing Annual General Meeting.

\$ Mr. K. V. Krishnamurthy, Independent Director of the Company passed away on 16<sup>th</sup> January, 2013.

Mr. Rishad Byramjee is the son of Mrs. Mahakhurshid Byramjee and hence, they are related to each other. There are no other inter-se relationships between the Directors.

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Seven Board Meetings were held during the financial year 2012-13 and the gap between any two consecutive meetings did not exceed four months at any point of time. The dates on which Board Meetings were held are as follows:

14<sup>th</sup> August, 2012

1<sup>st</sup> November, 2012

14<sup>th</sup> November, 2012

3<sup>rd</sup> December, 2012

14<sup>th</sup> February, 2013

18<sup>th</sup> April, 2013

15<sup>th</sup> May, 2013

**c. Code of Conduct:**

The Code of Conduct and ethics, which have been formulated for the Board and Senior Management of the Company is posted on the website of the Company, viz. [www.centrum.co.in](http://www.centrum.co.in) The Board of Directors and Senior Management have affirmed their compliance with the code of conduct.

The Board of Directors at its meeting held on 15<sup>th</sup> May, 2013 has amended the Code of Conduct with respect to its applicability to the senior management. The Code of Conduct shall be applicable to all the members of the Board of Directors of the Company and all the members of the Senior Management Team of the Company which includes Vice Presidents, Executive Directors and Functional Heads at the Corporate Level.

**C. AUDIT COMMITTEE:**

1. 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.

2. 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 statements are 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 them.
- 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;

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- 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 on 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.
  - To approve appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- All the 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  
(Till 16<sup>th</sup> January, 2013);
  - (2) Mr. Rajesh Nanavaty, Chairman;  
(w.e.f. 14<sup>th</sup> February, 2013)
  - (2) Mr. Ameet Naik (w.e.f. 14<sup>th</sup> February, 2013) and
  - (3) 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:
- 14<sup>th</sup> August, 2012
  - 14<sup>th</sup> November, 2012
  - 3<sup>rd</sup> December, 2012
  - 14<sup>th</sup> February, 2013
  - 15<sup>th</sup> May, 2013

#### **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:

- (2) Mr. K. V. Krishnamurthy, Chairman  
(Till 16<sup>th</sup> January, 2013);
- (3) Mr. Rajesh Nanavaty, Chairman;  
(w.e.f. 15<sup>th</sup> May, 2013)
- (4) Mr. Rishad Byramjee, Member  
(Till 15<sup>th</sup> May, 2013)
- (5) Mr. Ameet Naik ( w.e.f. 15<sup>th</sup> May, 2013) and
- (6) Mr. R. S. Reddy ( w.e.f. 15<sup>th</sup> May, 2013)

During the year there was only one meeting of the Remuneration Committee on 1<sup>st</sup> November, 2012:

#### **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 the year ended 30<sup>th</sup> June, 2013):

#### **(i) Executive Directors’ Compensation**

The aggregate value of salary and perquisites including commission paid for the year ended 30<sup>th</sup> June, 2013 to the Managing Director and the Whole Time Director is as follows:

<b>Particulars</b>	<b>#Mr. T. R. Madhavan</b>	<b>@Mr. P. R. Kalyanaraman</b>
Salary	800,000	1,600,000
Allowances and Perquisites	1,173,200	1,821,553
Commission	Nil	Nil
Notice Period	1 month	1 month
Service Contract	-	3 years from 1st November, 2012

# - Mr. T. R. Madhavan has resigned as the Executive Chairman of the Company w.e.f. 1<sup>st</sup> November, 2012.

@ - Mr. P. R. Kalyanaraman is appointed as the Managing Director of the Company w.e.f. 1<sup>st</sup> November, 2012.

The Company has not granted any stock options to any of the Directors. Further, no severance fees is payable on termination of appointment.

#### **(ii) Non – Executive Directors’ 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 ₹ 20,000/- per meeting to Non – Executive Directors for attending meetings of the Board and/or its Committee.

Details of Equity Shares held and sitting fees paid to the Non-Executive Directors during the year ended on 30<sup>th</sup> June, 2013:

Sr. No.	Name of the Director	# Equity Shares held	* Sitting Fees (₹)
1	Mr. Chandir Gidwani	1,500	1,60,000/-
2	@Mr. K. V. Krishnamurthy	Nil	Nil
3	Mrs. Mahakurshid Byramjee	1,14,352	Nil
4	Mr. Rishad Byramjee	12,385	2,40,000/-
5	Mr. Rajesh Nanavaty	50	2,60,000/-
6	Mr. Rajesh Narain Gupta	Nil	Nil
7	Mr. Ibrahim Belsalah	Nil	Nil
8	Mr. Dhanpal Jhaveri	Nil	20,000/-
9	Mr. Subimal Bhattacharjee	Nil	20,000/-
10	Mr. R. S. Reddy	Nil	20,000/-
11	Mr. Ameet Naik	Nil	80,000/-
12	Mr. Rashid Kidwai	Nil	20,000/-
13	Mr. Manmohan Shetty	Nil	40,000/-

# The Company has not issued any convertible instruments.

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

@The Board at its meeting held on 6<sup>th</sup> March, 2012 approved the proposal of Mr. K. V. Krishnamurthy, Independent Director of the Company to waive the right of receiving sitting fees for attending Board and Committee meetings of the Company.

#### **E. SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE:**

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.

This Committee comprises of three Directors viz.

- (1) Mr. Rajesh Nanavaty, Chairman;
- (2) Mr. Chandir Gidwani and
- (3) Mr. Rishad Byramjee

The Company has appointed M/s. Link Intime India Private 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 30<sup>th</sup> June, 2013.

The Company has designated the email id '[cs@centrum.co.in](mailto:cs@centrum.co.in)' for registering the Complaints of the investors, in compliance with Clause 47(f) of the Listing Agreement.

During the year, no meetings of Shareholders'/ Investor Grievances Committee were held.

#### **INVESTOR COMPLAINTS:**

During the year under review, the Company did not receive any investor complaints.

#### **F. TRANSFER CUM ALLOTMENT COMMITTEE:**

This Committee deals with matters relating to transfers/transmission of shares, allotment of shares and other related matters.

This Committee comprises of three Directors viz.

- (1) Mr. Rishad Byramjee, Chairman;
- (2) Mr. Chandir Gidwani and
- (3) Mr. P. R. Kalyanaraman

During the year, there was only one meeting of the Transfer cum Allotment Committee on 13<sup>th</sup> June, 2013 to fix the Record Date for the purpose of sub division of equity shares and issue of fully paid up Bonus shares of the Company.

The Committee, at its meeting held on 8<sup>th</sup> July 2013, allotted 346,693,950 fully paid up Bonus Equity Shares to the Equity Shareholders of the Company whose names appeared in the Register of Members

as on Thursday, the 4<sup>th</sup> July, 2013, being the Record Date.

#### G. GENERAL BODY MEETINGS:

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

Financial Year	Day, Date and Time	Venue	Special Resolutions passed there at
2011-2012	Monday, 31 <sup>st</sup> December, 2012 at 11.00 A.M.	Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400098	2
2010-2011	Friday, 30 <sup>th</sup> December, 2011 at 10:30 A.M.	Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400098	2
2009-2010	Friday, 31 <sup>st</sup> December, 2010 at 10:30 A.M.	Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400098	2

Particulars of Extra Ordinary General Meeting held during the year and details of the special resolutions passed thereat:

Financial Year	Day, Date and Time	Venue	Special Resolutions passed there at
2012-2013	*Thursday, 13 <sup>th</sup> June, 2013 at 11.00 A.M.	Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400098	1

*\*The Company obtained the approval of the members for sub division of Equity shares of the Company such that each existing equity share of the Company of face value of ₹ 10/- (Rupees Ten) each be sub-divided into 10 (Ten) equity shares of face value of*

*₹ 1/- (Rupee One) each and issue of fully paid up bonus shares of the Company in the ratio of 5:1 i.e. Five Equity shares of ₹ 1/- each for every One Equity share of ₹ 1/- each held after sub-division of Equity shares of the Company.*

During the Financial year 2012-2013, the Company has not passed any special resolution by postal ballot process and as of now the Company does not propose to pass any special resolution through the Postal Ballot process.

#### H. DISCLOSURES:

##### a. Related Party Transactions

The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company. The details of transactions with related parties are given for information under notes to the accounts of the Balance Sheet as at 30<sup>th</sup> June, 2013.

##### b. No penalty or strictures

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

##### c. Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed all the applicable Accounting Standards laid down by the Institute of Chartered Accountants of India.

##### 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

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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 Extra Ordinary General Meeting called for the approval of said preferential issue of equity shares.

**f. Management Discussion and Analysis Report**

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.

**g. Information to Shareholders**

(i) The information as required under Clause 49 of the Listing Agreement, relating to the Directors proposed to be appointed / re-appointed, is furnished as a part of the Notice convening the Annual General Meeting.

(ii) The mandatory as well as various additional information of interest to the shareholders is furnished in other sections of the Annual Report.

**h. CEO/CFO Certification**

In accordance with the Clause 49 of the Listing Agreement with the Stock Exchange, a certificate from the Managing Director was placed before the Board.

**i. Report on Corporate Governance**

This 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 Directors' 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. The Board:

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:

Please refer to the details given under "Remuneration/Compensation Committee".

c. Training of Board members:

The Board members are 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.

## I. 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 English newspaper namely Free Press Journal and in regional language newspaper namely Navshakti. The quarterly/ annual financial results are also regularly posted by the Company on its website [www.centrum.co.in](http://www.centrum.co.in)

## J. GENERAL SHAREHOLDER INFORMATION:

### a. Annual General Meeting

30<sup>th</sup> December, 2013 at 11 am at  
2<sup>nd</sup> Level, Centrum House, C.S.T. Road,  
Vidyanagari Marg, Kalina,  
Santacruz (East),  
Mumbai - 400 098

### b. Financial year :

1<sup>st</sup> July, 2012 to 30<sup>th</sup> June, 2013

### c. Date of Book Closure :

23<sup>rd</sup> December, 2013 to 30<sup>th</sup> December, 2013

### d. Dividend Payment Date :

Not Applicable

### e. Listing on Stock Exchanges :

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400001.

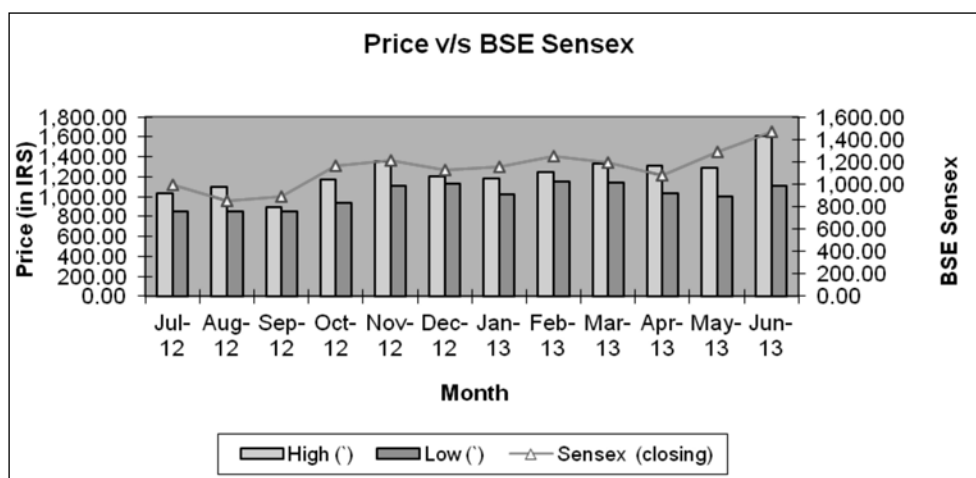
### f. Stock code : 501150

### g. Market Price Data :

Share prices of the Company for the period  
July 2012 to June 2013

Date	High (₹)	Low (₹)
July, 2012	1,031.00	855.10
August, 2012	1,098.00	849.75
September, 2012	893.00	851.00
October, 2012	1,169.00	934.90
November, 2012	1,349.00	1,111.00
December, 2012	1,200.00	1,129.95
January, 2013	1,184.00	1,019.00
February, 2013	1,250.00	1,150.00
March, 2013	1,332.45	1,141.00
April, 2013	1,312.00	1,030.80
May, 2013	1,286.00	1,000.00
June, 2013	1,610.70	1,111.00

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





**g. Registrar and Transfer Agents:** Link Intime India Private Limited  
C-13 Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W),  
Mumbai 400 078  
Tel. No. 022 - 25963838  
Fax No.: 022 - 25672693  
Email: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

**h. Share Transfer System:**

Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgement, and requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 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 Grievances Committee.

**i. Categories of Shareholding as on 30<sup>th</sup> June, 2013**

	Category	No. of Shares Held	Percentage of Shareholding
<b>A</b>	<b>PROMOTER'S HOLDING</b>		
1	Promoters		
	-Indian Promoters	2,303,150	33.22
	- Foreign Promoters	Nil	Nil
2	Persons acting in Concert	Nil	Nil
	<b>Sub-Total</b>	<b>2,303,150</b>	<b>33.22</b>
<b>B</b>	<b>NON-PROMOTERS HOLDINGS</b>		
3	Institutional Investors	Nil	Nil
A	Mutual Fund and UTI	Nil	Nil
B	Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions/ Non-government Institutions)	Nil	Nil
C	FIs	Nil	Nil
4	Others		
A	Corporate Bodies	2,969,103	42.82
B	Indian Public	226255	3.26
C	NRI's	361	0.01
D	Foreign Companies/Fund	1,020,158	14.71
E	Centrum ESPS Trust	409,686	5.91
F	Any Other (Clearing Member)	4,166	0.06

G	Any Other (NRN)	1,000	0.01
	<b>Sub-Total</b>	<b>4,630,729</b>	<b>66.78</b>
	<b>GRAND TOTAL</b>	<b>6,933,879</b>	<b>100</b>

**j. Distribution of Shareholding as on 30<sup>th</sup> June, 2013:**

SI. No.	Category (Shares)	No. of Shareholders		No. of Shares	
		Number	% of Total Shareholders	Number	% of Total Shares
1	1 - 500	387	88.36	20,916	0.30
2	501 - 1000	15	3.42	10,750	0.16
3	1001 - 2000	7	1.60	10,130	0.15
4	2001 - 3000	3	0.68	7,600	0.11
5	3001 - 4000	2	0.46	7,578	0.11
6	4001 - 5000	2	0.46	9,650	0.14
7	5001 - 10000	8	1.83	66,222	0.96
8	10001 - Above	14	3.20	6,801,033	98.08
	<b>TOTAL</b>	<b>438</b>	<b>100.00</b>	<b>6,933,879</b>	<b>100.00</b>

**k. 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.

**Corporate Office:**

Centrum House, C.S.T. Road,  
Vidyanagari Marg, Kalina,  
Santacruz (East),  
Mumbai - 400098  
Tel No.: 022 4215 9000; Fax No.: 022 4215 9833  
Email: [info@centrum.co.in](mailto:info@centrum.co.in);  
[cs@centrum.co.in](mailto:cs@centrum.co.in)

**2. Registrar and Share Transfer Agent:**

Link Intime India 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: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

**l. Address of Correspondence:**

**1. To the Company:**

**Registered Office:**

Bombay Mutual Building,  
2nd Floor, Dr. D.N. Road,  
Fort, Mumbai - 400001  
Tel No.: 022 2266 2434; Fax No.: 022 2261 1105  
Email: [info@centrum.co.in](mailto:info@centrum.co.in);  
[cs@centrum.co.in](mailto:cs@centrum.co.in)

**For and on behalf of the Board of Directors**

**P. R. Kalyanaraman**  
Managing Director

**Chandir Gidwani**  
Non Executive Chairman

**Place: Mumbai**

**Date: 29<sup>th</sup> August, 2013**

# Certificate by Managing Director

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To,  
**The Board of Directors**  
**Centrum Capital Limited**  
**Mumbai**

I, **P. R. Kalyanaraman**, Managing Director of Centrum Capital Limited, to the best of my knowledge and belief, certify that:

- a. I have reviewed the Financial Statements and the Cash Flow Statement for the year ended on 30<sup>th</sup> June, 2013;
- 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. I am 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 I 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. I have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct);
- i. I further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the year ended 30<sup>th</sup> June, 2013.

**For Centrum Capital Limited**

**P. R. Kalyanaraman**  
**Managing Director**

**Place: Mumbai**  
**Date: 29<sup>th</sup> August, 2013**

# Auditors' Certificate On Corporate Governance

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**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 30<sup>th</sup> June, 2013, 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 conditions of 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 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 Haribhakti & Co.**  
**Chartered Accountants**  
**Firm's Registration No.103523W**

**Sumant Sakhardande**  
**Partner**  
**Membership No. 034828**

**Place: Mumbai**  
**Date: 29<sup>th</sup> August, 2013**

# Auditors' Report

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**To**  
**The Members of Centrum Capital Limited**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Centrum Capital Limited (“the Company”), which comprise the Balance Sheet as at 30<sup>th</sup> June, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 30<sup>th</sup> June, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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### Emphasis of Matter

1. a. We draw attention to Note No.40(a) of Notes to the Financial Statements, in respect of investments aggregating to ₹ 815,523,945 (P.Y: ₹ 815,523,945) & loans and advances aggregating to ₹ 32,394,297 (P.Y: ₹ 11,603,092) in Centrum Broking Limited, a Subsidiary Company. As more fully described in note no.40(a), the Management is of the view that there is no permanent diminution to the carrying value of the investments of ₹ 815,523,945 & loans and advances of ₹ 32,394,297 in the subsidiary and hence no adjustment has been made in this regard in the accompanying financial statements.
  - b. We draw attention to Note No.40(b) of Notes to the Financial Statements, in respect of investments aggregating to ₹ 500,000 (P.Y: ₹ 500,000) & loans and advances aggregating to ₹ 72,250,413 (P.Y: ₹ 93,001,114) in Centrum Infrastructure & Realty Limited, a Subsidiary Company. As more fully described in note no.40(b), the Management is of the view that there is no permanent diminution to the carrying value of the investments of ₹ 500,000 & loans and advances of ₹ 72,250,413 in the subsidiary and hence no adjustment has been made in this regard in the accompanying financial statements.
  - c. We draw attention to Note No.40(c) of Notes to the Financial Statements, in respect of investments aggregating to ₹ 500,000 (P.Y: ₹ 500,000) & loans and advances aggregating to ₹ 327,280,258 (P.Y: ₹ 178,001,529) in Centrum Wealth Management Ltd, a Subsidiary Company. As more fully described in note no.40 (c), the Management is of the view that there is no permanent diminution to the carrying value of the investments of ₹ 500,000 & loans and advances of ₹ 327,280,258 in the subsidiary and hence no adjustment has been made in this regard in the accompanying financial statements.
2. We draw attention to Note No.39 of Notes to the Financial Statements, regarding long outstanding trade receivable amounting to ₹ 45,832,632 (P.Y: ₹ 64,953,975) , are subject to realization and upon which we are unable to comment on. The ultimate shortfall, if any, on realization / on account of non realization of such trade receivable, therefore cannot be quantified.

Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books .
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - e. on the basis of written representations received from the directors as on 30<sup>th</sup> June 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 30<sup>th</sup> June 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Haribhakti & Co.**  
**Chartered Accountants**  
**Firm's Registration No.103523W**

**Sumant Sakhardande**  
**Partner**  
**Membership No. 034828**

**Place: Mumbai**  
**Date: 29<sup>th</sup> August, 2013**

# Annexure to Auditors' Report

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[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **CENTRUM CAPITAL LIMITED** on the financial statements for the year ended 30<sup>th</sup> June, 2013]

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical assets have been noticed. In our opinion, the frequency of verification is reasonable.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii)
  - (a) The inventories (Securities & Bonds), which are held in dematerialized form, have been verified by the management with the supporting evidence during the year. In our opinion, the frequency of verification is reasonable.
  - (b) The procedure of verification of inventories (Securities & Bonds), followed by the management are reasonable and adequate in relation to size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory (Securities & Bonds) and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii)
  - (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
  - (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of Inventory (Securities & Bonds), fixed assets and with regard to sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.



- (v) According to the information and explanations given to us, we are of the opinion that, there are no transactions relating to contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with size & nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix)
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, cess and other material statutory dues applicable to it. As regards service tax dues, the company has not deposited the same with the appropriate authority.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-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 service tax 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 (₹)	Period to which the amount relates	Due Date	Date of Payment
The Finance Act, 1994 (Service tax provisions)	Service tax	74,557,031 (Refer Note: 41)	April 12 to December 12	6 <sup>th</sup> of subsequent month	Not paid

- (c) According to the records of the Company, the dues outstanding of Income-tax & Service Tax on account of any dispute, are as follows :

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994 (Service tax provisions)	Service tax	1,477,923	F.Y 2002-2006	Additional Commissioner of Service tax
Income Tax Act, 1961	Income Tax	848,030	A.Y 2008-2009	Commissioner of Income Tax (A) - 4
Income Tax Act, 1961	Income Tax	11,310,700	A.Y 2010-2011	Commissioner of Income Tax (A) - 4

- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year. The Company has incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or banks.
- (xii) According to the information and explanations given to us and based on documents and records produced to us, the Company has not granted loans & 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 the Companies (Auditor's Report) Order, 2003 (as amended) are 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) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loans taken by its subsidiary companies from bank or financial institutions during the year, are not prejudicial to the interest of the Company.
- (xvi) The company has not obtained any term loans.
- (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) According to the information and explanation given to us, 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.

- 
- (xix) The Company did not have outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) 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 explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Haribhakti & Co.**  
**Chartered Accountants**  
**Firm's Registration No.103523W**

**Sumant Sakhardande**  
**Partner**  
**Membership No. 034828**

**Place: Mumbai**  
**Date: 29<sup>th</sup> August, 2013**

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# Balance Sheet as at 30<sup>th</sup> June, 2013

(₹)			
Particulars	Note	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	3	69,338,790	69,338,790
Reserves and surplus	4	2,355,182,221	2,218,045,307
		<b>2,424,521,011</b>	<b>2,287,384,097</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	3,278,175	2,171,891
Long-term provisions	6	3,470,838	3,012,742
		<b>6,749,013</b>	<b>5,184,633</b>
<b>Current liabilities</b>			
Short-term borrowings	7	1,146,365,497	1,165,308,385
Other current liabilities	8	316,641,005	264,963,525
Short-term provisions	9	6,431,757	1,979,532
		<b>1,469,438,259</b>	<b>1,432,251,442</b>
<b>TOTAL</b>		<b>3,900,708,283</b>	<b>3,724,820,172</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	141,387,280	174,026,243
Intangible assets		2,157,830	3,393,958
		<b>143,545,110</b>	<b>177,420,201</b>
Non-current investments	11	2,170,550,362	2,182,341,839
Deferred tax assets (net)	32	20,956,161	2,567,882
Long-term loans and advances	12	223,371,785	184,979,744
		<b>2,558,423,418</b>	<b>2,547,309,666</b>
<b>Current assets</b>			
Inventories	13	74,452,988	133,200
Trade receivables	14	361,620,005	493,566,180
Cash and Bank Balances	15	6,180,014	11,274,805
Short-term loans and advances	16	825,134,713	644,687,913
Other current assets	17	74,897,145	27,848,408
		<b>1,342,284,865</b>	<b>1,177,510,506</b>
<b>TOTAL</b>		<b>3,900,708,283</b>	<b>3,724,820,172</b>

The accompanying notes 1 to 43 are an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co.  
Chartered Accountants  
Firm registration No.103523W

Sumant Sakhardande  
Partner  
Membership No.034828

Place : Mumbai  
Date : 29<sup>th</sup> August, 2013

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

P. R. Kalyanaraman  
Managing Director

Alpesh Shah  
Company Secretary

Place : Mumbai  
Date : 29<sup>th</sup> August, 2013

Chandir Gidwani  
Non Executive Chairman

# Statement of Profit and Loss for the year ended 30<sup>th</sup> June, 2013

(₹)

Particulars	Note	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
<b>Revenue</b>			
Revenue from Operation	18	660,380,367	552,189,766
Other Income	19	51,664,170	50,380,155
<b>Total Revenue</b>		<b>712,044,537</b>	<b>602,569,921</b>
<b>Expenses</b>			
Employee benefits expense	20	178,202,078	243,994,768
Finance Costs	21	166,708,366	153,334,209
Depreciation/amortization	10	36,808,431	36,691,014
Other expenses	22	206,894,202	252,617,307
<b>Total Expenses</b>		<b>588,613,077</b>	<b>686,637,298</b>
<b>Profit before exceptional items and tax</b>		<b>123,431,460</b>	<b>(84,067,377)</b>
<b>Exceptional items (Refer Note 36)</b>		<b>30,205,459</b>	<b>-</b>
<b>Profit before tax</b>		<b>153,636,919</b>	<b>(84,067,377)</b>
<u>Tax Expenses</u>			
- MAT		34,888,285	28,600,000
- Deferred tax		(18,388,280)	(15,350,654)
<b>Profit for the year</b>		<b>137,136,914</b>	<b>(97,316,723)</b>
Basic & Diluted earnings per share before Extra ordinary items (Refer Note 34) (Nominal Value of Shares ₹ 1 [Previous Year : ₹ 1] ) (Refer Note 35)		<b>0.26</b>	<b>(0.23)</b>
Basic & Diluted earnings per share after Extra ordinary items (Refer Note 34) (Nominal Value of Shares ₹ 1 [Previous Year : ₹ 1] ) (Refer Note 35)		<b>0.33</b>	<b>(0.23)</b>

The accompanying notes 1 to 43 are an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co.  
Chartered Accountants  
Firm registration No.103523W

Sumant Sakhardande  
Partner  
Membership No.034828

Place : Mumbai  
Date: 29<sup>th</sup> August, 2013

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

P. R. Kalyanaraman  
Managing Director

Alpesh Shah  
Company Secretary

Place : Mumbai  
Date: 29<sup>th</sup> August, 2013

Chandir Gidwani  
Non Executive Chairman

# Cash Flow Statement for the year ended 30<sup>th</sup> June, 2013

(₹)

Particulars	30 <sup>th</sup> June, 2013		30 <sup>th</sup> June, 2012	
<b>Cash Flow from Operating Activities:</b>				
<b>Net Profit before taxation</b>		153,636,919		(84,067,377)
Adjustments for:				
Depreciation and amortisation Expense	36,808,431		36,691,014	
Loss on sale of fixed assets	1,234,459		-	
Sundry balances written off	215,146		4,522	
Gain on Sale of Non Current Investments	-		(14,550,816)	
Excess of Carrying Cost over Fair Value of Non Current Investments	-		5,067,371	
Foreign exchange loss (net)	115,525		-	
Interest Income	(47,796,024)		(32,939,372)	
Dividend Income from Non Current Investments	(144,250)		(189,556)	
Sundry balances written back	(3,723,896)		-	
Bad Debts written off	252,120		1,837,656	
Provision for doubtful debts	27,439,882		20,728,015	
Provision for Wealth Tax	160,000		160,000	
Finance Costs (Excl. Bank Charges)	162,521,453	177,082,846	150,723,719	167,532,553
<b>Operating profit before working capital changes</b>		330,719,765		83,465,176
Adjustments for :				
Trade Receivables	104,254,174		(158,966,491)	
Inventories	(74,319,789)		26,615,949	
Loans and Advances	(220,531,774)		(279,233,411)	
Other Liabilities and Provisions	11,945,722	(178,651,667)	106,298,099	(305,285,854)
<b>Cash Generated from operations before exceptional items</b>		152,068,098		(221,820,678)
Direct taxes paid (including tax deducted at source)		(73,482,258)		(45,169,446)
<b>Net Cash from / (used) in Operating Activities</b>		78,585,840		(266,990,124)
<b>Cash Flow from Investing Activities:</b>				
Purchase of Fixed Assets	(5,158,800)		(6,480,861)	
Sale of Fixed Assets	991,000		-	
Receipt from Non Current Loans and advances	86,407		-	
Investment in subsidiaries	-		(192,844,319)	
Sale/Redemption of Non Current Investments	11,791,477		16,716,116	
Interest received	40,617,116		19,742,190	
Dividend Income from Non Current Investments received	144,250		189,556	
Dividend Income from Current Investments received	-		-	
<b>Net Cash from / (used) in Investing Activities</b>		48,471,450		(162,677,318)

(₹)

Particulars	30 <sup>th</sup> June, 2013		30 <sup>th</sup> June, 2012	
<b>Cash Flows from Financing Activities:</b>				
Proceeds towards Securities Premium on share capital	-		303,188,124	
Proceeds from Long-Term Borrowings	4,128,955		1,213,816,148	
Repayment of Long-Term Borrowings	(2,858,470)		(1,220,392,951)	
Proceeds from Short-Term Borrowings	7,645,883,387		1,732,148,071	
Repayments of Short-Term Borrowings	(7,664,826,275)		(1,495,599,348)	
Interest paid	(114,479,679)		(101,965,854)	
Dividend paid	-		-	
Tax on dividend paid	-		-	
<b>Net cash from / (used) in financial activity</b>		(132,152,082)		431,194,191
<b>Net (Decrease) / Increase in cash and cash equivalents</b>		(5,094,792)		1,526,749
<b>Opening cash and cash equivalents</b>		11,274,805		9,748,056
<b>Closing cash and cash equivalents</b>		6,180,014		11,274,805

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

1) All figures in brackets are cash outflow.

2) Cash and cash equivalents include unpaid dividend amounting to ₹ 91,138/- (PY. ₹ 96,218/-)

3) Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities

As per our report of even date

For Haribhakti & Co.  
Chartered Accountants  
Firm registration No.103523W

Sumant Sakhardande  
Partner  
Membership No.034828

Place : Mumbai  
Date: 29<sup>th</sup> August, 2013

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

P. R. Kalyanaraman  
Managing Director

Alpesh Shah  
Company Secretary

Place : Mumbai  
Date: 29<sup>th</sup> August, 2013

Chandir Gidwani  
Non Executive Chairman



# Notes forming part of the financial statements

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## 1. Nature of Operations

Centrum Capital Limited (the 'Company') is an Investment Banking Company and a SEBI Registered Category-I Merchant Banker. The Company offers a complete gamut of financial services in the areas of equity capital market, private equity, corporate finance, project finance, stressed asset resolution. 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 amortized over a period of lease or useful life whichever is less.

# Notes forming part of the financial statements

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

Particulars	Rate ( SLM)	Schedule XIV Rates ( SLM)
Building	1.63%	1.63%
Computer Hardware	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

- i. 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.
- ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life

## f) Intangible Assets

### Goodwill

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

### Computer Software's

The Company capitalizes software and related implementation cost where it is reasonably estimated that the software has an enduring useful life. Software's 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 Statement of Profit and Loss on a straight-line basis over the lease term.

## h) Investments

Investments that are readily realizable 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 recognize a decline, other than temporary, in the value of the investments.

# Notes forming part of the financial statements

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**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.

**(i) Syndication fees and brokerage income**

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 received from the clients are accounted as income immediately. In the event of project stipulates performance measures, revenue is considered earned when such performance measures have been completed.

**(ii) 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.

**(iii) Interest income**

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

**(iv) Dividends**

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

**(v) Profit / Loss on sale of investments**

Profit or loss on sale of 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

# Notes forming part of the financial statements

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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 asset.

## **l) Retirement and other employee benefits**

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

- (i) Under Payment of Gratuity Act, 1972 '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 Statement of Profit and Loss and are not deferred.

## **m) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. 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

# Notes forming part of the financial statements

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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 realized.

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 realized. 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.

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

## **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.

### **Segment Policies:**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

# Notes forming part of the financial statements

## 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 Bank Balances

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.

(₹)

Particulars	As at 30th June, 2013	As at 30th June, 2012
<b>NOTE 3 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
10,000,000 (Previous year 10,000,000) equity shares of ₹ 10/- each (Refer Note.35)	100,000,000	100,000,000
<b>TOTAL</b>	<b>100,000,000</b>	<b>100,000,000</b>
<b>ISSUED:</b>		
6,933,879 Equity Shares (Previous year: 6,933,879) of ₹ 10/- each fully paid up(Refer Note.35)	69,338,790	69,338,790
<b>SUBSCRIBED &amp; FULLY PAID UP:</b>		
6,933,879 Equity Shares (Previous year: 6,933,879) of ₹ 10/- each fully paid-up (Refer Note.35)	69,338,790	69,338,790
<b>TOTAL</b>	<b>69,338,790</b>	<b>69,338,790</b>
<b>Equity Shares</b>		
The company has one class of equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. (Refer Note.35)		

# Notes forming part of the financial statements

## Reconciliation of Number of Shares Outstanding:

(₹)

	30 <sup>th</sup> June, 2013		30 <sup>th</sup> June, 2012	
	No of Shares	Amount	No of Shares	Amount
Number of shares Outstanding at beginning of the year	6,933,879	69,338,790	6,933,879	69,338,790
Add: Shares issued during the year	-	-	-	0
"Number of shares Outstanding at the end of the year (Refer Note. 34)"	6,933,879	69,338,790	6,933,879	69,338,790

## Share holder having more than 5% equity share holding in the Company

(₹)

Share Holder	30 <sup>th</sup> June, 2013		30 <sup>th</sup> June, 2012	
	No of Shares	(% of Holdings)	No of Shares	(% of Holdings)
BUSINESSMATCH SERVICES (INDIA) PRIVATE LIMITED	2,303,150	33.22	2,303,150	33.22
INDIVISION INDIA PARTNERS	1,020,158	14.71	1,020,158	14.71
KAIKOBAD BYRAMJEE & SONS AGENCY PVT LTD	900,300	12.98	900,300	12.98
M. DINSHAW & CO. PVT. LTD.	900,000	12.98	900,000	12.98
RINITA IMPEX PVT. LTD.	854,860	12.33	854,860	12.33
CENTRUM ESPS TRUST	409,686	5.91	409,686	5.91
<b>TOTAL</b>	<b>6,388,154</b>	<b>92.13</b>	<b>6,388,154</b>	<b>92.13</b>

## Share allotted as fully paid up pursuant to contract(s) without payment being received in cash(during 5 years immediately preceding 30<sup>th</sup> June,2013).

During year ended 30<sup>th</sup> June 2012, 105,783 equity shares were allotted to Capital First Limited (formerly known as Future Capital Holdings Limited)for consideration other than cash pursuant to Share Transfer agreement dated 29<sup>th</sup> March, 2011.

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>NOTE 4 : RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve (Gift of 525,000 equity shares of Rap Media Limited)</b>		
Balances at the beginning and at the end of the year	1	1
<b>Securities Premium Account</b>		
Opening balance	1,845,658,869	1,542,470,744
Add: Securities Premium credited on Share issue	-	303,188,125
Balance as at end of the year	1,845,658,869	1,845,658,869

# Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>General Reserve</b>		
Balances at the beginning and at the end of the year	2,770,000	2,770,000
<b>Surplus in Statement of Profit &amp; Loss</b>		
Opening balance	369,616,437	466,933,160
Add : Net Profit/(Loss) For the current year	137,136,914	(97,316,723)
Balance as at end of the year	506,753,351	369,616,437
<b>TOTAL</b>	<b>2,355,182,221</b>	<b>2,218,045,307</b>
<b>NOTE 5 : LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>Term Loans</b>		
From Bank	3,278,175	2,171,891
(Vehicle loans are secured against hypothecation of vehicles purchased there against) (These are repayable in equated periodic installments up to a 3 years period from the date of respective loans. These are repayable by 2017-18 and carry an interest of 5.25% p.a to 11.75% pa)		
<b>TOTAL</b>	<b>3,278,175</b>	<b>2,171,891</b>
<b>NOTE 6 : LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Compensated Absences	3,470,838	3,012,742
<b>TOTAL</b>	<b>3,470,838</b>	<b>3,012,742</b>
<b>NOTE 7 : SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>Repayable on Demand From Banks</b>		
City Union Bank Limited	100,000,000	150,000,000
(Secured by corporate guarantee and hypothecation of assets [proportionate] of Businessmatch Services (India) Private Limited)		
Bank of Baroda	52,407,283	-
(Secured by pledge of bonds)		
The Federal Bank Limited	12,286,994	-
(Secured by pledge of bonds)		
Standard Chartered Bank	6,523,231	8,210,411
(Secured by hypothecation of trade receivables)		



# Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
Reliance Capital Limited (Secured by pledge of shares by Businessmatch Services (India) Private Limited)	100,000,000	-
<b>From Other parties</b>		
Future Value Retail Limited (Secured by pledge of 2,952,217 equity shares of CentrumDirect Limited)	620,000,000	620,000,000
	<b>891,217,508</b>	<b>778,210,411</b>
<b>Unsecured Loans</b>		
<b>Repayable on Demand From Banks</b>		
The Federal Bank Limited	4,182,808	20,219,692
	<b>4,182,808</b>	<b>20,219,692</b>
<b>From Related parties</b>		
CentrumDirect Limited	153,665,181	140,855,485
Centrum Financial Services Limited	-	70,522,797
	<b>153,665,181</b>	<b>211,378,282</b>
<b>Intercompany Deposits</b>	<b>97,300,000</b>	<b>155,500,000</b>
	<b>97,300,000</b>	<b>155,500,000</b>
<b>TOTAL</b>	<b>1,146,365,497</b>	<b>1,165,308,385</b>
<b>NOTE 8 : Other Current Liabilities</b>		
Current maturities of Long term debts	2,429,472	2,265,271
Interest accrued but not due	100,643,681	52,601,907
Unpaid Dividend (Refer Note (a) below)	103,459	96,372
<b>Other Payables</b>		
For Expenses	72,335,722	121,940,660
Statutory Dues Payable	100,521,284	53,487,647
Book overdraft from Banks	9,769,047	6,221,680
Rent Deposits	3,969,000	-
Advance from customers	7,376,752	2,572,959
Others	19,492,588	25,777,029
<b>TOTAL</b>	<b>316,641,005</b>	<b>264,963,525</b>

# Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Included in Other Payables for Expenses are:</b>		
Dues to Enterprise controlled by Key Management Personnel :		
Businessmatch Services (India) Private Limited	964,645	130,829
[(Maximum amount outstanding during the year ₹ 964,645 (Previous year ₹ 130,829)]		
(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.		
<b>NOTE 9 : Short Term Provisions</b>		
Provision for Employee Benefits		
Gratuity	4,230,352	109,677
Compensated Absences	1,221,066	1,049,515
Provision for wealth tax	980,339	820,340
(Net of advance tax : ₹ 495,200 [Previous Year : ₹ 495,200] )		
<b>TOTAL</b>	<b>6,431,757</b>	<b>1,979,532</b>

# Notes forming part of the financial statements

(₹)

## Note 10 : Fixed Assets

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 1 <sup>st</sup> July, 2012	Additions	Deductions	As at 30 <sup>th</sup> June, 2013	Upto 1 <sup>st</sup> July, 2012	For the year	Deductions	Upto 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Tangible Assets</b>										
Leasehold Improvement	180,612,157	-	-	180,612,157	86,114,169	21,238,447	-	107,352,616	73,259,541	94,497,988
Building	1,297,850	-	-	1,297,850	288,341	21,154	-	309,495	988,355	1,009,509
Plant & Equipment	23,601,042	-	-	23,601,042	23,601,042	-	-	23,601,042	-	-
Furniture & Fixtures	18,837,303	-	-	18,837,303	7,101,048	1,158,373	-	8,259,421	10,577,882	11,736,255
Vehicles	53,333,183	4,827,314	3,660,970	54,499,527	22,991,658	4,702,524	1,900,507	25,793,675	28,705,852	30,341,525
Office Equipments	14,698,073	44,925	-	14,742,998	3,207,052	698,945	-	3,905,997	10,837,001	11,491,021
Computers - Hardware	50,489,752	225,560	-	50,715,312	34,686,188	7,180,543	-	41,866,731	8,848,581	15,803,564
Air Conditioners	11,827,093	48,000	600,000	11,275,093	2,680,712	559,316	135,004	3,105,024	8,170,069	9,146,381
<b>Total</b>	<b>354,696,452</b>	<b>5,145,799</b>	<b>4,260,970</b>	<b>355,581,282</b>	<b>180,670,210</b>	<b>35,559,302</b>	<b>2,035,511</b>	<b>214,194,001</b>	<b>141,387,281</b>	<b>174,026,243</b>
<b>Intangible Assets</b>										
Goodwill	10,180,000	-	-	10,180,000	10,180,000	-	-	10,180,000	-	-
Computer Software	11,115,414	13,000	-	11,128,414	7,721,456	1,249,129	-	8,970,585	2,157,830	3,393,958
<b>Total</b>	<b>21,295,414</b>	<b>13,000</b>	<b>-</b>	<b>21,308,414</b>	<b>17,901,456</b>	<b>1,249,129</b>	<b>-</b>	<b>19,150,585</b>	<b>2,157,830</b>	<b>3,393,958</b>
<b>Capital Work in Progress</b>										
<b>Grand Total</b>	<b>375,991,866</b>	<b>5,158,799</b>	<b>4,260,970</b>	<b>376,889,696</b>	<b>198,571,666</b>	<b>36,808,431</b>	<b>2,035,511</b>	<b>233,344,586</b>	<b>143,545,111</b>	<b>177,420,201</b>
<b>Previous Year</b>	<b>369,166,896</b>	<b>6,824,970</b>	<b>-</b>	<b>375,991,866</b>	<b>161,880,652</b>	<b>36,691,014</b>	<b>-</b>	<b>198,571,666</b>	<b>177,420,201</b>	<b>177,420,201</b>

**Note 11 : Non-Current Investments - (At cost unless stated otherwise)**

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted/ Trade /Non Trade	Partly Paid / Fully paid	Face value per share / unit		In Rupees	
			As At				As At		As At	
			30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012			30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
(a)	<b>Investment in Equity Instruments</b>									
	Centrum Infrastructure & Realty Limited	Subsidiary	50,000	50,000	Unquoted - Non-Trade	Fully paid	10	10	500,000	500,000
	Centrum Wealth Management Limited	Subsidiary	50,000	50,000	Unquoted - Non-Trade	Fully paid	10	10	500,000	500,000
	Centrum Financial Services Limited	Subsidiary	4,750,000	4,750,000	Unquoted - Non-Trade	Fully paid	10	10	90,499,952	90,500,000
	Accounts Receivables Management Services (I) Limited	Subsidiary	40,000	40,000	Unquoted - Non-Trade	Fully paid	10	10	400,000	400,000
	CentrumDirect Limited	Subsidiary	5,904,434	5,904,434	Unquoted - Non-Trade	Fully paid	10	10	1,133,471,490	1,133,471,490
	Centrum Broking Limited	Subsidiary	19,290,669	19,290,669	Unquoted - Non-Trade	Fully paid	10	10	815,523,945	815,523,945
	Commonwealth Centrum Advisors Limited	Joint Venture	3,305,282	3,305,282	Non-Trade	Fully paid	10	10	19,809,794	19,809,794
	Centrum Securities Private Limited	Associate	100,000	100,000	Unquoted - Non-Trade	Fully paid	10	10	1,000,000	1,000,000
	Essel Centrum Holdings Limited	Associate	500,000	500,000	Unquoted - Non-Trade	Partly paid	10	10	1,000,000	1,000,000
	Centrum Capital Holdings LLC	100% Interest in LLC			Non-Trade				19,428,125	30,686,675
	Centrum Securities (Europe) Limited (Refer note 42)	100% Interest in LLC			Non-Trade				-	532,879
	Nikumbh Dairy Products Limited	Others	4,000	4,000	Quoted - Non-Trade	Fully paid	10	10	109,500	109,500
	Birla Transasia Carpets Limited	Others	9,100	9,100	Quoted - Non-Trade	Fully paid	10	10	153,159	153,159
	Kaiser Press Limited	Others	500	500	Quoted - Non-Trade	Fully paid	10	10	5,000	5,000
	Dynemic Products Limited	Others	10,000	10,000	Quoted - Non-Trade	Fully paid	10	10	350,000	350,000
	Lumax Auto Technologies Limited	Others	5,000	5,000	Quoted - Non-Trade	Fully paid	10	10	225,000	225,000
Jagjani Textiles	Others	10,000	10,000	Quoted - Non-Trade	Fully paid	10	10	250,000	250,000	
Hilton Metal Forging Limited	Others	5,000	5,000	Quoted - Non-Trade	Fully paid	10	10	350,000	350,000	
Rap Media Limited	Others	608,550	608,550	Quoted - Non-Trade	Fully paid	10	10	12,104,675	12,104,675	
Softchip Technologies Limited	Others	907,200	907,200	Unquoted - Non-Trade	Fully paid	10	10	9,072,000	9,072,000	
Pan India Motors Private Limited	Others	11,800,000	11,800,000	Unquoted - Non-Trade	Fully paid	10	10	43,000,000	43,000,000	
							<b>Total</b>	<b>2,147,752,640</b>	<b>2,159,544,117</b>	
(b)	<b>Investment in Preference shares</b>									
	Indra Investments Advisory Private Limited	Others	100,000	100,000	Unquoted - Non-Trade	Fully paid	100	100	10,000,000	10,000,000
	SRR Consultants Private Limited	Others	10,000	10,000	Unquoted - Non-Trade	Fully paid	10	10	10,000,000	10,000,000
	Ray Realtors Private Limited	Others	20,000	20,000	Unquoted - Non-Trade	Fully paid	10	10	5,000,000	5,000,000
							<b>Total</b>	<b>25,000,000</b>	<b>25,000,000</b>	
							<b>Grand Total</b>	<b>2,172,752,640</b>	<b>2,184,544,117</b>	
										<b>Less : Provision for diminution in value of investments</b>
							<b>Net Total</b>	<b>2,170,550,362</b>	<b>2,182,341,839</b>	

Aggregate Value of Quoted Investments [Market value of 6,659,714/- (Previous year 12,627,413/-)]	13,547,334
Aggregate Value of Unquoted Investments	2,159,205,306
Aggregate Provision for diminution in value of investments	2,202,278

# Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Note 12 : LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED)</b>		
<b>Deposits</b>	70,059,244	70,611,029
	70,059,244	70,611,029
<b><u>Included in Deposits are:</u></b>		
Dues from Enterprise controlled by Key Management Personnel Businessmatch Services (India) Private Limited [ Maximum amount outstanding during the year ₹ 3,000,000/- (Previous Year ₹ 3,000,000/- ) Dues from Key Management Personnel	3,000,000	3,000,000
-Chandir Gidwani [ Maximum amount outstanding during the year ₹ 3,000,000/- (Previous Year ₹ 3,000,000/- )	3,000,000	3,000,000
<b>Loan &amp; advances to related parties</b>		
Centrum Capital Holding LLC [ Maximum amount outstanding during the year ₹ 5,885,203 /- (Previous Year ₹ 5,535,351/- )	5,885,203	5,535,351
	5,885,203	5,535,351
<b>Advance for purchase of shares</b>		
Advance for purchase of shares pending transfer	10,000,000	10,000,000
	10,000,000	10,000,000
<b>Other Loans and Advances</b>		
Advance Tax & Tax Deducted at Source (Net of provision for tax ₹ 327,382,319/- (Previous Year ₹ 292,936,511/- )	137,427,338	98,833,364
	137,427,338	98,833,364
<b>TOTAL</b>	<b>223,371,785</b>	<b>184,979,744</b>

	As at 30 <sup>th</sup> June, 2013		As at 30 <sup>th</sup> June, 2012	
	Quantity (Units)	Amount (₹)	Quantity (Units)	Amount (₹)
<b>Note 13 : INVENTORIES</b>				
<b><u>Inventories (at lower of cost and net realisable value)</u></b>				
<b>Unquoted bonds</b>				
0% NABARD 2019	-	-	12	133,200
08.72% SAIL 2020	8	7,981,065	-	-
8.80% REC 2020	5	5,186,267	-	-
11.08% LIC Housing 2018	1	1,152,212	-	-

# Notes forming part of the financial statements

	As at 30 <sup>th</sup> June, 2013		As at 30 <sup>th</sup> June, 2012	
	Quantity (Units)	Amount (₹)	Quantity (Units)	Amount (₹)
10.65% Indiabulls Financial Services 2027	15	1,456,500	-	-
08.90% IDFC 2025	14	14,968,052	-	-
10.75% Shriram Transport Fin 2020	23	22,728,600	-	-
11.40% Tata Power Perpetual	1	1,082,805	-	-
09.75% IFCI 2030	4	4,030,904	-	-
08.65% West Bengal SDL 2021	150,000	15,866,583	-	-
<b>TOTAL</b>	<b>150,071</b>	<b>74,452,988</b>	<b>12</b>	<b>133,200</b>

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Note 14- TRADE RECEIVABLES</b>		
<b>(UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED)</b>		
<b>Trade Receivables outstanding for a period exceeding six months</b>		
Considered good	251,568,699	163,713,417
Considered doubtful	80,334,043	53,454,100
	<b>331,902,742</b>	<b>217,167,517</b>
<b>Trade Receivables outstanding for a period less than six months</b>		
Considered good	110,051,306	329,852,763
	<b>441,954,048</b>	<b>547,020,280</b>
Less : Provision for doubtful debts	80,334,043	53,454,100
<b>TOTAL</b>	<b>361,620,005</b>	<b>493,566,180</b>
<b>Note 15- CASH AND BANK BALANCES</b>		
<b>Cash and Cash equivalents</b>		
Balances with Banks	5,451,254	10,471,350
Cash on Hand including foreign currencies	637,622	707,237
<b>Other Bank Balances</b>		
Earmarked Balances With Banks		
Unpaid dividend accounts	91,138	96,218
<b>TOTAL</b>	<b>6,180,014</b>	<b>11,274,805</b>
<b>Note 16- SHORT TERM LOANS AND ADVANCES</b>		
<b>(UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED)</b>		
<b>Loans and Advances to related parties</b>		
Centrum Wealth Management Limited [(Maximum amount outstanding during the year ₹ 343,282,233 (Previous year ₹ 178,435,585)]	327,280,258	178,001,529
Centrum Financial Services Limited [(Maximum amount outstanding during the year ₹ 202,532,532 (Previous year ₹ 315,000,000)]	3,812,256	-

# Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
Centrum Infrastructure & Realty Limited [(Maximum amount outstanding during the year ₹ 97,757,777 (Previous year ₹ 124,591,889))]	72,250,413	93,001,114
Centrum Fiscal Private Limited [(Maximum amount outstanding during the year ₹ 100,000 (Previous year ₹ 100,000))]	100,000	100,000
Centrum Securities Private Limited [(Maximum amount outstanding during the year ₹ 1,625,000 (Previous year ₹ 1,153,696))]	1,625,000	625,000
Centrum ESPS Trust [(Maximum amount outstanding during the year ₹ 306,225,000 (Previous year ₹ 306,225,000))]	306,225,000	306,225,000
Centrum Broking Limited [(Maximum amount outstanding during the year ₹ 67,044,297 (Previous year ₹ 169,951,000))]	32,394,298	11,603,092
	<b>743,687,225</b>	<b>589,555,735</b>
<b>Loans to employees and others</b>	<b>3,843,000</b>	<b>5,175,216</b>
Considered doubtful	3,000,000	-
	6,843,000	5,175,216
Less: Provision for doubtful advances	3,000,000	-
	<b>3,843,000</b>	<b>5,175,216</b>
<b>Other Loans and Advances</b>		
Pre-Paid Expenses	2,979,293	2,383,820
Other Loans and advances		
Considered good	74,625,195	47,573,142
Considered doubtful	453,488	453,488
	75,078,683	48,026,630
Less: Provision for doubtful advances	453,488	453,488
	<b>74,625,195</b>	<b>47,573,142</b>
<b>TOTAL</b>	<b>825,134,713</b>	<b>644,687,913</b>
<b>Note 17- OTHER CURRENT ASSETS</b>		
Service tax (Input Credit Account)	6,050,800	2,567,341
Rent Receivable	15,355,603	6,411,913
Other Receivable	27,442,679	-
Interest Receivable	26,048,063	18,869,154
<b>TOTAL</b>	<b>74,897,145</b>	<b>27,848,408</b>

# Notes forming part of the financial statements

(₹)

Particulars	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
<b>NOTE 18 - REVENUE FROM OPERATIONS:</b>		
Syndication, Commission & Brokerage	625,289,470	527,324,901
Trading in Bonds (net)	35,090,897	24,864,865
<b>TOTAL</b>	<b>660,380,367</b>	<b>552,189,766</b>
<b>NOTE 19 - OTHER INCOME</b>		
Interest		
Others	47,796,024	32,939,372
Dividend income		
Dividend on Equity Shares - Non-trade	44,250	89,556
Dividend on Preference Shares - Non-trade	100,000	100,000
Long Term Capital Gain - Equity Shares	-	14,550,816
Foreign exchange gain (net)	-	2,670,062
Sundry Balances Written Back	3,723,896	-
Other Income	-	30,349
<b>TOTAL</b>	<b>51,664,170</b>	<b>50,380,155</b>
<b>NOTE 20 - EMPLOYEE BENEFITS EXPENSE</b>		
Salaries wages and bonus	163,275,880	232,450,806
Contribution to provident & other funds		
E.S.I.C.	13,944	15,005
Provident Fund	7,360,468	7,381,275
Gratuity Expenses	4,225,050	1,251,348
Compensated Absences	2,121,571	1,501,564
Staff welfare expenses	1,205,165	1,394,770
<b>TOTAL</b>	<b>178,202,078</b>	<b>243,994,768</b>
<b>NOTE 21 - FINANCE COSTS</b>		
Interest		
- on banks	21,634,417	29,989,765
- others	140,887,036	120,733,954
Bank charges	4,186,913	2,610,490
<b>TOTAL</b>	<b>166,708,366</b>	<b>153,334,209</b>



# Notes forming part of the financial statements

(₹)

Particulars	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
<b>NOTE 22 - OTHER EXPENSE</b>		
Rent	64,541,588	103,088,365
Rates & Taxes [including wealth tax ₹ 160,000/- (Previous year ₹ 160,000/-)]	1,813,663	15,792,847
Electricity	5,397,927	4,393,881
Foreign exchange loss (net)	115,525	-
Repair and maintenance - others	1,025,139	1,172,861
Insurance	489,344	631,518
Advertising	189,852	124,987
Business promotion	3,881,254	4,759,100
Meeting and seminars	529,188	188,281
Subscription and membership fees	985,938	1,588,782
Commission and brokerage	10,489,496	6,163,082
Travelling and conveyance	14,114,297	10,736,148
Vehicle Expenses	9,520,510	10,754,094
Communication costs	3,912,705	4,466,243
Printing and stationery	900,989	1,593,795
Legal & professional fees	48,456,732	50,604,502
Office Expenses	9,036,882	6,431,110
Impairment of Investments	-	5,067,371
Bad Debts Written Off	252,120	1,837,656
Provision for Doubtful Debts	27,439,882	20,728,015
Director's sitting fees	881,267	520,000
Audit Fees	1,112,035	1,300,000
Sundry Balance Written Off	215,146	4,522
Donation and contributions to charitable institutions	60,100	100,000
Loss on sale of fixed assets (net)	1,234,459	-
Miscellaneous expenses	298,164	570,147
<b>TOTAL</b>	<b>206,894,202</b>	<b>252,617,307</b>

# Notes forming part of the financial statements

## 23. Segment Information

### Business Segment

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 is relatively insignificant. Accordingly, secondary segment disclosures based on geographic segments have not been reported.

Segment information for the year ended 30<sup>th</sup> June, 2013

(i) Information about Primary business Segments.

Particulars	Investment Banking		Trading in Bonds		Unallocated		Total	
	June 2013	June 2012	June 2013	June 2012	June 2013	June 2012	June 2013	June 2012
<b>Revenue</b>								
Income from operations	625,289,470	527,324,901	35,090,897	24,864,865	51,664,170	50,380,155	712,044,538	602,569,921
Total revenue	625,289,470	527,324,901	35,090,897	24,864,865	51,664,170	50,380,155	712,044,538	602,569,921
<b>Result</b>								
Segment result	284,416,171	98,594,038	(50,127,428)	(82,317,851)	51,664,170	50,380,155	285,952,913	66,656,342
Interest expense	14,110,646	22,655,970	7,557,203	8,233,795	140,853,604	119,833,954	162,521,453	150,723,719
Profit/(Loss) before taxation, Exceptional and prior period items "	270,305,525	75,938,067	(57,684,630)	(90,551,645)	(89,189,434)	(69,453,799)	123,431,460	(84,067,377)
Exceptional Items	-	-	-	-	30,205,459	-	30,205,459	-
Profit/(Loss) before taxation and prior period items "							153,636,919	(84,067,377)
Tax expenses	-	-	-	-	16,500,005	13,249,346	16,500,005	13,249,346
Net Profit/(Loss)							137,136,914	(97,316,723)
<b>Other Information</b>								
Segment assets	557,560,886	707,325,334	107,214,649	38,026,398	3,235,932,748	2,979,468,440	3,900,708,283	3,724,820,171
Total Assets	557,560,886	707,325,334	107,214,649	38,026,398	3,235,932,748	2,979,468,440	3,900,708,283	3,724,820,171
Segment liabilities	80,510,282	133,440,380	78,599,075	21,710,435	1,317,077,915	1,282,285,260	1,476,187,272	1,437,436,076
Total liabilities	80,510,282	133,440,380	78,599,075	21,710,435	1,317,077,915	1,282,285,260	1,476,187,272	1,437,436,076
Capital expenditure	4,127,039	5,937,725	1,031,760	887,246	-	-	5,158,799	6,824,971
Depreciation	28,447,442	30,144,202	7,111,860	5,319,565	-	-	35,559,302	35,463,767
Amortisation	999,303	1,043,160	249,826	184,087	-	-	1,249,129	1,227,247
Provision for bad and doubtful debt and bad debts written off	27,907,148	22,565,671	-	-	-	-	27,907,148	22,565,671

- (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.

# Notes forming part of the financial statements

## 24. Related Party Disclosures

### (i) Names of Related Parties

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	<ul style="list-style-type: none"> <li>- Centrum Infrastructure &amp; Realty Limited</li> <li>- Centrum Financial Services Limited</li> <li>- Centrum Wealth Management Limited</li> <li>- CentrumDirect Limited</li> <li>- Accounts Receivables Management Services (I) Limited</li> <li>- Centrum Capital Holdings LLC</li> <li>- Centrum Broking Limited</li> </ul>
Stepdown Subsidiaries	<ul style="list-style-type: none"> <li>- Club 7 Holidays Limited (Subsidiary of CentrumDirect Limited)</li> <li>- Centrum Securities LLC (Subsidiary of Centrum Capital Holdings LLC)</li> </ul>
Joint Ventures	<ul style="list-style-type: none"> <li>- Commonwealth Centrum Advisors Limited</li> </ul>
Names of other related parties with whom transactions have taken place during the year	
Enterprise controlled by Key Management Personnel	<ul style="list-style-type: none"> <li>- Businessmatch Services (India) Private Limited</li> <li>- Sonchajyo Investments &amp; Finance Private Limited</li> </ul>
Associates / entities where company has significant influence	<ul style="list-style-type: none"> <li>- Centrum Securities Private Limited</li> <li>- Essel Centrum Holdings Limited</li> </ul>
Key Management Personnel	<ul style="list-style-type: none"> <li>- Mr. T. R. Madhavan, Executive Chairman (resigned w.e.f 1<sup>st</sup> November, 2012)</li> <li>- Mr. P. R. Kalyanaraman, Managing Director (appointed w.e.f 1<sup>st</sup> November, 2012)</li> <li>- Mr. Chandir Gidwani, Non Executive Director</li> </ul>



Nature of transaction	Joint Ventures		Subsidiary Companies		Fellow Subsidiary Companies		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2011-12
<b>Business Promotion Expenses</b>															
Club 7 Holidays Limited	-	-	-	-	591,697	-	-	-	-	-	-	-	-	-	591,697
<b>Total</b>	-	-	-	-	<b>591,697</b>	-	-	-	-	-	-	-	-	-	<b>591,697</b>
<b>Purchase of Foreign currency</b>															
CentrumDirect Limited	-	-	1,094,499	1,628,497	-	-	-	-	-	-	-	-	-	-	1,094,499
<b>Total</b>	-	-	<b>1,094,499</b>	<b>1,628,497</b>	-	-	-	-	-	-	-	-	-	-	<b>1,094,499</b>
<b>Rent Income</b>															
Centrum Wealth Management Ltd.	-	-	29,499,904	19,379,051	-	-	-	-	-	-	-	-	-	-	29,499,904
CentrumDirect Limited	-	-	7,099,068	4,141,123	-	-	-	-	-	-	-	-	-	-	7,099,068
Centrum Financial Services Limited	-	-	1,647,210	680,298	-	-	-	-	-	-	-	-	-	-	1,647,210
Centrum Infrastructure & Realty Ltd.	-	-	1,647,210	680,298	-	-	-	-	-	-	-	-	-	-	1,647,210
Centrum Broking Limited	-	-	10,022,490	8,583,315	-	-	-	-	-	-	-	-	-	-	10,022,490
<b>Total</b>	-	-	<b>49,915,883</b>	<b>33,464,085</b>	-	-	-	-	-	-	-	-	-	-	<b>49,915,883</b>
<b>Outstanding payable on purchase of Forex</b>															
CentrumDirect Limited	-	-	-	762,791	-	-	-	-	-	-	-	-	-	-	762,791
<b>Total</b>	-	-	-	<b>762,791</b>	-	-	-	-	-	-	-	-	-	-	<b>762,791</b>
<b>Outstanding payable on purchase of Air Tickets</b>															
Club 7 Holidays Limited	-	-	-	-	8,076,462	-	-	-	-	-	-	-	-	-	8,076,462
<b>Total</b>	-	-	-	-	<b>8,076,462</b>	-	-	-	-	-	-	-	-	-	<b>8,076,462</b>
<b>Reimbursement of Expenses</b>															
Commonwealth Centrum Advisors Ltd.	-	-	-	53,800	-	-	-	-	-	-	-	-	-	-	53,800
<b>Total</b>	-	-	-	<b>53,800</b>	-	-	-	-	-	-	-	-	-	-	<b>53,800</b>
<b>Conversion of Short term loan into Equity shares</b>															
Centrum Broking Limited	-	-	-	170,000,000	-	-	-	-	-	-	-	-	-	-	170,000,000
<b>Total</b>	-	-	-	<b>170,000,000</b>	-	-	-	-	-	-	-	-	-	-	<b>170,000,000</b>
<b>Conversion of Preference Shares into Equity shares</b>															
Centrum Broking Limited	-	-	-	550,000,000	-	-	-	-	-	-	-	-	-	-	550,000,000
<b>Total</b>	-	-	-	<b>550,000,000</b>	-	-	-	-	-	-	-	-	-	-	<b>550,000,000</b>
<b>Sale / Impairment of Investment</b>															
Centrum Securities (Europe) Ltd.	-	-	-	10,667,621	-	-	-	-	-	-	-	-	-	-	10,667,621
<b>Total</b>	-	-	-	<b>10,667,621</b>	-	-	-	-	-	-	-	-	-	-	<b>10,667,621</b>

Nature of transaction	Joint Ventures		Subsidiary Companies		Fellow Subsidiary Companies		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2011-12
<b>Demat Charges</b>															
Centrum Broking Limited	-	-	1,050	1,679	-	-	-	-	-	-	-	-	-	-	1,050
<b>Total</b>	-	-	<b>1,050</b>	<b>1,679</b>	-	-	-	-	-	-	-	-	-	-	<b>1,050</b>
<b>Rent Expenses</b>															
Businessmatch Services (India) Private Limited	-	-	-	-	-	-	1,552,499	1,665,446	-	-	-	-	-	-	1,552,499
CentrumDirect Limited	-	-	3,245,568	8,780,418	-	-	-	-	-	-	-	-	-	-	3,245,568
<b>Total</b>	-	-	<b>3,245,568</b>	<b>8,780,418</b>	-	-	<b>1,552,499</b>	<b>1,665,446</b>	-	-	-	-	-	-	<b>4,798,067</b>
<b>Electricity Expenses</b>															
CentrumDirect Limited	-	-	563,186	-	-	-	-	-	-	-	-	-	-	-	563,186
<b>Total</b>	-	-	<b>563,186</b>	-	-	-	-	-	-	-	-	-	-	-	<b>563,186</b>
<b>Interest Income</b>															
Centrum Financial Services Limited	-	-	6,036,220	1,027,880	-	-	-	-	-	-	-	-	-	-	6,036,220
Centrum Wealth Management Ltd.	-	-	37,038,096	15,398,240	-	-	-	-	-	-	-	-	-	-	37,038,096
Centrum Broking Limited	-	-	3,741,387	16,217,791	-	-	-	-	-	-	-	-	-	-	3,741,387
Centrum Securities Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	177,637
Centrum infrastructure & Reality Ltd.	-	-	-	187,774	-	-	-	-	-	-	-	-	-	-	187,774
<b>Total</b>	-	-	<b>46,815,703</b>	<b>32,831,685</b>	-	-	-	-	-	-	-	-	-	-	<b>46,993,340</b>
<b>Interest Expenses</b>															
CentrumDirect Limited	-	-	45,314,762	15,746,973	-	-	-	-	-	-	-	-	-	-	45,314,762
Centrum Financial Services Limited	-	-	-	17,812,247	-	-	-	-	-	-	-	-	-	-	17,812,247
<b>Total</b>	-	-	<b>45,314,762</b>	<b>33,559,220</b>	-	-	-	-	-	-	-	-	-	-	<b>45,314,762</b>
<b>Directors sitting Fees</b>															
Mr. Chandir Gidwani	-	-	-	-	-	-	-	-	160,000	80,000	-	-	-	-	160,000
Mr. Rajesh Navavaty	-	-	-	-	-	-	-	-	260,000	-	-	-	-	-	260,000
Mr. Rishad Byramjee	-	-	-	-	-	-	-	-	240,000	-	-	-	-	-	240,000
Mr. Dhanpal Jhaveri	-	-	-	-	-	-	-	-	20,000	-	-	-	-	-	20,000
Mr. Ameet Naik	-	-	-	-	-	-	-	-	80,000	-	-	-	-	-	80,000
Mr. Rashid Kidwai	-	-	-	-	-	-	-	-	20,000	-	-	-	-	-	20,000
Mr. Manmohan Shetty	-	-	-	-	-	-	-	-	40,000	-	-	-	-	-	40,000
Mr. Subimal Bhattacharjee	-	-	-	-	-	-	-	-	20,000	-	-	-	-	-	20,000
Mr. R. S. Reddy	-	-	-	-	-	-	-	-	20,000	-	-	-	-	-	20,000
<b>Total</b>	-	-	-	-	-	-	-	-	<b>860,000</b>	<b>80,000</b>	-	-	-	-	<b>860,000</b>

Nature of transaction	Joint Ventures		Subsidiary Companies		Fellow Subsidiary Companies		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total	Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	
<b>Professional Fees Expenses</b>																	
CentrumDirect Limited	-	-	-	1,272,450	-	-	-	-	-	-	-	-	-	-	-	1,272,450	-
Sonchajyo Investment and Finance Private Limited	-	-	-	-	-	367,785	1,200,000	367,785	-	-	-	-	-	-	1,200,000	367,785	-
<b>Total</b>	-	-	-	<b>1,272,450</b>	-	<b>367,785</b>	<b>1,200,000</b>	<b>367,785</b>	-	-	-	-	-	-	<b>1,200,000</b>	<b>1,640,235</b>	-
<b>Managerial Remuneration</b>																	
Mr. T. R. Madhavan	-	-	-	-	-	-	-	-	1,973,200	5,880,000	-	-	-	-	1,973,200	5,880,000	-
Mr. P. R. Kalyanaraman	-	-	-	-	-	-	-	-	3,421,553	-	-	-	-	-	3,421,553	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	<b>5,394,753</b>	<b>5,880,000</b>	-	-	-	-	<b>5,394,753</b>	<b>5,880,000</b>	-
<b>Other Remuneration</b>																	
Ms. Sonia Gidwani	-	-	-	-	-	-	-	-	-	-	5,711,566	-	-	-	5,711,566	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	<b>5,711,566</b>	-	-	-	<b>5,711,566</b>	-	-
<b>Amount Receivable year ended June 30, 2013</b>																	
Shares Trading a/c																	
Centrum Broking Limited	-	-	67,668	84,390	-	-	-	-	-	-	-	-	-	-	67,668	84,390	-
<b>Total</b>	-	-	<b>67,668</b>	<b>84,390</b>	-	-	-	-	-	-	-	-	-	-	<b>67,668</b>	<b>84,390</b>	-
<b>Rent Receivable</b>																	
CentrumDirect Limited	-	-	1,774,767	-	-	-	-	-	-	-	-	-	-	-	1,774,767	-	-
Centrum Wealth Management Ltd.	-	-	7,153,991	20,309,837	-	-	-	-	-	-	-	-	-	-	7,153,991	20,309,837	-
Centrum Infrastructure & Realty Ltd.	-	-	220,020	680,298	-	-	-	-	-	-	-	-	-	-	220,020	680,298	-
Centrum Financial Services Limited	-	-	220,020	680,298	-	-	-	-	-	-	-	-	-	-	220,020	680,298	-
Centrum Broking Limited	-	-	4,295,353	7,724,983	-	-	-	-	-	-	-	-	-	-	4,295,353	7,724,983	-
<b>Total</b>	-	-	<b>13,664,151</b>	<b>29,395,416</b>	-	-	-	-	-	-	-	-	-	-	<b>13,664,151</b>	<b>29,395,416</b>	-
<b>Interest Receivable</b>																	
Centrum Financial Services Limited	-	-	3,333,023	2,170,484	-	-	-	-	-	-	-	-	-	-	3,333,023	2,170,484	-
Centrum Wealth Management Ltd.	-	-	20,227,620	14,627,810	-	-	-	-	-	-	-	-	-	-	20,227,620	14,627,810	-
Centrum Broking Limited	-	-	1,188,461	602,833	-	-	-	-	-	-	-	-	-	-	1,188,461	602,833	-
Centrum Securities Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	245,055	131,691	245,055	131,691	-
Centrum Infrastructure & Realty Ltd.	-	-	-	282,430	-	-	-	-	-	-	-	-	-	-	-	282,430	-
<b>Total</b>	-	-	<b>24,749,104</b>	<b>17,683,557</b>	-	-	-	-	-	-	-	-	<b>245,055</b>	<b>131,691</b>	<b>24,994,158</b>	<b>17,815,248</b>	-

Nature of transaction	Joint Ventures		Subsidiary Companies		Fellow Subsidiary Companies		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2011-12
<b>Security Deposits</b>															
Businessmatch Services (India) Private Limited	-	-	-	-	-	-	3,000,000	3,000,000	-	-	-	-	-	-	3,000,000
Mr. Chandir Gidwani	-	-	-	-	-	-	-	3,000,000	3,000,000	-	-	-	-	-	3,000,000
<b>Total</b>	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000	-	-	-	-	6,000,000
<b>Loan/Advances receivable</b>															
Centrum Wealth Management Ltd.	-	-	327,280,258	169,021,000	-	-	-	-	-	-	-	-	-	-	327,280,258
Centrum Broking Limited	-	-	32,394,298	11,603,092	-	-	-	-	-	-	-	-	-	-	32,394,298
Centrum Financial Services Limited	-	-	3,812,256	-	-	-	-	-	-	-	-	-	-	-	3,812,256
Centrum Infrastructure & Realty Ltd.	-	-	72,250,413	92,320,816	-	-	-	-	-	-	-	-	-	-	72,250,413
Centrum Securities (Europe) Limited	-	-	532,879	-	-	-	-	-	-	-	-	-	-	-	532,879
Centrum Securities Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,625,000
Centrum ESPS Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	306,225,000
Centrum Capital Holdings - LLC	-	-	5,885,203	5,535,351	-	-	-	-	-	-	-	-	-	-	5,885,203
<b>Total</b>	-	-	442,155,307	278,480,259	-	-	-	-	-	-	-	-	-	-	307,850,000
<b>Amount payable year ended June 30, 2013</b>															
Rent Payable															
CentrumDirect Limited	-	-	-	4,175,366	-	-	-	-	-	-	-	-	-	-	4,175,366
Businessmatch Services (India) Private Limited	-	-	-	-	-	-	964,645	-	-	-	-	-	-	-	964,645
<b>Total</b>	-	-	-	4,175,366	-	-	964,645	-	-	-	-	-	-	-	964,645
<b>Interest Payable</b>															
CentrumDirect Limited	-	-	12,112,675	15,437,713	-	-	-	-	-	-	-	-	-	-	12,112,675
Centrum Financial Services Ltd.	-	-	-	16,310,625	-	-	-	-	-	-	-	-	-	-	16,310,625
<b>Total</b>	-	-	12,112,675	31,748,338	-	-	-	-	-	-	-	-	-	-	12,112,675
<b>Loan/Advances payable</b>															
CentrumDirect Limited	-	-	153,665,181	136,680,119	-	-	-	-	-	-	-	-	-	-	153,665,181
Centrum Financial Services Limited	-	-	-	71,203,095	-	-	-	-	-	-	-	-	-	-	71,203,095
<b>Total</b>	-	-	153,665,181	207,883,214	-	-	-	-	-	-	-	-	-	-	153,665,181
<b>Total</b>															



Nature of transaction	Joint Ventures		Subsidiary Companies		Fellow Subsidiary Companies		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Investment in shares / Interest in the Limited Liability Co. (LLC)</b>																
Centrum Broking Limited	-	-	-	743,526,945	-	-	-	-	-	-	-	-	-	-	-	743,526,945
Centrum Financial Services Limited	-	-	-	805,000,000	-	-	-	-	-	-	-	-	-	-	-	805,000,000
Commonwealth Centrum Advisors Limited	-	4,917,624	-	-	-	-	-	-	-	-	-	-	-	-	-	4,917,624
<b>Total</b>	-	<b>4,917,624</b>	-	<b>1,548,526,945</b>	-	-	-	-	-	-	-	-	-	-	-	<b>1,553,444,569</b>
<b>Corporate Guarantees given during the year</b>																
Centrum Broking Limited	-	-	-	307,500,000	-	-	-	-	-	-	-	-	-	-	-	307,500,000
CentrumDirect Limited	-	-	-	660,000,000	-	-	-	-	-	-	-	-	-	-	-	660,000,000
<b>Total</b>	-	-	-	<b>967,500,000</b>	-	-	-	-	-	-	-	-	-	-	-	<b>967,500,000</b>
<b>Guarantees outstanding at the year end</b>																
<b>Corporate Guarantee given</b>																
Centrum Broking Limited	-	-	307,500,000	-	-	-	-	-	-	-	-	-	-	-	-	307,500,000
CentrumDirect Limited	-	-	660,000,000	-	-	-	-	-	-	-	-	-	-	-	-	660,000,000
<b>Total</b>	-	-	<b>967,500,000</b>	<b>967,500,000</b>	-	-	-	-	-	-	-	-	-	-	-	<b>967,500,000</b>
<b>Investments in Equity Shares as on 30<sup>th</sup> June, 2013</b>																
Centrum Infrastructure & Realty Limited	-	-	500,000	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
Centrum Wealth Management Ltd.	-	-	500,000	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
Centrum Financial Services Limited	-	-	90,500,000	90,500,000	-	-	-	-	-	-	-	-	-	-	-	90,500,000
Accounts Receivables Management Services (I) Limited	-	-	400,000	400,000	-	-	-	-	-	-	-	-	-	-	-	400,000
CentrumDirect Limited	-	-	1,133,471,490	1,133,471,490	-	-	-	-	-	-	-	-	-	-	-	1,133,471,490
Centrum Broking Limited	-	-	815,523,945	815,523,945	-	-	-	-	-	-	-	-	-	-	-	815,523,945
Commonwealth Centrum Advisors Limited	19,809,794	19,809,794	-	-	-	-	-	-	-	-	-	-	-	-	-	19,809,794
Centrum Securities Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	-	1,000,000
Essel Centrum Holdings Limited	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	-	1,000,000
Centrum Capital Holdings LLC	-	-	19,428,125	30,686,675	-	-	-	-	-	-	-	-	-	-	-	30,686,675
Centrum Securities (Europe) Limited	-	-	-	532,879	-	-	-	-	-	-	-	-	-	-	-	532,879
<b>Total</b>	<b>19,809,794</b>	<b>19,809,794</b>	<b>2,060,323,560</b>	<b>2,072,114,989</b>	-	-	-	-	-	-	-	-	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,082,133,354</b>	<b>2,093,924,783</b>

# Notes forming part of the financial statements

## 25. Operating lease

- i) The Company has entered into cancellable leasing arrangements for corporate and branch offices and residential premises. The lease rentals of ₹ 2,250,358/- (previous year ₹ 8,294,230/-) have been included under the head Rent under Note 14 of Statement of Profit and Loss.
- ii) The Company has also entered into non-cancellable leasing arrangement for corporate office.

(₹)

Particulars	1 <sup>st</sup> July, 2012 – 30 <sup>th</sup> June, 2013	1 <sup>st</sup> July, 2011 – 30 <sup>th</sup> June, 2012
Lease rental paid*	112,748,243	123,535,300
	<b>As at 30<sup>th</sup> June, 2013</b>	<b>As at 30<sup>th</sup> June, 2012</b>
<b>Future minimum lease payments are as under:</b>		
Payment not later than one year	106,022,280	52,784,336
Payment later than one year but not later than five years	277,902,837	-
Payment later than 5 years	-	-

Note: \* Includes Rent amounting to ₹ 50,457,013/- (P.Y ₹ 28,741,166/-) which company has inturn recovered from its group companies.

### 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 ₹ 9,977,527/- per month for the period July, 2012 to November, 2012. The lease rent was revised in December 2012 and consequently the lease rent payable(excluding amenities) is ₹ 8,584,800/- per month for the period 1<sup>st</sup> December, 2012 to 30<sup>th</sup> June, 2013.

The lease term is for a period of 4 years with a lock in period of 12 months and thereafter 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.

## 26. Interest in joint venture

The Company have 50% interest in Commonwealth Centrum Advisors Limited Accordingly, the following disclosures include Balance Sheet as well as Profit & Loss numbers of Commonwealth Centrum Advisors Limited.

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Assets	22,741,881	19,807,405
Liabilities	(22,741,881)	(19,807,405)
Revenue	10,572,474	24,854
Other expenses	(8,617,510)	(4,700,665)
Profit/ (Loss) before tax	1,954,964	(4,675,812)

# Notes forming part of the financial statements

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Tax expenses	(179,770)	-
Other comprehensive income (net of tax)	1,217,815	3,588,562
Profit/ (Loss) after tax	2,993,009	(1,087,250)

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

The Company had allotted 409,686 Equity Shares of ₹ 10/- each at a premium of ₹ 740.05 per share aggregating to ₹ 750.05 per share to Centrum ESPS Trust during the financial year 2010-2011. The face value of ₹ 10/- per share payable on the said shares was received during year ended 2011. During the year ended June 2012 the company has received the premium amount payable on the said shares by using the proceeds of loan taken from the Company. 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.

## 28. (a) Contingent Liabilities not provided for

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Corporate Guarantees given by the company : - Subsidiary	967,500,000	967,500,000
Partly paid equity shares of Essel-Centrum Holdings Limited	4,000,000	4,000,000
Income Tax in respect of Assessment Year 2008-2009 in respect of which the Company has gone on appeal	2,696,060	2,696,060
Income Tax in respect of Assessment Year 2010-2011 in respect of which the Company has gone on appeal	11,310,700	-

28. (b) In view of assessment order received from income tax authorities demanding ₹ 2,696,060/- towards liability on account of disallowance under section 14A of Income Tax Act, 1961 for assessment year 2008-2009, based on the facts / merits of the case under question, the Company has duly preferred an appeal and also paid ₹ 1,348,030/- (i.e. 50% of the IT demand vide challan no 56091 dated 28<sup>th</sup> March 2011) and ₹ 500,000/- (Paid on 7<sup>th</sup> September 2011) and no provision is considered necessary by the management of the Company.

28. (c) In view of assessment order received from income tax authorities demanding ₹ 11,310,700/- primarily on account of disallowance under section 14A of Income Tax Act, 1961 for assessment year 2010-2011, based on the facts / merits of the case under question, the Company has duly preferred an appeal. Hence on the basis of facts of the case, no provision is considered necessary by the management of the Company.

# Notes forming part of the financial statements

## 29. 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 summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and funded status and amount recognized in the balance sheet for gratuity.

### Statement of Profit and Loss

#### Net employee benefit expense (Recognised in Employee Cost):

(₹)		
Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Current service cost	1,461,918	1,732,353
Interest cost on benefit obligation	648,379	567,820
Expected return on plan assets	(646,575)	(465,956)
Past Service Cost( non vested Benefit) Recognised	-	-
Past Service Cost (vested Benefit) Recognised	-	-
Recognition of transition liability	-	-
Net actuarial (gain) / loss recognised in the year	2,761,328	(582,869)
Net benefit expense	4,225,050	1,251,348

### Balance sheet

#### Details for provision for gratuity:

(₹)		
Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Liability at the end of the year	(11,056,509)	(7,627,991)
Fair Value of Plan Assets at the end of the year	6,826,157	7,518,314
Difference	(4,230,352)	(109,677)
Unrecognized past service cost	-	-
Unrecognized transition liability	-	-
Amount recognized in the Balance Sheet	(4,230,352)	(109,677)

# Notes forming part of the financial statements

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

( ₹ )		
Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Opening defined benefit obligation	7,627,991	6,882,664
Interest cost	648,379	567,820
Current service cost	1,461,918	1,732,353
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Settlement	-	-
Liability transfer in	-	-
Liability transfer out	-	-
Benefit paid	(1,438,459)	(1,021,857)
Actuarial (gain)/loss on obligation	2,756,680	(532,989)
Closing defined benefit obligation	11,056,509	7,627,991

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

( ₹ )		
Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Opening fair value of plan assets	7,518,314	5,824,444
Expected Return on Plan Assets	646,575	465,956
Contributions by employer	104,375	2,199,891
Benefit paid	(1,438,459)	(1,021,857)
Actuarial gain/(loss) on Plan Assets	(4,648)	49,880
Closing fair value of plan assets	6,826,157	7,518,314

**The Company expects to contribute ₹4,372,131/- to gratuity for the year 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2014(Previous year ₹ 1,571,595/-).**

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

( ₹ )		
Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
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.

# Notes forming part of the financial statements

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

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Discount rate	7.75%	8.25%
Expected rate of return on assets	8.70%	8.00%
Salary escalation	5.00%	5.00%
Employee turnover	5.00%	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:

(₹)

Particulars	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
	For the year ended 30 <sup>th</sup> June 2013	For the year ended 30 <sup>th</sup> June 2012	For the year ended 30 <sup>th</sup> June 2011	For the year ended 30 <sup>th</sup> June 2010	For the year ended 30 <sup>th</sup> June 2009
Defined benefit obligation	(11,056,509)	(7,627,991)	(6,882,664)	(4,238,758)	(3,230,917)
Plan assets	6,826,157	7,518,314	5,824,444	3,293,687	3,232,865
Surplus / (deficit)	(4,230,352)	(109,677)	(1,058,220)	(945,071)	1,948
Experience adjustments on plan liabilities	1,251,610	(362,679)	1,550,180	624,134	(1,118,135)
Experience adjustments on plan assets	(4,648)	49,880	43,033	202,737	(258,629)

## 30. Derivative Instruments and Un-hedged Foreign Currency Exposure

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

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Bank balance of Dubai Branch	1,589,459 (AED 97985.90 @ Closing rate of 1AED = ₹ 16.22)	498,460 (AED 35,776.90 @ Closing rate of 1AED = ₹ 15.2570)
Cash balance of Dubai Branch	54,421 (AED 3,354.90 @ Closing rate of 1AED = ₹ 16.22)	2,367 (AED 155.15 @ Closing rate of 1AED = ₹ 15.2570)
Loan & advances to related parties	5,885,203 (USD 98,750 @ Closing rate of 1USD = ₹ 59.5970)	5,535,352 (USD 98,750 @ Closing rate of 1USD = ₹ 56.0542)
Trade Receivable	6,692,743 (USD 112,300 @ Closing rate of 1USD = ₹ 59.5970)	-

# Notes forming part of the financial statements

## 31. Auditor's remuneration (excluding service tax & out of pocket expenses.)

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
For Statutory Audit	8,00,000	8,00,000
For Limited Review and Other Matters	3,80,000	5,40,000

## 32. 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:

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
<b>Deferred tax liabilities:</b>		
Difference between book and tax depreciation	880,132	5,650,187
On a/c of leasehold expenses claimed in IT	20,155,147	20,155,147
<b>Total (A)</b>	<b>21,035,279</b>	<b>25,805,334</b>
<b>Deferred tax (assets):</b>		
Provision for Gratuity	(1,372,538)	(35,585)
Provision for leave encashment	(1,522,289)	(1,317,999)
On a/c of Depreciation on leasehold in Company	(12,058,883)	(9,676,449)
On a/c of Provision for Bad debts	(27,037,730)	(17,343,183)
<b>Total (B)</b>	<b>(41,991,440)</b>	<b>(28,373,216)</b>
<b>Net deferred tax liability / (assets) (A - B)</b>	<b>(20,956,161)</b>	<b>(2,567,882)</b>

## 33. (a).Earnings in foreign exchange (Accrual basis)

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Commission / Syndication fees	6,039,870	17,489,143
<b>Total</b>	<b>6,039,870</b>	<b>17,489,143</b>

## (b). Expenditure in foreign currency (Accrual basis)

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Travelling	748,504	1,152,574
Professional Fees	559,550	-
Commission and Brokerage	235,645	-
Branch Expenses	20,899,910	24,012,879
<b>Total</b>	<b>22,443,609</b>	<b>25,165,453</b>

# Notes forming part of the financial statements

## 34. Earnings Per Share

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Profit after taxes (net of prior period items) before Extraordinary Items attributable to equity Shareholders	106,931,454	(97,316,723)
Add : Exceptional Items (Refer Note 36)	30,205,459	NIL
Profit after taxes (net of prior period items) after Extraordinary Items attributable to equity shareholders	137,136,913	(97,316,723)
<b>Weighted average number of equity shares issued and outstanding:</b>		
Weighted average number of equity shares at the end of the Year before share split and bonus issue (Face Value ₹ 10/-)	6,933,879	6,933,879
Weighted average number of equity shares after considering Shares Split (Face Value ₹ 1/-) (Refer Note 35)	69,338,790	6,933,879
Weighted average number of equity shares on account of Bonus issue (Face Value ₹ 1/-) (Refer Note 35)	346,693,950	346,693,950
Weighted average number of equity shares outstanding after considering Shares split and Bonus Issue (Face Value ₹ 1/-)	416,032,740	416,032,740
Basic and Diluted Earnings Per Share before Extraordinary Items	0.26	(0.23)
Basic and Diluted Earnings Per Share after Extraordinary Items	0.33	(0.23)
Nominal Value of Equity Shares	1/-	1/-

35. During the year, company had held Extraordinary general meeting on 13<sup>th</sup> June 2013, wherein members have approved increase in authorized capital from ₹ 100,000,000 (Rupees Ten Crores) divided into 10,000,000 equity shares of ₹ 10/- each to ₹ 420,000,000 (Rupees Forty Two Crores) divided into 42,000,000 equity shares of ₹ 10 each.

Members have also approved sub division of Equity shares of Face Value of ₹ 10/- each into Equity shares of ₹ 1/- each and Issue of Bonus Equity Shares in the ratio of 5:1 after subdivision of shares. The subdivision was effective and simultaneous with the allotment of Bonus shares by the Board or as per the advice of the Stock Exchange. BSE has issued a notice vide Notice Number 20130619-23 dated 19<sup>th</sup> June, 2013 informing the Trading Members that record date for sub division and bonus issue will be on 4<sup>th</sup> July 2013.



## Notes forming part of the financial statements

Consequent upon which, subsequent to balance sheet date the company has sub divided equity share of ₹10/- each to 10 shares of ₹ 1/- each. Further vide board resolution dated 8<sup>th</sup> July 2013, company has allotted Bonus Shares in the proportion of 5 (Five) Equity Share of ₹ 1/- each for every 1 (One) Equity Share of ₹ 1/- each by capitalizing ₹ 346,693,950/- out of its Securities Premium Account.

Basic and diluted earning per Share (for current year and previous year) has been restated on the basis of new number of equity shares.

The Capital Structure giving effect to the above will be as follows.

Particulars	Amount (₹)
<b>SHARE CAPITAL</b>	
<b>AUTHORISED</b> 420,000,000 Equity shares of ₹ 1/-each	420,000,000
<b>TOTAL</b>	420,000,000
<b>ISSUED</b> 416,032,740 Equity shares of ₹1/- each	416,032,740
<b>SUBSCRIBED &amp; FULLY PAID UP</b> 416,032,740 Equity shares of ₹1/- each	416,032,740
<b>TOTAL</b>	416,032,740

36. During the year, BrihanMumbai Municipal Corporation (BMC) has made downward revision in property tax rate with retrospective effect from April 2010 and company being a beneficiary recognized the refund of ₹ 27,442,679/- against the property taxes paid for period April 2010 to March 2012 and reversal of ₹ 2,762,780/- for excess property tax provided for period April 2012 to June 2012.

The Company has recognized the same as income amounting to ₹ 30,205,459/- as shown in Statement of Profit and loss under the head exceptional items.

37. The Company has a 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.

# Notes forming part of the financial statements

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- 38.** Trade Receivables are subject to confirmations, reconciliations and adjustments, if any, arising there from.
- 39.** The Company has long outstanding trade receivable amounting to ₹ 45,832,632/-(P.Y. ₹ 64,953,975/-).Based on recent trends in collection, sale of pledge shares and status of ongoing lawsuit; the above amount, in view of the management, is fully recoverable and accordingly the same need not be subject to any provisioning.
- 40. (a)** Based on the audited financial statements of Centrum Broking Limited ('CBL' - audited by a firm of Chartered Accountants other than Haribhakti & Co.) for year ended 30<sup>th</sup> June, 2013, it has incurred losses of ₹ 44,948,659 (P.Y ₹ 157,374,186/-). Accordingly, on the basis of financial estimates provided by the management of CBL confirming fair valuation higher than the cost of Investments in CBL in the books of the Company and which is duly approved by the Audit Committee of the Board of Directors of the Company, the management of the Company believes that no impairment is necessitated in respect of said Investments.
- 40. (b)** Based on the audited financial statements of Centrum Infrastructure & Reality Limited ('CIRL' - audited by a firm of Chartered Accountants other than Haribhakti & Co.) for year ended 30<sup>th</sup> June, 2013, it has incurred losses of ₹ 13,092,746 (P.Y ₹14,615,068/-). Accordingly, on the basis of financial estimates provided by the management of CIRL confirming fair valuation higher than the cost of Investments in CIRL in the books of the Company and which is duly approved by the Audit Committee of the Board of Directors of the Company, the management of the Company believes that no impairment is necessitated in respect of said Investments.
- 40. (c)**Based on the audited financial statements of Centrum Wealth Management Limited ('CWML' - audited by a firm of Chartered Accountants other than Haribhakti & Co.) for year ended 30<sup>th</sup> June, 2013, it has incurred losses of ₹ 42,126,272 (P.Y ₹169,142,445/-). Accordingly, on the basis of financial estimates provided by the management of CWML confirming fair valuation higher than the cost of Investments in CWML in the books of the Company and which is duly approved by the Audit Committee of the Board of Directors of the Company, the management of the Company believes that no impairment is necessitated in respect of said Investments.
- 41.** The Company intends to opt for Service Tax Voluntary Compliance Encouragement Scheme (VCES), for short payment of service tax for the period from April 2012 to December 2012 amounting to ₹ 74,557,031/- wherein the above service tax liability can be paid in future years without any Interest and penalty thereon.
- 42.** During the previous year, the Company had initiated the process of liquidation of Centrum Securities (Europe) Limited, London, a Wholly Owned Subsidiary of the Company. Further as per the Statement of accounts from liquidator, the Company has written off ₹ 5,067,371/- in previous year and Euro 7136.45 (₹ 532,879/-) is recoverable against the balance of investments.

Further amount receivable of ₹ 532,879/-from Centrum Securities (Europe) Limited is shown under the head Investment in the previous year have been reclassified under the head Short Term Loans and Advances.

# Notes forming part of the financial statements

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## 43. Prior Year Comparatives

The Figures for the previous year have been regrouped/ rearranged wherever necessary to conform to current year's classification

**As per our report of even date**

**For Haribhakti & Co.  
Chartered Accountants  
Firm registration No.103523W**

**Sumant Sakhardande  
Partner  
Membership No.034828**

**Place : Mumbai**

**Date: 29<sup>th</sup> August, 2013**

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

**P. R. Kalyanaraman  
Managing Director**

**Alpesh Shah  
Company Secretary**

**Place : Mumbai**

**Date: 29<sup>th</sup> August, 2013**

**Chandir Gidwani  
Non Executive Chairman**

# Auditors' Report on Consolidated Financial Statements

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## ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CENTRUM CAPITAL LIMITED

### To the Board of Directors of Centrum Capital Limited

We have audited the accompanying consolidated financial statements of Centrum Capital Ltd (“the Company”) and its subsidiaries and Joint ventures, (collectively referred to as “the Group”) which comprise the consolidated balance sheet as at 30<sup>th</sup> June, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, “Consolidated financial statements” and Accounting Standard (AS) 27 “Financial Reporting of Interests in Joint Ventures” as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Centrum Capital Ltd and its subsidiaries & joint ventures.

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In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as mentioned in the 'Other Matter' paragraph below, the 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 30<sup>th</sup> June, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit 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.

**Emphasis of Matter**

We draw attention to Note No.43 of Notes to the Consolidated Financial Statements, regarding long outstanding trade receivable amounting to ₹ 45,832,632 (P.Y: ₹ 64,953,975), are subject to realization and upon which we are unable to comment on. The ultimate shortfall, if any, on realization / on account of non realization of such trade receivable, therefore cannot be quantified. Our opinion is not qualified in respect of this matter

**Other Matter**

We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 1,041,535,956 as at 30<sup>th</sup> June 2013, total revenues of ₹ 344,320,850 and net cash outflows amounting to ₹ 24,594,470 and of Joint Venture Company whose financial statements reflect total assets of ₹ 22,741,881 as at 30<sup>th</sup> June 2013, total revenues of ₹ 10,572,474 and net cash outflows amounting to ₹ 2,217,001 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

**For Haribhakti & Co.**

**Chartered Accountants**

**Firm's Registration No.103523W**

**Sumant Sakhardande**

**Partner**

**Membership No. 034828**

**Place: Mumbai**

**Date: 29<sup>th</sup> August, 2013**

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# Consolidated Balance Sheet as at 30<sup>th</sup> June, 2013

(₹)			
Particulars	Note	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	5	69,338,790	69,338,790
Reserves and surplus	6	2,259,871,241	2,117,356,149
		<b>2,329,210,031</b>	<b>2,186,694,939</b>
<b>Minority Interest</b>	31	9,186,237	6,459,311
<b>Non-current liabilities</b>			
Long-term borrowings	7	37,233,209	40,114,354
Long-term provisions	8	19,089,618	11,453,367
		<b>56,322,827</b>	<b>51,567,721</b>
<b>Current liabilities</b>			
Short-term borrowings	9	1,823,234,802	1,858,323,514
Trade Payables	10	510,509,904	372,098,505
Other current liabilities	11	625,707,667	463,390,920
Short-term provisions	12	9,675,020	4,725,682
		<b>2,969,127,393</b>	<b>2,698,538,622</b>
<b>TOTAL</b>		<b>5,363,846,488</b>	<b>4,943,260,595</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	13		
Tangible assets		224,958,838	311,931,146
Intangible assets		9,762,379	12,512,033
Capital work-in-progress		-	507,032
		<b>234,721,217</b>	<b>324,950,211</b>
Goodwill on consolidation		837,184,927	837,184,927
Non-current investments	14	95,614,356	102,584,766
Deferred tax assets (net)	35	248,306,699	112,562,053
Long-term loans and advances	15	917,021,068	892,976,263
		<b>2,332,848,267</b>	<b>2,270,258,220</b>
<b>Current assets</b>			
Current investments	16	2,332,848,267	2,270,258,220
Inventories	17	31,561,696	29,559,653
Trade receivables	18	74,455,969	136,003
Cash and Bank Balances	19	1,008,103,407	960,555,769
Short-term loans and advances	20	605,033,369	486,676,802
Other current assets	21	961,162,649	1,036,407,255
		<b>350,681,130</b>	<b>159,666,893</b>
		<b>3,030,998,220</b>	<b>2,673,002,375</b>
<b>TOTAL</b>		<b>5,363,846,488</b>	<b>4,943,260,595</b>

The accompanying notes 1 to 46 are an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co.  
Chartered Accountants  
Firm registration No.103523W

Sumant Sakhardande  
Partner  
Membership No.034828

Place : Mumbai  
Date: 29<sup>th</sup> August, 2013

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

P. R. Kalyanaraman  
Managing Director

Alpesh Shah  
Company Secretary

Place : Mumbai  
Date: 29<sup>th</sup> August, 2013

Chandir Gidwani  
Non Executive Chairman

# Consolidated Statement of Profit and Loss

for the year ended 30<sup>th</sup> June, 2013

(₹)

Particulars	Note	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
<b>Revenue</b>			
Revenue from Operations	22	28,259,149,364	30,018,507,745
Other Income	23	173,561,325	147,581,126
<b>Total Revenue</b>		<b>28,432,710,689</b>	<b>30,166,088,871</b>
<b>Expenses</b>			
Cost of Forex Sold		26,721,290,558	28,838,020,159
Share in Cost of Forex sold in Joint ventures		-	-
Employee benefits expense	24	645,138,705	647,374,261
Finance Costs	25	287,058,126	239,596,734
Depreciation/amortization	13	63,131,426	65,331,438
Other expenses	26	664,993,217	636,085,178
<b>Total Expenses</b>		<b>28,381,612,032</b>	<b>30,426,407,770</b>
<b>Profit before exceptional items and tax</b>		<b>51,098,657</b>	<b>(260,318,898)</b>
<b>Exceptional items (Refer Note 39)</b>		<b>49,944,075</b>	<b>-</b>
<b>Profit / (Loss) before tax</b>		<b>101,042,732</b>	<b>(260,318,898)</b>
<b>Tax Expenses</b>			
- Short Provision for Income tax			1,738,179
- Current tax		54,304,132	38,165,835
- MAT		35,985,191	28,600,000
- Deferred tax		(134,894,897)	(20,574,804)
Total Tax Expenses		(44,605,574)	47,929,210
<b>Profit after tax &amp; before prior period adjustments, share in loss of associates &amp; minority interest</b>		<b>145,648,306</b>	<b>(308,248,109)</b>
<b>Extraordinary item</b>			
Prior period adjustments		-	-
<b>Profit after tax, and before share in associates loss, minority interest</b>		<b>145,648,306</b>	<b>(308,248,109)</b>
Share in Loss of associates (Refer Note 41)		-	-
Minority interest		2,189,855	(5,235)
<b>Profit / (Loss) for the year</b>		<b>143,458,451</b>	<b>(308,253,344)</b>
Basic & Diluted earnings per share before Extra ordinary items (Refer Note 37) (Nominal Value of Shares ₹ 1 [Previous Year : ₹ 1] ) (Refer Note 38)		0.23	(0.74)
Basic & Diluted earnings per share after Extra ordinary items (Refer Note 37) (Nominal Value of Shares ₹ 1 [Previous Year : ₹ 1] ) (Refer Note 38)		0.35	(0.74)

The accompanying notes 1 to 46 are an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co.  
Chartered Accountants  
Firm registration No.103523W

Sumant Sakhardande  
Partner  
Membership No.034828

Place : Mumbai  
Date: 29<sup>th</sup> August, 2013

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

P. R. Kalyanaram  
Managing Director

Alpesh Shah  
Company Secretary

Place : Mumbai  
Date: 29<sup>th</sup> August, 2013

Chandir Gidwani  
Non Executive Chairman



# Consolidated Cash Flow Statement for the year ended 30<sup>th</sup> June, 2013

(₹)

Particulars	30 <sup>th</sup> June, 2013		30 <sup>th</sup> June, 2012	
<b>Cash Flow from Operating Activities:</b>				
<b>Net Profit before taxation</b>		101,042,732		(260,318,900)
Adjustments for:				
Depreciation and amortisation Expense	63,131,426		65,331,438	
Loss / (Profit) on sale of fixed assets	23,727,480		(1,227,966)	
Sundry balances written off	216,528		113,535	
Loss / (Gain) on Sale of Non Current Investments	(22,954,550)		(14,550,816)	
Impairment of Investments	2,470,362		7,417,754	
Interest Income	(184,644,905)		(112,606,529)	
Dividend Income from Non Current Investments	(2,584,457)		(207,140)	
Dividend Income from Current Investments	-		(2,014,875)	
Bad Debts written off	386,031		12,296,690	
Provision for doubtful debts	45,324,711		20,728,015	
Provision for Wealth Tax	160,000		160,000	
Finance Costs (Excl. Bank Charges)	275,337,796		231,142,024	
Sundry balances written back	(4,088,233)		1,325,251	
Provision for doubtful debts written back	-		1,151,843	
Foreign exchange Gain (net)	(2,234,959)	194,247,230	-	209,059,224
<b>Operating profit before working capital changes</b>		295,289,962		(51,259,676)
Adjustments for :				
Trade Receivables	(93,258,381)		(261,029,720)	
Inventories	(74,319,789)		26,613,148	
Loans and Advances & Other Current Assets	(51,659,539)		1,188,208	
Trade Payable	138,411,399		(51,564,755)	
Other Liabilities and Provisions	108,906,410	28,080,100	291,381,287	6,588,167
<b>Cash Generated from operations</b>		323,370,062		(44,671,509)
Direct taxes paid (including tax deducted at source)		(91,545,492)		(75,706,650)
<b>Net Cash from / (used) in Operating Activities</b>		231,824,570		(120,378,159)
<b>Cash Flow from Investing Activities:</b>				
Purchase of Fixed Assets	(14,259,913)		(72,371,602)	
Sale of Fixed Assets	17,630,000		5,017,253	
Investment of Fixed Deposits	(83,198,200)		(43,258,554)	
Deposits with other companies	-		(576,221,890)	
Sale of Non Current Investments	4,500,000		222,913,208	
Sale of current Investments	527,954,650		-	
Purchase of Current Investments	(507,002,143)		(2,005,356)	
Repayment of Non Current Loans and advances	(21,809,847)		-	
Interest received	120,534,814		102,888,781	
Dividend Income from Non Current Investments received	2,584,457		207,140	
Dividend Income from Current Investments received	-		2,014,875	
<b>Net Cash from / (used) in Investing Activities</b>		46,933,818		(360,816,145)

(₹)

Particulars	30 <sup>th</sup> June, 2013		30 <sup>th</sup> June, 2012	
<b>Cash Flows from Financing Activities:</b>				
Proceeds from issuance of share capital	-		302,129,378	
Repayment of Long-Term Borrowings (Net)	(2,881,145)		(18,265,149)	
Proceeds from Short-Term Borrowings (Net)	-		310,312,356	
Repayment from Short-Term Borrowings (Net)	(35,088,712)		-	
Interest paid	(205,630,165)		(161,126,580)	
<b>Net cash from / (used) in financial activity</b>		(243,600,022)		433,050,005
Net (Decrease) / Increase in cash and cash equivalents		<b>35,158,366</b>		(48,144,299)
Opening Cash and Cash Equivalents		<b>443,418,248</b>		491,562,547
<b>Closing Cash and Cash Equivalents</b>		<b>478,576,614</b>		443,418,248
Short term bank deposits		<b>126,456,754</b>		43,258,554
<b>Closing Cash and Cash Balances</b>		<b>605,033,369</b>		486,676,802

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 .

- 1) All figures in brackets are cash outflow.
- 2) Cash and cash equivalents include unpaid dividend amounting to ₹ 91,138/- (P.Y. ₹ 96,218/-)
- 3) Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities

**As per our report of even date**

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

**For Haribhakti & Co.  
Chartered Accountants  
Firm registration No.103523W**

**P. R. Kalyanaraman  
Managing Director**

**Chandir Gidwani  
Non Executive Chairman**

**Sumant Sakhardande  
Partner  
Membership No.034828**

**Alpesh Shah  
Company Secretary**

**Place : Mumbai  
Date: 29<sup>th</sup> August, 2013**

**Place : Mumbai  
Date: 29<sup>th</sup> August, 2013**

# Consolidated Notes forming part of the financial statements

## 1. Basis of preparation

The Consolidated Financial Statements 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 CentrumDirect Limited (including Club 7 Holidays Limited), Centrum Broking Limited (CBL), Centrum Infrastructure & Realty Limited (CIRL), Centrum Financial Services Limited (CFSL), Centrum Wealth Management Limited (CWML), Centrum Capital Holdings LLC (CCH LLC) (including Centrum Securities LLC), Accounts Receivables Management Services (India) Limited (ARMS), its joint venture being Commonwealth Centrum Advisors Limited (CCAL), and its associates being Centrum Securities Private Limited (CSPL) and Essel Centrum Holding Limited (ECHL) here in after collectively referred as “the Group/the Company”.

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 Company and are consistent with those used in the previous year.

The notes and significant accounting policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Company’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 company balances, intra company 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 30 <sup>th</sup> June, 2013	Proportion of ownership / interest as at 30 <sup>th</sup> June, 2012	Financial years ends on*
<b>a) Subsidiaries</b>				
Centrum Infrastructure and Realty Limited	India	100%	100%	30 <sup>th</sup> June, 2013
Centrum Financial Services Limited	India	100%	100%	30 <sup>th</sup> June, 2013

# Consolidated Notes forming part of the financial statements

Centrum Wealth Management Limited (Formerly Centrum Investments Limited)	India	100%	100%	30 <sup>th</sup> June, 2013
Centrum Capital Holdings LLC	USA	100%	100%	30 <sup>th</sup> June, 2013
Accounts Receivables Management Services (India) Limited	India	80%	80%	30 <sup>th</sup> June, 2013
CentrumDirect Limited (Formerly known as FCH CentrumDirect Limited)	India	100%	100%	30 <sup>th</sup> June, 2013
Centrum Broking Limited(formerly known as Centrum Broking Private Limited)	India	99.26%	99.26%	30 <sup>th</sup> June, 2013
<b>b) Joint Ventures</b>				
Commonwealth Centrum Advisors Limited	Hong Kong	50%	50%	31 <sup>st</sup> December, 2012*
<b>c) Associates</b>				
Centrum Securities Private Limited	India	47.62%	47.62%	31 <sup>st</sup> March, 2013*
Essel-Centrum Holdings Limited	India	33.33%	33.33%	30 <sup>th</sup> June, 2013

\* for the purpose of consolidation, accounts are drawn up to 30<sup>th</sup> June, 2013.

For the purpose of Consolidated Financial Statements, the results of CCL and its subsidiaries for the year ended 30<sup>th</sup> June, 2013 have been derived from the respective company's audited financials of the year ended 30<sup>th</sup> June, 2013.

### 3. Goodwill / Capital Reserve 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. 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.

# Consolidated Notes forming part of the financial statements

## b. 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.

## c. 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 amortized over a period of lease or useful life whichever is less.

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

Particulars	Rate ( SLM)	Schedule XIV Rates ( SLM)
Building	1.63%	1.63%
Computer Hardware	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%

## d. Impairment

- i. 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.
- ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life

## e. Intangible Assets

### Goodwill

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

### Computer Softwares

The Company capitalizes software and related implementation cost where it is reasonably estimated that the software has an enduring useful life. Software's including operating system licenses are amortized over their estimated useful life of 6 - 9 years.

# Consolidated Notes forming part of the financial statements

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## **f 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 Statement of Profit and Loss on a straight-line basis over the lease term.

## **g. Investments**

Investments that are readily realizable 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 recognize a decline, other than temporary, in the value of the investments.

## **h. 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.

## **i. 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.

### **(i) 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.

### **(ii) 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.

### **(iii) Interest income**

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

### **(iv) Revenue from services**

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

### **(v) Revenue on foreign exchange**

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

# Consolidated Notes forming part of the financial statements

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**(vi) Income from Inward money transfer**

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

**(vii) Revenue on Tour Income**

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

**(viii) Income from Commission & Brokerage**

Commission income is accounted on accrual basis.

Revenue from Brokerage activities is accounted for on the trade date of transaction.

**(ix) Income from Portfolio Management Services( PMS)**

Income from Portfolio Management Services (PMS) is accounted for as per the terms of the contract.

**(x) Incentives**

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

**(xi) Dividend**

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

**(xii) Profit / Loss on sale of investments**

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

**j. 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.

# Consolidated Notes forming part of the financial statements

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## 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 7<sup>th</sup> December, 2006 are capitalized as a part of fixed asset.

## k. Retirement and other employee benefits

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

(i) (Under Payment of Gratuity Act,1972 '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 Statement of Profit and Loss and are not deferred.

## l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. 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.



# Consolidated Notes forming part of the financial statements

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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 realized.

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 realized. 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.

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

## **m. 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.

### **Segment Policies:**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

## **n. 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.

# Consolidated Notes forming part of the financial statements

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.

**o. 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.

**p. Cash and Bank Balances**

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

**q. Borrowing costs**

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

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>NOTE 5 : SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
10,000,000 (Previous year 10,000,000) equity shares of ₹ 10/- each (Refer Note.38)	100,000,000	100,000,000
<b>TOTAL</b>	100,000,000	100,000,000
<b>ISSUED:</b>		
6,933,879 Equity Shares (Previous year: 6,933,879) of ₹ 10/- each fully paid up(Refer Note.38)	69,338,790	69,338,790
<b>SUBSCRIBED &amp; FULLY PAID UP:</b>		
6,933,879 Equity Shares (Previous year: 6,933,879) of ₹ 10/- each fully paid-up (Refer Note.38)	69,338,790	69,338,790
	69,338,790	69,338,790
<b>Equity Shares</b>		
The company has one class of equity shares having a par value of ₹ 10/- each.Each holder of equity shares is entitled to one vote per share. (Refer Note.38)		

# Consolidated Notes forming part of the financial statements

## Reconciliation of Number of Shares Outstanding:

(₹)

	As at 30 <sup>th</sup> June, 2013		As at 30 <sup>th</sup> June, 2012	
	No of Shares	Amount	No of Shares	Amount
Number of shares Outstanding at beginning of the year	6,933,879	69,338,790	6,933,879	69,338,790
Add: Shares issued during the year	-	-	-	-
Number of shares Outstanding at the end of the year (Refer Note. 38)	6,933,879	69,338,790	6,933,879	69,338,790

## Share holder having more than 5% equity share holding in the Company

(₹)

Share Holder	As at 30 <sup>th</sup> June, 2013		As at 30 <sup>th</sup> June, 2012	
	No of Shares	(% of Holdings)	No of Shares	(% of Holdings)
BUSINESSMATCH SERVICES (INDIA) PRIVATE LIMITED	2,303,150	33.22	2,303,150	33.22
INDIVISION INDIA PARTNERS	1,020,158	14.71	1,020,158	14.71
KAIKOBAD BYRAMJEE & SONS AGENCY PVT LTD	900,300	12.98	900,300	12.98
M. DINSHAW & CO. PVT. LTD.	900,000	12.98	900,000	12.98
RINITA IMPEX PVT. LTD.	854,860	12.33	854,860	12.33
CENTRUM ESPS TRUST	409,686	5.91	409,686	5.91
	6,388,154	92.13	6,388,154	92.13

## Share allotted as fully paid up pursuant to contract(s) without payment being received in cash(during 5 years immediately preceding 30<sup>th</sup> June,2013).

During year ended 30<sup>th</sup> June,2012, 105,783 equity shares were allotted to Future Capital Holdings Limited for consideration other than cash pursuant to Share Transfer agreement dated 29<sup>th</sup> March, 2011.

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>NOTE 6 : RESERVES &amp; SURPLUS</b>		
<b>Capital Reserve (Gift of 525,000 equity shares of Rap Media Limited)</b>		
Balances at the beginning and at the end of the year	1	1
	1	1
<b>Capital Reserve on consolidation</b>		
Opening balance	483,778,620	483,778,620
Add/(Less) : Adjustment during the year	-	-
Add/(Less) : Foreign Exchange reserve	(5,095,764)	-
Balance as at end of the year	478,682,856	483,778,620

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Securities Premium Account</b>		
Opening balance	1,845,658,868	1,542,470,744
Add: Received during the year	-	303,188,124
Balance as at end of the year	1,845,658,868	1,845,658,868
<b>General Reserve</b>		
Balances at the beginning and at the end of the year	2,770,000	2,770,000
	2,770,000	2,770,000
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per last account	(214,851,340)	93,402,005
Add : (Loss) for the year	143,459,068	(308,248,110)
Add : Adjustments during the year	4,151,788	(5,235)
Balance as at end of the year	(67,240,484)	(214,851,340)
<b>TOTAL</b>	<b>2,259,871,241</b>	<b>2,117,356,149</b>
<b>NOTE 7 : LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>Term Loans</b>		
From Bank	3,383,209	2,864,354
(Vehicle loans are secured against hypothecation of vehicles purchased there against)		
(These are repayable in equated periodic installments upto a 3 years period from the date of respective loans. These are repayable by 2017-18 and carry an interest of 5.25% p.a to 11.75% pa)		
<b>TOTAL</b>	<b>3,383,209</b>	<b>2,864,354</b>
<b>Unsecured Loans</b>		
Intercorporate Deposits	33,650,000	33,650,000
Other Long Term Deposits	200,000	3,600,000
	33,850,000	37,250,000
<b>TOTAL</b>	<b>37,233,209</b>	<b>40,114,354</b>
<b>NOTE 8 : LONG TERM PROVISIONS</b>		
Provision for Gratuity	5,245,917	2,005,297
Provision for Compensated Absences	13,843,701	9,448,070
<b>TOTAL</b>	<b>19,089,618</b>	<b>11,453,367</b>

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>NOTE 9 : SHORT TERM BORROWINGS</b>		
<b><u>Secured Loans</u></b>		
<b>Loans From Banks</b>		
City Union Bank Limited (Secured by corporate guarantee and hypothecation of assets [proportionate] of Businessmatch Services (I) Pvt. Ltd.)	100,000,000	150,000,000
Bank of Baroda (Secured by pledge of bonds)	52,407,283	-
The Federal Bank Limited (Secured by pledge of bonds)	12,286,994	-
Standard Chartered Bank (Secured by hypothecation of sundry debtors)	6,523,231	8,210,411
Cash Credit from HDFC Bank Limited (Secured against first pari pasu charge by way of hypothecation of Companies current assets along with Axis bank and mutual fund and collateral by way of pledge of shares of some directors / promoters and their family and corporate guarantee of Holding Company i.e. Centrum Capital Limited)	78,902,098	58,018,977
Cash Credit from Axis Bank Limited (Secured against first pari passu charge by way of hypothecation of Company's entire current assets and corporate guarantee of Centrum Capital Limited)	341,220,201	206,639,622
Over Draft Loan from Bank of India	18,045,538	20,735,582
Cash Credit from Bank Of India (The loans as mentioned above from Bank of India are secured against pledge of term deposit of ₹ 170 lacs and interest their on till date as a principal security and Equitable Mortgage of Flat in the name of Club7 Holidays Ltd.at Kolkata & Navarangpur Equitable mortgage of flat in the name of directors at Kolkata, as collateral security)	9,281,210	10,217,989
From Bank (Vehicle loans are secured against hypothecation of vehicles purchased there against. These are repayable in equated periodic installments upto a 3 years period from the date of respective loans. These are repayable by 2014-15 and carry an interest of 9.00% p.a to 11.00% pa)	-	297,189
<b>Loans from Others</b>		
Reliance Capital Ltd. (Secured by pledge of shares by Businessmatch Services (I) Pvt. Ltd.)	100,000,000	-
Future Retail Limited (Secured by pledge of 2,952,217 equity shares of CentrumDirect Limited)	620,000,000	620,000,000
ECL Finance Limited (Secured against Clients Collateral)	18,218,001	30,734,053
Aditya Birla Finance Limited (Secured against Clients Collateral)	15,750,000	9,200,000
Morgan Stanley I Pvt Ltd. (Secured against Clients Collateral)	57,040,000	-
	<b>1,429,674,556</b>	<b>1,114,053,823</b>

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Unsecured Loans</b>		
<b>Loans Repayable on Demand From Banks</b>		
The Federal Bank Limited	4,182,808	20,219,692
	4,182,808	20,219,692
<b>Loans &amp; Advances from Related parties</b>		
Businessmatch Services (I) Pvt Ltd [(Maximum amount outstanding during the year ₹421,000,000 (Previous year ₹350,000,000)]	-	233,850,000
	-	233,850,000
<b>Intercompany Deposits</b>		
	389,377,438	490,200,000
	389,377,438	490,200,000
<b>TOTAL</b>	<b>1,823,234,802</b>	<b>1,858,323,515</b>
<b>Note 10 : Trade Payables</b>		
Total outstanding dues of Micro and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	510,509,904	372,098,505
	510,509,904	372,098,505
<b>NOTE 11 : Other Current Liabilities</b>		
Current maturities of Long term Borrowings	3,016,899	3,076,934
Interest accrued but not due	143,041,903	73,334,272
Unpaid Dividend	103,459	96,372
Provision for Tax (Net of Advance Tax ₹ 98,913,785/-)	24,772,663	-
<b>Other Payables</b>		
For Expenses	236,738,552	128,862,884
Service Tax Payable	97,442,486	52,229,331
Other Statutory Dues Payable	10,070,755	14,535,356
Book overdraft from Banks	22,907,614	6,221,680
Deposits	3,969,000	-
Advance from customers	48,224,423	61,421,179
Others	34,760,919	122,895,385
Share in Other Current Liabilities of joint Venture	658,994	717,528
<b>TOTAL</b>	<b>625,707,667</b>	<b>463,390,920</b>

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>NOTE 12 : Short Term Provisions</b>		
<b>Provision for Employee Benefits</b>		
Gratuity	5,577,013	1,921,049
Compensated Absences	3,117,667	1,984,293
Provision for wealth tax	980,340	820,340
(Net of advance tax - ₹ 495,200 [Previous Year - ₹ 495,200] )		
<b>TOTAL</b>	<b>9,675,020</b>	<b>4,725,682</b>

# Consolidated Notes forming part of the financial statements

( ₹ )

Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As at 1 <sup>st</sup> July, 2012	Additions	Deductions	As at 30 <sup>th</sup> June, 2013	Upto 1 <sup>st</sup> July, 2012	Adjustments	For the year	Deductions	Upto 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Tangible Assets</b>											
Leasehold Development	306,934,545	1,318,436	54,023,123	254,229,858	154,927,579	-	31,092,319	23,916,900	162,102,998	92,126,860	152,006,966
Building	4,658,342	-	-	4,658,342	731,361	-	75,930	-	807,291	3,851,051	3,926,980
Plant & Equipment	23,601,042	-	-	23,601,042	23,601,042	-	-	-	23,601,042	-	-
Furniture & Fixtures	65,680,448	2,270,827	9,903,305	58,047,970	24,235,730	-	4,150,621	3,208,291	25,178,060	32,869,910	41,444,718
Vehicles	70,926,221	4,827,514	5,022,614	70,730,921	29,508,426	-	6,291,647	2,419,102	33,380,971	37,349,950	41,417,795
Office Equipments	66,118,605	1,149,921	1,620,580	65,647,946	32,603,148	-	6,522,869	380,937	38,745,080	26,902,866	33,515,457
Computers - Hardware	81,986,102	4,213,804	-	86,199,906	56,129,014	-	11,368,839	-	67,497,853	18,702,053	25,857,088
Air Conditioners	18,139,640	466,611	600,000	18,006,251	4,377,499	-	866,548	393,944	4,850,103	13,156,148	13,762,141
<b>Total (A)</b>	<b>638,044,945</b>	<b>14,246,913</b>	<b>71,169,622</b>	<b>581,122,236</b>	<b>326,113,799</b>	<b>-</b>	<b>60,368,773</b>	<b>30,319,174</b>	<b>56,163,598</b>	<b>224,958,838</b>	<b>311,931,146</b>
<b>Intangible Assets</b>											
Goodwill	10,180,000	-	-	10,180,000	10,180,000	-	-	-	10,180,000	-	-
Computers - Software	28,028,625	13,000	-	28,041,625	15,516,593	-	2,762,653	-	18,279,246	9,762,379	12,512,032
<b>Total (B)</b>	<b>38,208,625</b>	<b>13,000</b>	<b>-</b>	<b>38,221,625</b>	<b>25,696,593</b>	<b>-</b>	<b>2,762,653</b>	<b>-</b>	<b>28,459,246</b>	<b>9,762,379</b>	<b>12,512,032</b>
<b>Grand Total (A+B)</b>	<b>676,253,570</b>	<b>14,259,913</b>	<b>71,169,622</b>	<b>619,343,861</b>	<b>351,810,392</b>	<b>-</b>	<b>63,131,426</b>	<b>30,319,174</b>	<b>384,622,644</b>	<b>234,721,217</b>	<b>324,443,178</b>
Previous Year	559,791,64	128,671,090	12,209,163	676,253,570	253,292,846	40,746,049	65,331,438	7,559,942	351,810,392	324,443,178	-
<b>Capital Work in Progress</b>											<b>507,032</b>



# Consolidated Notes forming part of the financial statements

## Note 14 : Non-Current investments - (At cost unless stated otherwise)

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted/ Trade / Non Trade	Partly Paid / Fully paid	Face value per share/ unit		In Rupees	
			As At				As At		As At	
			30 <sup>th</sup> June 2013	30 <sup>th</sup> June 2012			30 <sup>th</sup> June 2013	30 <sup>th</sup> June 2012	30 <sup>th</sup> June 2013	30 <sup>th</sup> June 2012
<b>(a)</b>	<b>Investment in Equity Instruments</b>									
	Centrum Securities Private Limited	Associate	100,000	100,000	Unquoted - Non-Trade	Fully paid	10	10	1,000,000	1,000,000
	Essel Centrum Holdings Limited	Associate	500,000	500,000	Unquoted - Non-Trade	Partly paid	10	10	1,000,000	1,000,000
	Nikumbh Dairy Products Limited	Others	4,000	4,000	Quoted - Non-Trade	Fully paid	10	10	109,500	109,500
	Birla Transasia Carpets LTD	Others	9,100	9,100	Quoted - Non-Trade	Fully paid	10	10	153,159	153,159
	Kaiser Press Ltd	Others	500	500	Quoted - Non-Trade	Fully paid	10	10	5,000	5,000
	Dynemic Products Ltd	Others	10,000	10,000	Quoted - Non-Trade	Fully paid	10	10	350,000	350,000
	Lumax Auto Technologies Ltd	Others	5,000	5,000	Quoted - Non-Trade	Fully paid	10	10	225,000	225,000
	Jagjanani Textiles	Others	10,000	10,000	Quoted - Non-Trade	Fully paid	10	10	250,000	250,000
	Hilton Metal Forging Ltd	Others	5,000	5,000	Quoted - Non-Trade	Fully paid	10	10	350,000	350,000
	Rap Media Ltd	Others	608,550	608,550	Quoted - Non-Trade	Fully paid	10	10	12,104,675	12,104,675
	Softchip Technologies Ltd	Others	907,200	907,200	Unquoted - Non-Trade	Fully paid	10	10	9,072,000	9,072,000
	Pan India Motors Pvt Ltd	Others	1,800,000	11,800,000	Unquoted - Non-Trade	Fully paid	10	10	43,000,000	43,000,000
	Oasis Counsel and Advisory Private Limited	Others	1	1	Unquoted - Non-Trade	Fully paid	10	10	10	10
	Bombay Stock Exchange Limited	Others	70,694	70,694	Unquoted - Trade	Fully paid	10	10	7,074,838	7,074,838
	Tata Consultancy Services Limited	Others	560	560	Quoted - Trade	Fully paid	10	10	122,500	122,500
	Provision for Diminution in Value of Investment								(2,000,000)	(2,000,000)
								<b>Total</b>	<b>72,816,682</b>	<b>72,816,682</b>
<b>(b)</b>	<b>Investment in Preference shares</b>									
	Indra Investments Advisory Pvt Ltd	Others	100,000	100,000	Unquoted - Non-Trade	Fully paid	100	100	10,000,000	10,000,000
	SRR Consultants Pvt Ltd	Others	10,000	10,000	Unquoted - Non-Trade	Fully paid	10	10	10,000,000	10,000,000
	Ray Realtors Private Limited	Others	20,000	20,000	Unquoted - Non-Trade	Fully paid	10	10	5,000,000	5,000,000
								<b>Total</b>	<b>25,000,000</b>	<b>25,000,000</b>
<b>(c)</b>	<b>Investment in Debentures</b>									
	Polar Industries Limited		300,000	300,000	Unquoted	Fully paid				4,940,724
	Oasis Counsel and Advisory Private Limited			4,500	Unquoted	Fully paid				4,500,000
								<b>Total</b>	<b>-</b>	<b>9,440,724</b>
								<b>Grand Total</b>	<b>97,816,682</b>	<b>107,257,406</b>
								<b>Less: Provision for diminution in value of investments</b>	<b>2,202,278</b>	<b>4,672,640</b>
								<b>Net Total</b>	<b>95,614,356</b>	<b>102,584,766</b>

Aggregate Value of Quoted Investments [Market value of 6,659,714/- (Previous year 12,627,413/-)]	13,669,834
Aggregate Value of Unquoted Investments	86,146,848
Aggregate Provision for diminution in value of investments	4,202,278

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Note 15 : LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED)</b>		
<b>Deposits</b>	121,265,249	126,014,384
	121,265,249	126,014,384
<b>Included in Deposits are:</b>		
Dues from Enterprise controlled by Key Management Personnel -Businessmatch Services (India) Private Limited [ Maximum amount outstanding during the year ₹ 3,000,000/- (Previous Year ₹ 3,000,000/- )]	3,000,000	3,000,000
Dues from Key Management Personnel -Chandir Gidwani [Maximum amount outstanding during the year ₹ 3,000,000/- (Previous Year ₹ 3,000,000/- )]	3,000,000	3,000,000
Advance for purchase of shares pending transfer	10,000,000	10,000,000
	10,000,000	10,000,000
<b>Other Loans and Advances</b>		
Inter-corporate deposits	578,265,817	576,221,890
Loans to employees	2,335,300	2,335,300
Advance Tax & Tax Deducted at Source (Net of provision for tax ₹ 407,703,749/- (Previous Year ₹ 390,053,012/- )]	188,540,948	163,739,078
Advances recoverable in cash or in kind or for the value to be received	15,385,611	15,611,489
Less:- Provision for doubtful advance	945,878	945,878
Share in Loang Term and advances of Joint Venture	2,174,021	-
	785,755,819	756,961,879
<b>TOTAL</b>	<b>917,021,068</b>	<b>892,976,263</b>

# Consolidated Notes forming part of the financial statements

**Note 16 : Current Investments - (At cost)**

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted/ Trade / Non Trade	Partly Paid / Fully paid	Face value per share/ unit		In Rupees	
			As At				As At		As At	
			30 <sup>th</sup> June 2013	30 <sup>th</sup> June 2012			30 <sup>th</sup> June 2013	30 <sup>th</sup> June 2012	30 <sup>th</sup> June 2013	30 <sup>th</sup> June 2012
<b>(a)</b>	<b>Investment in Equity Instruments</b>									
	Reliance Money Manager Fund - Institutional Option -Daily Dividend Plan	Others	-	-	Unquoted	-	-	31,561,696	29,559,654	
								<b>Total</b>	<b>31,561,696</b>	<b>29,559,654</b>

Aggregate Value of Quoted Investments and market value	-
Aggregate Value of Unquoted Investments	31,561,696
Aggregate Provision for diminution in value of investments	-

# Consolidated Notes forming part of the financial statements

	As at 30 <sup>th</sup> June, 2013		As at 30 <sup>th</sup> June, 2012	
	Quantity (Units)	Amount (₹)	Quantity (Units)	Amount (₹)
<b>Note 17 : INVENTORIES</b>				
<b><u>Inventories (at lower of cost and net realisable value)</u></b>				
<b>Unquoted bonds</b>				
NABARD 0% 2019	-	-	12	133,200
Share in available for sale investment of Joint Venture	50	2,980	50	2,803
08.72% SAIL 2020	8	7,981,065	-	-
8.80% REC 2020	5	5,186,267	-	-
11.08% LIC Housing 2018	1	1,152,212	-	-
10.65% Indiabulls Financial Services 2027	15	1,456,500	-	-
08.90% IDFC 2025	14	14,968,052	-	-
10.75% Shriram Transport Fin 2020	23	22,728,600	-	-
11.40% Tata Power Perpetual	1	1,082,805	-	-
09.75% IFCI 2030	4	4,030,904	-	-
8.65% West Bengal SDL 2021	150,000	15,866,583	-	-
<b>TOTAL</b>	<b>150,121</b>	<b>74,455,968</b>	<b>62</b>	<b>136,003</b>

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Note 18- TRADE RECEIVABLES</b>		
<b>(UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED)</b>		
<b>Debtors outstanding for a period exceeding six months</b>		
Considered good	267,750,528	185,559,088
Considered doubtful	125,398,805	85,555,733
	<b>393,149,333</b>	<b>271,114,821</b>
<b>Other Debts</b>		
Considered good	740,352,879	774,996,681
	<b>1,133,502,212</b>	<b>1,046,111,502</b>
Less : Provision for doubtful debts	125,398,805	85,555,733
<b>TOTAL</b>	<b>1,008,103,407</b>	<b>960,555,769</b>

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Note 19- CASH AND BANK BALANCES</b>		
<b><u>Cash and Cash equivalents</u></b>		
Balances with Banks	276,269,441	180,734,913
Cheques on hand	230,367	22,500,000
Cash on Hand including foreign currencies	198,655,742	147,370,141
Other Bank Balances	-	87,500,000
Deposits with maturity for more than 3 months but less than 12 months	111,917,602	30,405,358
<b><u>Earmarked Balances With Banks</u></b>		
Unpaid dividend accounts	91,138	96,218
Share in cash on Hand with Joint Venture	3,329,926	5,216,977
Share in Deposits with maturity for more than 3 months but less than 12 months of Joint Venture	14,539,153	12,853,196
<b>TOTAL</b>	<b>605,033,369</b>	<b>486,676,802</b>
<b>Note 20 - SHORT TERM LOANS AND ADVANCES</b>		
<b>(SECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED)</b>		
<b>Loans and Advances to Others</b>	<b>78,029,817</b>	<b>35,622,810</b>
	<b>78,029,817</b>	<b>35,622,810</b>
<b>(UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED)</b>		
Loans and Advances to related parties		
Centrum Fiscal Pvt. Ltd. [(Maximum amount outstanding during the year ₹ 100,000 (Previous year ₹ 100,000))]	100,000	100,000
Centrum Securities Private Limited [(Maximum amount outstanding during the year ₹ 160,816,826 (Previous year ₹ 1,153,696))]	160,816,826	57,242,477
Centrum ESPS Trust [(Maximum amount outstanding during the year ₹ 306,225,000 (Previous year ₹ 306,225,000))]	306,225,000	306,225,000
	<b>467,141,826</b>	<b>363,567,477</b>
<b>Loans to employees and others</b>		
Considered good	3,930,495	5,247,711
Considered doubtful	3,000,000	-
	<b>6,930,495</b>	<b>5,247,711</b>
Less: Provision for doubtful advances	3,000,000	-
	<b>3,930,495</b>	<b>5,247,711</b>

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Loans to others</b>		
Yule Investments Limited	128,817,711	24,433,787
Rinita Impex Private Limited	-	159,375,000
Top Class Capital Market Pvt. Ltd.	189,766,454	27,375,000
Gananayak Credit & Capital Services P.Ltd	9,000,000	-
Bliss City Home Pvt Limited	-	20,305,000
	<b>331,514,660</b>	<b>236,736,498</b>
<b>Other Loans and Advances</b>		
Pre-Paid Expenses	3,198,929	2,555,699
Income Tax	6,652,222	2,616,637
Other Loans and advances	-	1,164,058
Considered good	74,625,195	394,144,077
Considered doubtful	453,488	453,488
	<b>75,078,683</b>	<b>394,597,565</b>
Less: Provision for doubtful advances	453,488	453,488
	<b>84,476,346</b>	<b>400,480,471</b>
<b>TOTAL</b>	<b>961,162,649</b>	<b>1,036,407,255</b>
<b>Note 21- OTHER CURRENT ASSETS</b>		
Service tax (Input / Credit Account)	15,980,297	7,650,400
Rent Receivable	1,691,452	5,048,453
Advances recoverable in cash or in kind or for the value to be received	50,451,639	38,411,968
Other Current Assets	112,445,071	2,152,922
Deposits Others	88,275,985	89,637,927
Miscellaneous Expenditure	1,746,741	1,746,741
Interest Receivable	77,394,143	13,284,052
Share in Other current Assets of Joint Venture	2,695,802	1,734,430
<b>TOTAL</b>	<b>350,681,130</b>	<b>159,666,893</b>

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Note 22 : - REVENUE FROM OPERATIONS:</b>		
Syndication, Commisison & Brokerage	625,289,470	529,853,486
Forex / Forex equivalents	27,065,095,492	29,156,947,849
Income From Tours(Net)	103,693,193	90,027,477
Advisory Services	-	1,335,250
Brokerage & Commsion	337,495,446	165,609,142
Consultancy Fees	16,518,127	4,648,322
Interest Income	65,541,022	45,198,092
Trading in Bonds (net)	35,090,897	24,864,865
Share in Income from Operation of Joint Venture	10,425,717	23,262
<b>TOTAL</b>	<b>28,259,149,364</b>	<b>30,018,507,745</b>
<b>NOTE 23 - OTHER INCOME</b>		
Interest		
Others	119,103,883	112,606,529
Dividend income		
Dividend on Equity Shares - Non-trade	468,414	2,104,431
Dividend on Units of Mutual Fund - Non-trade	2,116,043	17,584
Dividend on Preference Shares - Non-trade	-	100,000
Profit on Sale of Fixed Assets	-	1,285,543
Profit on Sale of Shares	517,480	-
Profit on Sale of Investments - Short Term - Non-trade (net)	22,954,550	-
Long Term Capital Gain - Equity Shares	-	14,550,816
Rent Received	-	4,473,000
Foriegn exchange gain (net)	-	6,053,632
Foriegn exchange Gain / (Loss)	2,350,484	6,387,999
Miscellaneous income	679,401	-
Other Income	21,125,615	-
Sundry Balances Written Back	4,088,233	-
Share in Other Income from Operation of Joint Venture	157,222	1,592
<b>TOTAL</b>	<b>173,561,325</b>	<b>147,581,126</b>

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Note 24:- EMPLOYEE BENEFIT EXPENSE</b>		
Salaries wages and bonus	583,180,996	601,464,199
<u>Contribution to provident &amp; other funds</u>		
E.S.I.C.	1,561,275	2,579,636
Provident Fund	35,815,111	23,601,286
Gratuity Expenses	6,231,350	1,287,852
Compensated Absences	4,561,736	6,863,619
Staff welfare expenses	7,920,475	8,524,756
Share in Employee Benefit Expenses of Joint Venture	5,867,762	3,052,913
<b>TOTAL</b>	<b>645,138,705</b>	<b>647,374,261</b>
<b>Note 25 - FINANCE COSTS</b>		
Interest		
on banks	99,436,878	67,346,657
others	175,900,918	163,795,367
Bank charges	11,714,657	8,446,978
Share in Finance Costs of Joint Venture	5,673	7,733
<b>TOTAL</b>	<b>287,058,126</b>	<b>239,596,734</b>
<b>NOTE 26 - OTHER EXPENSE</b>		
Rent	270,023,288	271,728,718
Rates & Taxes	2,296,271	19,592,446
[including wealth tax ₹ 160,000/- ,(Previous year ₹ 200,000/-)]	-	-
Electricity	16,763,671	15,312,378
Foreign exchange loss (net)	115,525	-
Repair and maintenance - others	16,184,060	12,394,804
Insurance	3,736,723	5,005,790
Advertising	14,449,730	20,151,842
Business promotion	6,889,709	7,824,804
Meeting and seminars	748,690	1,334,747
Subscription and membership fees	2,221,434	2,081,379
Commission and brokerage	49,383,429	40,989,742
Travelling and conveyance	40,772,910	33,231,174
Depository, Transaction & PMS Charges	4,931,533	1,497,527
Franking Charges	706,320	205,100



(₹)

<b>Particulars</b>	<b>As at 30<sup>th</sup> June, 2013</b>	<b>As at 30<sup>th</sup> June, 2012</b>
Vehicle Expenses	12,562,883	13,730,292
Communication costs	23,843,432	23,502,619
Printing and stationery	8,954,496	10,896,748
Legal & professional fees	68,346,642	82,055,272
Office Expenses	13,708,441	12,990,142
Impairment of Investments	4,940,724	7,417,754
Bad Debts Written Off	386,031	12,296,690
Provision for Doubtful Debts	45,324,711	20,728,015
Director's sitting fees	881,267	550,000
Audit Fees	2,272,597	2,480,562
Sundry Balance Written Off	216,528	4,522
Donation and contributions to charitable institutions	60,100	100,000
Preliminary expenses/ share issue expenses written off	-	109,013
Claims and Compensations	8,089,805	1,547,350
Loss on sale of fixed assets (net)	23,727,480	57,577
Miscellaneous expenses	19,710,711	15,232,151
Share In Administrative Expenses	2,744,076	1,036,022
<b>TOTAL</b>	<b>664,993,217</b>	<b>636,085,178</b>

# Consolidated Notes forming part of the financial statements

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## 27. Segment Information

### **Primary Segment:**

As of 30<sup>th</sup> June, 2013, the Company 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, broking activity, Portfolio Management, 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 Company 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).**

Company's operations are mainly conducted in India. The Company has a subsidiary in USA, a Joint Venture in Hong Kong 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.

# Annexure 1 of 27 of Financial Statements

## Information about Primary business segments

Particulars	Advisory & Transactional Services		Trading in Bonds		Forex and Forex Equivalents		Tours & Travels		Treasury		Unallocated		Elimination		Total	
	June 2013	June 2012	June 2013	June 2012	June 2013	June 2012	June 2013	June 2012	June 2013	June 2012	June 2013	June 2012	June 2013	June 2012	June 2013	June 2012
<b>Revenue</b>																
Income from operations	852,068,507	616,568,134	35,090,897	24,864,865	27,198,331,388	29,260,827,722	121,228,759	105,910,572	68,956,384	184,926,534	265,967,140	77,660,594	(106,932,388)	(104,669,551)	28,432,710,688	30,166,088,870
Total revenue	852,068,507	616,568,134	35,090,897	24,864,865	27,198,331,388	29,260,827,722	121,228,759	105,910,572	68,956,384	184,926,534	265,967,140	77,660,594	(106,932,388)	(104,669,551)	28,432,710,688	30,166,088,870
<b>Result</b>																
Expenditure	765,315,665	855,581,135	85,218,325	107,182,716	27,133,791,949	29,210,156,813	98,606,005	107,107,169	-	6,252,161	36,103,409	24,654,663	(12,761,735)	(124,123,620)	28,106,273,618	30,186,811,036
Segment result	86,752,842	(239,013,001)	(50,127,428)	(82,317,851)	64,539,440	50,670,909	22,622,754	(1,196,597)	68,956,384	178,674,373	227,863,731	53,005,931	(94,170,653)	19,454,069	326,437,071	(20,722,166)
Interest expense	21,659,482	55,341,037	7,557,203	8,233,795	72,074,725	69,358,406	1,585,325	1,992,131	75,752,821	51,268,649	189,671,541	119,850,954	(92,963,302)	(66,448,237)	275,337,795	239,596,734
Profit/(Loss) before taxation and prior period items	65,093,360	(294,354,038)	(57,684,630)	(90,551,645)	(7,535,286)	(18,687,497)	2,103,429	(3,188,728)	(6,796,437)	127,405,724	38,192,190	(66,845,023)	(1,207,351)	85,902,307	51,099,276	(260,318,900)
Tax expenses	-	-	-	-	-	-	-	-	(44,605,573)	(47,929,209)	-	-	-	-	(44,605,573)	(47,929,209)
Prior Period Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Extraordinary items</b>	-	-	-	-	-	-	-	-	-	-	49,944,075	-	-	-	49,944,075	-
<b>Minority Interest</b>	-	-	-	-	-	-	-	-	-	-	(143,458,451)	(5,235)	-	-	(143,458,451)	(5,235)
Net Profit / (Loss)	65,093,361	(239,013,001)	(57,684,630)	(82,317,851)	(7,535,286)	(18,687,497)	2,103,429	(3,188,728)	(6,796,437)	127,405,724	38,192,190	(66,845,023)	(1,207,351)	85,902,307	51,099,276	(260,318,900)
<b>Other Information</b>																
Segment assets	969,044,630	1,165,477,594	107,214,649	38,026,398	1,101,340,011	1,437,422,557	206,399,470	130,674,492	515,907,773	1,003,605,136	4,458,389,751	3,008,731,228	(1,994,449,801)	(1,904,720,923)	5,363,846,483	4,879,216,482
Total Assets	969,044,630	1,165,477,594	107,214,649	38,026,398	1,101,340,011	1,437,422,557	206,399,470	130,674,492	515,907,773	1,003,605,136	4,458,389,751	3,008,731,228	(1,994,449,801)	(1,904,720,923)	5,363,846,483	4,879,216,482
Segment liabilities	400,743,605	624,329,292	78,599,075	21,710,435	959,268,261	600,694,842	149,749,702	111,976,072	404,158,217	682,731,664	1,689,750,857	1,293,133,988	(656,819,498)	(584,469,949)	3,025,450,219	2,750,106,344
Minority Interest	-	-	-	-	-	-	-	-	-	-	9,482,038	6,459,311	(295,802)	-	9,186,236	6,459,311
Total liabilities	400,743,605	624,329,292	78,599,075	21,710,435	959,268,261	600,694,842	149,749,702	111,976,072	404,158,217	682,731,664	1,699,232,895	1,299,593,299	(657,115,300)	(584,469,949)	3,034,636,454	2,756,565,655
Capital expenditure	8,095,874	5,937,725	1,031,760	887,246	4,833,447	12,133,098	298,832	3,838,100	-	-	-	-	-	-	14,259,913	22,796,169
Depreciation	37,578,516	38,837,279	7,111,860	5,319,565	14,150,027	16,237,056	1,605,946	1,522,904	-	-	-	113,308	-	-	60,446,349	62,030,112
Amortisation	999,303	1,121,355	249,826	184,087	1,179,772	1,726,207	255,556	269,678	-	-	-	-	-	-	2,684,458	3,301,327
* Provision for bad and doubtful debt and bad debts written off*	41,354,194	27,893,671	-	-	4,573,076	5,151,034	-	-	-	-	-	-	-	-	45,927,270	33,024,705
Miscellaneous expenditure (to the extent of not written off or adjusted)	-	-	-	-	-	-	-	-	-	-	1,746,741	-	-	-	-	1,746,741

# Consolidated Notes forming part of the financial statements

## 28. Related Party Disclosures

### (i) Names of Related Parties

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 Venture in which Holding Company is a Venturer	- Commonwealth Centrum Advisors Limited
Enterprise controlled by Key Management Personnel or their relatives	- Businessmatch Services (India) Private Limited - Sonchajyo Investments & Finance Private Limited
Associates / Entities where the Company has significant influence	- Centrum Securities Private Limited - Essel-Centrum Holdings Limited
Key Management Personnel	- Mr. T. R. Madhavan, Executive Chairman (resigned w.e.f 1 <sup>st</sup> November, 2012) - Mr. P. R. Kalyanaraman, Managing Director (w.e.f 1 <sup>st</sup> November, 2012) - Mr. Chandir Gidwani, Non-Executive Chairman - Mr. Shrimanta Basu Mallik - Whole time director of Club 7 Holidays Limited. - Mr. Pradeep Kumar Mukherjee - Whole time director of Club 7 Holidays Limited. - Mrs. Aparna Chaturvedi- Whole time director of Club 7 Holidays Limited. - Mr. Sandeep Koni Nayak - Whole time director of Centrum Broking Limited - Mr. Sriram Venkat Subramanian - Whole time director of Centrum Broking Limited - Mr. Pradeep Dinkar Oak - Whole time director of Centrum Broking Limited - Mr.Gangatharan Chokkalingam - Whole time director of Centrum Wealth Management Limited - Mr. Rajnish Bahl - Whole time director of Centrum Wealth Management Limited (w.e.f. 1 <sup>st</sup> August, 2012) - Mr. S. Ganashyam - Whole time director of Centrum Wealth Management Limited (w.e.f. 1 <sup>st</sup> August, 2012)

**Transactions carried out with the related parties in (i) above in ordinary course of business:**

Nature of transaction	Joint Ventures		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Inter-Corporate Deposits Given</b>												
Centrum Securities Private Ltd.	-	-	-	-	-	-	-	-	15,600,000	5,800,000	15,600,000	5,800,000
<b>Total</b>	-	-	-	-	-	-	-	-	<b>15,600,000</b>	<b>5,800,000</b>	<b>15,600,000</b>	<b>5,800,000</b>
<b>Inter-Corporate Deposits taken back</b>												
Centrum Securities Private Ltd	-	-	-	-	-	-	-	-	-	73,058,696	-	73,058,696
<b>Total</b>	-	-	-	-	-	-	-	-	-	<b>73,058,696</b>	-	<b>73,058,696</b>
<b>Inter-Corporate Deposits taken</b>												
Businessmatch Services (India) Private Limited	-	-	264,300,000	444,200,000	-	-	-	-	-	-	264,300,000	444,200,000
<b>Total</b>	-	-	<b>264,300,000</b>	<b>444,200,000</b>	-	-	-	-	-	-	<b>264,300,000</b>	<b>444,200,000</b>
<b>Inter-Corporate Deposits repaid</b>												
Businessmatch Services (India) Private Limited	-	-	498,150,000	210,350,000	-	-	-	-	-	-	498,150,000	210,350,000
<b>Total</b>	-	-	<b>498,150,000</b>	<b>210,350,000</b>	-	-	-	-	-	-	<b>498,150,000</b>	<b>210,350,000</b>
<b>Reimbursement of Expenses</b>												
Commonwealth Centrum Advisors Ltd. - others expenses	-	53,800	-	-	-	-	-	-	-	-	-	53,800
<b>Total</b>	-	<b>53,800</b>	-	-	-	-	-	-	-	-	-	<b>53,800</b>
<b>Rent Expenses</b>												
Businessmatch Services (India) Private Limited	-	-	1,552,499	2,687,381	-	-	-	-	-	-	1,552,499	2,687,381
Mr. Sriram Basu Malik	-	-	-	168,000	-	-	-	-	-	-	-	168,000
Mr. Pradeep Kumar Mukherjee	-	-	-	84,000	-	-	-	-	-	-	-	84,000
Ms. Aparna Chaturvedi	-	-	-	84,000	-	-	-	-	-	-	-	84,000
<b>Total</b>	-	-	<b>1,552,499</b>	<b>3,023,381</b>	-	-	-	-	-	-	<b>1,552,499</b>	<b>3,023,381</b>

Nature of transaction	Joint Ventures		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Interest Expenses</b>												
Businessmatch Services (India) Private Limited	-	-	28,350,526	7,710,115	-	-	-	-	-	-	28,350,526	7,710,115
<b>Total</b>	-	-	<b>28,350,526</b>	<b>7,710,115</b>	-	-	-	-	-	-	<b>28,350,526</b>	<b>7,710,115</b>
<b>Interest Income</b>												
Centrum Securities Private Limited	-	-	-	-	-	-	-	-	1,952,964	299,544	1,952,964	299,544
<b>Total</b>	-	-	-	-	-	-	-	-	<b>1,952,964</b>	<b>299,544</b>	<b>1,952,964</b>	<b>299,544</b>
<b>Directors sitting Fees</b>												
Mr. Chandir Gidwani	-	-	-	-	160,000	80,000	-	-	-	-	160,000	80,000
Mr. Rajesh Nanavaty	-	-	-	-	260,000	-	-	-	-	-	260,000	-
Mr. Rishad Byramjee	-	-	-	-	240,000	-	-	-	-	-	240,000	-
Mr. Dhanpal Jhaveri	-	-	-	-	20,000	-	-	-	-	-	20,000	-
Mr. Ameet Naik	-	-	-	-	80,000	-	-	-	-	-	80,000	-
Mr. Rashid Kidwai	-	-	-	-	20,000	-	-	-	-	-	20,000	-
Mr. Manmohan Shetty	-	-	-	-	40,000	-	-	-	-	-	40,000	-
Mr. Subimal Bhattacharjee	-	-	-	-	20,000	-	-	-	-	-	20,000	-
Mr. R S Reddy	-	-	-	-	20,000	-	-	-	-	-	20,000	-
<b>Total</b>	-	-	-	-	<b>860,000</b>	<b>80,000</b>	-	-	-	-	<b>860,000</b>	<b>80,000</b>
<b>Professional Fees Expenses</b>												
Sonchajyo Investment and Finance Private Limited	-	-	1,200,000	367,785	-	-	-	-	-	-	1,200,000	367,785
<b>Total</b>	-	-	<b>1,200,000</b>	<b>367,785</b>	-	-	-	-	-	-	<b>1,200,000</b>	<b>367,785</b>
<b>Managerial Remuneration</b>												
Mr. T. R. Madhavan	-	-	-	-	1,973,200	5,880,000	-	-	-	-	1,973,200	5,880,000
Mr. P R Kalyanaraman	-	-	-	-	3,421,553	-	-	-	-	-	3,421,553	-
Mr. K. Sandeep Nayak	-	-	-	-	7,526,592	8,097,603	-	-	-	-	7,526,592	8,097,603
Mr. V. Sriram	-	-	-	-	4,504,674	2,422,556	-	-	-	-	4,504,674	2,422,556
Mr. Pradeep Oak	-	-	-	-	2,529,663	2,909,040	-	-	-	-	2,529,663	2,909,040
Mr. Chokkalingam G.	-	-	-	-	8,124,000	8,406,000	-	-	-	-	8,124,000	8,406,000
Mr. Rajnish Bahl	-	-	-	-	9,319,384	-	-	-	-	-	9,319,384	-
Mr. Ganashyam	-	-	-	-	9,433,430	-	-	-	-	-	9,433,430	-
Mr. Alok Nanavaty	-	-	-	-	-	1,170,294	-	-	-	-	-	1,170,294
Mr. Sriram Basu Malik	-	-	-	-	-	1,800,000	-	-	-	-	-	1,800,000

Nature of transaction	Joint Ventures		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Mr. Pradeep Kumar Mukherjee	-	-	-	-	-	2,494,003	-	-	-	-	-	2,494,003
Ms. Aparna Chaturvedi	-	-	-	-	-	3,000,000	-	-	-	-	-	3,000,000
<b>Total</b>	-	-	-	-	46,832,496	36,179,496	-	-	-	-	46,832,496	36,179,496
<b>Other Remuneration</b>												
Mrs. Sonia Giolwani	-	-	-	-	-	-	5,711,566	-	-	-	5,711,566	-
<b>Total</b>	-	-	-	-	-	-	5,711,566	-	-	-	5,711,566	-
<b>Loan/Advances Payable</b>												
Businessmatch Services (India) Private Limited	-	-	-	-	-	-	-	-	-	233,850,000	-	233,850,000
<b>Total</b>	-	-	-	-	-	-	-	-	-	233,850,000	-	233,850,000
<b>Interest Payable</b>												
Businessmatch Services (India) Private Limited	-	-	24,738,857	2,359,315	-	-	-	-	-	-	24,738,857	2,359,315
<b>Total</b>	-	-	24,738,857	2,359,315	-	-	-	-	-	-	24,738,857	2,359,315
<b>Amount Receivable as at the quarter ended 30th June, 2013</b>												
<b>Interest Receivable</b>												
Centrum Securities Private Limited	-	-	-	-	-	-	-	-	2,085,018	8,686,677	2,085,018	8,686,677
<b>Total</b>	-	-	-	-	-	-	-	-	2,085,018	8,686,677	2,085,018	8,686,677
<b>Security Deposits</b>												
Businessmatch Services (India) Private Limited	-	-	3,000,000	3,000,000	-	-	-	-	-	13,338,500	3,000,000	16,338,500
Mr. Chandir Giolwani	-	-	-	-	3,000,000	3,000,000	-	-	-	-	3,000,000	3,000,000
<b>Total</b>	-	-	3,000,000	3,000,000	3,000,000	3,000,000	-	-	-	13,338,500	6,000,000	19,338,500
<b>Loan/Advances receivable</b>												
Centrum Securities Private Limited	-	-	-	-	-	-	-	-	21,995,000	57,242,477	21,995,000	57,242,477
Centrum ESPS Trust	-	-	-	-	-	-	-	-	306,225,000	306,225,000	306,225,000	306,225,000
<b>Total</b>	-	-	-	-	-	-	-	-	328,220,000	363,467,477	328,220,000	363,467,477

Nature of transaction	Joint Ventures		Enterprise controlled by Key Management Personnel		Key Management Personnel		Relative of Key Management Personnel		Associates / Entities where company has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Sale of Investments</b>												
Mr. Mamohan Shetty	-	-	-	-	505,000,100	-	-	-	-	-	505,000,100	-
<b>Total</b>	-	-	-	-	505,000,100	-	-	-	-	-	505,000,100	-
<b>Receivables towards sale of Investment</b>												
Mr. Mamohan Shetty	-	-	-	-	55,000,100	-	-	-	-	-	55,000,100	-
<b>Total</b>	-	-	-	-	55,000,100	-	-	-	-	-	55,000,100	-
<b>Brokerage &amp; Commission &amp; DP Income Received</b>												
Key Managerial Personnel & Relatives					40,889	-					40,889	
<b>Total</b>					40,889	-					40,889	
<b>Amount payable for the year ended 30th June, 2013</b>												
<b>Rent Payable</b>												
Businessmatch Services India Pvt Ltd	-	-	964,645	-	-	-	-	-	-	-	964,645	-
<b>Total</b>	-	-	964,645	-	-	-	-	-	-	-	964,645	-
<b>Investment in shares / Interest in the Limited Liability Co. (LLC)</b>												
Commonwealth Centrum Advisors Limited	-	4,917,624	-	-	-	-	-	-	-	-	-	4,917,624
<b>Total</b>	-	4,917,624	-	-	-	-	-	-	-	-	-	4,917,624
<b>Investments in Equity Shares as on 30th June, 2013</b>												
Commonwealth Centrum Advisors Limited	19,809,794	19,809,794	-	-	-	-	-	-	-	-	19,809,794	19,809,794
Centrum Securities Private Limited	-	-	-	-	-	-	-	-	1,000,000	16,874,793	1,000,000	16,874,793
Essel Centrum Holdings Limited	-	-	-	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total</b>	19,809,794	19,809,794	-	-	-	-	-	-	2,000,000	17,874,793	21,809,794	37,684,587



# Consolidated Notes forming part of the financial statements

## 29. Operating lease

- i) The Company has entered into cancellable leasing arrangements for corporate and branch offices and residential premises. The lease rentals of ₹ 136,752,972/- (previous year ₹ 135,947,979/-) have been included under the head Rent under Note 14 of Statement of Profit and Loss.
- ii) The Company has also entered into non-cancellable leasing arrangement for corporate office.

(₹)

Particulars	1 <sup>st</sup> July, 2012 –30 <sup>th</sup> June, 2013	1 <sup>st</sup> July, 2011 –30 <sup>th</sup> June, 2012
Lease rental paid during the year	117,041,243	135,780,739
	<b>As at 30<sup>th</sup> June, 2013</b>	<b>As at 30<sup>th</sup> June, 2012</b>
Future minimum lease payments are as under		
Payment not later than one year	111,414,634	68,495,154
Payment later than one year but not later than five year	296,551,807	19,753,578
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 ₹ 9,977,527/- per month for the period July, 2012 to November, 2012. The lease rent was revised in December 2012 and consequently the lease rent payable(excluding amenities) is ₹ 8,584,800/- per month for the period 1<sup>st</sup> December, 2012 to 30<sup>th</sup> June, 2013.

The lease term is for a period of 4 years with a lock in period of 12 months and thereafter 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.

## 30. Interest in joint venture

The Company have 50% interest in Commonwealth Centrum Advisors Limited Accordingly, the following disclosures include Balance Sheet as well as Statement of Profit & Loss numbers of Commonwealth Centrum Advisors Limited.

(₹)

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
Assets	22,741,881	19,807,405
Liabilities	(658,994)	(717,528)
Revenue	10,572,474	24,854
Expenses	(8,617,510)	(4,700,665)

# Consolidated Notes forming part of the financial statements

31. 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:

( ₹ )

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
<b>Subsidiary (A)</b>		
Share Capital	100,000	100,000
Share Premium	-	-
Share of opening reserve	(44,831)	(39,596)
Share of current year profit/(loss)	(3,502)	(5,235)
Total (A)	51,667	55,169
<b>Fellow Subsidiary (B)</b>		
Share Capital	251,850	251,850
Share of opening reserve	6,152,292	7,200,569
Addition on account of conversion of Joint Venture into Subsidiary.	-	-
Share of current year profit/(loss)	2,730,428	25,865
Deduction on account of additional sale of shares	-	1,074,142
Total (B)	9,134,570	6,404,142
<b>Net Total (A+B)</b>	<b>9,186,237</b>	<b>6,459,311</b>

32. (a) Contingent Liabilities not provided for :

( ₹ )

Particulars	As at 30 <sup>th</sup> June, 2013	As at 30 <sup>th</sup> June, 2012
Corporate Guarantees given by the Company:		
- Subsidiary	967,500,000	1,001,000,000
Partly paid equity shares of Essel-Centrum Holdings Limited	4,000,000	4,000,000
Income Tax in respect of Assessment Year 2008-2009 in respect of which the Company has gone on appeal	6,421,780	6,546,150
Income Tax in respect of Assessment Year 2009-2010 in respect of which the Company has gone on appeal	124,370	---
Income Tax in respect of Assessment Year 2010-2011 in respect of which the Company has gone on appeal	11,310,700	---
Guarantees given by Banks on behalf of the Company	2,750,000	3,553,000
Legal claims pending in consumer court	3,526,427	8,71,000

# Consolidated Notes forming part of the financial statements

- (b) In view of assessment order received from income tax authorities demanding ₹ 2,696,060/- towards liability on account of disallowance under Section 14A of Income Tax Act, 1961 for assessment year 2008-2009, based on the facts / merits of the case under question, the Company has duly preferred an appeal and also paid ₹ 1,348,030/- (i.e. 50% of the IT demand vide challan no 56091 dated 28<sup>th</sup> March, 2011) and Rs 500,000/- (Paid on 7<sup>th</sup> September, 2011) and no provision is considered necessary by the management of the Company.
- (c) In view of assessment order received from income tax authorities demanding ₹ 11,310,700/- primarily on account of disallowance under section 14A of Income Tax Act, 1961 for assessment year 2010-2011, based on the facts / merits of the case under question, the Company has duly preferred an appeal. Hence on the basis of facts of the case, no provision is considered necessary by the management of the Company.

### 33. 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 summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and funded status and amount recognized in the balance sheet for gratuity. Gratuity expense has been included in salaries, wages and allowances under personnel expenses.

#### Statement of Profit and Loss

##### Net employee benefit expense (Recognised in Employee Cost):

Particulars	( ₹ )	
	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
Current service cost	5,751,544	5,220,297
Interest cost on benefit obligation	1,907,445	1,439,604
Expected return on plan assets	(185,633)	(1,270,075)
Past Service Cost( non vested Benefit) Recognised	-	-
Past Service Cost (vested Benefit) Recognised	-	-
Recognition of transition liability	-	-
Net actuarial (gain) / loss recognised in the year	4,874,637	(630,360)
Net benefit expense	12,347,993	6,045,186

# Consolidated Notes forming part of the financial statements

## Balance sheet

### Details for provision for gratuity

(₹)

Particulars	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
Liability at the end of the year	(28,030,995)	21,153,011
Fair Value of Plan Assets at the end of the year	231,134,211	21,620,558
Difference	(4,896,784)	(467,547)
Unrecognized past service cost	-	-
Unrecognized transition liability	-	-
Amount recognized in the Balance Sheet	(4,896,784)	(467,547)

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

(₹)

Particulars	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
Opening defined benefit obligation	22,440,531	18,021,593
Interest cost	1,907,445	1,439,604
Current service cost	5,498,565	5,245,297
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Settlement	-	-
Liability transfer in	-	-
Liability transfer out	-	-
Benefit paid	(2,569,178)	(2,694,560)
Actuarial (gain)/loss on obligation	6,026,361	645,218
Closing defined benefit obligation	33,303,724	22,657,152

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

(₹)

Particulars	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
Opening fair value of plan assets	20,116,417	15,875,924
Expected Return on Plan Assets	1,730,012	1,270,075
Contributions by employer	2,705,236	5,650,120
Benefit paid	(2,569,178)	(2,694,560)
Actuarial gain/(loss) on Plan Assets	1,151,724	14,858
Closing fair value of plan assets	23,134,211	20,116,417

# Consolidated Notes forming part of the financial statements

The Company expects to contribute ₹ 8,851,529/- to gratuity for the year 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June,2014.

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 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
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 show below

(₹)

Particulars	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
Discount rate	7.75% - 8.50%	8.25% - 8.50%
Expected rate of return on assets	8.60% - 8.70%	8.00%
Salary escalation	4.00% - 6.00%	4.00% - 6.00%
Employee turnover	2.00% - 5.00%	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\*:**

(₹)

Particulars	Gratuity				
	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012	For the year ended 30 <sup>th</sup> June, 2011	For the year ended 30 <sup>th</sup> June, 2010	For the year ended 30 <sup>th</sup> June, 2009
Defined benefit obligation	(33,303,724)	(22,657,152)	18,415	(8,271,711)	(7,267,886)
Plan assets	23,134,211	20,116,417	13,864,554	7,012,505	6,163,351
Surplus / (deficit)	(10,169,513)	(2,540,735)	1,145,227	1,259,207	(1,104,535)
Experience adjustments on plan liabilities	1,482,507	815,528	1,325,682	508,968	(817,519)
Experience adjustments on plan assets	15,774	14,858	165,169	121,614	(323,535)

\*The disclosure is required pursuant to Accounting Standard 15 Notified by Companies (Accounting Standards) Amendment Rules, 2008.

# Consolidated Notes forming part of the financial statements

## 34. Derivative Instruments and Un-hedged Foreign Currency Exposure

- There were no contracts outstanding as at balance sheet date.
- 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 (₹)	Quantity	Rate	Amount (₹)
<b>Sundry creditors</b>						
USD	828,020	59.38	49,167,798	492,948	55.68	27,447,317
EURO	184,652	66.65	14,338,837	129,039	70.11	9,046,718
GBP	69,925	90.51	6,328,702	52,965	86.96	4,606,032
CAD	42,684	56.66	2,418,480	55,699	54.47	3,033,835
AUD	63,588	54.79	3,484,044	38,942	56.73	2,209,269
OTHERS			10,792,160			4,930,167
<b>Total</b>			<b>86,530,011</b>			<b>51,273,338</b>
<b>Forex and forex equivalents</b>						
USD	1,259,293	59.38	74,776,825	1,223,949	55.65	55,244,188
EURO	562,950	66.65	43,645,043	789,251	70.00	55,244,188
GBP	109,316	90.51	9,893,845	119,093	86.95	10,355,115
CAD	47,128	56.66	2,670,264	66,834	54.47	3,640,338
JPY	2,202,000	0.60	1,321,861	2,387,071	0.69	1,655,911
AED	154,030	16.19	2,492,988	126,047	15.08	1,900,310
AUD	68,828	54.79	3,771,127	59,850	56.63	3,389,493
SGD	122,995	46.94	5,773,920	97,220	43.86	4,263,871
CHF	10,199	62.98	642,370	31,235	58.38	1,823,365
SAR	180,763	15.85	2,865,455	84,610	14.77	1,249,343
AED	101,341	16.22	1,643,880	32,826	15.26	500,827
OTHERS			8,964,208	9,909,077		9,909,077
<b>Total</b>			<b>158,461,786</b>			<b>162,044,317</b>
<b>Forex and forex equivalents</b>						
USD	142,754.56	58.79	8,392,540	217,553.50	55.51	12,076,394
EURO	396,395.57	76.91	30,486,783	448,181.23	69.91	31,332,350
GBP	4,722.20	90.18	425,847	5,176.10	86.65	448,509
AUD	2,390.81	54.34	129,916	13,720.81	56.30	772,482
SGD	12,037.82	46.51	559,879	13,549.00	43.60	590,736
CHF	1,052.00	62.38	65,623	1,052.00	58.19	61,216
NZD	679.00	45.93	31,186	-	-	-
<b>Total</b>			<b>40,091,774</b>			<b>45,281,687</b>
<b>Trade Receivable</b>						
USD	112,300	59.5970	6,692,743	-	-	-
<b>Total</b>	<b>112,300</b>	<b>59.5970</b>	<b>6,692,743</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 35. 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

# Consolidated Notes forming part of the financial statements

(₹)

Particulars	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
<b>Deferred tax liabilities</b>		
Difference between book and tax depreciation	6,485,661	25,633,801
On a/c of leasehold expenses claimed in IT	20,155,147	-
<b>Total (A)</b>	<b>26,640,808</b>	<b>25,633,801</b>
<b>Deferred tax (assets):</b>		
Provision for Gratuity & leave encashment	84,24,091	3,328,170
On a/c of Depreciation on leasehold in Company	12,058,883	-
On a/c of Provision for Bad debts	32,590,771	21,554,176
Unabsorbed Depreciation	108,560,253	-
Carried Forward Losses	113,313,509	113,313,509
<b>Total (B)</b>	<b>274,947,507</b>	<b>138,195,855</b>
<b>Net deferred tax liability / (assets) (A - B)</b>	<b>(248,306,699)</b>	<b>(112,562,054)</b>

## Deferred tax reconciliation

(₹)

<b>Opening deferred tax liability as on 1<sup>st</sup> July, 2012</b>	<b>(112,562,053)</b>
Adjustments during the year	<b>(849,749)</b>
Deferred Tax charge / (credit) in Consolidated Statement of Profit & Loss	<b>(134,894,897)</b>
<b>Closing deferred tax assets as on 30<sup>th</sup> June, 2013</b>	<b>(248,306,699)</b>

## 36. (a). Earnings in foreign exchange (Accrual basis)

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Commission / Syndication fees	6,039,870	17,489,143
<b>Total</b>	<b>6,039,870</b>	<b>17,489,143</b>

## (b). Expenditure in foreign currency (Accrual basis)

(₹)

Particulars	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2012
Travelling	748,504	1,152,574
Professional Fees	559,550	-
Commission and Brokerage	235,645	-
Branch Expenses	20,899,910	24,012,879
<b>Total</b>	<b>22,443,609</b>	<b>25,165,453</b>

# Consolidated Notes forming part of the financial statements

## 37. Earnings Per Share

(₹)

Particulars	For the year ended 30 <sup>th</sup> June, 2013	For the year ended 30 <sup>th</sup> June, 2012
Profit after taxes (net of prior period items) before Extraordinary Items attributable to equity shareholders	93,514,994	(308,253,345)
Add : Exceptional Items (Refer Note 39)	49,944,075	NIL
Profit after taxes (net of prior period items) after Extraordinary Items attributable to equity shareholders	143,459,069	(308,253,345)
<b>Weighted average number of equity shares issued and outstanding:</b>		
Weighted average number of equity shares at the end of the Year before share split and bonus issue (Face Value ₹ 10/-)	6,933,879	6,933,879
Weighted average number of equity shares after considering Shares Split (Face Value ₹ 1/-) (Refer Note 38)	69,338,790	6,933,879
Weighted average number of equity shares on account of Bonus issue (Face Value ₹ 1/-) (Refer Note 38)	346,693,950	346,693,950
Weighted average number of equity shares outstanding after considering Shares split and Bonus Issue (Face Value ₹ 1/-)	416,032,740	416,032,740
Basic and Diluted Earnings Per Share before Extraordinary Items	0.23	(0.74)
Basic and Diluted Earnings Per Share after Extraordinary Items	0.35	(0.74)
Nominal Value of Equity Shares	1/-	1/-

38. During the year, company had held Extraordinary general meeting on 13<sup>th</sup> June 2013, wherein members have approved increase in authorized capital from ₹ 10,00,00,000 (Rupees Ten Crores) divided into 10,000,000 equity shares of ₹ 10/- each to ₹ 420,000,000 (Rupees Forty Two Crores) divided into 42,000,000 equity shares of ₹ 10 each.

Members have also approved sub division of Equity shares of Face Value of ₹ 10/- each into Equity shares of ₹ 1/- each and Issue of Bonus Equity Shares in the ratio of 5:1 after subdivision of shares. The subdivision was effective and simultaneous with the allotment of Bonus shares by the Board or as per the advice of the Stock Exchange. BSE has issued a notice vide Notice Number 20130619-23 dated 19<sup>th</sup> June, 2013 informing the Trading Members that record date for sub division and bonus issue will be on 4<sup>th</sup> July 2013.

Consequent upon which, subsequent to balance sheet date the company has sub divided equity share of ₹ 10 /- each to 10 shares of ₹ 1/- each. Further vide board resolution dated 8<sup>th</sup> July 2013, company has allotted Bonus Shares in the proportion of 5 (Five) Equity Share of ₹ 1/- each for every 1 (One) Equity Share of ₹ 1/- each by capitalizing ₹ 346,693,950/- out of its Securities Premium Account.

Basic and diluted earning per Share (for current year and previous year) has been restated on the basis of new number of equity shares.



# Consolidated Notes forming part of the financial statements

The Capital Structure giving effect to the above will be as follows.

		( ₹ )
Particulars	Amount ( ₹ )	
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b> 420,000,000 Equity shares of ₹ 1/-each	420,000,000	
<b>TOTAL</b>	420,000,000	
<b>ISSUED</b> 416,032,740 Equity shares of ₹1/- each	416,032,740	
<b>SUBSCRIBED &amp; FULLY PAID UP</b> 416,032,740 Equity shares of ₹1/- each	416,032,740	
<b>TOTAL</b>	416,032,740	

39. During the year, BrihanMumbai Municipal Corporation (BMC) has made downward revision in property tax rate with retrospective effect from April 2010 and company being a beneficiary recognized the refund of ₹ 47,181,295/- against the property taxes paid for period April 2010 to March 2012 and reversal of ₹ 2,762,780/- for excess property tax provided for period April 2012 to June 2012.

The Company has recognized the same as income amounting to ₹ 49,944,075/- as shown in Statement of Profit and loss under the head exceptional items.

**40. Loans and Advances (including interest) 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.

( ₹ )				
Particulars	As at 30 <sup>th</sup> June 2013	Maximum outstanding during the year	As at 30 <sup>th</sup> June 2012	Maximum outstanding during the year
<b>Parties under the same management</b>				
Centrum Securities Private Limited	1,625,000	1,625,000	625,000	1,153,696
Centrum ESPS Trust	306,225,000	306,225,000	306,225,000	306,225,000
<b>Parties in which directors are interested</b>				
Businessmatch Services (India) Private Limited	3,000,000	3,000,000	3,000,000	3,000,000
Deposits outstanding from Director of Holding Company	3,000,000	3,000,000	3,000,000	3,000,000

- 
- 41.** In case of company's associate Companies Centrum Securities Private Limited and Essel-Centrum Holdings Limited; accumulated losses accounted in previous financial year's consolidated financial statements based on the equity method under AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' have resulted in complete erosion of carrying of company's investments in associate Companies. Accordingly, no further provisions for losses have been made in current year's consolidated financial statements.
- 42.** Trade Receivables are subject to confirmations, reconciliations and adjustments, if any, arising there from.
- 43.** The Company has long outstanding trade receivable amounting to ₹ 45,832,632/-(P.Y. ₹ 64,953,975/-).Based on recent trends in collection, sale of pledge shares and status of ongoing lawsuit; the above amount, in view of the management, is fully recoverable and accordingly the same need not be subject to any provisioning.
- 44.** The Company intends to opt for Service Tax Voluntary Compliance Encouragement Scheme (VCES), for short payment of service tax for the period from April 2012 to December 2012 amounting to ₹ 74,557,031/- wherein the above service tax liability can be paid in future years without any Interest and penalty thereon.
- 45.** During the previous year, the Company had initiated the process of liquidation of Centrum Securities (Europe) Limited, London, a Wholly Owned Subsidiary of the Company. Further as per the Statement of accounts from liquidator, the Company has written off ₹ 5,067,371/- in previous year and Euro 7136.45 (₹ 532,879/-) is recoverable against the balance of investments.

Further the amount receivable of ₹ 532,879 from Centrum Securities (Europe) Limited shown under the head Investment in the previous year have been reclassified under the head Short Term Loans and Advances.

#### **46. Prior Year Comparatives**

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

**As per our report of even date**

**For Haribhakti & Co.  
Chartered Accountants  
Firm registration No.103523W**

**Sumant Sakhardande  
Partner  
Membership No.034828**

**Place : Mumbai  
Date: 29<sup>th</sup> August, 2013**

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

**P. R. Kalyanaraman  
Managing Director**

**Alpesh Shah  
Company Secretary**

**Place : Mumbai  
Date: 29<sup>th</sup> August, 2013**

**Chandir Gidwani  
Non Executive Chairman**

**Information on the financials of the subsidiary companies for the year ended 30<sup>th</sup> June, 2013**

[Prepared in compliance with the requirements of the exemption letter(s) of the Ministry of Corporate Affairs, Government of India]

**[Pursuant to Section 212 of the Companies Act, 1956]**

Name of the Subsidiary Company	₹									
	Centrum Infrastructure & Realty Limited	Centrum Wealth Management Limited	CentrumDirect Limited	Accounts Receivables Management Services (India) Limited	Centrum Financial Services Limited	Centrum Capital Holdings LLC	Centrum Broking Limited	Club 7 Holidays Limited		
The financial year of the subsidiary ended on	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2013	30 <sup>th</sup> June, 2013		
Capital	500,000	500,000	59,044,340	500,000	47,500,000	1,884,755	194,340,020	1,500,000		
Reserves	(128,412,509)	(243,881,012)	1,131,896,738	(241,663)	64,249,555	-	44,048,672	42,722,989		
Total Assets	25,538,039	153,632,200	2,185,502,335	275,191	515,907,773	1,884,755	344,291,025	206,399,465		
Total Liabilities	25,538,039	153,632,200	2,185,502,335	275,191	515,907,773	1,884,755	344,291,025	206,399,465		
Investments (except in case of investment in subsidiaries)	-	-	31,561,696	-	10	-	7,074,838	122,500		
Turnover	3,543,607	132,541,329	27,380,048,490	-	92,230,532	-	116,002,482	121,336,935		
Profit / (Loss) before taxation	(13,092,746)	(154,103,794)	130,374,256	(17,512)	8,226,888	(132,692)	(58,899,409)	19,284,106		
Provision for taxation	-	111,977,522	(43,374,634)	-	(1,096,906)	-	13,950,750	(6,220,632)		
Profit / (Loss) after taxation	(13,092,746)	(42,126,272)	86,999,622	(17,512)	7,129,982	(132,692)	(44,948,659)	13,063,473		
Proposed dividend	-	-	-	-	-	-	-	-		

Notes:

- The Ministry of Corporate Affairs has vide its letter(s) bearing No. 47/634/2010-CL-III dated 1<sup>st</sup> July, 2010 exempted the Company from attaching to its Balance Sheet, certain information in respect of its subsidiaries specified in Section 212(1) of the Companies Act, 1956.
- The annual accounts of the subsidiary companies are available for inspection at the Corporate Office of the Company.

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

**P. R. Kalyanaraman**  
Managing Director

**Chandir Gidwani**  
Non Executive Chairman

**Alpesh Shah**  
Company Secretary

**Place : Mumbai**

**Date: 29<sup>th</sup> August, 2013**

# CENTRUM

***Your Aim Is Our Only Target***

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Corporate Office: Centrum House, CST Road, Vidyanagari Marg, Kalina,  
Santacruz (East), Mumbai - 400 098.

Tel: (022) 4215 9000 | Fax: (022) 4215 9833

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