

J.R. JAIN & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of Centbank Financial Services Limited,

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Centbank Financial Services Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2022, the profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key audit matters

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

Sr. No.	Key Audit Matter	Auditor's Remark
1	Revenue recognition (Refer note 20 (C) of Significant Accounting Policies and note 21 (I) of the Financial Statements)	
	Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, substantive testing for cut-offs and analytical review procedures.

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Emphasis of Matter:

Sr. No.	Particulars	Auditor's Remark
1	Unclaimed Dividend / Interest and Unallocated/Unclaimed Proceeds on Redemption of Securities (Refer Note 21 (B) of the Financial Statements)	
	The amounts received on behalf of unknown beneficiaries, have been accounted in the nominal account "Sundry Party Unclaimed Dividend / Interest" and "Unallocated / Unclaimed Proceeds on Redemption of Securities". As and when the details are received from the payer about the beneficiaries, the amount is transferred to the respective beneficiary account.	<p>The Company has not transferred or allocated dividend, interest and other corporate benefits received over a period of time from various companies/undertakings, amounting to Rs.1,78,95,553/- to the trusts/ beneficiaries, on whose behalf the investment portfolios are held under trusteeship services. The said amount stood at Rs.1,66,04,835/- as on March 31, 2021 and has increased to Rs.1,78,95,553/- as at March 31, 2022.</p> <p>Similarly, the Company has not transferred or allocated sales/ redemption proceeds of shares/ debentures amounting to Rs. 17,63,320/- to the respective trust/beneficiary, since it pertains to the debentures already sold. The same is outstanding since 2005-06.</p> <p>The company has kept the above funds in current account with its bank since long.</p>

2	Amount(s) distributed by official liquidator for debenture holders of three companies (Refer Note 21(O) of the Financial Statements)													
	<p>Cash and cash equivalents include amount(s) distributed by official liquidator for debenture holders of three companies which have been kept in separate bank account(s) and a corresponding liability of same amount(s) have been shown in 'other long term liability'. Details of the same are as follows:</p> <table border="1"> <thead> <tr> <th>Name of Company</th> <th>Amount (Rs.)</th> <th>Liquidated on</th> </tr> </thead> <tbody> <tr> <td>Shree Ambica Mills Ltd.</td> <td>17,76,828</td> <td>17-01-1997</td> </tr> <tr> <td>Tungabhadra Industries Ltd</td> <td>6,23,154</td> <td>09-07-2001</td> </tr> <tr> <td>Ahmedabad Ram Krishna Mill Ltd</td> <td>48,37,701</td> <td>17-01-1996</td> </tr> </tbody> </table> <p>This amount will be paid as and when the debenture holders will submit their claims.</p>	Name of Company	Amount (Rs.)	Liquidated on	Shree Ambica Mills Ltd.	17,76,828	17-01-1997	Tungabhadra Industries Ltd	6,23,154	09-07-2001	Ahmedabad Ram Krishna Mill Ltd	48,37,701	17-01-1996	<p>The Company has separately kept these amount(s) in Current Account(s) with Central Bank of India. The Company plans to clear such amount(s) as and when the original debenture holder(s) submit their claims.</p>
Name of Company	Amount (Rs.)	Liquidated on												
Shree Ambica Mills Ltd.	17,76,828	17-01-1997												
Tungabhadra Industries Ltd	6,23,154	09-07-2001												
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3	Tax Deducted at Source on Dividend received on shares and securities on behalf of its clients in a fiduciary capacity, i.e. Trustee-Beneficiary relationship (Refer Note 21 (D) of the Financial Statements)
	<p>The dividend on these shares is credited in the designated Bank Account of the Company which is then transferred to beneficiary's account after deducting applicable charges. As per Finance Act 2020, income by way of dividend is chargeable to tax under the amended provisions of Income Tax Act, 1961. Tax totaling to Rs. 25,34,075/- has been deducted on source (TDS) on this dividend income of the beneficiaries in the name of our Company. The said dividend income and corresponding TDS belong to the respective beneficiaries and hence the Company has transferred the dividend (net of TDS) to beneficiaries account.</p> <p>The Company took opinion regarding this matter from BGSS & ASSOCIATES. According to their Opinion - In the books of CFSL, TDS deducted on dividend income needs to be shown as asset under current assets with corresponding entry be shown as amount payable to the beneficial owner under liabilities, Also CFSL is advised to undertake corrective action as prescribed by Rule 37BA of Income Tax. As per Rule 37BA(2), CFSL should write to each deductor a declaration along with name and proportion of beneficiaries to transfer TDS credit in beneficiary account .</p> <p>Accordingly the Company has appointed Tax-O-Smart LLP on 15th Feb, 2022 for communicating with these deductor companies and following up with them for transfer of TDS credit from 26-AS of company to 26-AS of respective trust/beneficiaries. This work is under progress.</p>

4. Impact of COVID19 Lockdown on the Operations of the Company and Resumption of Operations post COVID19 Lockdown

We draw attention to Note No 21(Q) to the Financial Statements w.r.t. impact of the ongoing healthcare of COVID-19 pandemic on the results of the Company. We have been informed that as on date there is no significant impact of the same on the results of the Company.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

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responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) Except for the effects of the matters described in Emphasis of Matters paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matters described in Emphasis of Matters paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) Except for the effects of the matters described in Emphasis of Matters paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as at 31st March 2022 which would impact its financial position.;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 21(J) to the financial statements;

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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
- iv. (a) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (C) nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure C" on the directions and sub-directions issued by the Comptroller and Auditor General of India.



Place: Mumbai
Date: 25th April, 2022
UDIN - 22048084 AHS WBJ 2688

For J.R. JAIN & Co.
Chartered Accountants


Bipin Jeevraj Jain
(PARTNER)
Membership No.: 048084
FRN: 103915W

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Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Centbank Financial Services Limited of even date)

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

Report on internal financial controls over financial reporting

We have audited the internal financial controls over financial reporting of **Centbank Financial Services Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

Except for the effects of the matters described in Emphasis of Matters paragraph in Independent Audit Report, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects except for the effects of the matters described in Emphasis of Matters paragraph in Independent Audit Report, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: Mumbai
Date: 25th April, 2022
UDIN - 22048084 AHSWBJ 2688

For J.R. JAIN & Co.
Chartered Accountants


Bipin Jeevraj Jain
(PARTNER)
Membership No.: 048084
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Annexure –B to the Independent Auditors' Report

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report to the members of Centbank Financial Services Limited of even date)

- i. In respect of its Fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.
 - The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanation given by the management, the Company has not entered into any formal agreement for the property occupied by it.
 - The Company has not revalued its Property, Plant and Equipment (including Right to use assets) or intangible assets or both during the year.
 - No proceeding has been initiated or pending against the company for holding any benami property under the Benami transaction (Prohibition) Act, 1988 (45 of 1988) and rule made thereunder.
- ii. The Company is a service company, primarily rendering financial services. Accordingly, reporting under clause 3 (ii) is not applicable to the company.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not provided any guarantee or security or granted any loans or advances, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties. Accordingly, the provisions of clauses a, b, c, d, e and f of Paragraph 3(iii) of the order are not applicable to the Company. The Company has made investment during the year as mentioned in clause no iv and the same is not prejudicial to the company's interest as per sub-clause (b).
- iv. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has made following investments during the year.

SDL	Face Value	Deal Value
7.14% Karnataka SDL	1,90,00,000.00	1,97,41,000.00
7.30% Himachal Pr SDL	2,90,00,000.00	3,00,53,425.00
7.30% Himachal Pr SDL	96,60,000.00	99,65,304.30
	5,76,60,000.00	5,97,59,729.30

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This investment is in compliance with the provisions of section 185 and 186 of the Companies Act, 2013.

- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. To the best of our knowledge and according to the explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company and hence this clause is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues :
- a) the Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Custom, Cess and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect aforesaid dues as at March 31, 2022 for a period of more than six months from the date they became payable.
- b) According to the records of the Company and information and explanations provided to us, there is no disputed amounts payable in respect of, Provident Fund, Income Tax, Goods and Service Tax, Sales Tax, Value Added Tax, Customs Duty, Cess and other material statutory dues, as on the last day of the period ending March 31, 2022. **Except** Service Tax, for which Company has disputed liability of Rs. 19,27,015/- for the period October 2015 to June 2017. It is explained that the Company has preferred an appeal against above demand and same is pending before The Commissioner of GST & CX (Appeals).
- viii. According to the information and explanation given to us, there is no transaction not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of 1961).
- ix. In our opinion and according to the information and explanations given to us, the company has not taken any loan or other borrowings. Accordingly, the provisions of clauses a, b, c, d, e and f of Paragraph 3(ix) of the order are not applicable to the Company.
- x. In respect of moneys raised by IPO, FPO & preferential allotment/ private placement of shares or convertible debentures:
- a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence reporting under this clause is not applicable to the Company.

Head Office -

Sheel Chambers, 10, Cawasji Patel Street, Fort, Mumbai - 400 001.

E-mail:- jjain123@rediffmail.com Tel: - 022-22871930/4177.

Branch -

#36, 1st Floor, 2nd Cross, Kumara Park West, Bangalore-560020.

E-mail:- kothariak.1967@gmail.com and kothariak@vsnl.net Tel: 4125299



J. R. JAIN & CO.
CHARTERED ACCOUNTANTS

- b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debenture during the year.
- xi. In respect of fraud reporting:
- a) To the best of our knowledge and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- b) No report u/s 143(12) of the companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) No whistle-blower complaints received during the year by the Company.
- xii. In our opinion and according to the explanations give to us, the company is not a nidhi Company and therefore, the provisions of this clause are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has no internal audit system commensurate with the size and nature of its business.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him and hence provisions this clause of the Order are not applicable to the company.
- xvi. In respect of registration with Reserve Bank of India:
- a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) There is no CIC's in the group.
- xvii. According to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. Company being subsidiary of a Public Sector Bank, Appointment of an auditor is done on the recommendation of office of the Comptroller & Auditor General of India and based on their recommendation our appointment is done following the provision of companies Act. We have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

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J.R. JAIN & CO.
CHARTERED ACCOUNTANTS

- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. According to the information and explanations given to us, the provisions of sections 135 of the Companies Act are not applicable for the financial year. Accordingly reporting under this clause is not applicable.
- xxi. According to the information and explanations given to us, the Company does not require preparing consolidated financial statements, accordingly provisions of this clause is not applicable.



Place: Mumbai
Date: 25th April, 2022
UDIN - 22048084 AHSWBJ 2688

For J.R. JAIN & Co.
Chartered Accountants


Bipin Jeevraj Jain
(PARTNER)
Membership No.: 048084
FRN: 103915W

Head Office -

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J.R. JAIN & CO.
CHARTERED ACCOUNTANTS

Annexure C to the Independent Auditors' Report


Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of the Company on the Financial Statements for the year ended 31 March 2022

Sr. No	Directions u/s 143(5) of the Companies Act	Auditor's reply on action taken on the directions
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, there is no processing of accounting transactions outside IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	There are no cases of any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc.
3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	The Company has not received/ receivable any funds (grants/ subsidy etc.) for specific schemes from Central/ State Government or its agencies and hence this clause is not applicable to the Company.



Place: Mumbai
Date: 25th April, 2022
UDIN - 22048084AHSWBJ2688

For J.R. JAIN & Co.
Chartered Accountants


Bipin Jeevraj Jain
(PARTNER)
Membership No.: 048084
FRN: 103915W

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E-mail:- kothariak.1967@gmail.com and kothariak@vsnl.net Tel: 4125299

CENTBANK FINANCIAL SERVICES LIMITED

CIN: U67110MH1929GOI001484

Registered Office: Central Bank of India- MMO Bldg, 3rd Floor (East Wing), 55 MG Road, Fort, Mumbai - 400 001

BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. in Thousand)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	50,000.00	50,000.00
(b) Reserves and Surplus	2	3,03,817.57	3,08,186.72
(2) Non-Current Liabilities			
(a) Other long term liabilities	3	7,249.68	6,035.19
(b) Long-term provisions	4	396.13	316.97
(3) Current Liabilities			
(a) Other current liabilities	5	60,372.10	58,999.33
(b) Short-term Provisions	6	108.64	122.22
TOTAL		4,21,944.12	4,23,660.43
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment and Intangible assets	7		
(i) Property, Plant and Equipment		239.37	145.83
(ii) Intangible Assets		40.00	104.49
(iii) Capital work-in-progress		-	136.80
(b) Non-current Investments	8	59,762.73	3.00
(c) Deferred tax assets (net)	9	144.59	168.24
(d) Other non-current assets	10	1,88,333.99	19,938.74
(2) Current Assets			
(a) Current Investments	11	-	15,000.00
(b) Trade Receivables	12	880.80	886.98
(c) Cash and cash equivalents	13	1,61,019.88	3,55,560.94
(d) Other current assets	14	11,522.76	31,715.41
TOTAL		4,21,944.12	4,23,660.43

Significant accounting policies and Notes forming part of the financial statements

As per our report on even date

For J.R. JAIN & CO.

Chartered Accountants

(FRN: 103915W)



(Bipin Jeevraj Jain)

Partner

Mem. No. 048084

Place : Mumbai

Date : 25th April, 2022



20 & 21

For and on behalf of the Board of Directors



(Vivek Wahi)

Chairman

DIN: 07490023



(S Venkataraman)

Managing Director

DIN: 09080799



(Aarti Sharma)

Company Secretary

Mem. No. 41257

Place : Mumbai

Date : 25th April, 2022



CENTBANK FINANCIAL SERVICES LIMITED

CIN: U67110MH1929GOI001484

Registered Office: Central Bank of India- MMO Bldg, 3rd Floor (East Wing), 55 MG Road, Fort, Mumbai - 400 001

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Thousand)

Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
Income:			
Revenue from Operations	15	11,674.31	11,659.79
Other Income	16	17,815.53	22,291.17
I. Total Income		29,489.84	33,950.96
Expenses:			
Employee Benefit Expenses	17	8,064.52	11,764.85
Depreciation and Amortisation Expenses	18	157.74	126.91
Other Expenses	19	6,968.32	7,599.99
II. Total Expenses		15,190.58	19,491.75
III. Profit / (Loss) before tax	(I - II)	14,299.26	14,459.21
IV. Tax expense:			
(1) Current tax		3,657.16	-
(2) Deferred tax		23.66	5,447.57
(3) Prior year tax expense		(12.40)	(55.48)
		3,668.42	5,392.09
V. Profit(Loss) for the period	(III-IV)	10,630.84	9,067.12
VI. Earnings per share			
Equity shares of par value of Rs 1000/- each			
(a) Basic (In Rs.)		212.62	181.34
(b) Diluted (In Rs)		212.62	181.34

Significant accounting policies and Notes forming part of the financial statements

20 & 21

As per our report on even date

For and on behalf of the Board of Directors

For J.R. JAIN & CO.

Chartered Accountants

(FRN: 103915W)



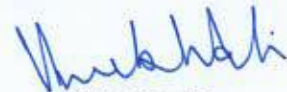
(Bipin Jeevraj Jain)

Partner

Mem. No. 048084

Place : Mumbai

Date : 25th April, 2022

(Vivek Wahi)

Chairman

DIN: 07490023



(S Venkataraman)

Managing Director

DIN: 09080799



(Aarti Sharma)

Company Secretary

Mem. No. 41257

Place : Mumbai

Date : 25th April, 2022



CENTBANK FINANCIAL SERVICES LIMITED

CIN: U67110MH1929GOI001484

Registered Office: Central Bank of India- MMO Bldg, 3rd Floor (East Wing), 55 MG Road, Fort, Mumbai - 400 001

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(Amount in Rs.)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash Flow From Operating Activities		
Net Profit before Tax & Extraordinary items	14,299.26	14,459.22
Add:		
1) Depreciation	157.74	126.91
2) (Profit)/Loss on Sale of Assets (Net)	325.80	-
3) Dividend Received	(19.50)	(1,177.05)
4) Interest Received	(18,112.97)	(20,937.80)
	(17,648.92)	(21,987.94)
Operating Profit before Working Capital Changes	(3,349.66)	(7,528.73)
Adjustments for working capital changes:		
(Increase) / Decrease in Trade Receivables	6.18	832.87
(Increase) / Decrease in Other Receivables	12,010.24	5,460.54
Increase / (Decrease) in Short Term Provisions	(13.58)	(30.46)
Increase / (Decrease) in Other Liabilities	2,666.43	7,298.70
(Increase)/Decrease in Working Capital	14,669.27	13,561.65
Cash Generated From Operations	11,319.61	6,032.93
Direct Taxes Paid	(4,047.22)	(1,940.61)
	(A) 7,272.39	4,092.32
B. Cash Flow From Investing Activities		
Amount invested Long term Fixed Deposit	(1,59,810.39)	-
Amount received on maturity of Long Term Fixed Deposit	-	27,497.88
Amount invested in SDL Securities	(59,759.73)	-
Amount received on redemption of Mutual Fund	14,674.20	-
Purchase of Fixed Assets	(50.00)	(136.80)
Interest Received	18,112.97	20,937.80
Dividend Received	19.50	1,177.05
	(B) (1,86,813.45)	49,475.94
C. Cash Flow From Financing Activities		
Dividend paid	(15,000.00)	(18,400.00)
	(C) (15,000.00)	(18,400.00)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(A+B+C) (1,94,541.06)	35,168.25
Opening Balance	3,55,560.94	3,20,392.69
Closing Balance	1,61,019.88	3,55,560.94
Net Increase/ (Decrease) in Cash & Cash Equivalents	(1,94,541.06)	35,168.25

Significant accounting policies and Notes forming part of the financial statements

20 & 21

Notes:-

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statement issued by ICAI.

As per our report on even date

For and on behalf of the Board of Directors

For J.R. JAIN & CO.

Chartered Accountants

(FRN: 103915W)



(Bipin Jeevra) Jain

Partner

Mem. No. 048084

Place : Mumbai

Date : 25th April, 2022



(Vivek Wahi)
Chairman
DIN: 07490023

(S Venkataraman)
Managing Director
DIN: 09080799

(Aarti Sharma)
Company Secretary
Mem. No. 41257

Place : Mumbai

Date : 25th April, 2022



CENTBANK FINANCIAL SERVICES LIMITED
Notes forming part of the financial statements

Sr. No	Particulars	As at 31st March 2022	As at 31st March 2021
	Note 1 : Share Capital		
1	AUTHORISED CAPITAL 1,00,000 Equity Shares of Rs. 1000/- each.	1,00,000.00	1,00,000.00
		1,00,000.00	1,00,000.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL To the Subscribers of the Memorandum 50,000 Equity Shares of Rs. 1000/- each Paid up Share capital by allotment 50,000 Equity Shares of Rs. 1000/- each, Fully Paid Up	50,000.00	50,000.00
		50,000.00	50,000.00
(i) The company has one class of shares referred to as equity shares having a par value of Rs.1000/-. Each holder of equity shares is entitled to one vote per share.			
(ii) Details of shares held by each shareholder holding more than 5% shares:			
	Name of the shareholder	No.of Shares	No.of Shares
	Central Bank of India (Promoter) and its nominees	50,000	50,000
	Percentage of shareholding	100%	100%
(iii) The reconciliation of the number of shares outstanding is set out below:			
	Particulars	As at 31st March 2022	As at 31st March 2021
	Number of shares at the beginning	50,000	50,000
	Add: Allotment of Equity Shares	-	-
	Number of shares at the end	50,000	50,000
	Note 2 : Reserves and Surplus		
1	General Reserve Balance brought forward from previous year Add: Transfer from Profit & Loss account	32,500.00	32,500.00
		-	-
		32,500.00	32,500.00
2	Surplus in the Statement of Profit and Loss Balance brought forward from previous year Add: Profit for the period Less: Dividend Paid Add: Transfer from Depreciation	2,75,686.72	2,85,016.19
		10,630.84	9,067.12
		15,000.00	18,400.00
		-	3.40
		2,71,317.57	2,75,686.72
		3,03,817.57	3,08,186.72



CENBANK FINANCIAL SERVICES LIMITED
Notes forming part of the financial statements

Sr. No	Particulars	As at 31st March 2022	As at 31st March 2021
Note 3 : Other Long Term Liabilities			
Others:			
1	Debenture Trust A/c 1787419858 Shree Ambica Mills Ltd.	1,776.83	561.98
2	Debenture Trust A/c 1787419961 Tungabhadra Ind. Ltd.	623.15	623.15
3	Debenture Trust A/c 1787421006 Ahmedabad Ram Krishna Mill	4,837.70	4,838.06
4	Security Trustee Deposits	12.00	12.00
		7,249.68	6,035.19
Note 4 : Long-term Provisions			
1	Provision for Employee Benefits (Leave Encashement)	201.74	316.97
2	Provision for Employee Benefits (Gratuity)	194.39	-
		396.13	316.97
Note 5 : Other Current Liabilities			
1	Trust Account Balances	37,881.80	40,631.55
2	Trust Account Balances (TDS)	2,534.07	-
3	TDS Payable	67.23	48.78
4	Professional Tax	1.20	0.60
5	Unallocated Dividend / Interest	17,895.55	16,604.83
6	Unallocated/unclaimed proceeds on redemption of Securities	1,763.32	1,588.14
7	Other Liabilities	228.93	125.44
		60,372.10	58,999.33
Note 6 : Short-term Provisions			
1	Audit Fees	58.50	71.83
2	Provision for Employee Benefits (Leave Encashement)	50.14	50.40
		108.64	122.22
Note 8 : Non-Current Investment (At Cost)			
Quoted			
1	Investment in Equity Instruments 3000 equity shares of HDFC Bank Ltd of Rs. 1/- each valued at Rs. 1,470.35/- per share (Market Value as on 31/03/2022 is Rs. 44,11,050/-)	3.00	3.00
2	Investment in Government Securities * 7.14% Karnataka SDL 1,90,000 units valued at Rs. 103.2501/- per unit (Market Value as on 31/03/2022 is Rs. 1,96,17,519/-) * 7.30% Himachal Pr SDL 3,86,600 units valued at Rs. 104.1246/- per unit (Market Value as on 31/03/2022 is Rs. 4,02,54,570/-)	19,741.00 40,018.73	- -
		59,762.73	3.00
Note 9 : Deferred Tax Asset			
Deferred Tax Asset		144.59	168.24
		144.59	168.24
Note 10 : Other Non Current Assets			
1	Fixed Deposits with maturity more than 12 months	1,78,762.23	18,951.85
	Accrued Interest on Fixed Deposits with maturity more than 12 months	8,652.69	986.89
	Accrued Interest on Securities	919.07	-
		1,88,333.99	19,938.74



CENBANK FINANCIAL SERVICES LIMITED
Notes forming of the financial Statements

Note 7 : Property, Plant and Equipment and Intangible assets

Particulars	Gross Block				Depreciation			Net Block			
	Gross Carrying Value as on 01st April, 2021	Additions	Deletions	Gross Carrying Value as on 31st March, 2022	Balance as on 01st April, 2021	Depreciation	Accumulated Depreciation on Deletions	Transfer to retained earning	Balance as on 31st March, 2022	WDV as on 31st March, 2022	WDV as on 31st March, 2021
Property, Plant and Equipment											
End user Devices	588.30	-	-	588.30	558.88	-	-	-	558.88	29.42	29.42
Server & Network	492.53	136.80	-	629.33	467.90	20.83	-	-	488.73	140.60	24.63
Furniture and Fixtures	100.85	-	-	100.85	66.50	10.11	-	-	76.62	24.23	34.35
Office Equipments	551.00	-	-	551.00	493.56	12.31	-	-	505.88	45.12	57.44
Intangible Asset											
Computer Software	4,586.21	-	-	4,586.21	4,481.72	104.49	-	-	4,586.21	0.00	104.49
Web-site	0.00	50.00	-	50.00	-	10.00	-	-	10.00	40.00	-
Capital work-in-progress New Server	136.80	-	(136.80)	-	-	-	-	-	-	-	136.80
Grand Total	6,455.68	186.80	(136.80)	6,505.68	6,068.57	157.74	-	-	6,226.31	279.37	387.12
As on 31st Mar, 2021	6,318.89	136.80	-	6,455.69	5,945.06	126.91	-	3.40	6,068.57	387.12	373.82



CENTBANK FINANCIAL SERVICES LIMITED
Notes forming part of the financial statements

Sr. No	Particulars	As at 31st March 2022	As at 31st March 2021
	Note 11: Current Investments		
	Quoted Investment in Mutual Fund		
	15,00,000 units of UTI FIXED TERM INCOME FUND- SERIES XXVIII	-	15,000.00
		-	15,000.00
	Note 12 : Trade Receivables		
	Unsecured		
1	Undisputed Trade Receivable outstanding for a period 6 months - 1 year		
	Considered good	-	-
	Considered doubtful	-	413.00
2	Undisputed Trade Receivable outstanding for a period less than 6 months		
	Considered good	880.80	680.48
	Considered doubtful	-	-
		880.80	1,093.48
	Less: Provision for Doubtful Debts	-	206.50
		880.80	886.98
	Note 13 : Cash & Bank Balances		
1	Cash and Cash Equivalents		
	Cash on hand	6.35	7.05
2	Balances with banks		
	- In Current Accounts		
	With Central Bank of India A/c No. 1787420987 Bank A/c 1	38,285.13	59,123.19
	With Central Bank of India A/c No. 1787426399 Bank A/c 2	850.10	207.78
	With Central Bank of India A/c No. 5211991278 (Unallocated Dividend)	19,640.62	-
	With Central Bank of India A/c No. 1787421006 (Ahmedabad R K Mill)	4,837.70	4,838.06
	With Central Bank of India A/c No. 1787419858 (Shree Ambica Mills)	1,776.83	561.98
	With Central Bank of India A/c No. 1787419961 (Tungabhadra Ind. Ltd.)	623.15	623.15
	Sub Total (A)	66,019.88	65,361.21
3	Other Bank Balances		
	Fixed Deposit with maturity less than 12 months	95,000.00	2,90,199.73
	Sub Total (B)	95,000.00	2,90,199.73
	Total [A + B]	1,61,019.88	3,55,560.94
	Note 14 : Other Current Assets		
1	Income Tax Refund	3,686.78	3,284.32
2	TDS Receivable AY 21-22 (Trust)	2,534.07	-
3	Interest Accrued on FDR	3,288.84	25,971.95
4	Other Receivables	19.88	22.07
5	Prepaid Expenses	614.81	924.77
6	GST Input Tax Credit	1,231.88	1,403.68
7	GST Input Tax Credit (Deferred)	1.72	108.61
8	GST TDS Receivable	1.00	-
9	Service Tax Deposit	143.78	-
		11,522.76	31,715.41



CENBANK FINANCIAL SERVICES LIMITED
Notes forming part of the financial statements

(Rs. in Thousand)

Sr. No	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
	Note 15 : Revenue from Operations		
1	Fees from Executor Trusteeship	3,522.03	3,306.89
2	Fees from Debenture & Security Trusteeship	8,142.28	8,352.90
3	Fees from Safe Custody of Documents	10.00	-
		11,674.31	11,659.79
	Note 16 : Other Income		
1	Interest on Fixed Deposit Receipts	17,460.86	20,937.80
2	Other Income	8.86	6.47
3	Dividend Income	19.50	1,177.05
4	Interest on Income tax	-	169.85
5	Loss on sale of Investment	(325.80)	-
6	Interest on Securities	652.11	-
		17,815.53	22,291.17
	Note 17 : Employment Benefit Expenses		
1	Salaries & Allowances	4,922.76	8,333.12
2	Compensation Paid To Managing Director	2,252.46	1,504.81
3	Compensation Paid to Key Managerial person	889.30	1,926.92
		8,064.52	11,764.85
	Note 18 : Depreciation & Amorisation Expenses		
1	Depreciation	157.74	126.91
		157.74	126.91
	Note 19 : Other Expenses		
1	Telephone Expenses	126.51	139.76
2	Travelling Expenses	19.74	49.98
3	Office Maintenance	158.03	185.07
4	General Expenses	141.47	55.14
5	Demat Expenses	16.82	527.33
6	Insurance Expenses	5.44	5.34
7	Charges for amenities	300.00	300.00
8	Postage & Telegram	11.65	4.20
9	Professional Fees	701.30	423.00
10	Stationery Expenses	40.08	24.51
11	Audit Expenses:		
	Statutory Audit Fees	65.00	65.00
	GST Audit Fees	-	20.00
	Limited Review	75.00	75.00
12	Compensation for office premises	4,528.80	4,528.80
13	Website & Internet Expenses	1.98	11.76
14	Professional Tax Expenses	2.50	2.50
15	SEBI Registration Fees - Debenture Trustee	300.00	325.00
16	Directors Sitting Fees	160.00	160.00
17	ROC Filing Charges	7.80	7.60
18	Safe Locker charges	6.00	8.50
19	Shop and Establishment exp	-	3.60
20	Trustee Association Fees	280.00	80.00
21	Housekeeping Charges	162.11	142.02
22	Provision for Doubtful Debts	(206.50)	427.75
23	Advertisement Exp	64.59	28.13
		6,968.32	7,599.99



CENTBANK FINANCIAL SERVICES LIMITED

Significant Accounting Policies & Notes to Accounts for the year ended 31st March, 2022:

Note 20: Significant Accounting Policies:

A. Basis of Presentation:

The Financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the applicable mandatory Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended), as notified under Companies (Accounts) Rules, 2014 (GSR No. 239(E)), Schedule III and relevant provisions of the Companies Act, 2013.

The financial statements have been prepared under the Historical Cost convention using the accrual method of accounting, except for fees in respect of suit(s) filed of Debenture & Security Trusteeship business, which is accounted on receipt basis.

B. Use of estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to the accounting estimates is recognized prospectively in current and future periods.

C. Revenue Recognition:

In relation to Executor Trusteeship, business income is accrued on occurrence of transactions relating to trust account.

Revenue from Debenture and Security Trusteeship services is recognized on periodic basis and accounted on accrual basis, except for fees in respect of suit(s) filed of Debenture & Security Trusteeship business and on NPA accounts, which is accounted on receipt basis.

D. Investments:

Current investments are stated at lower of the cost or fair value. Non-Current investments are stated at cost. Provision for diminution, if any, in the value of the Non-Current investments is made only if the diminution in the value is of permanent nature.

E. Fixed Assets:

Fixed assets are stated at acquisition cost including incidental expenses in connection thereto less Depreciation.

F. Intangible Assets:

Intangible assets are stated at cost of acquisition less amortization.



G. Depreciation & Amortization:

- i. Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner specified in Schedule II to the Companies Act, 2013. The useful life of fixed assets have been adopted as per Schedule II of Companies Act, 2013 and differential amount of asset carrying value as on the first day of the year has been suitably adjusted in accounts.
- ii. Depreciation on assets added/disposed during the year is provided with reference to the date of addition/disposition.
- iii. Intangible assets have been amortized considering the economic life of the asset ascertained to be 5 years by the management and amortized accordingly.

H. Impairment of Assets:

The carrying amount of assets, other than investment properties, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to

An impairment loss is recognized in profit or loss in the period in which it arises.

I. Foreign Currency Transactions

The Company does not have any Foreign Currency Transactions.

J. Expenditure on increase of Authorized Capital:

Stamp Duty paid and Registration fees on issue of Equity Shares as a result of increase in authorize capital is written off over a period of ten years.

K. Tax Expenses:

Provision for current tax is computed as per 'Total Income' returnable under the Income Tax Act, 1961 taking into account available deductions and exemptions.

Deferred tax is recognized by considering temporary differences in terms of the difference between the carrying values and the tax values of assets and liabilities.

L. Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti-dilutive



M. Provision & Contingent Liabilities

Provisions are recognized when there is a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Note 21: Disclosure Notes to Financial Statements

- A. Two staff members including the Managing Director of the Company out of 7 staff members are on deputation from Central Bank of India. The Company has reimbursed the salaries/ remunerations of these personals to Central Bank of India. The tax to be deducted at source under the respective provisions of Income Tax Act, 1961 have been deducted and deposited by Central Bank of India.
- B. The amounts received on behalf of beneficiaries of whom details about the beneficiaries cannot be ascertained, have been accounted in the nominal account "Sundry Party Unclaimed Dividend / Interest" and "Unallocated / Unclaimed Proceeds on Redemption of Securities". As and when the details are received from the payer about the beneficiaries, the amount is transferred to the respective beneficiary account.
- C. Sundry debit/credit balances and individual Trust account are subject to confirmation.
- D. The Company holds investments in the nature of shares, securities and immovable properties on behalf of its clients in a fiduciary capacity, i.e. Trustee-Beneficiary relationship, which is adequately safeguarded and properly recorded and all duties arising from such fiduciary relationships are adequately fulfilled.

The dividend received on these shares is credited in the designated Bank Account of the Company which is then transferred to beneficiary's account after deducting applicable charges. As per Finance Act 2020, income by way of dividend is chargeable to tax under the amended provisions of Income Tax Act, 1961. Tax totaling to Rs. 25,34,075/- has been deducted on source (TDS) on this dividend income of the beneficiaries in the name of our Company for FY 2021-22. The said dividend income and corresponding TDS belong to the respective beneficiaries and hence the Company has transferred the dividend (net of TDS) to beneficiaries account. TDS deducted on this dividend has been shown as 'TDS Receivable AY 22-23 (Trust)' under Note 14: Other Current Assets and corresponding liability of same amount has been shown as 'Trust Account Balance (TDS)' under Note 5: Other Current Liabilities.

- E. There are no amounts overdue and remaining unpaid to Small Scale and /or Ancillary Industrial suppliers on account of principal and/or interest as at close of the year. This disclosure is based on the information available with the Company regarding the status



of suppliers as defined under the "Interest on delayed payments to Small Scale and Ancillary Industrial Undertaking Act, 1993."

F. The Company is primarily engaged in the business of rendering financial services, which are considered by the management to constitute as a single segment. This being the only reportable segment as per Accounting Standard 17 issued by The Institute of Chartered Accountants of India on "Segment results and segment reporting", the Profit and Loss Statement and the Balance Sheet depict the picture of segment result and the segmental assets and liabilities.

G. Accounting Standard 18: Related Party Disclosures:

- Disclosure of Related Parties

Name of the Party where Control Exists	Nature of the Relationship
Central Bank of India	Holding Company

Key Management Personnel	Nature of Relationship
Mr. S Venkataraman	Managing Director
Mr. H V Kamdar	Company Secretary & Asstt Vice President (From 01 st April 2021 to 30 th April 2021)
Ms. Aarti Sharma	Company Secretary (From 01 st May 2021 onwards)

- During the year, the transactions entered with related parties are as under:

Sr. No	Particulars	(Rs. in Thousand)	
		2021-22	2020-21
i)	Expenses Reimbursed to Central Bank of India		
	- Salaries of staff on deputation	4,117.14	9,141.05
	- Charges for amenities	300.00	300.00
	- Compensation for Office premises	4,528.80	4,528.80
		8,945.94	13,969.85

ii)	Income Received by way of interest on Fixed Deposits from Central Bank of India	15,979.58	18,691.02
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iii)	Income Received from safe custody of Warehouse Receipts from Central Bank of India	10.00	-
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iv)	Dividend Paid to Central Bank of India	15,000.00	18,400.00
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v)	Deposits with Central Bank of India in	As at 31 st March 2022	As at 31 st March 2021
	- Fixed Deposits	2,54,810.39	2,90,199.73
	- Current Accounts		
	* Trust Current A/c No.1787420987	38,285.13	59,123.19
	* Company's A/c No.1787426399	850.10	207.78
	* Company's A/c No. 5211991278 (Unallocated Dividend)	19,640.62	-
	* Debenture Trust A/c No.1787421006 (ASRM)	4,837.70	4,838.06
	* Debenture Trust A/c No.1787419858 (Ambica Mills)	1,776.83	561.98
	* Debenture Trust A/c No.1787419961 (Tungabhadra)	623.15	623.15
	Total Deposits With CBI	3,20,823.92	3,55,553.89

vi)	Accrued Interest on Fixed Deposit with Central Bank of India	As at 31 st March 2022	As at 31 st March 2021
	- Accrued Interest	9,621.48	25,971.95

vii)	Remuneration to Key Management Personnel	2021-22	2020-21
A	Mr. S Venkataraman	2,252.46	160.42
B	Mr. U K Maheshwari	-	1,344.39
C	Mr. H V Kamdar	169.91	1,926.91
D	Ms. Aarti Sharma	719.40	-

- H. In compliance of Accounting Standard 22 referred in Section 133 of the Companies Act, 2013 on accounting for Taxes on Income, the Company has created 'Deferred Tax Asset' on account of timing difference :

Sr. No	Particulars	(Rs. in Thousand)	
		As at 31 st March 2022	As at 31 st March 2021
1	Opening Deferred tax (Liability)/ Asset	168.25	5,615.82
2	Add/(Less):- Deferred Tax (Liability)/Asset for the year	(23.66)	(5,447.57)
3	Closing Deferred tax (Liability)/Asset	144.59	168.25



- I. With reference to income on account of fees/ remuneration from Debenture & Security Trusteeship, invoices on following clients have not been raised as these accounts have turned into NPA and necessary legal actions have been initiated on these clients by lenders:

(Rs. in Thousand)

Sr. No.	Name	Fees/ Remuneration				
		2021-22	2020-21	2019-20	2018-19	2017-18
1	Shah Group Builders Ltd (Deb Trustee)	50.00	50.00	50.00	50.00	50.00
	Shah Group Builders Ltd (Secu Trustee)	135.00	135.00	135.00	135.00	135.00
2	Topworth Tollways (Bela) Pvt Ltd	183.06	183.06	183.06	183.06	183.06
3	Transstroy Hostoke-Dobbaspel Tollways Pvt Ltd	350.00	350.00	350.00	350.00	350.00
4	Transstroy Obedullaganj-Betul Tollways Pvt Ltd	350.00	350.00	350.00	350.00	350.00
5	VIL Rohtak Jind Hind Highway Pvt Ltd	350.00	350.00	350.00	350.00	350.00
6	Kalisma Steels Pvt Ltd	174.74	174.74	174.74	174.74	--
7	Innoventive Industries Ltd	500.00	500.00	500.00	500.00	--
8	Shri Lakshmi Cotsyn Ltd (Deb Trustee)	50.00	50.00	50.00	--	--
	Shri Lakshmi Cotsyn Ltd (Secu Trustee)	350.00	350.00	350.00	--	--
9	Seya Industries Ltd	375.00	375.00	375.00	--	--
10	Infrastructure Leasing & Financial Services Ltd	9,954.12	9,954.12	35,255.98	--	--
11	IL&FS Financial Services Ltd	5,411.50	5,411.50	22,256.03	--	--
Total		18,233.42	18,233.42	60,379.80	2,092.80	1,418.06

- J. Provision for doubtful debt(s) of Rs. 2,06,500/- has been reversed during the year. (In the previous Year provision of Rs.4,27,750/- was made on 31st March 2021.)
- K. Monthly compensation of Rs. 3,77,400/- (excluding GST)(@ 300/ square feet) is paid to Central Bank of India for using their office premises. Standard charges of Rs. 75,000/- per quarter have been reimbursed¹ to Central Bank of India for sharing amenities like lift maintenance, security and electricity etc. There is no formal lease agreement with Central Bank of India for payment of such compensation/ reimbursement.
- L. Provision of Corporate Social Responsibility (CSR) for F.Y. 2021-22 is not applicable to the Company.
- M. Other liability includes stale cheques amounting to Rs. 33,990/- (Previous year Rs.33,990/-). Party wise details of the same are not available.



N. Additional regulatory information:
Key Financial Ratios are as follows:

(Rs. in Thousands)

SR No.	Financial Ratio	2021-22			2020-21		
		Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
1	Current Ratio#	1,73,423.44	60,480.74	2.87	4,03,163.33	59,121.55	6.81
2	Debt Equity Ratio	NIL	3,53,817.57	N.A.	NIL	3,58,186.72	N.A.
3	Debt Service Coverage Ratio	14,457.00	NIL	N.A.	14,586.12	NIL	N.A.
4	Return on Equity Ratio	10,630.84	3,53,817.57	3.01%	9,067.12	3,58,186.72	2.53%
5	Inventory Turnover Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	Trade Receivable Turnover Ratio*	8,152.28	883.89	9.22	8,352.90	1,303.42	6.41
7	Trade Payable Turnover Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8	Net Capital Turnover Ratio#	29,489.84	1,12,942.70	0.26	33,950.96	3,44,041.78	0.10
9	Net Profit Ratio ##	10,630.84	29,489.84	36.05%	9,067.12	33,950.96	26.71%
10	Return on Capital Employed	14,299.26	3,53,817.57	4.04%	14,459.21	3,58,186.72	4.04%
11	Return on investment	10,630.84	3,53,817.57	3.01%	9,067.12	3,53,817.57	2.53%

Current ratio has been decreased and Net capital Turnover Ratio has been increased primarily due to reduction in current assets. Current investment of Rs. 150.00 lakhs has been redeemed in FY 2021-22 and further Fixed Deposits with maturity less 12 months of Rs. 2,902.00 lakhs as on 31st March, 2021 has been reduced to Rs. 950.00 lakhs as on 31st March, 2022 due to placement of Fixed Deposits with maturity more than 12 months.

Net Profit Ratio has been increased due to increase in Profit after tax by Rs. 15.64 lakhs primarily due to reduction in employee benefit expenses by Rs. 37.00 lakhs and reduction in tax expense by Rs. 17.24 lakhs.



* Trade Receivable turnover ratio has been increased due to improvement in recovery. Average Trade Receivable has been decreased from Rs. 13.04 lakhs to 8.84 lakhs.

- O. Cash and cash equivalents include amount(s) distributed by official liquidator for debenture holders of three companies which has been kept in separate bank accounts and the corresponding liability of same amount has been shown in other long term liability. The details of the same are as follows:

(Rs. in Thousand)			
Sr.No.	Name of Company	Amount (Rs.)	Liquidated on
1	Shree Ambica Mills Ltd.	1,776.83	17-01-1997
2	Tungabhadra Industries Ltd	623.15	09-07-2001
3	Ahmedabad Ram Krishna Mill Ltd	4,837.70	17-01-1996


This amount will be paid as and when the debenture holders will submit their claims.

- P. Accounting Standard 29: Provisions, Contingent Liabilities and Contingent Assets:

(Rs. in Thousand)		
Particulars	As at 31 st March 2022	As at 31 st March 2021
<u>Contingent Liability and commitments (to the extent not provided for):</u>		
(i) Claim against the company not acknowledged as debt:		
(a) Disputed Service Tax Liability	1,927.02	-

- Q. There is no significant financial impact on the financial statements due to COVID-19 for the year ended March 31, 2022 as at the date of approval of these financial statements. Further whether or not the ongoing healthcare of COVID-19 pandemic will impact the Company's results or not, will depend on future developments, which are highly uncertain.
- R. Previous year's figures have been regrouped and rearranged wherever necessary.

For J.R. JAIN & CO.
Chartered Accountants
(FRN: 103915W)


(Bipin Jeevraj Jain)
Partner
Mem. No. 048084


Place: MUMBAI
Date: 25th April, 2022




(S Venkataraman)
Managing Director
DIN: 09080799
Place: MUMBAI
Date: 25th April, 2022

For and on behalf of the Board of Directors


(Vivek Wahi)
Chairman
DIN: 07490023


(Aarti Sharma)
Company Secretary
Mem No: 41257

