

**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, 2024, 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, 2024, 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.

**Emphasis of matters**

Emphasis of 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 (J) 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	<b>Unclaimed Dividend / Interest and Unallocated/Unclaimed Proceeds on Redemption of Securities (Refer Note 21 (B) of the Financial Statements)</b>							
	<p>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>	<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. 1,58,88,280.22/- to the trusts/ beneficiaries, on whose behalf the investment portfolios are held under trusteeship services. The said amount stood at Rs.2,05,72,969.20/- as on March 31, 2023 and has decreased to Rs. 1,58,88,280.22/- as at March 31, 2024. This decrease is mainly due to company has from this year onwards started collecting Annual Maintenance charges on unclaimed dividend as per board's Resolution ( BM/436/8 meeting dt.30.9.2023) @ 4 % p.a. from the base year 1.4.2009 where holding of funds is 7 years or more. Company has collected maintenance of Rs.6120779.65, of which Rs.5836277.86 pertains to period from 1.4.2009 to 31.3.2023, In our opinion current year profits are overstated to that extent.</p> <p>Similarly, the Company has not transferred or allocated sales/ redemption proceeds of shares/ debentures amounting to Rs.17,74,420.02/- 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	<b>Amount(s) distributed by official liquidator for debenture holders of three companies (Refer Note 21(O) of the Financial Statements)</b>							
	<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</td> <td>16,02,587</td> <td>17-01-1997</td> </tr> </tbody> </table>	Name of Company	Amount (Rs.)	Liquidated on	Shree Ambica Mills	16,02,587	17-01-1997	<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	16,02,587	17-01-1997						

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Ltd.		
Tungabhadra Industries Ltd	6,23,154	09-07-2001
Ahmedabad Ram Krishna Mill Ltd	48,37,701	17-01-1996

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

<b>3</b>	<b>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)</b>
<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. 3393579.50 for AY 2024-25 &amp; cumulatively Rs.9620348.63 ( For AY 22-23 Rs.2988466.93 &amp; AY 23-24 Rs.3238302.20 ) 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 &amp; 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 15<sup>th</sup> 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>

<b>4.</b>	<b>Accounting of ( Income ) Remuneration on an NPA acct.</b>
<p>1) Company has raised an invoice against the default NPA account name Shah Group Builders Ltd. on behalf of Edelweiss ARC Ltd., which purchased the book debts of Shah Group Builders Ltd. under EARC Trust SC-361 from FY 2016-17 to FY 2020-21 for Rs. 50,000/- P.A. and received it on December 15, 2023.</p> <p>2) Company has raised the invoice against the default account IL&amp;FS and IL&amp;FS Financial services ltd. (IF&amp;IN)</p>	<p><b>All the entries cumulatively totalled up to Rs.12727530 In our opinion profit for the year are overstated to that extent.</b></p>

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	<p>dated on 23rd February 2024. We raised the Invoice for our Annual remuneration fees claimed as per the communication received from the respective companies where they mention for making payment of our dues in the interim distribution extent of incremental recovery to the debenture holders.</p> <p>3) IL&amp;FS and IF&amp;IN agreed to pay the reimbursement of expenses as per aggregating Rs. 3,42,752/- and Rs. Rs.3,14,740/- respectively. We raised the invoice no. CFS/OPEX/23-24/01 and invoice no. CFS/OPEX/23-24/02 claimed without GST.</p>	
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<b>5</b>	<b>Employee Benefits</b>	
	Attention is invited note no. 21 ( g) of the financial statements w.r.t provision of Gratuity & Leave Encashment	Provision is not made only for employee who have completed service of 5 Year amounting to Rs.266145 and no provision is made for other employees having services less than 5 years

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.

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

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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 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

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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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 31<sup>st</sup> March 2024 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;
    - 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, 2024.

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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.

For J.R. JAIN & Co.  
Chartered Accountants



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

Place: Mumbai  
Date: 25<sup>th</sup> April, 2024  
UDIN - 24048084BKDHNF2571



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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, 2024 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, 2024, 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: 25<sup>th</sup> April, 2024  
UDIN - 24048084 BK DHNF2571

For J.R. JAIN & Co.  
Chartered Accountants

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



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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:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.
  - b) 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.
  - c) 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.
  - d) The Company has not revalued its Property, Plant and Equipment (including Right to use assets) or intangible assets or both during the year.
  - e) 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 not made any Investments during the year.
- 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

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Head Office -

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

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Branch –

*#36, 1<sup>st</sup> Floor, 2<sup>nd</sup> Cross, Kumara Park West, Bangalore-560020.*

*E-mail:- [kothariak.1967@gmail.com](mailto:kothariak.1967@gmail.com) and [kothariak@vsnl.net](mailto:kothariak@vsnl.net) Tel: 4125299*



**J.R. JAIN & CO.**  
**CHARTERED ACCOUNTANTS**

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, Tax deducted at sources, 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, 2024 for a period of more than six months from the date they became payable.

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, 2024. **Except** an interest of Rs. 69,870/- is payable on an old TDS demand due to an updated justification report as per Section 220(2) of the Income Tax Act, 1961. This liability has been provided in the financial statement. Management has assured that this liability will be settled in April 2024.

- 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.
- 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.

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- 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:
- 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.
  - 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;
  - The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
  - 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.
- 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.

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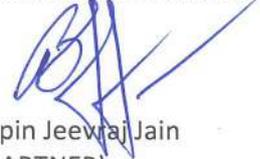
**J.R. JAIN & CO.**  
**CHARTERED ACCOUNTANTS**

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- 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: 25<sup>th</sup> April, 2024  
UDIN - 24048084BKDNF2571

For J.R. JAIN & Co.  
Chartered Accountants



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



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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: 25<sup>th</sup> April, 2024  
UDIN - 24048084 BKDHNF 2571

For J.R. JAIN & Co.  
Chartered Accountants

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



**Head Office -** Sheel Chambers, 10, Cawasji Patel Street, Fort, Mumbai – 400 001.  
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## 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, 2024

(Rs. in Thousand)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	50,000	50,000
(b) Reserves and Surplus	2	3,24,842	3,05,043
<b>(2) Non-Current Liabilities</b>			
(a) Other long term liabilities	3	7,076	7,076
(b) Long-term provisions	4	617	682
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	5	1,60,883	1,10,701
(b) Short-term Provisions	6	144	68
<b>TOTAL</b>		<b>5,43,562</b>	<b>4,73,570</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment and Intangible assets	7		
(i) Property, Plant and Equipment		934	399
(ii) Intangible Assets		20	30
(iii) Capital work-in-progress		-	-
(b) Non-current Investments	8	59,760	59,760
(c) Deferred tax assets (net)	9	350	302
(d) Other non-current assets	10	2,55,426	2,03,567
<b>(2) Current Assets</b>			
(a) Current Investments	11	-	-
(b) Trade Receivables	12	919	362
(c) Cash and cash equivalents	13	2,16,016	2,00,561
(d) Other current assets	14	10,137	8,589
<b>TOTAL</b>		<b>5,43,562</b>	<b>4,73,570</b>

## Significant accounting policies and Notes forming part of the financial statements

As per our report on even date

For J.R. JAIN &amp; CO.

Chartered Accountants

(FRN: 103915W)



(Bipin Jeevraj Jain)

Partner

Mem. No. 048084

Place : Mumbai

Date : 25.04.2024



20 &amp; 21

For and on behalf of the Board of Directors


  
 (Malladi Venkat Murali Krishna)  
 Chairman  
 DIN: 09021111

  
 (Sunil Kumar Naik)  
 Managing Director  
 DIN: 09675568

  
 (Jaya Tiwari)  
 Company Secretary  
 Mem. No. A41585

Place : Mumbai

Date : 25/04/2024

## 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 2023

(Amount in Rs.)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before Tax & Extraordinary items	37,573	20,151
Add:		
1) Depreciation	213	68
2) (Profit)/Loss on Sale of Assets (Net)	-	(1)
3) Dividend Received	-	(47)
4) Interest Received	(21,806)	(18,631)
5) (Profit)/Loss on Sale of Investment (Net)	-	(4,870)
	(21,593)	(23,481)
<b>Operating Profit before Working Capital Changes</b>	15,980	(3,330)
Adjustments for working capital changes:		
(Increase) / Decrease in Trade Receivables	(557)	518
(Increase) / Decrease in Other Receivables	(9,370)	2,220
Increase / (Decrease) in Short Term Provisions	76	(41)
Increase / (Decrease) in Other Liabilities	50,116	50,442
(Increase)/Decrease in Working Capital	40,266	53,140
Cash Generated From Operations	56,246	49,810
Direct Taxes Paid	-	(3,370)
<b>(A)</b>	<b>56,246</b>	<b>46,440</b>
<b>B. Cash Flow From Investing Activities</b>		
Amount invested Long term Fixed Deposit	(51,859)	(15,233)
Sale of Investments	-	4,873
Amount invested in SDL Securities	-	-
Amount received on redemption of Mutual Fund	-	-
Purchase of Fixed Assets	(739)	(237)
Sale of Fixed Assets	-	20
Interest Received	21,806	18,631
Dividend Received	-	47
<b>(B)</b>	<b>(30,792)</b>	<b>8,102</b>
<b>C. Cash Flow From Financing Activities</b>		
Dividend paid	(10,000)	(15,000)
<b>(C)</b>	<b>(10,000)</b>	<b>(15,000)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>15,455</b>	<b>39,542</b>
Opening Balance	2,00,561	1,61,020
Closing Balance	2,16,016	2,00,561
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>15,455</b>	<b>39,542</b>

Significant accounting policies and Notes forming part of the financial statements

20 &amp; 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 &amp; CO.

Chartered Accountants

(FRN: 103915W)



(Bipin Jeevraj Jain)

Partner

Mem. No. 048084

Place : Mumbai

Date : 25.04.2024



(Malladi Venkat Murali Krishna)

Chairman

DIN: 09021111


  
(Sunil Kumar Naik)  
Managing Director  
DIN: 09675568


  
(Jaya Tiwari)  
Company Secretary  
Mem. No. A41585

Place : Mumbai

Date : 25/04/2024

**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, 2024**

(Rs. in Thousand)

Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Income:</b>			
Revenue from Operations	15	30,437	11,323
Other Income	16	22,464	23,923
<b>I. Total Income</b>		<b>52,901</b>	<b>35,246</b>
<b>Expenses:</b>			
Employee Benefit Expenses	17	7,172	7,363
Depreciation and Amortisation Expenses	18	213	68
Other Expenses	19	7,943	7,664
<b>II. Total Expenses</b>		<b>15,328</b>	<b>15,095</b>
<b>III. Profit / (Loss) before tax</b>	( I - II )	<b>37,573</b>	<b>20,151</b>
<b>IV. Tax expense:</b>			
(1) Current tax		9,700	4,100
(2) Deferred tax		(48)	(157)
(3) Prior year tax expense		(1,878)	(17)
<b>V. Profit(Loss) for the period</b>	( III-IV )	<b>7,774</b>	<b>3,926</b>
<b>VI. Earnings per share</b>			
Equity shares of par value of Rs 1000/- each			
(a) Basic (In Rs.)		596	325
(b) Diluted (In Rs)		596	325

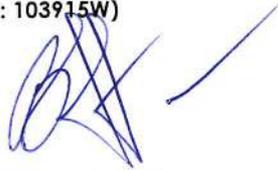
Significant accounting policies and Notes forming part of the financial statements

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 : 25.04.2024



20 & 21

For and on behalf of the Board of Directors




(Malladi Venkat Murali Krishna)  
Chairman

DIN: 09021111



(Sunil Kumar Naik)  
Managing Director  
DIN: 09675568



(Jaya Tiwari)  
Company Secretary  
Mem. No. A41585

Place : Mumbai

Date : 25/04/2024

**CENBANK FINANCIAL SERVICES LIMITED**

CIN: U67110MH1929GOI001484

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

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2024**

(Rs. in Thousand)

Particulars	Note No.	For the quarter ended 31st March 2024	For the quarter ended 31st March 2023	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Revenue:</b>					
Revenue from Operations	15	16,667	2,303	30,437	11,323
Other Income	16	3,818	12,112	22,464	23,923
<b>I. Total Revenue</b>		<b>20,485</b>	<b>14,415</b>	<b>52,901</b>	<b>35,246</b>
<b>Expenses:</b>					
Employee Benefit Expenses	17	1,852	1,751	7,172	7,363
Depreciation and Amortisation Expenses	18	63	19	213	68
Other Expenses	19	2,023	1,995	7,943	7,664
<b>II. Total Expenses</b>		<b>3,938</b>	<b>3,766</b>	<b>15,328</b>	<b>15,095</b>
<b>III. Profit / (Loss) before tax</b>	( I- II)	<b>16,547</b>	<b>10,650</b>	<b>37,573</b>	<b>20,151</b>
<b>IV. Tax expense:</b>					
(1) Current tax		4,250	1,611	9,700	4,100
(2) Deferred tax		30	(56)	(48)	(157)
(3) Prior year tax expense		-	1	(1,878)	(17)
		<b>4,280</b>	<b>1,556</b>	<b>7,774</b>	<b>3,926</b>
<b>V. Profit(Loss) for the period</b>	( III-IV)	<b>12,267</b>	<b>9,094</b>	<b>29,799</b>	<b>16,225</b>
<b>VI. Earnings per share</b>					
Equity shares of par value of Rs 1000/- each					
(a) Basic (In Rs.)		245	182	596	325
(b) Diluted (In Rs)		245	182	596	325

**Notes:**

(a) The Financial Results of the Company for the Quarter and year ended 31st March 2024 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on 25th April 2024. The Statutory Auditors of the Company have carried out Statutory Audit of the results.

(b) 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.

(c) The AS compliant corresponding figures in the previous year have not been subjected to review. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

(d) As the Company's business activity falls within a single primary business segment, viz., "Trusteeship", the disclosure requirement of AS-17 "Segment Reporting" are not applicable.

(e) Comparative figures have been rearranged/ regrouped wherever necessary.



For and on behalf of the Board of Directors

(Sunil Kumar Naik)  
Managing Director  
DIN: 09675568

(Jaya Tiwari)  
Company Secretary  
Mem. No. A41585

Place : Mumbai

Date : 25/04/2024

**CENTBANK FINANCIAL SERVICES LIMITED**  
Notes forming part of the financial statements

Sr. No	Particulars	As at 31st March 2024	As at 31st March 2023
<b>Note 1 : Share Capital</b>			
1	<b>AUTHORISED CAPITAL</b> 1,00,000 Equity Shares of Rs. 1000/- each.	1,00,000	1,00,000
		<b>1,00,000</b>	<b>1,00,000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> <b>To the Subscribers of the Memorandum</b> 50,000 Equity Shares of Rs. 1000/- each <b>Paid up Share capital by allotment</b> 50,000 Equity Shares of Rs. 1000/- each, Fully Paid Up	50,000	50,000
		<b>50,000</b>	<b>50,000</b>
(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.			
<b>(ii) Details of shares held by each shareholder holding more than 5% shares:</b>			
	<b>Name of the shareholder</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Central Bank of India (Promoter) and its nominees	50,000	50,000
	Percentage of shareholding	100%	100%
<b>(iii) The reconciliation of the number of shares outstanding is set out below:</b>			
	<b>Particulars</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
	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
<b>Note 2 : Reserves and Surplus</b>			
1	<b>General Reserve</b> Balance brought forward from previous year Add: Transfer from Profit & Loss account	32,500	32,500
		-	-
		<b>32,500</b>	<b>32,500</b>
2	<b>Surplus in the Statement of Profit and Loss</b> Balance brought forward from previous year Add: Profit for the period Less: Dividend Paid Add: Transfer from Depreciation	2,72,543	2,71,318
		29,799	16,225
		10,000	15,000
		-	-
		<b>2,92,342</b>	<b>2,72,543</b>
		<b>3,24,842</b>	<b>3,05,043</b>



**CENTBANK FINANCIAL SERVICES LIMITED**  
**Notes forming part of the financial statements**

Sr. No	Particulars	As at 31st March 2024	As at 31st March 2023
<b>Note 3 : Other Long Term Liabilities</b>			
<b>Others:</b>			
1	Debenture Trust A/c 1787419858 Shree Ambica Mills Ltd.	1,603	1,603
2	Debenture Trust A/c 1787419961 Tungabhadra Ind. Ltd.	623	623
3	Debenture Trust A/c 1787421006 Ahmedabad Ram Krishna Mill	4,838	4,838
4	Security Trustee Deposits	12	12
		<b>7,076</b>	<b>7,076</b>
<b>Note 4 : Long-term Provisions</b>			
1	Provision for Employee Benefits (Leave Encashment)	350	457
2	Provision for Employee Benefits (Gratuity)	267	225
		<b>617</b>	<b>682</b>
<b>Note 5 : Other Current Liabilities</b>			
1	Trust Account Balances	1,32,633	81,948
2	Trust Account Balances (TDS)	9,620	5,593
3	TDS Payable	49	64
4	Professional Tax	1	2
5	Unallocated Dividend / Interest	15,888	20,573
6	Unallocated/unclaimed proceeds on redemption of Securities	1,774	1,774
7	Other Liabilities	744	743
8	Security Deposits	4	4
9	GST Payable (Net)	170	0
		<b>1,60,883</b>	<b>1,10,701</b>
<b>Note 6 : Short-term Provisions</b>			
1	Audit Fees	75	68
2	Provision for Employee Benefits (Leave Encashment)	69	-
		<b>144</b>	<b>68</b>
<b>Note 8 : Non-Current Investment ( At Cost )</b>			
<b>Quoted</b>			
1	<b>Investment in Equity Instruments</b> 3000 equity shares of HDFC Bank Ltd of Rs. 1/- each valued at Rs. 1,470.35/- per share(sold this Investment In the month of Jan 2023 for Rs.48,70,435/-)	-	-
2	<b>Investment in Government Securities</b> * 7.14% Karnataka SDL 1,90,000 units valued at Rs. 103.2501/- per unit (Market Value as on 31/03/2023 is Rs. 1,89,06,292/-) * 7.30% Himachal Pr SDL 3,86,600 units valued at Rs. 104.1246/- per unit (Market Value as on 31/03/2023 is Rs. 3,85,84,883.62/-)	19,741	19,741
		40,019	40,019
		<b>59,760</b>	<b>59,760</b>
<b>Note 9 : Deferred Tax Asset</b>			
Deferred Tax Asset		350	302
		<b>350</b>	<b>302</b>
<b>Note 10 : Other Non Current Assets</b>			
1	Fixed Deposits with maturity more than 12 months	2,39,275	1,95,227
2	Accured Interest on Fixed Deposits with maturity more than 12 months	15,220	7,421
3	Accured Interest on Securities	931	919
		<b>2,55,426</b>	<b>2,03,567</b>



**CENTBANK FINANCIAL SERVICES LIMITED**  
Notes forming of the financial Statements

(Rs. in Thousand)											
Note 7 : Property, Plant and Equipment and Intangible assets											
Particulars	Gross Block				Depreciation				Net Block		
	Gross Carrying Value as on 01st April, 2023	Additions	Deletions	Gross Carrying Value as on 31st March, 2024	Balance as on 01st April, 2023	Depreciation	Accumulated Depreciation on Deletions	Transfer to retained earning	Balance as on 31st March, 2024	WDV as on 31st March, 2024	WDV as on 31st March, 2023
<b><u>Property, Plant and Equipment</u></b>											
End user Devices	603	647	-	1,250	560	141	-	-	701	549	43
Server & Network	629	-	-	629	511	22	-	-	533	96	119
Furniture and Fixtures	108	-	-	108	87	9	-	-	96	12	21
Office Equipments	701	92	-	793	485	31	-	-	516	277	216
<b><u>Intangible Asset</u></b>											
Computer Software	4,586	-	-	4,586	4,586	-	-	-	4,586	-	0
Web-site	50	-	-	50	20	10	-	-	30	20	30
<b><u>Capital work-in-progress</u></b>											
New Server	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>6,677</b>	<b>739</b>	<b>-</b>	<b>7,416</b>	<b>6,249</b>	<b>213</b>	<b>-</b>	<b>-</b>	<b>6,462</b>	<b>954</b>	<b>429</b>
<b>As on 31st Mar, 2023</b>	<b>6,506</b>	<b>237</b>	<b>65</b>	<b>6,678</b>	<b>6,226</b>	<b>68</b>	<b>45</b>	<b>-</b>	<b>6,249</b>	<b>429</b>	<b>279</b>



**CENTBANK FINANCIAL SERVICES LIMITED**  
Notes forming part of the financial statements

Sr. No	Particulars	As at 31st March 2024	As at 31st March 2023
<b>Note 11: Current Investments</b>			
<b>Quoted Investment in Mutual Fund</b>			
	15,00,000 units of UTI FIXED TERM INCOME FUND- SERIES XXVIII	-	-
		-	-
<b>Note 12 : Trade Receivables</b>			
<b>Unsecured</b>			
1	Undisputed Trade Receivable outstanding for a period 6 months - 1 year		
	Considered good	-	-
	Considered doubtful	1,480	-
2	Undisputed Trade Receivable outstanding for a period less than 6 months		
	Considered good	325	797
	Considered doubtful	-	-
		<b>1,805</b>	<b>797</b>
	Less: Provision for Doubtful Debts	886	435
		<b>919</b>	<b>362</b>
<b>Note 13 : Cash &amp; Bank Balances</b>			
1	<b>Cash and Cash Equivalents</b>		
	Cash on hand	0	1
2	<b>Balances with banks</b>		
	- In Current Accounts		
	With Central Bank of India A/c No. 1787420987 Bank A/c 1	1,35,241	82,429
	With Central Bank of India A/c No. 1787426399 Bank A/c 2	14,054	392
	With Central Bank of India A/c No. 5211991278 (Unallocated Dividend)	16,893	22,347
	With Central Bank of India A/c No. 1787421006 (Ahmedabad R K Mill)	4,838	4,838
	With Central Bank of India A/c No. 1787419858 (Shree Ambica Mills)	1,603	1,603
	With Central Bank of India A/c No. 1787419961 (Tungabhadra Ind. Ltd.)	623	623
	Sub Total (A)	<b>1,73,252</b>	<b>1,12,233</b>
3	<b>Other Bank Balances</b>		
	Fixed Deposit with maturity less than 12 months	42,764	88,328
	Sub Total (B)	<b>42,764</b>	<b>88,328</b>
	Total [ A + B ]	<b>2,16,016</b>	<b>2,00,561</b>
<b>Note 14 : Other Current Assets</b>			
1	Income Tax Refund	(1,773)	1,874
2	TDS Receivable AY 22-23 (Trust)	2,988	2,989
3	TDS Receivable AY 23-24 (Trust)	3,238	-
4	TDS Receivable A.Y. 2024-25 (Trust)	3,394	-
5	Interest Accrued on FDR	1,212	2,081
6	Other Receivables	49	19
7	Prepaid Expenses	1,005	294
8	GST Input Tax Credit (Net)	-	1,135
9	GST Input Tax Credit (Deferred)	14	43
10	Service Tax Deposit	-	144
11	Pmp(O) Current Account	10	10
		<b>10,137</b>	<b>8,589</b>



**CENTBANK FINANCIAL SERVICES LIMITED**  
**Notes forming part of the financial statements**

(Rs. in Thousand)

Sr. No	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Note 15 : Revenue from Operations</b>			
1	Fees from Executor Trusteeship	8,942	4,991
2	Fees from Debenture & Security Trusteeship	15,367	6,298
3	Fees from Safe Custody of Documents	5	34
4	Maintenance Charges On Unallocated Funds	6,121	0
5	Handling Charges On Securities	2	0
		<b>30,437</b>	<b>11,323</b>
<b>Note 16 : Other Income</b>			
1	Interest on Fixed Deposit Receipts	17,516	14,453
2	Other Income	659	52
3	Dividend Income	-	47
4	Interest on Income tax	77	321
5	Interest on Securities	4,190	4,179
6	Profit on Sale of Investment	0	4,870
7	Profit on Sale of Assets	0	1
8	Interest On Service Tax Deposit	22	0
		<b>22,464</b>	<b>23,923</b>
<b>Note 17 : Employment Benefit Expenses</b>			
1	Salaries & Allowances	3,706	4,302
2	Compensation Paid To Managing Director	2,605	2,241
3	Compensation Paid to Key Managerial person	861	820
		<b>7,172</b>	<b>7,363</b>
<b>Note 18 : Depreciation &amp; Amorisation Expenses</b>			
1	Depreciation	213	68
		<b>213</b>	<b>68</b>
<b>Note 19 : Other Expenses</b>			
1	Telephone Expenses	57	76
2	Travelling Expenses	550	36
3	Office Maintenance	313	199
4	General Expenses	691	211
5	Demat Expenses	9	19
6	Insurance Expenses	7	7
7	Charges for amenities	300	300
8	Postage & Telegram	15	11
9	Professional Fees	1,032	762
10	Stationery Expenses	66	56
11	Audit Expenses:		
	Statutory Audit Fees	75	75
	Limited Review	90	75
12	Compensation for office premises	3,164	4,529
13	Website & Internet Expenses	19	9
14	Professional Tax Expenses	3	3
15	SEBI Registration Fees - Debenture Trustee	300	300
16	Directors Sitting Fees	50	80
17	ROC Filing Charges	34	16
18	Safe Locker charges	8	8
19	Trustee Association Fees	0	80
20	Housekeeping Charges	241	201
21	Provision for Doubtful Debts	451	435
22	Advertisement Exp	468	176
		<b>7,943</b>	<b>7,664</b>



## CENTBANK FINANCIAL SERVICES LIMITED

Significant Accounting Policies & Notes to Accounts for the year ended 31<sup>st</sup> March, 2024:

### 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. 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.

**K. 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 9 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.

As per SOP dated 21<sup>st</sup> October, 2023. we collected the Annual Maintenance Charges on Unclaimed Dividend Balance 4% P.A. from FY 2009-10 Base year till FY 2022-23 in the month of December 2023 amounted Rs.58,36,277.85/- Plus CGST Rs.5,25,265.01 and SGST Rs.5,25,265.01 for last seven years till FY 2014-15 debited from major three general ledger SUNDRY PARTIES UNCLAIMED DIV/INT AC, NEW UNCLAIMED DIV/INTT and NEW UNCLAIMED FY14 15 respectively. For FY2023-24, we collected the charges on same ledger comprising the amount of Rs.2,84,501.79/- CGST Rs.25,605.16/- and SGST Rs. 25,605.16/- for current year.

- 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. 33,93,579.50/- has been deducted on source (TDS) on this dividend income of the beneficiaries in the name of our Company for FY 2023-24. 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 2024-25 (Trust)' under Note14: 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 "The Micro, Small and Medium Enterprises Development Act, 2006."
- 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 15: Employee Benefits:

Provision for Gratuity: As per Gratuity Act 1972 our company made provision for gratuity amounted Rs.2,66,145/-

Leave Encashment: As per company policy we create a provision against Privilege Leave encashment amounted Rs. 4,18,815 for FY 2023-24.

- H.** 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. Sunil Kumar Naik	Managing Director
Ms. Aarti Sharma	Company Secretary (From 01 <sup>st</sup> May 2021 to 31 <sup>st</sup> December 2023)
Ms. Jaya Tiwari	Company Secretary ( From 01 <sup>st</sup> January 2024 onwards)

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

Sr. No	Particulars	(Rs. in Thousand)	
		2023-24	2022-23
i)	Expenses Reimbursed to Central Bank of India		
	- Salaries of staff on deputation	2,605	3,634
	- Charges for amenities	300	300
	- Compensation for Office premises	3,164	4,529
		<b>6,069</b>	<b>8,463</b>



ii)	Income Received by way of interest on Fixed Deposits from Central Bank of India	17,114	12,251
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iii)	Income Received from safe custody of Warehouse Receipts from Central Bank of India	5	34
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iv)	Dividend Paid to Central Bank of India	10,000	10,000
v)	<b>Deposits with Central Bank of India in</b>	<b>As at 31<sup>st</sup> March 2024</b>	<b>As at 31<sup>st</sup> March 2023</b>
	- Fixed Deposits	2,82,039	2,64,603
	- Current Accounts		
	* Trust Current A/c No.1787420987	1,35,241	82,429
	* Company's A/c No.1787426399	14,054	391
	* Company's A/c No. 5211991278 (Unallocated Dividend)	16,893	22,347
	* Debenture Trust A/c No.1787421006 (ASRM)	4,838	4,838
	* Debenture Trust A/c No.1787419858 (Ambica Mills)	1,603	1,603
	* Debenture Trust A/c No.1787419961 (Tungabhadra)	623	623
	<b>Total Deposits With CBI</b>	<b>4,55,291</b>	<b>3,76,834</b>

vi)	<b>Accrued Interest on Fixed Deposit with Central Bank of India</b>	<b>As at 31<sup>st</sup> March 2024</b>	<b>As at 31<sup>st</sup> March 2023</b>
	- Accrued Interest	16,432	5,758

vii)	<b>Remuneration to Key Management Personnel</b>	<b>2023-24</b>	<b>2022-23</b>
A	Mr. S Venkataraman (Resigned as MD on 16/06/2022)	-	484
B	Mr. Sunil Kumar Naik (appointed as MD on 19th July 2022.)	2,605	1,757
C	Ms. Aarti Sharma (became KMP w.e.f. 01st May 2021 to 31 <sup>st</sup> December 2023)	654	820
D	Ms. Jaya Tiwari (became KMP w.e.f. 01st January 2024)	207	-
		3,466	3,061



- I. 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 :

**(Rs. in Thousand)**

Sr. No	Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
1	Opening Deferred tax (Liability)/ Asset	302	145
2	Add/(Less):- Deferred Tax (Liability)/Asset for the year	(350)	(302)
3	Closing Deferred tax (Liability)/Asset	(48)	(157)

- J. 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				
		2023-24	2022-23	2021-22	2020-21	2019-20
1	Shah Group Builders Ltd (Secu Trustee)	135.00	135.00	135.00	135.00	270.00
2	Topworth Tollways (Bela) Pvt Ltd (Secu Trustee)	183.06	183.06	183.06	183.06	366.11
3	Transstroy Hostoke-Dobbaspert Tollways Pvt Ltd	350.00	350.00	350.00	350.00	700.00
4	Transstroy Obedullaganj-Betul Tollways Pvt Ltd (Secu Trustee)	350.00	350.00	350.00	350.00	700.00
5	VIL Rohtak Jind Hind Highway Pvt Ltd (Secu Trustee)	350.00	350.00	350.00	350.00	700.00
6	Kalisma Steels Pvt Ltd (Secu Trustee)	174.74	174.74	174.74	174.74	349.48
7	Innoventive Industries Ltd (Secu Trustee)	500.00	500.00	500.00	500.00	1,000.00
8	Shri Lakshmi Cotsyn Ltd (Deb Trustee)	50.00	50.00	50.00	50.00	50.00
	Shri Lakshmi Cotsyn Ltd (Secu Trustee)	350.00	350.00	350.00	350.00	350.00
09	Seya Industries Ltd (Secu Trustee)	375.00	375.00	375.00	375.00	375.00
10	Infrastructure Leasing &					34,520.69



	Financial Services Ltd (Deb. Trustee)	9,218.83	9,218.83	9,218.83	9,218.83	
11	IL&FS Financial Services Ltd (Deb. Trustee)	3,357.26	3,357.26	3,357.26	3,357.26	20,201.79
12	Future Enterprise Ltd. (Deb. Trustee)	3,324.00	-	-	-	-
13	Future Retail Ltd. (Deb. Trustee)	200.00	200.00	-	-	-
14	Taquito Lease Operators Private Limited (Deb. Trustee)	255.00	255.00	-	-	-
15	Future Lifestyle Fashions Ltd. (Deb. Trustee)	350.00	-	-	-	-
	<b>Total (in Rs.)</b>	<b>19,948.77</b>	<b>16,274.77</b>	<b>15,819.77</b>	<b>15,819.77</b>	<b>60,008.60</b>

K. Provision for doubtful debt(s) of Rs.8,86,475/- was made on 31<sup>st</sup> March 2024.

L. Monthly compensation of Rs. 3,77,400/- (excluding GST)(@ 300/ square feet) is paid to Central Bank of India for using their office premise till September, 2023 from October, 2023 monthly compensation reduce to Rs.1,50,000/- (excluding GST)(@ 119/- square feet) Standard charges of Rs. 75,000/- per quarter have been reimbursed 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.

M. Provision of Corporate Social Responsibility (CSR) for F.Y. 2023-24 is not applicable to the Company.

N. Additional regulatory information:

Key Financial Ratios are as follows:

(Rs. in Thousands)

SR No.	Financial Ratio	2022-23			2022-23		
		Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
1	Current Ratio#	2,27,072	1,61,027	1.41	2,09,513	1,10,769	1.89
2	Debt Equity Ratio	NIL	3,74,842	N.A.	NIL	3,55,043	N.A.
3	Debt Service Coverage Ratio	37,573	NIL	N.A.	20,219	NIL	N.A.
4	Return on Equity Ratio	29,799	3,74,842	7.95%	16,225	3,55,043	4.57%
5	Inventory Turnover Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	Trade	15,372	620	24.02	6,332	621	10.19



	Receivable Turnover Ratio*						
7	Trade Payable Turnover Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8	Net Capital Turnover Ratio#	52,901	66,045	0.80	35,246	98,744	0.36
9	Net Profit Ratio ##	29,799	52,901	56.33%	16,225	35,246	46.03%
10	Return on Capital Employed	37,573	3,74,842	10.02%	20,151	3,55,043	5.68%
11	Return on investment	29,799	3,74,842	7.95%	16,225	3,55,043	4.57%

# Current ratio has been decreased slightly and Net capital Turnover Ratio has been increased primarily due to increasing in Current Liability. Trust Account Balance of Rs. 506.83 lakhs has been increased in FY 2023-24 due to not able to open a Fixed Deposit of Trust and further Fixed Deposits with maturity less 12 months of Rs. 883.28 lakhs as on 31<sup>st</sup> March, 2023 has been reduced to Rs. 427.64 lakhs as on 31<sup>st</sup> March, 2024 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. 178.51 lakhs primarily due to increasing in the revenue from operation by Rs. 191.12/- lakhs due to charges collection on Maintenance Charges on Unallocated Funds as well as Annual maintenance fees recovered from IL&FS and IL&FS Financial Institution Ltd. from interim distribution.

\* Trade Receivable turnover ratio has been increased due to significantly improvement in Net sales. Average Trade Receivable has been slightly increased from Rs. 6.21 lakhs to 6.40 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.	1604	17-01-1997
2	Tungabadra Industries Ltd	623	09-07-2001
3	Ahmedabad Ram Krishna Mill Ltd	4,838	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:
- There is a no financial liability for the Current FY 2023-24.



Q. 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: 25.04.2024



For and on behalf of the Board of Directors



  
(Sunil Kumar Naik)  
Managing Director  
DIN: 09675568  
Place: MUMBAI  
Date: 25/04/2024



(Malladi Venkat Murali Krishana)

Chairman  
DIN: 09021111



(Jaya Tiwari)  
Company Secretary  
Mem No: A41585