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# KETAN NEGANDHI & ASSOCIATES

KETAN N NEGANDHI ( B. COM., F.C.A. )  
CHARTERED ACCOUNTANTS

E-mail : ketannegandhi@gmail.com

6/C VISSANJI PARK,  
M.M.G.S. MARG, OPP RASTRIYA HOTEL  
DADAR (E), MUMBAI 400 014.

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## **INDEPENDENT AUDITORS REPORT TO THE BOARD OF DIRECTORS CENTRUM INVESTMENT ADVISORS LIMITED**

### **Report on the Special Purpose Financial Statements**

#### **Opinion**

We have audited, for the purpose of your audit of the group financial statements of Centrum Wealth Management Ltd. (CWML), which will be further consolidated into Centrum Capital Ltd. (CCL), the accompanying Special Purpose Financial statements of CENTRUM INVESTMENT ADVISORS LIMITED ("the company"), which comprise the Balance sheet as at March 31, 2019; the statement of Profit and Loss and the Cash Flow Statement for the year then ended; and a summary of the significant accounting policies and other explanatory information; based on Special Purpose Financial statements.

In our opinion, the accompanying special purpose financial statements of the entity are prepared, in all material respects, in accordance with the relevant sections of Companies Act.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the special purpose financial statements.

#### **Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial statements**

Management is responsible for the preparation of the special purpose financial statements in accordance with Companies Act and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose 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





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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 special purpose 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 special purpose 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.
- 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 special purpose 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.

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.

### Restriction on Distribution and Use

The special purpose financial statements have been prepared for inclusion in the consolidated financial statements of the parent Company. As a result, the special purpose financial statements





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may not be suitable for another purpose. Our report is intended solely for the Company, the Parent Company and the auditors of the Parent Company for their consideration into the audit of Consolidated Financial Statements and should not be distributed to or used by parties other than the Company, the Parent Company and the Auditors of the Parent Company

### Other matter

The company shall prepare a separate set of general financial statements for the year ended March 31st 2019 in accordance with the Indian Accounting Standards under section 133 of the Act, on which we shall issue a separate Auditors Report to the members of the company

For Ketan N Negandhi & Associates.  
Chartered Accountants  
FRN-116834W

*Ketan N. Negandhi*

Ketan N Negandhi  
Proprietor  
M.no.-102241



Mumbai  
Date: -

6 MAY 2019

## CENTRUM INVESTMENT ADVISORS LIMITED

## BALANCE SHEET AS AT MARCH 31, 2019

	Particulars	Note	As at	As at
			March 31,2019	March 31,2018
			₹	₹
I.	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholders' funds</b>			
	Share Capital	3	50,00,000	50,00,000
	Reserves and surplus	4	64,36,099	57,31,711
			<b>1,14,36,099</b>	<b>1,07,31,711</b>
	<b>Non-Current liabilities</b>			
	Deffered Tax Liabilites		<b>7,927</b>	<b>19,406</b>
	<b>Current liabilities</b>			
	Other current liabilities	5	37,39,706	2,40,117
	Short-term provisions	6	-	11,06,869
			<b>37,39,706</b>	<b>13,46,986</b>
	<b>TOTAL</b>		<b>1,51,83,732</b>	<b>1,20,98,104</b>
II.	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	Fixed Assets	7		
	Property Plant & Equipment		39,063	51,515
	Long-term loans and advances	8	1,01,74,075	1,00,94,289
			<b>1,02,13,138</b>	<b>1,01,45,804</b>
	<b>Current assets</b>			
	Trade receivables	9	16,12,452	10,76,245
	Cash and Bank Balances	10	24,34,782	5,82,835
	Other Current Assets	11	9,23,360	2,93,220
			<b>49,70,594</b>	<b>19,52,300</b>
	<b>TOTAL</b>		<b>1,51,83,732</b>	<b>1,20,98,104</b>

As per our Report on SPFS of Even Date

For Ketan Negandhi & Associates  
Chartered Accountants  
Firm Registration No:- 116834W

For and on behalf of the Board of Directors  
Centrum Investment Advisors Limited.

Ketan N Negandhi  
Ketan N Negandhi  
Proprietor  
Membership No:- 102241



Place :- Mumbai  
Date:- 06th May 2019

Arpita  
Arpita Vinay  
Director  
DIN :06940663

K. Sandeep Nayak  
K. Sandeep Nayak  
Director  
DIN : 03281505

Place :- Mumbai  
Date:- 06th May 2019

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**CENTRUM INVESTMENT ADVISORS LIMITED**

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Note	Year Ended March 31, 2019 Rs.	Year Ended March 31, 2018 Rs.
<b>Revenue</b>			
Revenue from Operation	12	63,04,769	64,52,600
Other Income	13	11,39,317	12,21,169
<b>Total Revenue</b>		<b>74,44,086</b>	<b>76,73,769</b>
<b>Expenses</b>			
Finance Cost	14	-	-
Depreciation/amortization	7	12,452	12,452
Other expenses	15	64,96,215	20,46,758
<b>Total Expenses</b>		<b>65,08,667</b>	<b>20,59,210</b>
<b>Profit before Exceptional items and Tax</b>		<b>9,35,419</b>	<b>56,14,559</b>
Excess Provision for Tax Reversed of earlier Year		-	14,987
<b>Profit Before Tax</b>		<b>9,35,419</b>	<b>56,29,546</b>
<b>Tax Expenses</b>			
- Current tax		2,42,509	15,20,003
Deffered Tax		(11,478)	51,026
<b>Profit for the Period</b>		<b>7,04,388</b>	<b>40,58,517</b>
Earnings per share (₹)			
Equity share of par value ₹ 10 each			
Basic and diluted earnings per share of ₹ 10/- each	19	1.41	8.12

As per our Report on SPFS of Even Date

For Ketan Negandhi & Associates  
Chartered Accountants  
Firm Registration No:- 116834W

For and on behalf of the Board of Directors  
Centrum Investment Advisors Limited.

*Ketan N. Negandhi*

Ketan N Negandhi  
Proprietor  
Membership No:- 102241



Place :- Mumbai  
Date: 06th May 2019

*Arpita*

Arpita Vinay  
Director  
DIN :06940663

*K. Sandeep Nayak*

K. Sandeep Nayak  
Director  
DIN : 03281505

Place :- Mumbai  
Date:- 06th May 2019

**CENTRUM INVESTMENT ADVISORS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before Taxation		9,35,419		56,29,546
<b>Adjustment for:</b>				
Interest on Income Tax Refund			(14,987)	
Excess Provision Written Back			12,452	
Depreciation / Amortisation	12,452			(2,535)
		12,452		
		9,47,871		56,27,011
<b>Operating Profit Before Working Capital Changes</b>				
<b>Adjustments for:</b>				
(Increase)/Decrease in Other Current Assets	(6,30,140)		7,53,119	
(Increase) / Decrease in Trade Receivables	(5,36,207)		(10,76,245)	
(Increase) / Decrease in Loans & Advances	(79,786)		(43,15,552)	
(Decrease)/Increase in Short Term Provisions	(11,06,869)		(4,13,134)	
(Decrease)/Increase in Other liabilities	34,99,589		(5,61,851)	
		11,46,587		(56,13,663)
		20,94,458		13,348
<b>Cash Generated from Operations</b>				
Taxes Paid/Refund (Including tax deducted at source)	(2,42,509)		(3,05,402)	
		(2,42,509)		(3,05,402)
<b>Net Cash used in Operating Activities</b>		18,51,949		(2,92,054)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of fixed assets	-	-	-	-
<b>Net Cash from Investing Activities</b>		-		-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Interest Paid	-	-	-	-
<b>Net Cash used in Financing Activities</b>		-		-
<b>Net Increase / (Decrease) in Cash and Cash Equivalents: (A+B+C)</b>		18,51,949		(2,92,054)
<b>Cash and Bank Balance</b>				
<b>As at the beginning of the Period</b>				
Cash in hand including foreign currencies			-	
Balance with scheduled banks-current accounts	5,82,835		8,74,889	
		5,82,835		8,74,889
<b>As at the end of the Year</b>				
Cash in hand including foreign currencies			-	
Balance with scheduled banks-current accounts	24,34,782		5,82,835	
		24,34,784		5,82,835

The above cash flow statements have been prepared under the indirect method set out in Accounting Standard (AS)-3, 'Cash Flow Statement'

For Ketan Negandhi & Associates  
Chartered Accountants  
Firm Registration No:- 116834W  
Ketan N Negandhi  
Proprietor  
Membership No:- 102241  
Place :- Mumbai  
Date:- 06th May 2019



For and on behalf of the Board of Directors  
Centrum Investment Advisors Limited.

*Arpita*  
Arpita Vinay  
Director  
DIN :06940663

*Sandeep Nayak*  
K. Sandeep Nayak  
Director  
DIN : 03281505

## CENTRUM INVESTMENT ADVISORS LIMITED

### Note 1: NATURE OF OPERATIONS

Centrum Investment Advisors Limited ('CIAL' or 'the Company') is in the business of Financial Planning and Investment Advisory Services. The Company is a subsidiary company of Centrum Wealth Management Limited.

### Note 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### METHOD OF ACCOUNTING:

The financial statements are prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP'), Accounting Standards notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the provision of Section 133 of the Companies Act, 2013 and on the principles of going concern. The financial statements have been prepared on the accrual basis under the historical cost convention. All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

#### USE OF ESTIMATES:

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

#### REVENUE RECOGNITION:

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

**i. Revenue from services**

Advisory fees incomes are accounted on accrual basis.

**ii. Interest income**

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

#### FIXED ASSETS:

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

#### DEPRECIATION:

Depreciation on tangible assets is provided on straight line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013.

Particulars	Estimated useful life specified under Schedule II of the Companies Act 2013
Office equipments	5 years



**TAXATION:**

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

**EARNINGS PER SHARE:**

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





Notes	Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
3	<b>SHARE CAPITAL</b>		
	<b>Authorised Shares:</b> 500,000 equity shares of ₹ 10/- each	50,00,000	50,00,000
		50,00,000	50,00,000
	<b>Issued, Subscribed &amp; Fully Paid Shares</b> 500,000 Equity Shares of ₹ 10/- each fully paid-up	50,00,000	50,00,000
		50,00,000	50,00,000
	<b>Reconciliation of the shares outstanding</b>		
		<b>As at March 31, 2019 No of Shares</b>	<b>As at March 31, 2018 No of Shares</b>
	At the beginning of the period	5,00,000	5,00,000
	Add: shares Issued during the period	-	-
	Outstanding at the end of the period	5,00,000	5,00,000
<b>Share holder having more than 5% equity share holding in the Company</b>			
	<b>Shareholder</b>	<b>As at March 31, 2019 No. of Shares (% of Holdings)</b>	<b>As at March 31, 2018 No. of Shares (% of Holdings)</b>
	Centrum Wealth Management Ltd	51% 2,55,000	5,00,000
	Centrum Retail Services Limited	49% 2,45,000	-
Notes	Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
4	<b>RESERVES &amp; SURPLUS</b>		
	<b>Statement of Profit &amp; Loss</b>		
	Opening Balance	57,31,711	16,73,194
	Add: Profit / (Loss) During the period	7,04,388	40,58,517
	<b>Balance as at end of the year</b>	<b>64,36,099</b>	<b>57,31,711</b>
5	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory dues Payable	5,67,505	1,83,611
	Due to Related Party	31,25,680	-
	Others	46,521	56,506
		<b>37,39,706</b>	<b>2,40,117</b>
6	<b>SHORT TERM PROVISIONS</b>		
	Provision for Tax (net of advance tax)	-	11,06,869
		-	<b>11,06,869</b>



CENTRUM INVESTMENT ADVISORS LTD

Notes forming part of the financial statements  
NOTE 7: FIXED ASSETS

Description of Assets	GROSS BLOCK		DEPRECIATION			NET BLOCK	
	As at April 1, 2018	As at Mar 31, 2019	For the period	Deductions	Upto Mar 31, 2019	As at Mar 31, 2019	As at March 31, 2018
	As at April 1, 2018	Additions	Deductions	As at Mar 31, 2019	Upto April 1, 2018	Upto Mar 31, 2019	Upto March 31, 2018
<u>Property Plant Equipment</u>	65,536	-	-	12,452	14,021	26,473	51,515
Office Equipment							
Total	65,536	-	-	12,452	14,021	26,473	51,515
<b>Grand Total</b>	<b>65,536</b>	<b>-</b>	<b>-</b>	<b>12,452</b>	<b>14,021</b>	<b>26,473</b>	<b>51,515</b>
Previous Year	65,536	-	-	12,452	1,569	14,021	-



	Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>8</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	Advances to Related Party	1,00,00,000	1,00,94,289
	Others	1,74,075	-
		<b>1,01,74,075</b>	<b>1,00,94,289</b>
<b>9</b>	<b>TRADE RECEIVABLES</b>		
	(UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE SPECIFIED)		
	Trade Receivables outstanding for a period exceeding six months		
	Considered good	4,05,325	14,228
	Considered doubtful	-	-
		4,05,325	14,228
	Trade Receivables outstanding for a period less than six months		
	Considered good	12,07,127	10,62,017
		<b>16,12,452</b>	<b>10,76,245</b>
	Less : Provision for doubtful debts	-	-
		<b>16,12,452</b>	<b>10,76,245</b>
<b>10</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with banks	24,34,782	5,82,835
		<b>24,34,782</b>	<b>5,82,835</b>
<b>11</b>	<b>OTHER CURRENT ASSETS</b>		
	Balance with revenue authorities	9,23,360	2,93,220
		<b>9,23,360</b>	<b>2,93,220</b>
<b>Notes</b>	<b>Particulars</b>	<b>Period ended March 31, 2019 ₹</b>	<b>Year ended March 31, 2018 ₹</b>
<b>12</b>	<b>REVENUE FROM OPERATION</b>		
	Advisory Fees	63,04,769	64,52,600
		<b>63,04,769</b>	<b>64,52,600</b>
<b>13</b>	<b>OTHER INCOME</b>		
	Interest Received -Others	11,39,317	12,21,169
		<b>11,39,317</b>	<b>12,21,169</b>
<b>14</b>	<b>FINANCE COST</b>		
	Bank Charges	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>OTHER EXPENSES</b>		
	Rates & Taxes	60,216	36,798
	Audit Fees	25,000	25,000
	Filing Fees	8,000	1,522
	Legal and Professional Fees	61,47,048	18,68,816
	Printing & Stationery	23,500	62,907
	Miscellaneous Exp	-	215
	Membership & Subscription	35,620	
	Office Expense	1,250	
	Provision for doubtful debts	-	
	Interest on Income Tax	63,881	
	Franking Charges	1,31,700	51,500
	<b>TOTAL</b>	<b>64,96,215</b>	<b>20,46,758</b>



**GENERAL NOTES ON ACCOUNTS:**

16. The Balance Sheet, to the best of our knowledge and belief, contains a true account of liabilities and assets of the company. In the opinion of the Directors, the Current Assets, Loans and Advances are appropriately stated at value realisable in the ordinary course of business. The provisions for all the known liabilities are adequate and there is no contingent liability.
17. The Company does not owe any amount to any Micro, Small Scale Industry and Medium Enterprises undertakings at the end of the financial year which is outstanding for more than 30 days on the basis of information available with the Company.

**18. Related Party Transactions:**

In Term of Accounting Standard 18 (AS-18) Related party Disclosures notified in the Companies (Accounting Standards) Rules 2014, the disclosures of transactions with the related parties as defined in AS -18 are given below:

**19. Earnings per share:**

	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
i)	Profit after Taxes attributable to equity shareholders	7,04,388	40,58,517
ii)	Number of equity shares of Rs.10 each issued and outstanding at the end of the Period	5,00,000	5,00,000
iii)	Basic earnings per share	1.41	8.12



20.

Particulars	Current Year	Previous Year
Payment to Auditors:		
Audit Fees	50000	50000
Earning in foreign currency	NIL	NIL
Expenditure in foreign currency	NIL	NIL

As per our report of even date attached

For Ketan Negandhi & Associates  
Chartered Accountants  
ICAI Firm Registration No:- 116834W

*Ketan N Negandhi*  
Date: 06<sup>th</sup> May 2019



For and on behalf of the Board of  
Centrum Investment Advisors Limited

*Arpita*  
Arpita Vinay  
Director  
DIN :06940663

*K. Sandeep Nayak*  
K. Sandeep Nayak  
Director  
DIN: 03281505