C (NTRUM

Your aim is our only target



# In Relationships Lie Rewards.

CENTRUM CAPITAL LIMITED | ANNUAL REPORT 2009-10





partners

sustainable -

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At Centrum, we strive to go beyond...
Beyond the obvious. Beyond numbers.
Beyond just results.
Beyond just financial performance.

We believe in focusing on the means rather than just the end. At Centrum, this is the first lesson we teach our team members.

In relationships lie rewards.

Invest aggressively in relationships. Don't hesitate to go that extra mile. Every relationship is special. At Centrum, we look at the bigger picture first. For us, relationships are like a marathon and not a hundred metre race. And that is the reason why we have one of the strongest relationships in our business.

Our ability to be relationship-oriented has made Centrum the partner of choice for all our stakeholders - retail customers, corporate clients, employees and investors.

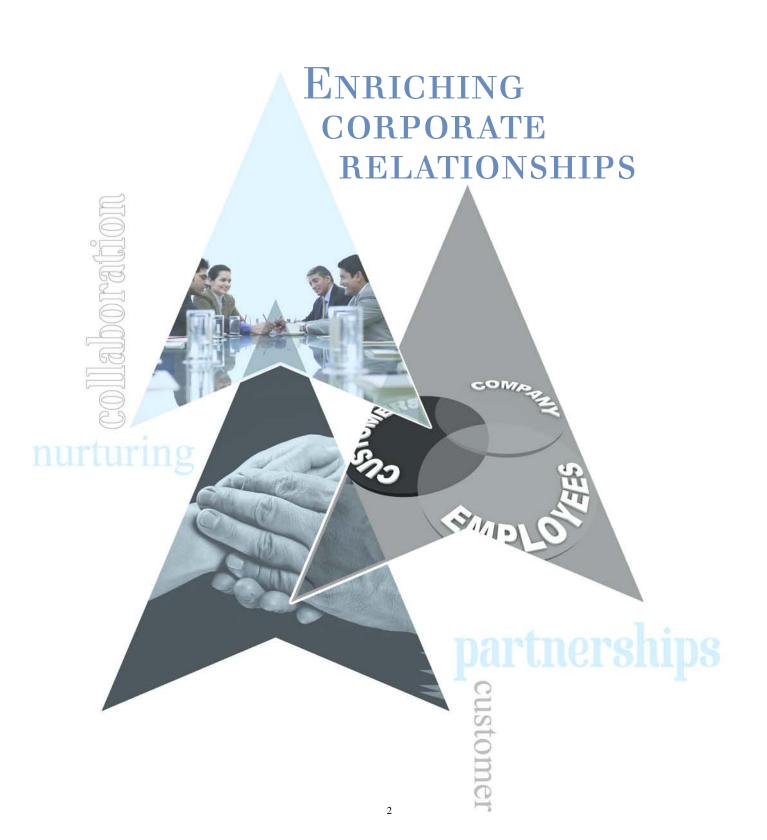
For our corporate clients, we partner with them at every step. We ensure we are with them in every service they need, from humble beginnings to emerging large caps. For our retail customers, we look beyond their wants and focus on their needs. We constantly strive to tailor customized solutions for their every need, be it equity, debt, institutional broking, retail broking, wealth management, foreign exchange, travel, infrastructure & realty advisory, margin funding or loan against securities. Our services are unique, comprehensive, product neutral and beyond the client's expectations. These relationships have and will continue to help us create sustainable value for all our stakeholders as well.

With our employees, we continuously work towards making Centrum not only a leading integrated financial services company, but also one of the best places to work in. And for our investors, we strive to create consistent growth and sustainable value year after year.

#### Consider this.

Till date, we have closed transactions amounting to approximately  $\ref{1,600}$  billion. Our collective team experience of deals is worth  $\ref{10}$  trillion. We have a direct relationship with over 500,000 HNIs and retail investors. With 80 branches, our network now extends to around 45 cities.

performance



We believe in partnerships.

In a fast evolving financial services business, we believe collaboration is the way to grow.

And therefore, we don't treat our corporate and institutional customers like clients but our partners in growth.

For us, it is not about closing a transaction and sending the bill.

#### It is about nurturing relationships.

And therefore, we identify the right companies at the right time and foster them. We identify companies that we believe will be the leaders of tomorrow and partner them through their life cycle. Because, we believe that customer life cycle management would be beneficial to the client in the short and the long term.

We become a one-stop shop for all our clients, offering them a range of customised and comprehensive solutions to cater to their every need in the financial services space. We are an integrated, complete financial services company, specialising in equity, debt, infrastructure & real estate advisory, wealth management, fixed income, foreign exchange, travel, margin funding and loan against securities. Within each of these verticals, we have expanded the product portfolio to offer everything to everyone.

We give the client what is needed and not what is available, because we are product neutral.

And that is why we expect our client relationships to last a life time rather than being transactional.

Therefore, it is our constant endeavour to enrich and add value to our corporate relationships at every step.



Unmatched demographic dividend. Rapid urbanisation. Rising literacy levels.

Globalisation. Structural reforms. Huge domestic demand.

Propelled by these factors, India is projected to become the fastest growing economy by 2015. Growing in tandem will be the financial services industry.

The high savings rate and the low penetration of demat accounts are but a couple of indicators of the vast untapped potential in this space. With earnings and savings going up, spending and credit needs will also increase. As the population becomes younger, the country grows and the wealth effect spreads, it will create demand for various asset classes.

At Centrum, we believe we are in a unique position to maximise this opportunity. We offer a variety of comprehensive solutions across a range of asset classes - equity, debt, wealth management, retail broking, infrastructure & realty advisory, foreign exchange and travel.

At Centrum, it is about relationship banking and not transaction banking. Our customer comes first always and our goal is to realise his aim. Over the years, we have created one of the most enviable relationships in the financial services business through differentiated products, customised solutions and integrated offerings in every area.

In an endeavour to push the boundaries of customer service even further, we plan to offer our entire bouquet of retail services - broking, wealth management, foreign exchange and travel - under one umbrella brand. In this regard, we have already started building the blocks required to take this business to the next level.

Going forward, we will add more products. We will add more branches.

And our customers will be able to access all our retail offerings at one location.

We will continue to enhance our relationships with our customers.



We believe that relationship banking is not just about the clients.

Partnerships are not just with customers.

Our relationship orientation focuses on our employees as well.

#### Our employees are our partners too.

In a talent-driven business like ours, it makes sense to invest in high quality talent and build a world-class team. Over the last few years, we have hired some of the best talent to lead all our businesses.

We have a team of around 1,000 people. This includes highly qualified and committed CAs, CS and MBAs who have years of experience in executing complicated transactions in the equity, debt and foreign exchange markets. All our employees have a deep understanding of the investor psyche and have collective experience of deals worth ₹ 10 trillion.

We believe that employee growth should mirror the Company's growth and therefore, we consistently invest in training our employees through regular seminars and conferences.

We also believe that the quality of the infrastructure and technology one provides to the employees is directly proportional to the productivity of the business. With stateof-the-art infrastructure and cutting-edge technology and processes, we have been able to add scale to our business easily.

Our aim is to make Centrum one of the best places to work. And thus, we strive to create a challenging environment for our employees to propel their growth. We keep our team consistently motivated through a performance-based compensation policy, an attractive incentive structure and regular rewards and recognition.

Because it is only by empowering employee relationships that we can reap the rewards of growth and progress.



It is the business of every business to create value. Sustainable. And long-term.

The same applies to us as well.

And since we began our journey, this has been our constant endeavour.

We are amongst the country's premier integrated financial services companies. We serve retail, corporate and institutional clients across the country. We offer a wide range of innovative and customised products and services across all major verticals of the industry.

We are renowned for our ethics and good business practices. We conform to the highest standards of compliance and risk management in the country.

We are a leading player in the Indian debt market.

Over the years, we have established ourselves in the IPO segment in the mid cap space across sectors. We were the lead managers of the most successful mid cap IPO in the country in 2009-10.

We are a formidable player in the forex segment, being one of the leaders in the prepaid cards and travellers cheques segment. With an increasing focus on the outward remittance segment, we expect this to be one of the thrust areas in the time to come.

In the last few years, we have laid a strong foundation for sustainable growth. We have reaped the rewards of our commitment to our relationships.

And this is just the beginning. We have great aspirations for Centrum.

Wider reach. Broader offerings. Higher market share. Stronger balance sheet.

And we remain committed to creating, nurturing and enhancing long term value for all our stakeholders through our strategy of fostering relationships.

For, we believe, in relationships lie rewards.



Dear Stakeholders,

After a tumultuous 2008-09, the year 2009-10 witnessed a recovery for the global economy, led by India and China. The uncertainty at the beginning of the year receded to a large extent by the end and the outlook for the future looks fairly positive despite concerns from the Euro Zone. The Indian economy grew at the rate of 7.4% in 2009-10 and registered a growth of 8.9% in the second quarter of the current year.

Propelled by favourable demographics, rising per capita income, huge domestic demand and growing expenditure on infrastructure, India is well poised on a strong growth trajectory. According to the data released by the IMF in October 2010, India's GDP is projected to grow at the rate of 8.4% in 2011. Analysts predict that India is likely to be a USD 4 trillion

Analysts predict that India is likely to be a USD 4 trillion economy by 2020. In the next decade, it is also expected to overtake China to become the fastest growing economy in the world.

Given these compelling numbers, India is emerging as the most exciting market for financial services. The strong flow of FII investments into the country during 2010 is indicative of the global confidence in the Indian economy. Consequently, the Indian equity markets have risen sharply during the year, further boosted by the positive sentiments.

The country's high household savings rate and low levels of penetration of financial products are indicators of the huge, untapped potential of the Indian financial services industry. The demand for various asset classes will only go up in the coming years as a younger population earns more, spends more and becomes financially savvy. And Centrum is well poised to capitalise on this gigantic opportunity.

The Centrum Group is at the forefront of the financial services segment in India, with interests across equity, debt, institutional broking, retail broking, margin funding, loan against securities, wealth management, foreign exchange, travel and infrastructure & realty advisory. Moreover, we are product neutral and are thus able to customise solutions as per our clients' needs and not just offer products available off the shelf. What really gives us an edge over our peers is our relationship-oriented business model.

We attribute our success to the strong relationships we have with all our corporate clients, institutions, banks, retail customers, employees, investors and shareholders. We take pride in nurturing these relationships.

We identify companies with strong potential, the leaders of tomorrow and partner with them through their entire life cycle. And this is why our clients keep coming back to us. This has ensured that our institutional business creates a place for itself in today's competitive environment.

Our retail businesses of foreign exchange and distribution cum retail broking which begun from humble origins have succeeded in creating a brand for group Centrum over the years. It is now time to take our retail business to the next level of growth. A step forward in this direction is integrating our existing retail businesses on one group retail financial services platform i.e. retail broking, wealth management, foreign exchange and travel - under one umbrella brand. We are gearing up to serve as a one stop-shop offering integrated financial services and a wide range of products to our retail customers. We have taken initiatives to add a product platter incorporating lending products like margin funding and loan against securities to name a few. We have also recruited senior and

experienced talent from the industry who will enable us to harness the tremendous opportunity in the retail financial services space in the country, and lead us to greater heights. Our endeavour is to expand our retail presence from around 45 cities currently to over 100 cities in the next three years, simultaneously offering a greater variety of products. Thus, this segment is going to be a key thrust area for us in the coming years.

However, our success till date and our growth in the future would not be possible without the core expertise, rich experience and valuable insights of our dedicated and talented employees. We have consistently invested in hiring key talent over the years, even during the downturn. And that is why today, we have amongst the best teams in the business. Our employees are our partners in growth and it has been our constant endeavour to ensure that as the Company grows, they grow.

As we enter 2010-11, we are confident about our future. Our state-of-the-art infrastructure, cutting-edge technology and processes, high standards of risk management and dedicated customer focus have given us an enviable reputation in the industry. Given our robust foundation, diversified revenue model, strong relationships with stakeholders and relentless execution focus, we assure you of solid and sustainable growth year after year.

Finally, I would like to express my gratitude to all - our clients, our employees, our investors, our shareholders - for the trust you have reposed in us. I would especially like to thank the Board members for their guidance throughout our journey.

As we aim to create long-term value for all our stakeholders, we hope you will continue to support and encourage us as you have done in the past.

Yours sincerely,

hidwand.

Chandir Gidwani



## THINGS TO KNOW ABOUT CENTRUM



- Completed 15 years of exemplary financial services
- Having a 80,000 sq. ft. state of art corporate office in Mumbai and a Pan India presence with 80 branches in approximately 45 cities

#### **Gamut of Services**

#### **Investment Banking:**

- Equity Capital Market: Initial Public Offering / Follow on Public Offering / Rights / Buyback / Delisting, Qualified Institutional Placement, American Depository Receipts / Global Depository Receipts / Alternate Investment Markets, Takeovers, Employee Stock Option Plans, Valuation and Certification
- Corporate Finance & Advisory: Private Equity, PIPE Advisory and Placement, Structured Finance, Merger & Acquisitions Advisory, Cross Border Acquisitions, Venture Funding
- Debt: Project Finance, Primary & Secondary Debt Placement, Stressed Assets Resolution, Portfolio Buyout etc.
- Infrastructure & Realty Advisory

#### **Institutional Broking:**

Having research coverage for large and mid caps

#### **Retail Financial Services:**

- Broking
  - Distribution / Wealth Management
    - Depository
      - Portfolio Management Services (PMS)
        - Forex: Money Changing, Money Transfer, Export of Currency
          - Travel & Tours
            - Loan against Securities, Margin Funding, IPO funding



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



#### **Team**

- Highly qualified professionals led by Mr. Chandir Gidwani, Chairman and eminent Board of Directors
- A collective team experience of deals worth ₹ 10 trillion and approx. ₹ 1,600 billion aggregate transactions closed till date



#### Clientele

- Institutional Investors, Hedge Funds, FII, Mutual Funds Insurance
  - Companies & Business Houses in India and Asia
    - Banks & Public Sector Units (PSU)
      - Domestic Mutual Funds
        - Insurance Companies
          - Over 500,000 HNI and Retail Investors
            - Entrepreneurs
            - Trusts (Charitable & Family) Provident Funds

#### **Awards and Achievements**

- Awarded with IFR Asia award for 2006 for ₹ 1.5 billon perpetual non call 10 year bond the first hybrid perpetual transaction in the Indian public sector banking
- Rated as one of the most independent research house by Asia Money in 2009
- Everonn Systems IPO (Sole Arranger) amongst highest subscribed IPO till date 147 times oversubscribed
- Lead Manager for two of the most successful IPO of 2010 viz. Aqua Logistics Limited and Career Point Info Systems Limited
- Sole Arranger for India's first ever publicly issued private equity fund with domestic business house as promoter
- FCH CentrumDirect Ltd. has the unique distinction of receiving American Express awards for being in the highest sales club for last 5 years in a row
- Rated amongst the top three Authorised Dealer Category II
- Recognition from number of mutual funds for significant contribution from Centrum Wealth Management investors towards their schemes

## OUR CLIENTS





Adlabs Films Ltd.



Aegis Logistics Ltd.



Amercian Express



APGENCO



APTRANSCO



Aqua Logistics Ltd.



AU Financiers India (Pvt.) Ltd.



Bajaj Electricals Ltd.



Bank of India



Bartronics India Ltd.



Berggruen Hotels Pvt. Ltd.



Bhushan Power & Steel Ltd.



Birla Sun Life Insurance



**BMC** 



Essel Shyam Communications Ltd.



Cambridge Technology Enterprises



Deccan Chronicle Holdings Ltd.



**MSRDC** 



Digicable Network (India) Pvt Ltd.



Escorts Limited



Everonn Education Ltd.



Federal Mogul Co-operation



Food Corporation of India



Lumax Industries Ltd.



Franklin Templeton Investments



Gail (India) Ltd.



ADF Foods Ltd.



Gujarat Electricity Board



HDFC Mutual Fund



HP Infra Dev Board



Jai Balaji



HUDCO



Kotak Life Insurance

Marriott



Kerala Infra & Investment Board Fund



ICICI Prudential Life Insurance Company



Indiabulls



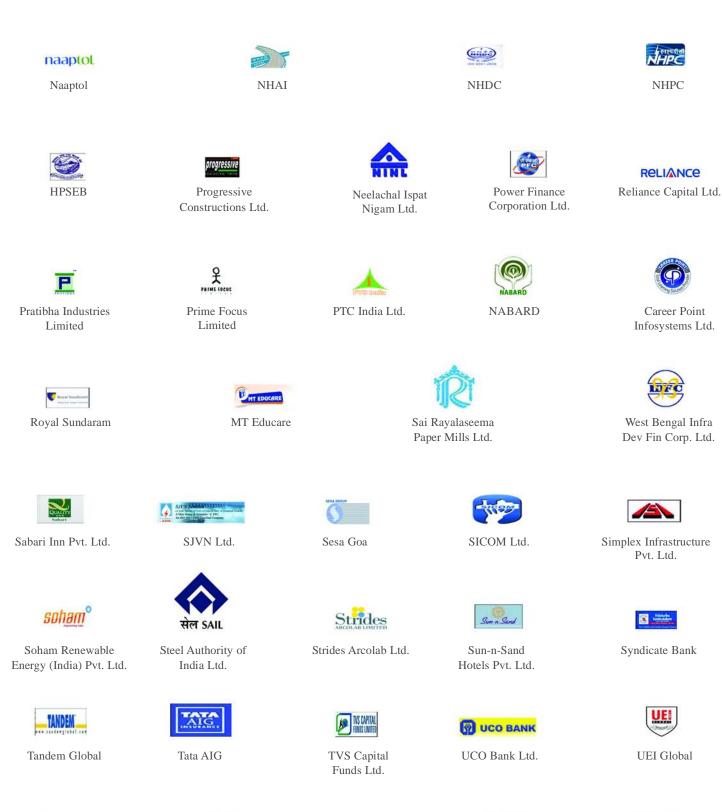
4) Marriott



MSEB Magma Fincorp. Ltd.



corp. Ltd. Mastek



VIVUS ♡

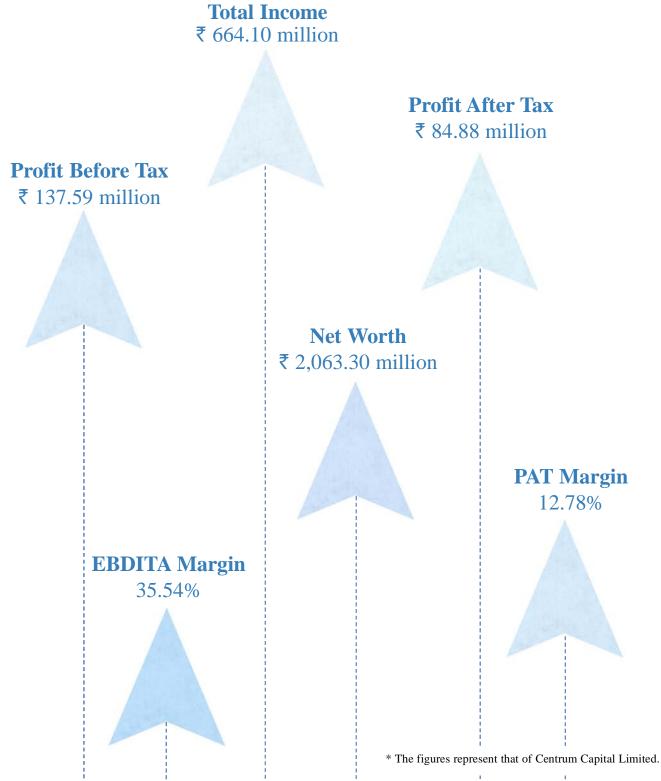
Vivus Healthcare

VVF Ltd.

Utkal Power Ltd.

Indrajit Infrastructure Pvt. Ltd. REC Ltd.

## Key Performance Indicators





## Corporate Information

#### **BOARD OF DIRECTORS**

Mr. Chandir Gidwani Chairman

Mr. K.V. Krishnamurthy Director

Mr. P.G. Kakodkar Director

Mr. Ibrahim S. Belselah Director

Mr. Rajesh Narain Gupta Director

Mr. Sameer Sain Director

Mr. Dhanpal Jhaveri Director

Mrs. Mahakhurshid Byramjee Director

Mr. Rishad Byramjee Director

Ms. Sonia Gidwani Whole Time Director

This bolls Gravail

Mr. G. Narayanan Managing Director

#### **CHIEF FINANCIAL OFFICER**

Mr. Himanshoo Bohara

#### **COMPANY SECRETARY**

Mr. Gajendra Thakur

#### **BANKERS**

The Ratnakar Bank Limited

HDFC Bank Limited

Standard Chartered Bank

The Lakshmi Vilas Bank Limited

The Federal Bank Limited

Bank of Baroda

#### **AUDITORS**

S. R. Batliboi & Co.Chartered Accountants6th Floor, Express Towers,Nariman Point, Mumbai - 400 021.

#### **REGISTERED OFFICE**

Bombay Mutual Building,

2nd Floor, Dr. D. N. Road, Fort,

Mumbai - 400 001.

Tel.: 022 - 22662434 Fax: 022 - 22611105

Website: www.centrum.co.in

E-Mail: info@centrum.co.in

cs@centrum.co.in

#### **CORPORATE OFFICE**

Centrum House, CST Road, Vidyanagari Marg, Kalina,

Santacruz (East),

Mumbai - 400 098.

Tel.: 022 - 42159000

Fax: 022 - 42159533





## Directors' Report

#### Dear Members.

Your Directors are pleased to present the Thirty Second Annual Report together with the Audited Accounts for the year ended June 30, 2010.

#### FINANCIAL PERFORMANCE:

The financial performance of the Company for the year ended June 30, 2010 is summarized below:

(₹ in Million)

Particulars	2009-2010	2008-09
Total Income	664.10	729.18
Profit before Interest, Depreciation		
and Tax	234.19	355.17
Less: Interest	60.68	36.70
Less: Depreciation	35.92	35.78
Profit before tax	137.59	282.69
Less: Provision for Taxation	52.71	120.47
Profit after tax	84.88	162.22
Add: Balance brought forward from		
previous year	517.83	363.59
Profit available for appropriation	602.70	525.81
Less: Proposed dividend	3.41	6.83
Provision for Dividend Tax	0.57	1.16
Balance carried to Balance Sheet	598.72	517.83

#### **PERFORMANCE:**

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

#### **DIVIDEND:**

Your Directors are pleased to recommend for approval of the shareholders a final dividend of ₹ 0.50 per equity share (₹ 1/- per equity share for the previous financial year). The total dividend payout for the financial year 2009-2010 is ₹ 34,14,048/-(₹ 68,28,096/- for the previous financial year).

The dividend, if approved, at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear in the

register of members/beneficial holders list of the Company as on the book closure date.

#### **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sameer Sain, Mrs. Mahakhurshid Byramjee and Mr. Rishad Byramjee retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board at its meeting held on January 30, 2010, appointed Mr. G. Narayanan as an Additional Director in the capacity of Managing Director of the Company for a period of 3 years. Pursuant to Section 260 of the Companies Act, 1956, Mr. Narayanan holds office as a Director upto the date of the forthcoming Annual General Meeting but is eligible to be appointed as a Director. Approval of shareholders is being sought at the ensuing Annual General Meeting for his appointment as a Director and Managing Director, on the terms and conditions, as provided in the Notice of the Annual General Meeting.

The Board at its meeting held on April 30, 2010 also approved the re-appointment of Ms. Sonia Gidwani as Whole Time Director for a further period of 3 years w.e.f. July 28, 2010 subject to the approval of the shareholders at the ensuing Annual General Meeting and the Central Government. The terms and conditions of re-appointment, as provided in the Notice of Annual General Meeting, will be placed before the shareholders for their approval.

The Board at its meeting held on September 30, 2010 appointed Mr. Rajesh Narain Gupta as an Additional Director w.e.f. October 25, 2010. Pursuant to Section 260 of the Companies Act, 1956, Mr. Gupta holds office as a Director upto the date of the ensuing Annual General Meeting but is eligible to be appointed as a Director. Approval of Members is being sought for his appointment as a Director at the ensuing Annual General Meeting.

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





Mr. T. R. Madhavan, Mr. Berjis Desai and Mr. Manmohan Shetty resigned from the Board w.e.f. January 30, 2010, April 30, 2010 and September 30, 2010 respectively. The Board wishes to place on record its appreciation for the invaluable services and guidance given by each of them during their respective tenures as Directors of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- in the preparation of the Annual Accounts for the year 2009-10, the applicable Accounting Standards have been followed and there are no material departures;
- 2) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of Company for the financial year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

#### **SUBSIDIARY COMPANIES:**

During the year under review, the Company has established Centrum Securities (Europe) Limited, a wholly owned subsidiary in UK, London.

In terms of the approval granted by the Ministry of Corporate Affairs (MCA) under Section 212(8) of the Companies Act, 1956, copies of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and Auditors of Centrum Financial Services Limited, Centrum Infrastructure and Realty Limited, Centrum Investments Limited, Accounts Receivables Management Services (India) Limited, Centrum Securities (Europe) Limited, Centrum Capital Holdings LLC, and Centrum Securities LLC (step down subsidiary) have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company interested in obtaining the same at

the Corporate Office of the Company. However, as directed by the MCA, the financial information of the said subsidiaries has been disclosed in the Annual Report. Further pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include financial information of its aforesaid subsidiaries.

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

As required under the Listing Agreement with the Bombay Stock Exchange Limited, Consolidated Financial Statements of the Company is attached. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards 21, 23 and 27 issued by the Institute of Chartered Accountants of India. These statements have been prepared on the basis of Audited Financial Statements received from Subsidiaries, Joint Ventures and Associate Companies, as approved by their respective Board of Directors.

## UTILIZATION OF PROCEEDS OF PREFERENTIAL ALLOTMENT:

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

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

## PARTICULARS OF EMPLOYEES AND EMPLOYEES STOCK PURCHASE SCHEME:

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





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

#### AUDITORS AND AUDITORS' REPORT:

M/s. S. R. Batliboi & Co., Chartered Accountants, retires as Statutory Auditors at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from the Auditors proposed to be re-appointed to the effect that their re-appointment if made would be in conformity with the limits specified in the said section. A proposal seeking their re-appointment is provided as part of the Notice of the ensuing Annual General Meeting.

The Notes to Accounts referred to in the Auditors' Report are self – explanatory and do not call for any further comments.

With regard to the comment contained in the Point (ix) (a) in the Annexure to Auditors' Report, the Company has taken appropriate steps to ensure that even the slight delays are avoided in future.

#### **DEPOSITS:**

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

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

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

#### FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of foreign exchange earnings and outgo during the year under review are provided at Item No. 15 (Notes to Accounts) of the Audited Accounts. The members are requested to refer to the said Note for details in this regard.

#### **CORPORATE GOVERNANCE:**

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

#### **ACKNOWLEDGEMENTS:**

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

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

The Directors also appreciate and value the contribution made by every member of the Centrum family. Your Directors look forward to the continued support of all stakeholders in the future.

By and on behalf of Board

G. Narayanan K. V. Krishnamurthy

Managing Director Director

Date: November 02, 2010 Date: November 02, 2010

Place: Mumbai Place: Mumbai





## Annexure to the Directors' Report

Disclosures as required under the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 in respect of the year ended June 30, 2010 is mentioned herein below:

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





# Management Discussion and Analysis

#### 1. ECONOMIC OVERVIEW

After the financial crisis all over the world, India has made a remarkable recovery, leading the comeback along with China. According to the estimates by the Ministry of Statistics and Programme Implementation, the Indian economy has registered a growth of 7.4% in 2009-10, with 8.8% growth in the first quarter of 2010. A stable Government and a favourable monsoon this year have further put India on a fast growth path. Exports are up quite sharply and industrial production has exhibited strong growth during the year. The fundamentals such as strong demographics, a large English speaking population, increasing prosperity and per capita income, rapid urbanisation, strong domestic demand, make a healthy environment for all industries and especially for the financial services sector.

The Indian capital markets have outperformed on all fronts. The sharp rally in the stock market has taken even the bulls by surprise. The BSE Index rose from 14,645 levels on 1st July 2009 to 17,700 as on 30th June 2010 and has recently closed above the 20,000 levels. This has happened partly due to the money pumped in by the Foreign Institutional Investors (FIIs). During January to June 2010, FIIs invested USD 6,878.50 million in the equity markets. Lured by high returns and safety of Indian debt, net FII inflows into the debt market have grown over eight times from little over USD 1 billion in 2009 to USD 8.25 billion in the first seven months of this year. As on 4th June 2010, India's foreign exchange reserves totalled USD 271.09 billion, an increase of USD 9.88 billion over the same period last year, according to the Reserve Bank of India's (RBI) Weekly Statistical Supplement. All this has strengthened the Rupee which has appreciated significantly against the Dollar. Another indication of the growing dominance of India is that the Indian Rupee has become the fifth currency to get a symbol.

#### 2. INDUSTRY OVERVIEW

Improved sentiments in the capital markets led to increase in the trading activities. Retail investors also returned to the markets. The benchmark indices in India, viz., BSE Sensex and Nifty outperformed most of their global peers. As per credible estimates, a large number of public offers are foreseen in 2010-11 as the government targets to raise 400 billion through divestments in public sector companies. Strong economic growth is expected to keep capital markets buoyant. It is expected that a number of small and mid-sized companies will go public to fund their growth as the Indian economy continues on its growth path. This will also lead to increase activity in the NBFC space such as loan against securities and margin funding.

An increasing need to leverage inorganic opportunities is expected to catalyse an unprecedented M&A opportunity.

Similarly private equity deal size in India is supposed to increase according to a recent survey by Deloitte. The large amounts of cash that investors hold and the greater amount of optimism in the market suggest that deal size in India will grow significantly. On the corporate side as well, the companies are increasingly becoming receptive to raising funds from PE investors.

A study by Project Finance International (PFI), a source of global project finance intelligence and a Thomson Reuters publication has ranked India on top in the global Project Finance (PF) market in 2009, ahead of Australia, Spain and the US. The study said the main market for PF in 2009 was the domestic Indian market, which raised USD 30 billion, accounting for 21.5% of the global PF market. This was significantly up from USD 19 billion in 2008.





The USD 41 billion Indian life insurance industry is considered the fifth largest life insurance market, and growing at a rapid pace of 32-34% annually, according to the Life Insurance Council. The low life insurance penetration in India (premia/GDP ratio at 4% against the average of 6% in developed nations) is likely to correct faster owing to the improved economic scenario and higher disposable incomes.

In line with a stronger economy scenario and stock market performance, the country's mutual funds industry reported impressive growth and average assets under management increased. India's total wealth is estimated at USD 1.4 trillion of which ultra high net worth individual wealth is placed at around USD 260 billion. The country comprises about 80,000 Ultra-High-Net-Worth Individuals (UHNWIs); only 4% of their wealth is tapped for professional wealth management by the leading players. Further, UHNWI wealth is expected to grow annually by 8.1% by 2013. The per capita income in India grew from ₹ 37,328 in 2007-08 to ₹ 38,695 in 2008-09 and 40,745 in 2009-10. All this augments well for the mutual fund industry.

Tour and travel operators in India are observing a surge in the business as the economy's sentiment turns positive. Not only leisure bookings but corporate bookings have also witnessed a rise in demand. The travel and tourism demand is expected to reach USD 266.1 billion (₹ 14,601.7 billion) by 2019. The travel and tourism demand in India has increased at a compound annual growth rate (CAGR) of 16.4% between 2004 and 2009, to reach USD 91.7 billion (₹ 4,412.7 billion). During the same period, foreign exchange earnings from tourism increased by more than 13% to reach USD 11.39 billion. The demand for quality hotel rooms in India currently exceeds supply.

Forex market in India is a regulated market and volumes are closely tied up to Dollar-Rupee exchange rate. After the volatility in Rupee vs Dollar, in 2009, the Rupee became stronger in 2010 due to the higher confidence level in the economy and higher FII inflows. With an increase in travel, there is a demand for travel related products such as foreign currency and traveller's cheques.

India leads the pack of top real estate investment markets in Asia for 2010, according to a study by Pricewaterhouse Coopers (PwC) and Urban Land Institute. Therefore real estate companies are coming up with various residential and commercial projects to fulfil the demand for residential and office properties in Tier-II and Tier-III cities. According to the data released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector including cineplex, multiplex, integrated townships and commercial complexes etc, attracted a cumulative Foreign Direct Investment (FDI) worth USD 8.4 billion from April 2000 to April 2010 wherein the sector witnessed FDI amounting USD 2.8 billion in the fiscal year 2009-10. All this bodes well for the real estate broking sector.

#### 3. BUSINESS OVERVIEW

Centrum is one of the leading financial services group in the country that offers innovative, customized and integrated financial solutions. Centrum Capital Limited ('the Company') has developed a business model wherein it functions as the group flagship company and operates through its subsidiaries, joint venture and associate companies forming a well diversified yet integrated financial services group known as 'Centrum'.

Centrum provides value added products and services to corporates and individuals across the country in both the Private and the Public sector.

The Group has interests in investment banking, wealth management, portfolio management, stock broking, foreign exchange, travel services, lending and infrastructure & real estate advisory services. It strives to promote a corporate culture promoting world-class financial services for its clients and value for shareholders. The Group enjoys a pan-India presence through 80 branches. Its global footprint extends across New York, London and Dubai. The team leverages the vast pan-India distribution network to market products and services. Being a holistic financial service institution provides profitable cross-sell opportunities.





#### **Centrum Group Companies**

#### **Centrum Capital Limited**

The Company is a Category I Merchant Banker registered with SEBI and is listed with BSE. It deals in equity capital markets, corporate financing and is also a leading player in debt syndication with a presence in primary and secondary markets, infrastructure project financing, working capital/expansion funding and stressed assets resolution.

A track record of successful relationship with reputed corporates has created a strong recall, making it easier to approach large investors and corporates. The Investment banking team interacts regularly with customers, thus getting invaluable insights into their funding requirements. In turn, this makes it possible for the team to design products suited to the needs of the customers. Product neutrality and product suite to appeal all investors from individuals to FII's gives Centrum a competitive edge in the market place.

#### **Centrum Broking Private Limited**

Centrum Broking holds BSE and NSE memberships and is also a Depository Participant of CDSL servicing institutional clients. It's highly qualified and experienced research team tracks stocks across a number of sectors. In the year gone by the team size has been increased to ensure quality research and service. The focus is to bring more than 200 stocks under coverage with an emphasis on the mid cap segment.

#### FCH Centrum Wealth Managers Limited

FCH Centrum Wealth Managers Limited (FCH CWML), the retail arm of Centrum has also obtained BSE and NSE membership and Depository Participant License of CDSL. It is offering a wide range of financial services including brokerage, PMS, insurance and investment products distribution etc. 2009-10 was a maintenance phase for this vertical but supported by the buoyant environment, growth is expected in the next year. Retail financial services is going to be the focus area for Centrum and FCH CWML is expected to structurally scale up its capabilities which will propel it into the next level. The sales team is given training inputs to match the right product for client needs, increasing client conversion and retention. The distribution team undertakes in-depth

research of all products being marketed with a comparative analysis of similar products of other companies leading to informed decisions by customers. FCH CWML wants to expand geographically to provide the affluent segment with wealth management services and launch new products to maximise the risk-return payoff for clients.

Given the huge customer base that the Group has, there exists an enormous cross-sell opportunity which FCH CWML is pursuing by putting in place adequate systems and processes and also by providing training to its sales force.

#### FCH CentrumDirect Limited

FCH CentrumDirect Limited (FCH CDL) is one of the fastest growing and respected foreign exchange service providers in the country. It is a full fledged money changer dealing in currencies, traveller's cheques, money transfers, etc. FCH CDL is the largest seller of prepaid cards in India. It has a geographical network of 80 branches and 16 airport counters and is empanelled with 30 plus banks for procurement of foreign currencies. It has started outward remittance this year especially for students studying abroad and for shootings done abroad. The card volumes have more than doubled this year.

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

Centrum is able to offer a complete travel solutions suite through Club 7 Holidays Limited. Club 7 specializes in exotic destinations, designed for the discerning traveller. It also continues its focus on the MICE segment. It has launched several thematic tour packages to capitalize on the growing demand in the domestic tourism sector. The Club 7 product offering, expertise and experienced talent along with Centrum's established retail financial services platform will catapult it into a Pan India player.

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

Centrum Financial Services Limited is Centrum's foray into Non-Banking Finance Company (NBFC) space and it has started the business of security backed financing - Loan against securities, Margin Funding, IPO funding etc. During the year, the book size of the NBFC has been quickly ramped up by tapping the business opportunity and leveraging the retail wealth management client base. Going forward this will





be a major focus area and given the vast retail footprint of the Group, Centrum expects exponential growth in this business.

#### 4. OPPORTUNITIES

With growing expenditure on infrastructure, rising domestic consumption and a stable government at the Centre, India is expected to exhibit strong growth in the coming years. According to the International Monetary Fund's World Economic Outlook projections, released in October 2010, India's GDP growth is proposed to grow at the rate of 8.4% in 2011. India's strong fundamentals are key to its sustained growth. India has a distinct comparative factor advantage as a vast reservoir of skilled manpower. The demographic differentials reveal that over the next 20-30 years, India has significant advantages in a population profile concentrated in the younger age group, where many new opportunities can be fully optimized.

The global financial industry is undergoing rapid transformation. As the money market tightens, financial institutions are seeking ways to operate more efficiently, manage risks better and find better ways to make or save money. Amongst these changes, the Management of Centrum sees plenty of opportunities to build market share and build leadership position.

The equity markets have reached new heights. This indicates the positive mind frame of the investors. India also attracted a phenomenal amount of FII which shows global confidence in the India story. India enjoys the highest household savings rate of 24.7%, but out of the total investments made, equity-related investments are only about 10% compared with 22% in China and 30-40% in developed countries.

According to 'India PE Report 2010', released by global consultancy Bain & Company, PE and Venture Capital (VC) investments are projected to reach USD 17 billion (around ₹ 80,000 crore) in 2010. The report includes a survey conducted across over 75 leading PE investors globally. The survey revealed that the number of respondents planning to invest in the range of USD 200-500 million in the next two years has risen four-fold to 27% in 2010.

Life insurance penetration in India is estimated to increase from 4% to 4.4% over the next two years as insurance companies extend into rural India. A hugely untapped rural insurance market is expected to grow four-fold by 2015. The Government is likely to reintroduce the Insurance Bill that proposes to increase the FDI cap for private sector insurance companies from 26% to 49%. The life insurance industry is going through a period of readjustment, which is caused by regulatory and capital market conditions. For insurance companies to survive in a regime that squeezes margins and forces lower costs, they will have to ensure greater volumes to sustain margins. The key differentiator for policyholders would now be the brand of the company, service offered, innovative fund options offered and investment performance of these funds. A growth of 18% is expected in total premium income and is likely to cross the USD 64.93 billion mark according to Life Insurance Council.

The facility of online mutual funds trading is expected to enhance mutual fund trading participation. The facility to apply in New Fund Offers (NFOs) of mutual fund schemes by not only drawing a cheque/demand draft but also through ASBA (Applications Supported by Blocked Accounts) facility.

India's property sector began to improve from late 2009 and is expected to attract up to USD 12.11 billion in real estate investment over a five-year period.

Centrum with its expertise, experience, reach, wide portfolio of services, customer focus and cutting-edge technology is well poised to maximise these opportunities.

#### 5. THREATS

Staff attrition and the rising demand for experienced and qualified personnel have put upward pressure on employee costs. Attracting, training and retaining the best talent are thus, one of the primary objectives of the Group. Centrum will continue to provide a conducive environment and share ownership liberally.

Centrum is putting constant efforts to employ qualified personnel at different levels of management and has





implemented several policies to retain and motivate its employees.

Externally too there are a few concerns, inflation topping that list. The RBI is concerned about the rising inflation levels and interest rates are set to rise which in turn may reduce the credit uptake and slow down business activities. European markets still seem vulnerable and since no economy is now completely insulated from what is happening around the globe, India too stands to get impacted.

#### 6. FUTURE OUTLOOK

A report titled 'India 2020: Seeing, Beyond', published by a domestic broking major, in March 2010, stated that India's GDP is set to quadruple over the next ten years and the country is likely to become an over USD 4 trillion economy by 2020. Also, India will overtake China to become the world's fastest growing economy by 2018, according to the Economist Intelligence Unit (EIU), the research arm of London-based Economist magazine. Centrum is well poised to capture the tremendous opportunities which will arise out of this phenomenal growth.

Centrum will continue its focus on product neutrality and building strong relationships with its clients by offering them solutions according to their needs. Centrum will continue to expand its geographies as well as increase its products and services portfolio, thereby increasing its addressable market space. As in the past, the group intends to continue providing its clients with a high degree of customer service, flexible, tailored, and configurable products and services and a dedicated focus on their investment needs.

Centrum has shown strength in raising funds for concept stocks such as Aqua Logistics and Career Point. This will remain a focus area for the Company in the future too. Investment Banking activities which have shown a revival will get more focus. The Company's Investment banking team has closed several marquee transactions such as Magma Fincorp and Digi Cable which have helped the Company to build a strong pipeline of future mandates. Thus the Company will continue to leverage the track record of successful deals and a strong

brand to expand the pipeline of transactions. Equity Research coverage of the Group will be enhanced to cover more mid cap stocks.

The Forex team which started Outward Remittance during the year is going strong and will increase presence in more retail outlets to increase its reach further.

With reducing margins in several retail products such as insurance and mutual funds, Centrum intends to focus on HNI and NRI rather than small ticket customers. The Group will continue to assimilate, analyze and apply knowledge to power superior financial decisions for its clients.

The Group is very optimistic about its future. The long-term potential of the economy and the vast, untapped opportunity in the financial services industry will propel the Group towards robust growth in coming years.

#### 7. RISK MANAGEMENT

Centrum is exposed to various risks and uncertainties in the normal course of business that can cause variations in its results from operations and affect its financial condition. The Group views effective risk management as an integral part for delivering superior returns to shareholders.

Emerging economies, which are already on the recovery path, face various challenges such as capital flows, inflationary pressures and credit revival. The timing of exit from the policy stimulus will, thus, be critical to the recovery of the economy; both premature exit as well as delayed exit would have associated costs. Apart from that, the Group faces competition from other players in the segment it operates. Financial companies are more vulnerable to regulatory risks and any non compliance can be damaging to the reputation of the Group. Lastly, the Group operates in a technology intensive environment. The speed of trade execution, reliability of access and delivery of service are critical. Any disruption of service could affect clients and the Group.

Centrum's product neutrality helps it to offer solutions during all times. The Company has derisked through multiple products and diverse revenue streams. For example, if the





equity markets are under stress, Centrum is able to offer tailor made debt solutions and vice versa. The Group's strengths viz. strong and proven business model, sound financials, extensive reach, well-equipped infrastructure, strong backend processes, long term relationships with clients and an experienced management team, give it a significant edge over its competitors.

Centrum has always maintained the highest level of compliance with regulatory norms. The compliance department is well experienced and trained to ensure conformity to all the compliance requirements. Hence it does not expect to be significantly affected by this risk.

Over the years, Centrum has invested significantly in state-of-the-art technology to enhance existing systems and networks. It has strong IT operations and support systems managed by highly qualified IT professionals for in-house software development. The Group believes in using the best available technology to provide superior front-end systems and strong back-end platforms. External attacks like virus, spyware, malware, spoofing, intrusion as well as hardware, firmware and operating system related bugs are a concern for the Group but are taken care of on a regular basis. Centrum ensures multiple backups of data and each activity logs in the front-end as well as the back-end system applications for better and faster resolution of errors and reduction of risk.

Thus the Group is well equipped to manage its risks and mitigate them adequately.

#### 8. INTERNAL CONTROLS AND THEIR ADEQUACY

Centrum has in place adequate internal control systems which commensurate with its size and the nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies, laws and accounting standards.

The Company has an Audit Committee, the details of which has been provided in the Corporate Governance Report and have also appointed an independent Internal Audit Firm. The Audit Committee regularly review the Internal Audit Reports as well as the findings and recommendations of the Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of corrective actions.

The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors posted on its observations.

#### 9. HUMAN RESOURCES

Centrum firmly believes in the dictum that businesses are made by people.

Keeping this as the core of all its beliefs, the Human Resources team at Centrum has constantly endeavoured to hire, nurture and retain the best talent available in the country.

This has been possible through a constant ear to the market approach in terms of identifying the latest skill sets that a particular job role demands and constantly meeting it through a steady stream of professionals who match up to the same. All this duly supported by a well documented policy and multi layered screening process which ensures that the Group hires the best person and places him in a role which is ideal for him.

The engagement with the employee is then constantly built through a series of developmental programmes which are identified based on both the individual's and the organization's need for growth and enhancement. Through this it is ensured that the employee not just becomes better at what his job demands from him, but he is in fact groomed for his next role.

The employee engagement continues through a series of social and cultural platforms that Centrum provides which enables its employees to explore their roots, participate in social causes and develop their creative talent at the same time.





The performance appraisal systems are benchmarked with the best in the industry. While on one hand, they offer a high level of transparency, on the other, they provide adequate scope for continuous self – improvement through a streamlined counselling process.

The Human Resources team realises the pivotal role it plays and is committed to taking performance to higher levels by ably supporting business needs with one of the biggest drivers to performance – people.

As on June 30, 2010, there were close to 1000 personnel employed with Centrum.

#### 10. FINANCIAL OVERVIEW

Income: The Company recorded a total income of ₹ 664.10 million, as compared to ₹ 729.18 million for the previous year.

EBIDTA: The Company's EBIDTA stood at ₹ 234.19 million against ₹ 364.01 million in 2008-09.

PAT: The Profit After Tax (PAT) of the company for the year 2009-10 was ₹ 84.88 million.

#### 11. CAUTIONARY STATEMENT

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

By and on behalf of Board

G. Narayanan Managing Director

Date: November 02, 2010

Place: Mumbai

K. V. Krishnamurthy

Director

Date: November 02, 2010

Place: Mumbai





## Corporate Governance Report

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

#### A. PHILOSOPHY OF CORPORATE GOVERNANCE:

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

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

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

#### B. BOARD OF DIRECTORS:

#### a. Composition of the Board:

As the Chairman of the Board is a non-executive director and related to the Promoter Company, not less then half of the Board of Directors should comprise of Independent Directors, as required under clause 49 of the Listing Agreement.

The present strength of the Board of Directors of the Company is 11 Directors. The Board of Directors consists of 1 Managing Director, 1 Whole Time Director, 4 Non-Executive Directors and 5 Independent Directors. Mr. Berjis Desai and Mr. Manmohan Shetty, Independent Directors of the Company have resigned w.e.f. April 30, 2010 and September 30, 2010 respectively. The Company has appointed Mr. Rajesh Narain Gupta as an Independent Director w.e.f. October 25, 2010 in place of Mr. Berjis Desai. The Company is in the process of finding suitable replacement to be appointed as an Independent Director in place of Mr. Manmohan Shetty.

The Board reviews and approves the strategy and oversees the actions and results of Management to ensure that the long term objectives are achieved.

#### b. Meetings of the Board:

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the details of the Directorship (excluding Private Limited Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956), Chairmanship and the Committee Memberships held by Directors as on June 30, 2010, are given below:

Name of Director	Category	Attendance Particulars			No. of outside Directorships	posi	Committee tions held n the Company)*
		Meetings held during the tenure of Directors  Meetings AGM AGM held on 31.12.09			Chairman	Member	
Mr. Chandir Gidwani	Non-Executive Chairman	6	6	Yes	5	1	1
Mr. P.G. Kakodkar	Independent Director	6	Nil	No	10	2	5
Mr. K.V. Krishnamurthy	Independent Director	6	6	Yes	10	3	6





Name of Director	Category	Attendance Particulars			No. of outside Directorships	positions h	Committee eld (including Company)*
		Meetings held during the tenure of Directors	Board Meetings	Last AGM held on 31.12.09		Chairman	Member
Mr. Manmohan Shetty #	Independent Director	6	4	No	8	-	1
Mr. Ibrahim Belselah	Independent Director	6	Nil	No	-	-	-
Mrs. Mahakhurshid Byramjee	Non-Executive Director	6	Nil	No	-	-	-
Mr. Rishad Byramjee	Non-Executive Director	6	2	No	2	1	2
Mr. Sameer Sain	Independent Director	6	2	No	3	-	1
Mr. Dhanpal Jhaveri	Non-Executive Director	6	4	No	2	-	-
Ms. Sonia Gidwani	Whole Time Director	6	1	No	-	-	-
Mr. G. Narayanan	Managing Director	2	2	No	3	-	1
Mr. Rajesh Narain Gupta @	Independent Director	N.A.	N.A.	N.A.		-	

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

- # Ceased to be a Director w.e.f. September 30, 2010.
- @ Appointed on the Board of the Company w.e.f. October 25, 2010.

Six Board Meetings were held during the year 2009-10 and the gap between any two consecutive meetings did not exceed four months at any point of time. The dates on which Board Meetings were held are as follows:

August 26, 2009 September 30, 2009 October 31, 2009 January 30, 2010 April 30, 2010 June 18, 2010

#### c. Code of Conduct:

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

#### C. AUDIT COMMITTEE:

- The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited read with section 292A of the Companies Act, 1956.
- 2. The terms of reference of the Audit Committee are broadly as under:
  - Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
  - Approval of payment to statutory auditors for any other services rendered by them.





- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - » Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - » Changes, if any, in accounting policies and practices and reasons for the same;
  - » Major accounting entries involving estimates based on the exercise of judgment by management;
  - » Significant adjustments made in the financial statements arising out of audit findings;
  - » Compliance with listing and other legal requirements relating to financial statements;
  - » Disclosure of any related party transactions;
  - » Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing with the management the statement of uses / application of fund raised through an issue.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- To approve appointment of CFO (i.e., the wholetime Finance Director or any other person heading the finance or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

#### 3. Composition of the Audit Committee:

The Audit Committee of the Company comprises of following directors:

- (1) Mr. K.V. Krishnamurthy, Chairman;
- (2) Mr. P.G. Kakodkar;
- (3) Mr. Rajesh Narain Gupta and
- (4) Mr. Rishad Byramjee.

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

#### 4. Meetings and attendance during the year:

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

August 26, 2009

September 30, 2009

October 31, 2009

January 30, 2010

April 30, 2010 and

June 18, 2010.





#### D. REMUNERATION/ COMPENSATION COMMITTEE:

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

The Remuneration Committee comprises of following Directors:

- (1) Mr. K.V. Krishnamurthy, Chairman;
- (2) Mr. P.G. Kakodkar;
- (3) Mr. Rajesh Narain Gupta and
- (4) Mr. Rishad Byramjee

During the year the Remuneration Committee met two times and required members were present at the aforesaid meeting:

January 30, 2010

April 30, 2010

#### **Remuneration Policy:**

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

Details of remuneration of Directors (for the year ended June 30, 2010):

#### (i) Executive Directors' Compensation:

The aggregate value of salary and perquisites including commission paid for the year ended June 30, 2010 to the Managing Director and the Whole Time Director is as follows:

Mr. T. R. Madhavan, Managing Director, ₹ 42.90 Lacs (Salary ₹ 30.50 Lacs, PF ₹ 1.35 Lacs, Medical ₹ 0.09 Lacs, Perquisites ₹ 6.10 Lacs, LTA ₹ 1.61 Lacs, Leave Encashment ₹ 3.25 Lacs), resigned on January 30, 2010 and Mr. G. Narayanan, Managing Director, ₹ 25.32 Lacs (Salary ₹ 21.10 Lacs and Perquisites ₹ 4.22 Lacs), appointed w.e.f January 30, 2010 and Ms. Sonia Gidwani, Wholetime Director, ₹ 48.65 Lacs (Salary ₹ 33.45 Lacs and Perquisites ₹ 15.20 Lacs). The Managing Director will be entitled to a discretionary bonus, as may be decided by the Board of Directors. The Company has not granted any stock option to any of its Directors.

The tenures of the office of Mr. G. Narayanan, Managing Director and Ms. Sonia Gidwani, Whole Time Director of the Company are for a period of 3 years from the date of their appointment / re-appointment i.e. January 30, 2010 and July 28, 2010, respectively, and can be terminated by either party by giving one calendar month notice in writing. There is no separate provision for the payment of severance fees.

#### (ii) Non - Executive Directors' Compensation:

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

Details of Equity Shares held and sitting fees paid to the Non-Executive Directors for the year ended June 30, 2010:

Sr. No.	Name of the Director	# Equity Shares held	* Sitting Fees
1	Mr. Chandir Gidwani	1,000	1,00,000/-
2	Mr. K. V. Krishnamurthy	NIL	2,40,000/-
3	Mrs. Mahakhurshid Byramjee	1,14,352	NIL
4	Mr. Rishad Byramjee	12,385	1,00,000/-
5	Mr. Manmohan Shetty	NIL	2,00,000/-
6	Mr. P. G. Kakodkar	NIL	NIL
7	Mr. Ibrahim Belsalah	NIL	NIL
8	Mr. Sameer Sain	NIL	40,000/-
9	Mr. Dhanpal Jhaveri	NIL	80,000/-
10	Mr. Berjis Desai	1,200	NIL

# The Company has not essued any convertible instruments.

<sup>\*</sup> Sitting fees include payments for the Board appointed Committee meetings also.





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

This Committee comprises of three Directors viz.

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

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

The Company has appointed M/s. Link Intime India Private Limited as the Registrar and Share Transfer Agent. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Company and Registrars have not received any complaint during the year ended June 30, 2010.

The Company has appointed Mr. Gajendra Thakur, Company Secretary as Compliance officer of the Company. The Company has designated the email id 'cs@centrum.co.in' for registering the Complaints of the investors, in compliance with Clause 47(f) of the Listing Agreement.

#### F. GENERAL BODY MEETINGS:

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

Financial Year	Day, Date and Time	Venue	Special Resolutions passed thereat
2008-09	Thursday, Dec. 31, 2009 at 10.30 A.M	Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400098	1
2007-08	Monday, Dec 29, 2008 at 10.30 A.M.	Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400098	3
2006-07	Monday, Dec. 31, 2007 at 5.00 P.M.	Bombay Mutual Building, 2nd Floor, Dr. D. N. Road, Fort, Mumbai – 400 001	1

During the Financial year 2009-2010, the Company has not passed any special resolution by postal ballot process and as of now the Company does not propose to pass any special resolution through the Postal Ballot process.

#### G. DISCLOSURES:

#### a. Related Party Transactions:

The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company. The details of transactions with related parties are given for information under notes to the accounts of the Balance Sheet as at June 30, 2010.

#### b. No Penalty or strictures:

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

#### c. Disclosure of Accounting Treatment:

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

#### d. Disclosures on Risk Management:

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

#### e. Proceeds of Preferential Issue:

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





#### f. Management:

A Management Discussion and Analysis report forms part of the annual report and includes discussions on various matters specified under clause 49 of the Listing Agreement.

#### g. Shareholders:

- (i) The information as required under Clause 49 of the Listing Agreement, relating to the Directors proposed to be appointed / re-appointed, is furnished as a part of the Notice convening the Annual General Meeting.
- (ii) The mandatory as well as various additional information of interest to the shareholders is furnished in other sections of the Annual Report.

#### h. CEO/CFO Certification:

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

#### i. Report on Corporate Governance

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

#### j. Compliance:

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

#### a. The oatled:

The Company maintains a separate office for the Non – Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities. No specific tenure has been specified for the Independent Directors. However, they are liable to retire by rotation and seek re-appointment by the Members.

#### b. Remuneration ommittee:

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

#### c. Training of Board members:

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

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

#### H. MEANS OF COMMUNICATION:

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





### I. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting : December 31, 2010 at 10:30 A.M. at

Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina,

Santacruz Eas(), Mumbai – 400 098

b. Financial year : July 1, 2009 to June 30, 2010

c. Date of Book Closure : December 24, 2010 to December 31, 2010

d. Dividend Payment Date : within 30 days of the AGM

e. Listing on Stock Exchanges : Bombay Stock Exchange Limited

Phiroze eejdebhoy Towers, Dalal Street, Mumbai 400001

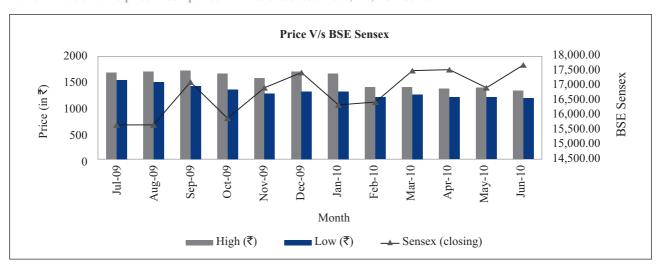
f. Stock code : 501150

g. Market Price Data

Share prices of the Company for the period July 2009 to June 2010

Date	High (₹)	Low (₹)
July, 2009	1,684.95	1,528.60
August, 2009	1,704.95	1,500.90
September, 2009	1,725.85	1,422.00
October, 2009	1,668.95	1,350.05
November, 2009	1,580.00	1,287.00
December, 2009	1,710.00	1,307.00
January, 2010	1,660.00	1,324.00
February, 2010	1,412.00	1,205.00
March, 2010	1,402.00	1,251.10
April, 2010	1,374.95	1,200.05
May, 2010	1,391.45	1,211.00
June, 2010	1,340.00	1,182.00

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







### h. Registrar and Transfer Agents : Link Intime India Private Limited

C-13 Pannalal Silk Mills Compound,

LBS Marg, Bhandup (W),

Mumbai 400 078

Tel. No. 022 - 25963838; Fax No.: 022 - 25672693

Email: mumbai@linkintime.co.in

### i. Share Transfer System:

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

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

### j. Categories of Shareholding as on June 30, 2010:

	Category	No. of Shares Held	Percentage of
			Shareholding
A	Promoter's Holding		
1	Promoters		
	- Indian	2,303,150	33.73
	- Foreign	Nil	Nil
2	Persons acting in Concert	Nil	Nil
	Sub-Total	2,303,150	33.73
В	Non-Promoters Holdings		
3	Institutional Investors	Nil	Nil
A	Mutual Fund and UTI	Nil	Nil
В	Banks, Financial Institutions, Insurance Companies	Nil	Nil
	(Central / State Gov. Institutions/ Non-government		
	Institutions)		
С	FIIs	Nil	Nil
4	Others		
A	Corporate Bodies	2,867,249	41.99
В	Indian Public	22,6763	3.32
С	NRI's	16	0.0002
D	Foreign Companies	1,020,158	14.94
Е	Centrum ESPS Trust	409,686	6.00
F	Any Other (Clearing Member)	74	0.0011
G	Any Other (NRN)	1,000	0.0146
	Sub-Total Sub-Total	4,524,946	66.27
	GRAND TOTAL	6,828,096	100





### k. Distribution of Shareholding as on June 30, 2010:

Sr.	Category (Shares)	No. of S	Shareholders	No. of S	Shares
No.		Number	% of Total Shareholders	Number	% of Total Shares
1.	1 - 5000	253	83.22	19,200	0.28
2.	5001 - 10000	18	5.92	13,066	0.19
3.	10001 - 20000	7	2.30	9,530	0.14
4.	20001 - 30000	4	1.32	10,200	0.15
5.	30001 – 40000	2	0.66	6,900	0.10
6.	40001 - 50000	2	0.66	9,650	0.14
7.	50001 - 100000	6	1.97	54,000	0.79
8.	100001 – Above	12	3.95	6,705,550	98.21
	TOTAL	304	100.00	6,828,096	100.00

### l. Dematerialization of shares:

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

### m. Address of Correspondence:

1. To the Company:

Registered Offi

Bombay Mutual Building,

2nd Floor, Dr. D.N. Road,

Fort, Mumbai - 400001

Tel No.: 022 - 22662434; Fax No.: 022 - 22611105

Email: info@centrum.co.in; cs@centrum.co.in

Corporate Offi

Centrum House, C.S.T. Road, Vidyanagari Marg, Kalina,

Santacruz Eas(), Mumbai - 400098

Tel No.: 022 - 42159000; Fax No.: 022 - 42159533

Email: info@centrum.co.in; cs@centrum.co.in

2. Registrar and Share Transfer Agent:

Link Intime India Private Limited Unit: Centrum Capital Limited

C-13 Pannalal Silk Mills Compound

LBS Marg, Bhandup (W),

Mumbai 400 078

Tel: 022 - 25963838; Fax: 022 - 25672693

Email: umbai@linkintime.co.in

By and on behalf of Board

G. Narayanan K. V. Krishnamurthy

Managing Director Director

Date: November 02, 2010 Date: November 02, 2010

Place: Mumbai Place: Mumbai





# CEO and CFO Certification

To
The Board of Directors
Centrum Capital Limited
Mumbai

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

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended on 30th June 2010;
- b. These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- These statements together present a true and fair view of the Company, and are in compliance with the existing accounting standards and/or applicable laws/regulations;
- There were, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- e. We are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company and the auditors, the Audit Committee and we have not come across any deficiencies in the design or operation of internal controls during the financial year;
- f. There were no instances of any fraud involving management or employees having a significant role in the Company's internal systems;
- g. There were no significant changes in internal control and/or of accounting policies during the year;
- h. We have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct);
- i. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

### For Centrum Capital Limited

G. Narayanan Himanshoo Bohara Managing Director Chief Financial Officer

Date: September 30, 2010 Date: September 30, 2010

Place: Austin, USA Place: Mumbai





# Auditors' Certificate

To

### The Members of Centrum Capital Limited

We have examined the compliance of conditions of corporate governance by Centrum Capital Limited, for the year ended on June 30, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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

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

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

For S.R. BATLIBOI & CO.

Firm registration number: 301003E

**Chartered Accountants** 

per Shrawan Jalan

Partner

Membership No.:102102

City: Mumbai

Date: November 02, 2010





# Auditors' Report

To

### The Members of Centrum Capital Limited

- We have audited the attached Balance Sheet of Centrum Capital Limited ('the Company') as at June 30, 2010 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4. Further to our comments in the Annexure referred to above, we report that:
  - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the directors, as on June 30, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- vi In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) in the case of the balance sheet, of the state of affairs of the Company as at June 30, 2010;
  - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
  - in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & CO.

Firm registration number: 301003E

**Chartered Accountants** 

per Shrawan Jalan

Partner

Membership No.: 102102

Place: Mumbai

Date: September 30, 2010





# Annexure Referred to in Paragraph 3 of our Report of even date

Re: Centrum Capital Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
  - (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The stock of bonds and securities have been confirmed by the management with the holding statement provided by the Depository Participants (DP) at reasonable intervals. In our opinion the frequency of such verification is reasonable.
  - (b) All the stock of bonds and securities are held in dematerialized form thus physical verification is not applicable. The procedures followed by the management for periodic verification of stock of bonds and securities with the demat statement are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed.
- (iii) (a) The Company has granted loan to one Company covered in the register maintained under section 301 of the Companies Act, 1956.

  The maximum amount involved during the year was Rs. 3.40 crores and the year- end balance of loans granted was Nil.
  - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
  - (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
  - (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
  - (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently the provisions of clause 4(iii)(e) to clause 4(iii) (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of bonds and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.





- (ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, investor education and protection fund, service tax, cess and other material statutory dues applicable to it have been regularly deposited with appropriate authorities though there has been a slight delay in a few cases of Profession tax and Wealth tax. The provisions relating to sales-tax, customs duty and excise duty are not applicable to the Company.
  - Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, investor education and protection fund, income-tax, service tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. Undisputed dues in respect of profession tax which was outstanding, at the year end for a period of more than six months from the date it became payable is as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Profession Tax Officer	Profession tax	58,127	2006-10	15 days from the end of the month in which it is payable	Rs. 16,151 paid on September 4th, 2010

(c) According to the information and explanation given to us, there are no dues of employees' state insurance, investor education and protection fund, profession tax, wealth tax, cess and other material statutory dues which have not been deposited on account of any dispute. The service tax and Income tax dues outstanding on account of dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994 (Service tax provisions)	Service tax payable	1,477,923	2002-2006	Additional Commissioner of Service tax
Income Tax Act, 1961	Income Tax	1,323,224	2007-08	Assistant Commissioner of Income Tax

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.





- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & CO.

Firm registration number: 301003E

**Chartered Accountants** 

per Shrawan Jalan

Partner

Membership No.: 102102

Place: Mumbai

Date: September 30, 2010





# Balance Sheet as at June 30, 2010

(₹)

Particulars		Schedule	June 30, 2010	June 30, 2009
SOURCES OF FUNDS				
Shareholder's Funds				
Share capital		1	68,280,960	68,280,960
Reserves and surplus		2	1,995,019,194	1,914,124,365
•	Total		2,063,300,154	1,982,405,325
Loan Funds				
Secured loans		3	30,517,551	150,292,333
Unsecured loans		4	215,758,245	338,356,309
	Total		246,275,796	488,648,642
Deferred Tax Liability			28,390,217	23,354,123
·	Total		2,337,966,167	2,494,408,090
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block		5-A	345,301,486	342,197,258
Less : Accumulated Depreciation/Amortisation			111,484,852	77,402,750
Net Block			233,816,634	264,794,508
Intangible Assets		5-B	4,138,867	5,125,673
Investments		6	921,227,861	904,997,043
Current Assets, Loans and Advances				
Inventories		7	18,683,178	11,466,322
Sundry debtors		8	383,722,607	393,667,736
Cash and bank balances		9	26,874,957	153,276,366
Loans and advances		10	854,085,212	876,298,902
Interest accrued but not due			3,329,071	23,291,653
	Total	(A)	1,286,695,025	1,458,000,979
Less : Current Liabilities and Provisions		11		
Current liabilities			100,239,693	127,188,938
Provisions			7,672,527	11,321,175
	Total	(B)	107,912,220	138,510,113
Net Current Assets		(A-B)	1,178,782,805	1,319,490,866
	Total		2,337,966,167	2,494,408,090
Significant Accounting Policies and Notes to Accounts		16		

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

As per our report of even date For and on behalf of Board of Directors of Centrum Capital Limited

For S. R. Batliboi & Co.

Firm Registration No.: 301003E Chartered Accountants

per Shrawan Jalan

**Partner** 

Membership No.: 102102

Place: Mumbai

Date: September 30, 2010

G. Narayanan Managing Director Place: Austin, USA

Date: September 30, 2010

Himanshoo Bohara Chief Financial Officer Place: Mumbai

Date: September 30, 2010

K. V. Krishnamurthy

Director

Place: Mumbai

Date: September 30, 2010

Gajendra Thakur Company Secretary Place: Mumbai

Date: September 30, 2010





# Profit and Loss Account for the year ended June 30, 2010

Particulars	Schedule	June 30, 2010	June 30, 2009
INCOME			
Syndication Fees, Brokerage & Commission		493,733,973	500,653,299
(TDS ₹ 23,796,022/- Previous year ₹ 53,627,957/-)			
Less : Service tax		42,659,333	51,023,563
,	Total	451,074,640	449,629,736
Trading in Bonds (net)		127,053,870	197,753,426
Other Income	12	85,971,202	81,799,598
· ·	Total	664,099,712	729,182,760
EXPENDITURE			
Personnel expenses	13	172,323,652	162,557,497
Operating and other expenses	14	255,735,214	201,629,985
Financial expenses	15	62,533,454	46,522,342
Depreciation/amortization		35,920,390	35,781,408
,	Total	526,512,710	446,491,232
Profit before tax and prior period items		137,587,002	282,691,528
Less : Provision for tax			
- Current tax (Including provision of tax for earlier years ₹ Nil			
(Previous year ₹ 6,258,436))		47,675,000	95,415,353
- Deferred tax charge / (credit)		5,036,094	23,152,413
- Fringe benefit tax		-	1,903,737
,	Total	52,711,094	120,471,503
Profit after tax		84,875,908	162,220,025
Balance brought forward from previous year		517,826,084	363,594,590
Profit available for appropriation		602,701,992	525,814,615
Appropriations			
Proposed dividend		3,414,048	6,828,096
Tax on dividend		567,031	1,160,435
Surplus carried to Balance Sheet		598,720,913	517,826,084
Basic and diluted earning per share of ₹ 10/- each (Refer Note 16 of Schedul	e 16)	12.43	23.76
Significant Accounting Policies and Notes to Accounts	16		

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

As per our report of even date For and on behalf of Board of Directors of Centrum Capital Limited

For S. R. Batliboi & Co.

**Partner** 

Firm Registration No.: 301003E G. Narayanan K. V. Krishnamurthy
Chartered Accountants Managing Director Director

artered Accountants Managing Director Director
Place: Austin, USA Place: Mumbai

per Shrawan Jalan Date: September 30, 2010 Date: September 30, 2010

Membership No.: 102102 Himanshoo Bohara Gajendra Thakur
Chief Financial Officer Company Secretary

Place: Mumbai Place: Mumbai Chief Financial Officer Company Secretary

Place: Mumbai Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010 Date: September 30, 2010





# Cash Flow Statement for the year ended June 30, 2010

Particulars	June 30, 2010	June 30	, 2009
A. Cash flow from operating activities			
Net profit before taxation	137,587,002	2	282,691,528
Adjustments for:			
Depreciation/amortisation	35,920,390	35,781,408	
Loss on sale of fixed assets	1,408,379	697,803	
Write back of provisions	(128,948)	(286,993)	
Sundry balances written off	870,509	-	
Profit on sale of Shares	(2,786,425)	(2,421,873)	
Profit on redemption of mutual fund	-	(680,746)	
Loss on sale of sundry debtors	16,157,327	-	
Impairment of investments	496,995	-	
Interest income	(73,553,753)	(54,959,588)	
Dividend from shares	(411,115)	(370,656)	
Dividend from mutual fund	(31,313)	(23,024,293)	
Bad Debts written off	6,525,685	18,794,678	
Provision for doubtful debts	-	8,400,993	
Provision no longer required written back	(8,400,993)	-	
Wealth Tax	200,000	295,000	
Interest expense	60,683,917	45,540,765	
1	36,950,655	5	27,766,498
Operating profit before working capital changes	174,537,65	_	310,458,025
Movements in working capital:	, ,		, ,
Decrease / (Increase) in sundry debtors	(4,336,889)	(58,955,560)	
Decrease / (Increase) in inventories	(7,216,856)	3,003,542	
Decrease / (Increase) in loans and advances	55,538,291	(542,343,668)	
Increase / (Decrease) in creditors & other liability	(65,829,429)	65,091,151	
<b>,</b>	(21,844,883		(533,204,535)
Cash used in operations	152,692,774	_	(222,746,509)
Direct taxes paid	- 7 7		, , ,, ,,
(including tax deducted at source and fringe benefit tax)	(78,628,920	)	(167,955,996)
Net cash used in operating activities	74,063,854	1	(390,702,505)
B. Cash flows from investing activities			
Purchase of fixed assets	(14,028,835)	(50,713,070)	
Proceeds from sale of fixed assets	591,492	863,378	
Purchase of investments (including dividend reinvestment)	(5,031,314)	(3,688,148,160)	
Deposits with other companies	44,000,000	(5,000,000)	
Investment in subsidiaries	(13,584,000)	(38,303,175)	
Investment in Joint Ventures/Associates	-	(501,998,270)	
Sale proceeds from investments	4,673,925	4,645,646,387	
Interest received	93,516,335	27,545,242	
Dividends received from shares	411,115	370,656	
Dividends received from mutual fund	31,313	23,024,293	
Net cash from / (used) in investing activities	110,580,03		413,287,281





## Cash Flow Statement for the year ended June 30, 2010

(₹)

				(₹)
Particulars	June 30	), 2010	June 30	, 2009
C. Cash flows from financing activities				
Proceeds from long-term borrowings	7,643,086		18,468,598	
Repayment of long-term borrowings	(59,997,718)		(232,269,174)	
Proceeds from short-term borrowings	17,782,218,987		9,911,240,000	
Repayment of short-term borrowings	(17,973,487,237)		(9,615,269,764)	
Interest paid	(59,433,881)		(40,206,288)	
Dividend paid	(6,828,096)		(6,828,096)	
Tax on dividend paid	(1,160,435)		(1,160,435)	
Net cash from financing activity		(311,045,294)		33,974,841
Net (Decrease)/ Increase In Cash And Cash Equivalents		(126,401,409)		56,559,617
Cash and Cash Equivalents				
As at the Beginning of the year				
Cash in Hand including foreign currencies	6,233,627		8,929,136	
Balance with Scheduled Banks-Current Accounts	145,098,572		84,037,996	
Debit Balance with other Banks-O/D A/c	181,110		1,549,801	
Balance with other Banks-Current Accounts	1,763,057		2,199,816	
Total		153,276,366		96,716,749
As at the end of the year				
Cash in Hand including foreign currencies	1,042,720		6,233,627	
Balance with Scheduled Banks-Current Accounts	16,517,677		145,098,572	
Debit Balance with other Banks-O/D A/c	7,779,281		181,110	
Balance with other Banks-Current Accounts	1,535,279		1,763,057	
Total		26,874,957		153,276,366
		(126,401,409)		56,559,617

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

- 1) All figures in brackets are outflow.
- 2) Cash and cash equivalents include unpaid dividend amounting to ₹87,180/-.
- 3) Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

### As per our report of even date

For S. R. Batliboi & Co. Firm Registration No.: 301003E Chartered Accountants For and on behalf of Board of Directors of Centrum Capital Limited

per Shrawan Jalan

Place: Mumbai

Partner

Membership No.: 102102

Date: September 30, 2010

G. Narayanan Managing Director Place: Austin, USA

Date: September 30, 2010

Himanshoo Bohara Chief Financial Officer Place: Mumbai

Date: September 30, 2010

K. V. Krishnamurthy Director

Place: Mumbai Date: September 30, 2010

Gajendra Thakur

Company Secretary
Place: Mumbai

Date: September 30, 2010





Particulars	June 30, 2010	June 30, 2009
SCHEDULE 1	June 30, 2010	June 30, 2007
Share capital		
Authorised		
10,000,000 (Previous year 10,000,000) equity shares of ₹ 10/- each	100,000,000	100,000,000
Issued, Subscribed and Paid-Up		
6,828,096 Equity Shares (Previous year: 6,828,096) of ₹ 10/- each fully paid-up	68,280,960	68,280,960
Of the above equity shares:		
(a) 3,254,000 equity shares were allotted as bonus shares in the year 2000-01 by capitalisation of reserves.	32,540,000	32,540,000
(b) 409,686 were allotted by way of preferential allotment in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 to Centrum ESPS Trust on May 17, 2008	4,096,860	4,096,860
(c) 682,810 were allotted by way of preferential allotment in terms of SEBI (Disclosure & Investor Protection) Guidelines 2000 to Indivision India Partners on June 5, 2008	6,828,100	6,828,100
SCHEDULE 2		
Reserves & Surplus		
Capital Reserve (Gift of 525,000 equity shares of Rap Media Limited)	1	1
General Reserve	2,770,000	2,770,000
Securities Premium Account		
Balance as per last account	1,393,528,280	1,393,528,280
Add: Received during the year	-	-
	1,393,528,280	1,393,528,280
Profit & Loss Account	598,720,913	517,826,084
Total	1,995,019,194	1,914,124,365





		(₹)
Particulars	June 30, 2010	June 30, 2009
SCHEDULE 3		
Secured Loans		
Loans and advances from banks		
Vehicle Loans		
(a) From Bank (Secured by hypothecation of vehicles)	9,632,686	13,392,376
(b) From Others (Secured by hypothecation of vehicles)	440,458	533,334
Overdraft / cash credit facilities		
(a) The Federal Bank Limited (Secured by pledge of Government securities)	14,343,751	3,453,819
(b) The Lakshmi Vilas Bank Limited (Secured by pledge of bonds)	-	4,140,776
(c) The Federal Bank Limited (Secured against Fixed Deposits kept with the bank)	-	74,169,308
Term Loan		
(a) The Federal Bank Limited (Secured by hypothecation of assets procured at Centrum House, Mumbai and personal guarantee of Chandir Gidwani, Chairman of the Company)	6,100,656	54,602,720
Total	30,517,551	150,292,333
SCHEDULE 4		
Unsecured Loans		
Inter Corporate Deposits	2,500,000	2,500,000
From Joint Venture Company	204,658,173	328,506,273
Interest accrued and due on above loan	8,600,072	7,350,036
Total	215,758,245	338,356,309
Amount due within one year	204,658,173	335,856,309





(₹)

		GROSS	BLOCK		D	EPREC	IATIO	Z	NET B	BLOCK
Description of Assets	As at	Additions	Deductions	As at	Upto	For the	For the Deductions	Upto	As at	As at
	July 1, 2009			June 30, 2010	July 1, 2009	year		June 30, 2010	June 30, 2010 June 30, 2010	June 30, 2009
SCHEDULE 5-A										
Tangible Assets										
Building	1,297,850	1	1	1,297,850	224,821	21,154	ı	245,975	1,051,875	1,073,029
Computers - Hardware	47,476,667	467,525	24,793	47,919,399	13,596,119	7,071,236	4,842	20,662,513	27,256,886	33,880,548
Vehicles	46,672,877	5,163,153	2,826,560	49,009,470	11,490,375	4,378,471	846,640	15,022,206	33,987,264	35,182,502
Furniture & Fixtures	18,147,295	149,113	ı	18,296,408	3,603,641	1,151,124	1	4,754,765	13,541,643	14,543,654
Air Conditioners	11,709,612	1	1	11,709,612	1,005,995	556,208	1	1,562,203	10,147,409	10,703,617
Office Equipments	14,148,214	175,790	1	14,324,004	1,149,786	679,661	ı	1,829,447	12,494,557	12,998,428
Leasehold Improvement	179,143,701	1	1	179,143,701	22,730,971	21,075,730	ı	43,806,701	135,337,000	156,412,730
Total (A)	318,596,216	5,955,581	2,851,353	321,700,444	53,801,708	34,933,584	851,482	87,883,810	233,816,634	264,794,508
Leased Assets										
Plant & Machinery	23,601,042	-	1	23,601,042	23,601,042	-	-	23,601,042	-	1
Total (B)	23,601,042	1	1	23,601,042	23,601,042	1	1	23,601,042	-	-
Total (A) +(B)	342,197,258	5,955,581	2,851,353	345,301,486	77,402,750	34,933,584	851,482	111,484,852	233,816,634	264,794,508
SCHEDULE 5-B										
Intangible Assets										
Goodwill	10,180,000	1	1	10,180,000	10,180,000	1	1	10,180,000	-	1
Computers - Software	9,543,441	-	1	9,543,441	4,417,768	986,806	-	5,404,574	4,138,867	5,125,673
Total	19,723,441	-	-	19,723,441	14,597,768	986,806	-	15,584,574	4,138,867	5,125,673
Grand Total	361,920,699	5,955,581	2,851,353	365,024,927	92,000,518	35,920,390	851,482	127,069,426	237,955,501	269,920,181
Previous Year	305,138,555	60,494,704	3,712,560	361,920,699	58,370,489	35,781,408	2,151,379	92,000,518	269,920,181	ı



FIXED ASSETS



Particulars		June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
			ebentures/units		
SCHEDULE 6					
Investments					
Long Term Investments (At cost)					
Trade (Unquoted)					
Equity Shares of Subsidiary Companies - Fully Paid up					
Centrum Infrastructure & Realty Limited	10	50,000	50,000	500,000	500,000
Centrum Investments Limited	10	50,000	50,000	500,000	500,000
Centrum Financial Services Limited (Formerly Shri Santram Finance Limited) [Shares acquired during the year: Nil (Previous year: 1,250,000)]	10	1,250,000	1,250,000	10,000,000	10,000,000
Accounts Receivables Management Services (India) Limited [Shares acquired during the year: Nil (Previous year: 40,000)]	10	40,000	40,000	400,000	400,000
Total				11,400,000	11,400,000
100% Interest in limited liability corporation					
Centrum Capital Holdings LLC				30,686,675	28,303,175
Centrum Securities (Europe) Limited				11,200,500	-
Total				41,887,175	28,303,175
<b>Equity Shares of Joint Ventures - Fully Paid up</b>					
FCH CentrumDirect Limited [Shares acquired during the year: Nil (Previous year: 5,905)]	10	2,952,217	2,952,217	133,471,490	133,471,490
FCH Centrum Wealth Managers Limited [Shares acquired during the year: Nil (Previous year : 2,800)]	10	1,402,800	1,402,800	14,498,400	14,498,400
Total				147,969,890	147,969,890
<b>Equity Shares of Associates - Fully Paid up</b>					
Centrum Securities Private Limited	10	100,000	100,000	1,000,000	1,000,000
Centrum Broking Private Limited	10	699,000	699,000	71,997,000	71,997,000
Essel-Centrum Holdings Limited (Partly Paid up)	10	500,000	500,000	1,000,000	1,000,000
Total				73,997,000	73,997,000
Preference Shares of Associate - Fully Paid up					
12% Redeemable Non-cumulative Preference shares of Centrum Broking Private Limited (5,500,000 shares redeemable at par at the end of 5 years from the date of allotment)	100	5,500,000	5,500,000	550,000,000	550,000,000
Total				550,000,000	550,000,000
Preference Shares					
1% Preference shares of Indra Investments Advisory Private Limited (100,000 shares redeemable at par at the end of 20 years from the date of allotment i.e. October 18, 2008)	100	100,000	100,000	10,000,000	10,000,000
9% Preference shares of SRR Consultants Private Limited (10,000 shares redeemable at the end of 20 years from the date of allotment i.e. August 29, 2008)	10	10,000	10,000	10,000,000	10,000,000





	Б	June 30, 2010   June 30, 2009   June 30, 2010   June 3				
Particulars	Face Value			June 30, 2010	June 30, 2009	
	value	No. of shares/debentures/units				
1% Preference shares of Ray Realtors Private Limited (20,000 shares redeemable at the end of 20 years from the date of allotment i.e. February 09, 2010)	10	20,000	-	5,000,000	-	
Total				25,000,000	20,000,000	
Quoted - Non-Trade						
Equity Shares - Fully Paid up						
Nikumbh Dairy Products Limited	10	4,000	4,000	109,500	109,500	
Birla Transasia Carpets Limited	10	9,100	9,100	153,159	153,159	
Kaiser Press Limited	10	500	500	5,000	5,000	
Dynemic Products Limited	10	10,000	10,000	350,000	350,000	
Sunil Hitech Engineers Limited	10	-	6,500	-	650,000	
Lumax Auto Technologies Limited	10	27,500	55,000	1,237,500	2,475,000	
Jagjanani Textiles Limited	10	10,000	10,000	250,000	250,000	
Hilton Metal Forging Limited	10	5,000	5,000	350,000	350,000	
Rap Media Limited	10	608,550	608,550	12,104,675	12,104,675	
Total				14,559,834	16,447,334	
Unquoted - Non-Trade						
<b>Equity Shares - Fully Paid up</b>						
The Ratnakar Bank Limited	10	216,530	216,530	2,165,300	2,165,300	
Softchip Technologies Limited	10	907,200	907,200	9,072,000	9,072,000	
Pan India Motors Private Limited	10	11,800,000	11,800,000	43,000,000	43,000,000	
Total				54,237,300	54,237,300	
8.40% Non Convertible Debentures						
The Ratnakar Bank Limited	1,000,000	2	2	2,000,000	2,000,000	
Total				2,000,000	2,000,000	
Current Investments - At lower of cost and market value						
In Units of Mutual Funds						
Reliance Money Manager - Daily Dividend Reinvestment Option [Formerly Reliance Liquid Plus Fund - Inst. Option-Daily Dividend Plan) [Net Asset Value as on June 30, 2010 ₹ 614,592/- (Previous year ₹ 590,795/-)] (23.63 units purchased during the year)	1,000	613.75	590.12	614,450	590,795	
Reliance Medium Term Fund - Daily Dividend Plan [Net Asset Value as on June 30, 2010 ₹ 200,112/- (Previous year ₹ 192,449/-)] (447.96 units purchased during the year)	10	11,705.24	11,257.28	200,107	192,449	
, ,,,,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	814,557	783,244	
Total				921,865,756	905,137,943	
Provision for Diminution in the Value of Investment				637,895	140,900	
Total				921,227,861	904,997,043	
Aggregate value of quoted investments [Market value ₹ 25,062,778/- (Previous year ₹ 35,139,788/-)]				13,921,939	16,306,434	
Aggregate value of unquoted investments				907,305,922	888,690,609	





(₹)

Purchase and Redemption during the year	Purchase		Purchase		Reden	nption
	Units	Amount	Units	Amount		
Reliance Liquid Fund-Inst.Option - Daily Dividend Plan	23.63	23,655	-	-		
Reliance Medium Term Fund - Daily Dividend Plan	447.96	7,658	-	-		

(₹)

Purchase and Redemption during the previous year	Purchase		Reden	nption
	Units	Amount	Units	Amount
LIC MF Liquid Fund - Dividend Plan	125.25	1,375	6,032.25	66,237
HDFC Cash Management Fund - Call Plan Daily Dividend Reinvestment	138.84	1,448	7,003.84	73,025
Reliance Liquid Fund-Inst.Option - Daily Dividend Plan	262,152,981.51	1,221,893,732	262,152,981.51	1,221,893,732
Reliance Medium Term Fund - Daily Dividend Plan	3,520,952.81	60,192,449	3,509,695.53	60,000,000
Reliance Liquid Fund - Treasury Plan - IP_Daily Dividend Reinvestment	6,972,631.30	106,592,009	6,972,631.30	106,592,009
Reliance Money Manager - Daily Dividend Reinvestment Option	1,618,507.82	1,620,274,433	2,588,031.62	2,590,900,000
Reliance Monthly Interval Fund - Sr. II-Institutional Dividend Plan	50,873,127.76	509,057,983	50,873,127.76	509,738,779
ICICI Prudential Institutional Liquid Plan Super Institutional Daily Dividend	15,012,722.47	150,134,731	15,012,722.47	150,134,731

Particulars	June 30, 2010 Quantity	June 30, 2009 Quantity	June 30, 2010	June 30, 2009
SCHEDULE 7				
Inventories (at lower of cost and net realisable value)				
Unquoted bonds				
6.75% ICICI 2010	-	30	-	147,114
7.60% IDBI 2011	-	1	-	990,911
9.75% IDBI 2009	-	120	-	644,236
10.90% ICICI 2016	-	1	-	113,469
9.40% Syndicate Bank Perpetual	-	4	-	4,216,093
8.59% UPSDL 2019	-	50,000	-	5,354,499
8.42% J & K SDL 2020	2,500	-	257,692	-
7.5% GOI 2034	150,000	1	14,296,042	-
8.10% APSDL 2019	30,700	-	3,113,134	-
9.20 WBIDFC 2020	1	-	1,016,310	-
Net realizable value ₹ 19,078,543/- (Previous year				
₹ 11,546,006/-)				
Total			18,683,178	11,466,322





Particulars	June 30, 2010	June 30, 2009
SCHEDULE 8		
Sundry Debtors (Unsecured, considered good, unless otherwise stated)		
Debtors outstanding for a period exceeding six months (Refer Note 3 of Schedule 16)		
Unsecured, considered good	266,822,816	229,099,144
Unsecured, considered doubtful	1,016,100	9,417,093
Total	267,838,916	238,516,237
Other Debts		
Unsecured, considered good	116,899,791	164,568,592
Total	384,738,707	403,084,829
Less : Provision for doubtful debts	1,016,100	9,417,093
Total	383,722,607	393,667,736
Included in Sundry Debtors are:		
Dues from companies under the same management		
FCH Centrum Wealth Managers Limited [Maximum amount outstanding during the year		
₹ 5,595,432/- (Previous year ₹ Nil)]	3,304,600	-
SCHEDULE 9		
Cash and Bank Balances		
Cash on Hand including foreign currencies	1,042,720	6,233,627
Balances with Scheduled Banks:		
On current accounts	16,430,497	40,622,511
On deposit account	-	104,371,840
On unpaid dividend accounts	87,180	104,221
Debit balance in Overdraft Account	7,779,281	181,110
Balance with other banks		
On current accounts	1,535,279	1,763,057
Total	26,874,957	153,276,366
Bank Balance with others include:		
National Bank of Dubai - AED Current Account (Maximum amount outstanding during the		
year ₹ 3,063,659/- Previous year ₹ 3,139,139/-)	1,535,279	1,763,057





D. C. I.	T 00 0046	(₹
Particulars	June 30, 2010	June 30, 2009
SCHEDULE 10		
Loans and Advances (Refer Note 12 of Schedule 16)		
(Unsecured,considered good unless otherwise stated)	-14 (-14 -14	540 <b>-</b> 0 - 50 4
Advances and loans to subsidiaries	546,654,332	649,705,594
Loan to Joint Venture	14,655,066	- 0.050.550
Advance for incorporation of subsidiaries (Refer Note 20 of Schedule 16)	8,780,035	8,950,570
Advance tax (net of provision for tax)	35,826,146	5,659,090
Advance for purchase of shares	10,000,000	39,600,000
Loans to employees & others  Advances recoverable in cash or in kind or for value to be received	30,448,094	32,616,254
	110 000 655	10,225,313
Considered good Considered doubtful	118,889,655 453,488	453,488
Inter corporate deposits	455,400	44,000,000
Service tax (Input / Credit Account)	18,196,743	16,710,978
Deposits - Others	70,635,141	68,831,103
Total	854,538,700	876,752,390
Less: Provision for doubtful advances	453,488	453,488
Total	854,085,212	876,298,902
Included in Loans and Advances are:	00 1,000,212	0,0,2,0,002
Dues from Director of the Company [Maximum amount outstanding during the year		
	2 000 000	2 000 000
₹ 3,000,000/- (Previous year ₹ 3,000,000/-)]	3,000,000	3,000,000
SCHEDULE 11		
Current Liabilities		
Sundry creditors		
(a) total oustanding dues of Micro, Medium and small Enterprises		
(Refer Note 17 of Schedule 16)	-	-
(b) total outstanding dues of creditors other than Micro, Medium and Small Enterprises	19,499,682	54,104,513
Advance from customers	4,956,036	984,954
Unpaid dividend	87,197	104,221
Other liabilities	75,696,778	71,995,250
Total (A)	100,239,693	127,188,938
Provisions		
Provision for wealth tax (net of advance tax)	500,340	653,393
Provision for Fringe Benefit Tax (net of advance tax)	-	562,758
Provision for Leave encashment	2,246,037	2,116,493
Provision for Gratuity	945,071	-
Proposed dividend	3,414,048	6,828,096
Tax on proposed dividend	567,031	1,160,435
Total (B)	7,672,527	11,321,175
Total (A+B)	107,912,220	138,510,113





# Schedules forming part of Profit & Loss Account for the year ended June 30, 2010

<i>y y</i> , , , , , , , , , , , , , , , , , , ,		(₹)
Particulars	June 30, 2010	June 30, 2010
SCHEDULE 12		
Other Income		
Interest		
Bank deposits (TDS ₹ 669,854/-, Previous year ₹ 1,387,034/-)	3,769,091	9,636,653
Others (TDS ₹ 9,325,880/-, Previous year ₹ 6,263,775/-)	69,784,662	45,322,935
Dividend income		
Dividend on Equity Shares - Non-trade	411,115	370,656
Dividend on Units of Mutual Fund - Non-trade	31,313	23,024,293
Profit on Sale of Investments - Long Term - Non-trade (net)	2,786,425	2,421,873
Profit on Sale of Investments - Short Term - Non-trade (net)	-	680,746
Foriegn exchange gain (net)	-	55,449
Miscellaneous income	128,947	286,993
Provision no longer required written back	8,400,993	-
Other Income	658,656	-
Total	85,971,202	81,799,598
SCHEDULE 13		
Personnel expenses		
Salaries wages and bonus	163,239,683	154,034,429
Contribution to provident & other funds		
- E.S.I.C.	21,691	27,730
- Provident Fund	5,265,737	4,255,456
Gratuity Expenses	1,433,013	376,043
Leave Encashment	1,176,667	1,363,831
Staff welfare expenses	1,186,861	2,500,008
Total	172,323,652	162,557,497





# Schedules forming part of Profit & Loss Account for the year ended June 30, 2010

		(₹)
Particulars	June 30, 2010	June 30, 2010
SCHEDULE 14		
Operating & Other Expenses		
Rent	85,114,877	81,084,632
Rates & Taxes [including wealth tax ₹ 200,000/-, (Previous year ₹ 295,000/-)]	13,872,457	14,134,364
Electricity	3,758,421	4,295,694
Foriegn exchange loss (net)	353,940	-
Repair and maintenance - others	601,330	211,945
Insurance	969,173	677,324
Advertising	335,185	1,861,923
Business promotion	4,712,046	5,002,559
Meeting and seminars	1,657,739	1,909,957
Subscription and membership fees	1,238,675	1,172,634
Commission and brokerage	10,702,342	3,223,433
Travelling and conveyance	15,932,119	15,382,401
Vehicle Expenses	9,361,546	8,017,375
Loss on aale of Debtors	16,157,327	-
Communication costs	5,533,979	4,618,231
Printing and stationery	1,872,220	2,072,467
Legal & professional fees	61,414,447	23,449,189
Sundry balances and bad debts Written Off	6,525,685	18,794,678
Provision for Doubtful Debts	-	8,400,993
Director's sitting fees	760,000	420,000
Auditor's remuneration		
Audit Fees	800,000	600,000
Taxation and others	336,336	-
Sundry Balance W/off	870,509	-
Donation and contributions to charitable institutions	5,181,000	1,046,100
Loss on sale of fixed assets (net)	1,408,379	697,803
Miscellaneous expenses	6,265,482	4,556,283
Total	255,735,214	201,629,985
SCHEDULE 15		
Financial Expenses		
Interest		
on inter corporate deposits	39,124,351	19,217,742
on banks	18,185,131	26,004,115
others	3,374,434	318,908
Bank charges	1,849,538	981,577
Total	62,533,454	46,522,342





### **SCHEDULE 16**

### NOTES TO ACCOUNTS

### 1. Nature of Operations

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

### 2. Statement of Significant Accounting Policies

### a) Basis of preparation

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

### b) Use of estimates

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

### c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

### d) Depreciation

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

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

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

### e) Impairment

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





### f) Intangible Assets

### Goodwill

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

### Computer tsures

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

### g) Leases

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

### h) Investments

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

### i) Inventories

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

### j) Revenue recognition

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

### Syndication eesf

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

### Income from trading in bonds

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

### Interest ncome

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

### **Dividends**

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

### Profit / Loss on sale of investments

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





### k) Foreign currency transactions

### (i) Initial econition

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

### (ii) Conversion

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

### (iii) Exchange Differences

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

### l) Retirement and other employee benefits

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

- (i) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. The Company makes contribution to a scheme administered by the Life Insurance Corporation of India ("LIC") to discharge the gratuity liability to employees. The Company records its gratuity liability based on an actuarial valuation made by an independent actuary as at year end. Contribution made to the LIC fund and provision made for the funded amounts are expensed in the books of accounts.
- (ii) Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit Method.
- (iii) All actuarial gains / losses are immediately taken to the Profit and Loss account and are not deferred.

### m) Income taxes

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

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





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

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

### n) Segment Reporting Policies

### **Identification of segments:**

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

### Allocation of common costs:

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

### Unallocated temis:

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

### o) Earning Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### p) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### q) Cash and Cash equivalents

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

### r) Borrowing costs

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

3. During the current year, the Company has sold sundry debtors of ₹ 107,715,511/- for ₹ 91,558,184/. Consequently, the loss on sale of such debtors has been recognized in the financial statements.





### 4. Segment Information

**Business Segment** 

As of June 30, 2010, the Company has for the purpose of segment reporting identified two major business i.e. Investment Banking and Trading in Bonds. Segments have been identified and reported based on the nature of operation involved, the risks and returns, the organization structure and the internal financial reporting systems.

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

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

Segment wise details are given in Annexure -1.

### 5. Related Party Disclosures

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

Subsidiary Companies	Centrum Infrastructure & Realty Limited
	Centrum Financial Services Limited
	Centrum Investments Limited
	Accounts Receivables Management Services (India) Limited
	Centrum Capital Holdings LLC
	Centrum Securities LLC (Subsidiary of Centrum Capital Holdings LLC)
	Centrum Securities (Europe) Limited, w.e.f. October 13, 2009
Joint Ventures	FCH CentrumDirect Limited
	FCH Centrum Wealth Managers Limited
Names of other related parties with whom transacti	ons have taken place during the year
Enterprise controlled by Key Management	Businessmatch Services (India) Private Limited
Personnel	P & M Infrastructure Limited
	Sonchajyo Investments & Finance Private Limited
	Centrum Fiscal Private Limited
Associates / Entities where company has	Centrum Broking Private Limited
significant influence	Centrum Securities Private Limited
	Club 7 Holidays Limited (Subsidiary of FCH CentrumDirect Limited)
	Centrum ESPS Trust
Key Management Personnel	Mr. Chandir Gidwani, Chairman
	Mr. T. R. Madhavan, Managing Director (upto January 30, 2010)
	Mr. G. Narayanan, Managing Director (w.e.f. January 30, 2010)
	Ms. Sonia Gidwani, Whole Time Director





					(₹
Nature of transaction	Joint	Subsidiary	Enterprise	Key	Associates / Entities
	Ventures	Companies	controlled by	Management Personnel	where company
			Key Management Personnel	Personnei	has significant influence
	2010	2010	2010	2010	2010
	(2009)	( 2009 )	(2009)	(2009)	(2009)
Transactions during the year with rela		G T 60			
Investment in shares / Interest in the l	imited liability con	npany (LLC)	I		
FCH CentrumDirect Limited	-	-	-	-	-
	(254)	(-)	(-)	(-)	(-)
Centrum Financial Services Limited	-	-	-	-	-
Centrum i manerar services Emined	(-)	(10,000,000)	(-)	(-)	(-)
C4 C4-1 II-14 I I C	-	2,383,500	-	-	-
Centrum Capital Holdings LLC	(-)	(28,303,175)	(-)	(-)	(-)
	-	11,200,500	-	-	-
Centrum Securities (Europe) Limited	(-)	(-)	(-)	(-)	(-)
	_	-	-	-	-
Centrum Broking Private Limited	(-)	(-)	(-)	(-)	(500,000,000)
A accounts Descrivelles Management	-	-	-	-	(200,000,000)
Accounts Receivables Management Services (India) Limited	(-)	(400,000)		( )	( )
Services (maia) Emiliea	(-)		(-)	(-)	(-)
Total	(25.1)	13,584,000	-	-	(500,000,000)
	(254)	(38,703,175)	(-)	(-)	(500,000,000)
Share Application money refund			I		
Accounts Receivables Management	-	29,600,000	-	-	-
Services (India) Limited	(-)	(-)	(-)	(-)	(-)
Total	-	29,600,000	-	-	-
	(-)	(-)	(-)	(-)	(-)
Advances given					
Centrum Infrastructure & Realty	-	27,250,000	-	-	-
Limited	(-)	(194,007,086)	(-)	(-)	(-)
	-	-	-	-	1,500,000
Centrum Securities Private Limited	(-)	(-)	(-)	(-)	(2,500,000)
FCH Centrum Wealth Managers	8,500,000	-	-	-	-
Limited	(38,099,821)	(-)	(-)	(-)	(-)
	_	-	-	_	_
Centrum Capital Holdings LLC	(-)	(751,485)	(-)	(-)	(-)
	(-)	(731,403)	(-)	(-)	72,500,000
Centrum Broking Private Limited		( )		( )	
	(-)	(-)	(-)	(-)	(717,223,454)
Centrum Financial Services Limited	-	1,952,893,062	-	-	-
	(-)	(510,451,000)	(-)	(-)	(-)
Total	8,500,000	1,980,143,062	-	-	74,000,000
	(38,099,821)	(705,209,571)	(-)	(-)	(719,723,454)





Nature of transaction	Joint Ventures	Subsidiary Companies	Enterprise controlled by Key Management Personnel	Key Management Personnel	Associates / Entities where company has significant influence
	2010	2010	2010	2010	2010
	(2009)	(2009)	(2009)	(2009)	( 2009 )
Repayment of Advances given					I
Centrum Infrastructure & Realty	-	11,155,000	-	-	
Limited	(-)	(121,600,000)	(-)	(-)	(-)
Centrum Securities Private Limited	-	-	-	-	
	(-)	(-)	(-)	(-)	(1,000,000)
FCH Centrum Wealth Managers	7,500,000	-	-	-	
Limited	(38,099,821)	(-)	(-)	(-)	(-)
Centrum Broking Private I imited	-	-	-	-	73,174,201
Centrum Broking Private Limited	(-)	(-)	(-)	(-)	(682,865,000)
P&M Infrastructure Limited	-	-	34,000,000	-	
1 & W Illiastructure Ellinted	(-)	(-)	(-)	(-)	(-)
Continue Financial Coming Limital	-	2,072,174,546	-	-	
Centrum Financial Services Limited	(-)	(21,100,000)	(-)	(-)	(-)
T. 4.1	7,500,000	2083,829,546	34,000,000	-	73,174,201
Total	(38,099,821)	(142,700,000)	(-)	(-)	(683,865,000)
Loan / Advances taken					
Edit d	2,122,000,000	-	-	-	
FCH CentrumDirect Limited	(959,858,008)	(-)	(-)	(-)	(-)
FCH Centrum Wealth Managers	-	-	-	-	
Limited	(32,775,218)	(-)	(-)	(-)	(-)
	2,122,000,000	-	-	-	
Total	(992,633,226)	(-)	(-)	(-)	(-)
Repayment of Loan / Advances taken					
Businessmatch Services (India) Private	-	-	-	-	
Limited	(-)	(-)	(84,000,000)	(-)	(-)
	2,240,449,700	_	-	-	
FCH CentrumDirect Limited	(813,863,578)	(-)	(-)	(-)	(-)
Centrum Investments Limited	-	-	-	-	
	(-)	(59,689)	(-)	(-)	(-)
FCH Centrum Wealth Managers	8,000,000	(55,005)	-	-	
Limited	(19,500,000)	(-)	(-)	(-)	(-)
	2,248,449,700	(-)	(-)	-	(-)
Total	(833,363,578)	(59,689)	(84,000,000)	(.)	
	(033,303,378)	(33,069)	(04,000,000)	(-)	(-)





					(₹)
Nature of transaction	Joint Ventures	Subsidiary Companies	Enterprise controlled by Key Management Personnel	Key Management Personnel	Associates / Entities where company has significant influence
	2010	2010	2010	2010	2010
	(2009)	(2009)	(2009)	(2009)	(2009)
Purchase of Air tickets		, ,	, ,	, ,	
FCH CentrumDirect Limited	(6,436,673)	- (-)	(-)	(-)	(-)
Club 7 Holidays Limited	- (-)	(-)	(-)	(-)	9,262,625 (906,148)
Total	(6,436,673)	(-)	(-)	(-)	<b>9,262,625</b> (906,148)
Purchase of assets					
FCH CentrumDirect Limited	183,918	(-)	(-)	- (-)	(-)
Total	183,918	- (-)	(-)	- (-)	(-)
Purchase of Foreign currency				( )	,
FCH CentrumDirect Limited	445,575 (1,724,462)	(-)	(-)	(-)	(-)
Total	<b>445,575</b> (1,724,462)	- (-)	(-)	- (-)	(-)
Reimbursement of Expenses claimed	(1,721,102)	( )		( )	( )
-	240,000	-	-	-	-
FCH CentrumDirect Limited - Rent	(382,444)	(-)	(-)	(-)	(-)
FCH CentrumDirect Limited - Other	-	-	-	-	-
expenses	(502,112)	(-)	(-)	(-)	(-)
FCH Centrum Wealth Managers	26,075,742	-	-	-	-
Limited	(38,099,821)	(-)	(-)	(-)	(-)
Centrum Infrastructure and Realty	-	635,222	-	-	-
Limited	(-)	(1,789,961)	(-)	(-)	(-)
Centrum Broking Private Limited	(-)	(-)	(-)	(-)	3,414,024 (3,716,057)
Total	26,315,742	635,222	-	-	3,414,024
	(38,984,377)	(1,789,961)	(-)	(-)	(3,716,057)
Commission and Brokerage paid					
FCH Centrum Wealth Managers	4,831,212	-	-	-	-
Limited	(2,286,922)	(-)	(-)	(-)	(-)
Centrum Broking Private Limited	(-)	(-)	(-)	(-)	228,278
Total	<b>4,831,212</b> (2,286,922)	- (-)	(-)	(-)	228,278





Nature of transaction	Joint Ventures	Subsidiary Companies	Enterprise controlled by Key Management Personnel		Associates / Entities where company has significant influence
	2010	2010 ( 2009 )	2010	2010 ( 2009 )	2010
Rent expenses	(2009)	( 2009 )	(2009)	( 2009 )	(2009)
Businessmatch Services (India) Private	_		931,875	-	_
Limited	(-)	(-)	(830,000)	(-)	(-)
ECH Cantum Dinat Limited	2,901,761	-	-	-	-
FCH CentrumDirect Limited	(-)	(-)	(-)	(-)	(-)
Total	2,901,761	-	931,875	-	-
Total	(-)	(-)	(830,000)	(-)	(-)
Commission & Brokerage received					
FCH Centrum Wealth Managers	15,004,300	-	-	-	-
Limited	(-)	(-)	(-)	(-)	(-)
Total	15,004,300	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Interest income					
Centrum Financial Services Limited	-	60,195,058	-	-	-
2011 4111 1 114110141	(-)	(17,500,216)	(-)	(-)	(-)
FCH Centrum Wealth Managers	642,650	-	-	-	-
Limited	(744,913)	(-)	(-)	(-)	(-)
Centrum Infrastructure and Realty	-	1,591,479	-	-	-
Limited	(-)	(3,466,924)	(-)	(-)	(-)
Centrum Broking Private Limited	-	-	-	-	69,042
5	(-)	(-)	(-)	(-)	(10,016,475)
P & M Infrastructure Limited	-	-	5,100,001	-	-
	(-)	(-)	(5,113,973)	(-)	(-)
Centrum Securities Private Limited	-	-	-	-	680,608
	(-)	(-)	(-)	(-)	(453,055)
Total	642,650	61,786,537	5,100,001	-	749,650
I	(744,913)	(20,967,140)	(5,113,973)	-	(10,469,530)
Interest expense					
Businessmatch Services (India) Private Limited	-	-	(2.525.700)	-	-
FCH Centrum Wealth Managers	(-)	(-)	(2,535,780)	(-)	(-)
Limited	(498,890)	(-)	(-)	(-)	
Limited	36,812,982	(-)	(-)	(-)	(-)
FCH CentrumDirect Limited	(15,948,818)	(-)	(-)	(-)	(-)
	37,017,766	(-)	(-)	(-)	(-)
Total	(16,447,708)	(-)	(2,535,780)	(-)	(-)





					(₹)
Nature of transaction	Joint Ventures	Subsidiary Companies	Enterprise controlled by Key Management Personnel	Key Management Personnel	Associates / Entities where company has significant influence
	2010	2010	2010	2010	2010
	(2009)	(2009)	(2009)	(2009)	(2009)
Directors sitting fees					
Mr. Chandir Gidwani	-	-	-	100,000	-
Wil. Chandi Glawaii	(-)	(-)	(-)	(100,000)	(-)
Total	-	-	-	100,000	-
Duofossional foss symmes	(-)	(-)	(-)	(100,000)	(-)
Professional fees expense					3,333,332
Centrum Broking Private Limited	(-)	(-)	(-)	(-)	(2,500,000)
Sonchajyo Investment and Finance	-	-	360,000	-	(2,500,000)
Private Limited	(-)	(-)	(360,000)	(-)	(-)
FOLIC . W. M. M. J. M. J	-	-	-	-	-
FCH Centrum Wealth Managers Limited	(1,669,518)	(-)	(-)	(-)	(-)
Total	-	-	360,000	-	3,333,332
	(1,669,518)	(-)	(360,000)	(-)	(2,500,000)
Professional fees income			I		
Centrum Broking Private Limited	-	-	-	-	(2.500.000)
	(-)	(-)	(-)	(-)	(2,500,000)
FCH CentrumDirect Limited	(1,892,594)	(-)	(-)	(-)	(-)
	(1,022,371)	-	-	-	-
Total	(1,892,594)	(-)	(-)	(-)	(2,500,000)
Managerial remuneration					
Mr. T. R. Madhavan	-	-	-	4,290,491	-
IVII. I. K. IVIAGIIAVAII	(-)	(-)	(-)	(5,864,031)	(-)
Ms. Sonia Gidwani	-	- 	-	4,864,960	-
	(-)	(-)	(-)	(5,017,280)	(-)
Mr. G. Narayanan	-	-	-	2,532,258	-
	(-)	(-)	(-)	11,687,709	(-)
Total	(-)	(-)	(-)	(10,881,311)	(-)
Corporate Guarantees given during the				(	( )
	120,000,000	-	-	-	_
FCH CentrumDirect Limited	(80,000,000)	(-)	(-)	(-)	(-)
Centrum Broking Private Limited	-	-	-	-	-
Condain Droking 1 IIvate Dillited	(-)	(-)	(-)	(-)	(350,000,000)
Total	120,000,000	-	-	-	(252 222 222
	(80,000,000)	(-)	(-)	(-)	(350,000,000)





			I	I	(₹)
Nature of transaction	Joint Ventures	Subsidiary Companies	Enterprise controlled by Key Management Personnel	Key Management Personnel	Associates / Entities where company has significant influence
	2010	2010	2010	2010	2010
	(2009)	(2009)	(2009)	(2009)	(2009)
Guarantees outstanding at the year en	nd				, ,
Corporate guarantees given					
EGILG . B: . II I	510,000,000	-	-	-	
FCH CentrumDirect Limited	(390,000,000)	(-)	(-)	(-)	( -
Continue Dualring Duivata Limited	-	-	-	-	660,100,000
Centrum Broking Private Limited	(-)	(-)	(-)	(-)	(660,100,000)
Total	510,000,000	-	-	-	660,100,000
Total	(390,000,000)	(-)	(-)	(-)	(660,100,000)
<b>Guarantees obtained</b>					
Mr. Chandir Gidwani	-	-	-	120,000,000	
Wir. Chandii Gidwani	(-)	(-)	(-)	(120,000,000)	(-)
Total	-	-	-	120,000,000	
Iviai	(-)	(-)	(-)	(120,000,000)	( -
Amount receivable as at the year end					
Interest receivable					
P & M Infrastructure Limited	-	-	2,023,232	-	
1 & 11 minustracture Emilieu	(-)	(-)	(1,271,507)	(-)	( -
Centrum Financial Services Limited	-	-	-	-	
	(-)	(18,403,571)	(-)	(-)	( -
Centrum Infrastructure and Realty	-	351,458	-	-	
Limited	(-)	(-)	(-)	(-)	( -
Centrum Securities Private Limited	-	-	-	-	329,550
	(-)	(-)	(-)	(-)	( -
FCH Centrum Wealth Managers	578,384	-	-	-	
Limited	(-)	(-)	(-)	(-)	( -
Centrum Broking Private Limited	-	-	-	-	4,439
	(-)	(-)	(-)	(-)	( -
Total	578,384	351,458	2,023,232	-	333,995
	(-)	(18,403,571)	(1,271,507)	(-)	( -
Sundry Debtors			=		
P & M Infrastructure Limited	-	-	1,417,430	-	
Found W. J. S.	(-)	(-)	(1,417,430)	(-)	( -
FCH Centrum Wealth Managers	3,304,600	-	-	-	
Limited	(-)	(-)	(-)	(-)	(-)
Total	3,304,600	-	1,417,430	-	
	(-)	(-)	(1,417,430)	(-)	(-)





NI d c C d c c d d	T. *	C 1	E.A.	Key Management Personnel	(₹) Associates / Entities where company has significant influence
Nature of transaction	Joint Ventures	Subsidiary Companies	Enterprise controlled by Key Management Personnel		
	2010	2010	2010	2010	2010
	(2009)	(2009)	(2009)	(2009)	(2009)
Security Deposits	, , ,			, ,	
Businessmatch Services (India) Private	-	-	3,000,000	-	-
Limited	(-)	(-)	(3,000,000)	(-)	(-)
Mr. Chandir Gidwani	-	-	-	3,000,000	-
IVII. Chandi Grawani	(-)	(-)	(-)	(3,000,000)	(-)
Total	-	-	3,000,000	3,000,000	-
Loan/Advances receivable	(-)	(-)	(3,000,000)	(3,000,000)	(-)
Loan/Advances receivable	_	414,762,799	_	_	_
Centrum Financial Services Limited	(-)	(515,640,712)	(-)	(-)	(-)
	-	-	-	-	-
P & M Infrastructure Limited	(-)	(-)	(34,000,000)	(-)	(-)
Centrum Fiscal Private Limited	-	-	100,000	-	-
Centrum Fiscai Filvate Limited	(-)	(-)	(100,000)	(-)	(-)
Centrum Securities Private Limited	-	-	-	-	5,827,904
	(-)	(-)	(-)	(-)	(4,327,904)
FCH Centrum Wealth Managers	14,655,066	-	-	-	-
Limited	(-)	(-)	(-)	(-)	(-)
Centrum Broking Private Limited	(-)	(-)	(-)	(-)	(2,988,785)
	(-)	(-)	(-)	(-)	4,096,860
Centrum ESPS Trust	(-)	(-)	(-)	(-)	(4,096,860)
	-	4,585,950	-	-	-
Centrum Capital Holdings LLC	(-)	(4,749,875)	(-)	(-)	(-)
Accounts Receivables Management	-	-	-	-	-
Services (India) Private Limited	(-)	(29,600,000)	(-)	(-)	(-)
Centrum Infrastructure and Realty	-	131,891,533	-	-	-
Limited	(-)	(115,661,311)	(-)	(-)	(-)
Centrum Securities (Europe) Limited	-	4,194,085	-	-	-
•	14,655,066	(-)	(-)	(-)	(-)
Total	14,055,000	<b>555,434,367</b> (665,651,898)	<b>100,000</b> (34,100,000)	(-)	<b>9,924,764</b> (11,413,549)
Amount payable as at the year end	(-)	(003,031,898)	(34,100,000)	(-)	(11,413,349)
Interest payable					
	8,600,072	-	-	-	-
FCH CentrumDirect Limited	(6,953,917)	(-)	(-)	(-)	(-)
FCH Centrum Wealth Managers	-	-	-	-	-
Limited	(396,119)	(-)	(-)	(-)	(-)
Total	8,600,072	-	-	-	-
	(7,350,036)	(-)	(-)	(-)	(-)





					(₹)
Nature of transaction	Joint Ventures	Subsidiary Companies	Enterprise controlled by Key Management Personnel	Key Management Personnel	Associates / Entities where company has significant influence
	2010	2010	2010	2010	2010
	(2009)	(2009)	(2009)	(2009)	(2009)
Loans / advances payable	(2007)	(200)	(200)	(200)	(200)
· ·	204,658,173	-	_	-	_
FCH CentrumDirect Limited	(313,358,453)	(-)	(-)	(-)	(-)
FCH Centrum Wealth Managers	-	-	-	-	-
Limited	(15,147,820)	(-)	(-)	(-)	(-)
Centrum Broking Private Limited	-	-	-	-	2,164,638
Centrum Broking 1 iivate Linned	(-)	(-)	(-)	(-)	(-)
Total	204,658,173	-	-	-	2,164,638
Total	(328,506,273)	(-)	(-)	(-)	(-)
<b>Outstanding Payable on Purchase of</b>	Forex				
FCH CentrumDirect Limited	73,917	-	-	-	-
ren centumbreet Emited	(132,702)	(-)	(-)	(-)	(-)
Total	73,917	-	-	-	-
Iotai	(132,702)	(-)	(-)	(-)	(-)
<b>Outstanding Payable on Purchase of</b>	Air tickets				
Club 7 Holidays Limited	-	-	-	-	1,188,488
Club / Holidays Ellinica	(-)	(-)	(-)	(-)	(286,289)
Total	-	-	-	-	1,188,488
Total	(-)	(-)	(-)	(-)	(286,289)
Investments in Equity Shares as on J	une 30, 2010				
FCH CentrumDirect Limited	133,471,490	-	-	-	-
1 C11 Centrumbirect Emilied	(133,471,490)	(-)	(-)	(-)	(-)
FCH Centrum Wealth Managers	14,498,400	-	-	-	-
Limited	(14,498,400)	(-)	(-)	(-)	(-)
Centrum Broking Private Limited	-	-	-	-	71,997,000
Centrum Broking 111vate Eminted	(-)	(-)	(-)	(-)	(71,997,000)
Centrum Securities Private Limited	-	-	-	-	1,000,000
Condum Securities 1 Tivate Emilion	(-)	(-)	(-)	(-)	(1,000,000)
Essel-Centrum Holdings Limited	-	-	-	-	1,000,000
20001 Contrain Holdings Diffiled	(-)	(-)	(-)	(-)	(1,000,000)
Centrum Infrastructure & Realty	-	500,000	-	-	-
Limited	(-)	(500,000)	(-)	(-)	(-)
Centrum Investments Limited	-	500,000	-	-	-
centrum investments Emitted	(-)	(500,000)	(-)	(-)	(-)





(₹)

Nature of transaction	Joint Ventures	Subsidiary Companies	Enterprise controlled by Key Management Personnel		Associates / Entities where company has significant influence
	2010 ( 2009 )	2010 ( 2009 )	2010 (2009)	2010 ( 2009 )	2010 (2009)
	(2009)		(2009)	(2009)	(2009)
Centrum Financial Services Limited	-	10,000,000	-	-	-
Contrain I manetal Sel vices Emitted	(-)	(10,000,000)	(-)	(-)	(-)
Accounts Receivables Management	-	400,000	-	-	-
Services (India) Limited	(-)	(400,000)	(-)	(-)	(-)
Centrum Capital Holdings LLC	-	30,686,675	-	-	-
Centrum Capital Holdings LLC	(-)	(28,303,175)	(-)	(-)	(-)
Centrum Securities (Europe) Limited	-	11,200,500	-	-	-
Centrum Securities (Europe) Emitted	(-)	(-)	(-)	(-)	(-)
Total	147,969,890	53,287,175	-	-	73,997,000
Iotai	(147,969,890)	(39,703,175)	(-)	(-)	(73,997,000)
Investments in Preference Shares					
Contrar Dealing Drivata Limited	-	-	-	-	550,000,000
Centrum Broking Private Limited	(-)	(-)	(-)	(-)	(550,000,000)
Total	-	-	-	-	550,000,000
Iotai	(-)	(-)	(-)	(-)	(550,000,000)

### 6. Operating lease

i) The Company has entered into cancellable leasing arrangements for corporate and branch offices and residential premises. The lease rentals of ₹ 9,612,922/- (previous year ₹ 8,625,614/-) have been included under the head Rent under Schedule 14 of Profit and Loss account.

ii) The Company has also entered into non-cancellable leasing arrangement for corporate office and other offices.

(₹)

Particulars	July 1, 2009 - June 30, 2010	July 1, 2008 - June 30, 2009
Lease rental paid during the year ended June 30, 2010	75,501,955	72,459,018
		(3)

(₹)

Future minimum lease payments are as under	As at June 30, 2010	As at June 30, 2009
Payment not later than one year	85,723,092	64,506,533
Payment later than one year but not later than five year	123,514,993	157,624,836
Payment later than 5 years	-	-

General description of Company's significant leasing arrangement:

Corporate Office premises in Mumbai are obtained on operating lease. The lease rent payable (including amenities) is ₹ 5,375,544 per month for the period July 1, 2009 to December 9, 2009. The lease rent was revised in December 2009 and consequently the lease rent payable is ₹ 7,143,591 per month for the period December 10, 2009 to June 30, 2010. The lease term is for a period of 9 years with a lock in period of 5 year and there after as per the mutual agreement between the lessor and the Company. There is an escalation clause in the lease agreement @ 5 % every year which will be reviewed mutually every year by the Company and the lessor hence effect of escalation is not taken in the above disclosure. There are no subleases.





### 7. Interest in joint venture

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

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entities are as follows as at June 30, 2010.

(₹)

Particulars	June 30, 2010	June 30, 2009
Assets	867,720,829	870,440,235
Liabilities	315,430,300	273,296,499
Revenue	12,146,130,959	10,801,321,808
Depreciation/ Amortization	12,451,986	15,345,387
Other expenses	12,180,047,269	10,880,635,826
Loss before tax	(46,368,296)	94,659,404
Capital expenditure, commitments and contingent liabilities		
Bank Guarantees	724,658	724,658
Capital Commitments	1,341,853	1,426,603
Dividend on 12% Cumulative, Non Convertible and Redeemable Preference Shares	6,000,000	-

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

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

### 9. Contingent Liabilities not provided for

Particulars	June 30, 2010	June 30, 2009
Corporate Guarantees given by the Company:		
(i) Associate	660,100,000	660,100,000
(ii) Joint Ventures		
ilmit	510,000,000	390,000,000
Outstanding	327,177,342	287,541,695
Partly paid equity shares of Essel-Centrum Holdings Limited	4,000,000	4,000,000
Income Tax in respect of Assessment Year 2007-2008 in respect	1,323,224	-
of which the Company has gone on appeal		





### 10. Gratuity and Post employment benefit plans

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

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

**Profit and Loss account** 

Net employee benefit expense (recognised in Employee Cost):

(₹)

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Current service cost	1,185,127	1,104,715
Interest cost on benefit obligation	250,396	316,767
Expected return on plan assets	(258,629)	(258,629)
Past Service Cost( non vested Benefit) Recognised	Nil	Nil
Past Service Cost (vested Benefit) Recognised	Nil	Nil
Recognition of transition liability	Nil	Nil
Net actuarial (gain) / loss recognised in the year	256,119	(786,810)
Net benefit expense	1,433,013	376,043

### **Balance sheet**

Details for provision for gratuity:

(₹)

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Liability at the end of the year	4,238,758	3,230,917
Fair Value of Plan Assets at the end of the year	3,293,687	3,232,865
Difference	945,071	(1,948)
Unrecognised past service cost	Nil	Nil
Unrecognised transition liability	Nil	Nil
Amount recognized in the Balance Sheet	945,071	(1,948)

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

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Opening defined benefit obligation	3,230,917	2,854,874
Interest cost	250,396	316,767
Current service cost	1,185,127	1,104,715
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	Nil	Nil
Settlement	Nil	Nil
Liability transfer in	Nil	Nil
Liability transfer out	Nil	Nil
Benefit paid	(886,538)	Nil
Actuarial (gain)/loss on obligation	458,856	(1,045,439)
Closing defined benefit obligation	4,238,758	3,230,917





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

	,	$\overline{}$
- 1		$\overline{}$
- 1		•

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Opening fair value of plan assets	3,232,865	1,844,961
Expected Return on Plan Assets	258,629	258,629
Contributions by employer	485,994	1,387,904
Transfer from other Company	Nil	Nil
Transfer to other Company	Nil	Nil
Benefit paid	(886,538)	Nil
Actuarial gain/(loss) on Plan Assets	202,737	(258,629)
Closing fair value of plan assets	3,293,687	3,232,865
Total Actuarial Gain / (Loss) to be recognized	256,119	786,810

The Company expects to contribute ₹ 1,412,273/- to gratuity for the year July 1, 2010 to June 30, 2011 (Previous year ₹ 4,51,252/-). The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Investments with insurer	100%	100%

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

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

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Discount rate	8.00%	7.75%
Expected rate of return on assets	8.00%	8.00%
Salary escalation	5.00%	5.00%
Employee turnover	2.00%	2.00%

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

Amounts for the current year are as follows\*

Particulars	Gratuity*	Gratuity*
	July 01, 2009 to	July 01, 2008 to
	June 30, 2010	June 30, 2009
Defined benefit obligation	4,238,758	3,230,917
Plan assets	3,293,687	3,232,865
Surplus / (deficit)	(945,071)	1,948
Experience adjustments on plan liabilities	624,134	(1,118,135)
Experience adjustments on plan assets	202,737	(258,629)

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





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

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

(₹)

Particulars	June 30, 2010	June 30, 2009
	1,535,279	1,763,057
Bank balance	(AED 121,365.91 @ Closing rate of	(AED 135,619.75 @ Closing rate of
	1AED = ₹ 12.65)	1AED=₹13.00)
	4,587,925	4,749,875
Centrum Capital Holding LLC	(USD 98,750 @ Closing rate of	(USD 98,750 @ Closing rate of
	1USD = ₹ 46.46)	1USD=₹48.10)
	4,230,345	4,200,695
Centrum Securities (Europe) Limited	(GBP 60433.50 @ Closing rate of	(GBP 53,246 @ Closing rate of
	1GBP = 70.00	1GBP=₹ 78.89)

### 12. Loans and Advances (including interest) includes amounts due from

(₹)

Particulars	As at June 30, 2010	Maximum outstanding during the year	As at June 30, 2009	Maximum outstanding during the year
Subsidiary companies				
Centrum Infrastructure and Realty Limited	132,242,991	133,446,533	115,661,311	232,608,574
Centrum Investments Limited	-	-	-	59,689
Centrum Financial Services Limited	414,762,799	698,912,273	534,044,283	548,973,912
Accounts Receivables Management Services (India) Limited	-	29,600,000	29,600,000	30,000,000
Centrum Capital Holdings LLC	4,585,950	4,601,750	4,749,875	4,749,875
Centrum Securities (Europe) Limited	4,194,085	4,540,519	-	-
Joint Venture companies / parties under the				
same management				
FCH Centrum Wealth Managers Limited	15,233,451	20,396,479	-	21,026,301
Centrum Broking Private Limited	4,439	59,445,194	2,988,785	372,224,724
Centrum Securities Private Limited	6,157,460	10,426,688	4,327,904	9,821,420
Centrum ESPS Trust	4,096,860	4,096,860	4,096,860	4,096,860
Parties in which directors are interested				
Centrum Fiscal Private Limited	100,000	100,000	100,000	100,000
P & M Infrastructure Limited	2,023,232	35,417,430	35,271,507	37,842,466
Businessmatch Services (India) Private Limited	3,000,000	3,000,000	3,000,000	3,000,000

### 13. Directors Remuneration Details

(₹)

Particulars	June 30, 2010	June 30, 2009
Salary and Bonus	10,520,407	9,755,601
Contribution to Funds	135,242	206,550
Reimbursment of Allowances	1,032,060	919,160
Total	11,687,709	10,881,311

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





### 14. Deferred Tax Asset / Liability

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

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

(₹)

Particulars	June 30, 2010	June 30, 2009
Deferred tax liabilities:		
Difference between book and tax depreciation	10,367,863	8,113,012
on a/c of leasehold expenses claimed in IT	20,636,585	21,114,916
Total (A)	31,004,448	29,227,928
Deferred tax (assets):		
Provision for Gratuity	(313,953)	(81,409)
Provision for leave	(43,035)	(251,990)
on a/c of Depreciation on leasehold in Company	(5,112,741)	(2,684,908)
on a/c of Provision for Bad debts	2,855,498	(2,855,498)
Total (B)	(2,614,231)	(5,873,805)
Net deferred tax liability / (assets) Total (A-B)	28,390,217	23,354,123

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

(₹)

Particulars	June 30, 2010	June 30, 2009
Commission / Syndication fees	977,752	842,916
Total	977,752	842,916

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

(₹)

Particulars	June 30, 2010	June 30, 2009
Travelling	1,027,555	1,750,941
Meetings & Seminars	436,276	68,686
Business Promotion	-	447,916
Professional Fees	-	1,913,654
Branch Expenses	24,775,238	25,989,441
Total	26,239,069	30,170,638

### 16. Earning Per Share

Particulars	For the year ended June 30, 2010	For the year ended June 30, 2009
Profit after taxes (net of prior period items) attributable to equity shareholders	84,875,908	162,220,025
Number of Equity Shares of ₹ 10/- each issued and outstanding		
- At the end of the Year	6,828,096	6,828,096
- Weighted average number of equity shares outstanding	6,828,096	6,828,096
Basic and Diluted Earning Per Share	12.43	23.76
Nominal Value of Equity Shares	10/-	10/-





- 17. The Company has initiated the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006, by obtaining confirmations from all suppliers. The Company has not received intimation from all the 'suppliers' regarding their status under MSMED Act, 2006 and hence disclosures if any, relating to amounts unpaid as at the year end together with interest paid/payable as required have not been furnished.
- 18. Centrum Broking Private Limited has accumulated losses of ₹ 242,713,926/- that has resulted into erosion of its net worth. During the year, Centrum Broking Private Limited has incurred losses of ₹ 110,136,882/-. Based on the revised business plan with business strategy and based on the new leadership of the company, Centrum Capital Limited management believes that Centrum Broking Private Limited will turn around in the ensuing period. Based on such review and factors, no impairment is considered necessary in the value of investment into Centrum Broking Private Limited.
- 19. Additional Information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

### Particulars of traded bonds:

Particular	Opening Stock	Purchases	Sales	Closing Stock
Otite (NI)	50,156	60,001,707	59,868,662	183,201
Quantity (Nos.)	(101,605)	(29,313,070)	(29,364,519)	(50,156)
A (₹)	11,466,322	14,672,925,516	14,792,762,529	18,683,178
Amount (₹)	(14,469,864)	(11,378,003,272)	(11,578,760,240)	(11,466,322)

Note: Figures in brackets are for previous year.

20. The Company has made advances towards pre-incorporation expenses for setting up subsidiaries in USA and UK namely Centrum Capital Holdings LLC and Centrum Securities (Europe) Limited amounting to \$ 98,750 equivalent ₹ 4,749,875/- and £ 53,246 equivalent ₹ 4,200,695/- respectively.

### 21. Previous year comparatives

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

As per our report of even date

For S. R. Batliboi & Co. Firm Registration No.: 301003E

**Chartered Accountants** 

per Shrawan Jalan Partner

Place: Mumbai

Membership No.: 102102

Date: September 30, 2010

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

G. Narayanan K. V. Krishnamurthy Managing Director Director

Place: Austin, USA Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010

Himanshoo Bohara Gajendra Thakur
Chief Financial Officer Company Secretary
Place: Mumbai Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010





# Annexure 1 to Note No.4 of Schedule 16 Segment Information for the year ended June 30, 2010

### (i) Information about Primary business Segments

Particulars	Investment	Trading in Bonds	Unallocated	Total
	Banking			
Revenue				
Income from operations	451,074,640	127,053,870	85,971,202	664,099,712
ncome from operations	(449,115,943)	(197,753,426)	(82,313,391)	(729,182,760)
Total revenue	451,074,640	127,053,870	85,971,202	664,099,712
Total revenue	(449,115,943)	(197,753,426)	(82,313,391)	(729,182,760)
Result				
Segment result	53,218,120	59,081,596	85,971,202	198,270,918
Segment result	(118,528,082)	(127,390,820)	(82,313,391)	(328,232,293)
Interest expense	5,533,070	12,975,084	42,175,762	60,683,916
	(19,031,380)	(7,291,643)	(19,217,742)	(45,540,765)
Profit/(Loss) before taxation and prior period	47,685,050	46,106,512	43,795,440	137,587,002
items	(99,496,702)	(120,099,177)	(63,095,649)	(282,691,528)
Toy overages	-	-	52,711,094	52,711,094
Tax expenses	(-)	(-)	(120,471,503)	(120,471,503)
N-4 D \$4/(I)	-	-	-	84,875,908
Net Profit/(Loss)	(-)	(-)	(-)	(162,220,024)
Other Information				
Segment assets	720,377,821	71,833,183	1,653,667,383	2,445,878,387
Segment assets	(751,878,563)	(63,082,303)	(1,817,957,336)	(2,632,918,202)
Total Assets	720,377,821	71,833,183	1,653,667,383	2,445,878,387
Total Assets	(751,878,563)	(63,082,303)	(1,817,957,336)	(2,632,918,202)
Segment liabilities	20,571,636	19,681,666	342,324,931	382,578,233
Segment natimities	(179,756,314)	(19,892,473)	(450,864,090)	(650,512,877)
Total liabilities	20,571,636	19,681,666	342,324,931	382,578,233
Total Habilities	(179,756,314)	(19,892,473)	(450,864,090)	(650,512,877)
Capital expenditure	5,062,244	893,337	-	5,955,581
Capital expenditure	(51,420,498)	(9,074,206)	(-)	(60,494,704)
Depreciation	29,693,546	5,240,038	-	34,933,584
Depreciation	(29,576,516)	(5,219,385)	(-)	(34,795,901)
Amoutisation	838,785	148,021	-	986,806
Amortisation	(837,681)	(147,826)	(-)	(985,507)
Provision for bad and doubtful debt and bad	6,525,685	-	-	6,525,685
debts written off	(27,195,671)	(-)	(-)	(27,195,671)

<sup>(</sup>i) All of the Company's operations are conducted in India. Consequently the commercial risks and returns involved on the basis of geographic segmentation are relatively insignificant. Accordingly, secondary segment disclosures based on geographic segments have not been reported.

- Investments Banking Comprising financial services and merchant banking activities.
- Trading in Bonds Comprising of purchase and sale of bonds.
- (iii) Items that relate to the enterprise as a whole or at corporate level not attributable to a particular segment are included under "Unallocated".
- (iv) There are no Intersegment transfers.

(Figures in brackets are that of previous year)



<sup>(</sup>ii) The Company is organised into two main business segments namely:



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

I.	Registration Details				
	Registration No.	11-19986		State Code	11
	Balance Sheet Date	30-06-2010			
II.	Capital raised during the year (	₹ in thousands )			
	Public Issue	Nil		Right Issue	Nil
	Bonus Issue	Nil		Private Placement	Nil
III.	Position of Mobilisation and Dep	oloyment of Funds (₹ ir	thousands)		
	Total Liabilities	2,337,966		Total Assets	2,337,966
	Sources of Funds (₹ in thousand	ls)			
	Paid-up Capital	68,281		Reserves & Surplus	1,995,019
	Secured Loans	30,518		Unsecured Loans	215,758
	Deferred Taxation (net)	28,390			
	Application of Funds (₹ in thousands )				
	Net Fixed Assets	237,956		Investments	921,228
	Net Current Assets	1,178,783		Deferred Revenue Expenditure	Nil
IV.	Performance of Company (₹ in	thousands)			
	Total Income	664,100		Total Expenditure	526,513
	Profit/(Loss) before taxes	137,587		Profit/(Loss) after taxes	84,876
	Earning Per Share in Rupees	12.43		Dividend rate %	5%
V.	Generic Names of Principal Pro	ducts/Services of Comp	any (as per m	onetary terms)	
	Item Code No.	N. A.			
	Product Description	Merchant Banking			
		Investments Banking			
		Investments			

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

G. Narayanan K. V. Krishnamurthy

Managing Director
Place: Austin, USA

Director
Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010

Himanshoo Bohara Gajendra Thakur
Chief Financial Officer Company Secretary
Place: Mumbai Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010





# Statement Pursuant to Section 212 of the Companies Act, 1956

(₹)

4		G .	G .		<b>G</b> ,	6 .	<b>S</b> .	(۲)
	Name of the Subsidiary	Centrum	Centrum	Accounts	Centrum	Centrum	Centrum	Centrum
	Company	Infrastructure	Investments	Receivables	Financial	Capital	Securities	Securities
		& Realty	Limited	Management	Services	Holdings	LLC	(Europe)
		Limited		Services (India)	Limited	LLC		Limited
				Limited				
2	Financial Year / Period of the	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,
	Subsidiary ended on	2010	2010	2010	2010	2010	2010	2010
3	Holding Company's Interest							
	Number of Equity Shares							
	(of ₹ 10/- each)	50,000	50,000	40,000	1,250,000	-	-	150,000
	Extent of Holding	100%	100%	80%	100%	100%	99%	100%
4	The net aggregate amount of							
	the Subsidiary Company's							
	Profit / (Loss) so far as it							
	concerns the members of							
	Centrum Capital Limited							
(i)	Not dealt with in the Holding							
	Company's accounts							
(a)	For the financial year of the							
	Subsidiary	(21,766,989)	(108,193)	1,341,284	4,554,927	1,698,951	1,535,312	(1,875,327)
(b)	For the previous financial year							
	of the Subsidiary Company							
	since it became the holding							
	Company's Subsidiary	(65,150,602)	(105,452)	(1,691,294)	2,896,714	(17,612,133)	(12,873,573)	N.A.
(ii)	Dealt with in the Holding					, , , ,		
	Company's accounts							
(a)	For the financial year of the							
	Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	· ·							
, ,	of the Subsidiary Company							
	since it became the holding							
	Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	Material changes, if			- 112	- 122	- 112	- 712	
	any, between the end of							
	the financial year of the							
	Subsidiary Company and that							
	of the Holding Company	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	of the Holding Company	IV.A.	1N.A.	IN.A.	IV.A.	IV.A.	IV.A.	1 <b>v.</b> /1.

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

G. Narayanan K. V. Krishnamurthy

Managing Director
Place: Austin, USA

Director
Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010

Himanshoo Bohara Gajendra Thakur
Chief Financial Officer Company Secretary
Place: Mumbai Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010





# Auditors' Report on the Consolidated Financial Statements

### The Board of Directors of Centrum Capital Limited

- 1. We have audited the attached consolidated balance sheet of Centrum Capital Limited ('the Company') and its subsidiaries, joint ventures (collectively referred as 'the Group'), as at June 30, 2010, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. We did not audit the financial statements of subsidiaries, whose financial statements reflect total liabilities of Rs. 48,240,375 (net of assets) as at June 30, 2010 and total revenue of Rs. 148,071,190 and cash flows amounting to Rs. 18,646,319 and of Joint Venture Companies whose financial statements reflect total assets of Rs. 542,458,461 (net of liabilities) as at June 30, 2010 and total revenue of Rs. 12,165,664,482 and cash flows amounting to Rs. 6,115,411. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
- 4. Without qualifying our opinion, we draw attention to Note 17 of schedule 17 to the financial statements. As at June 30, 2010 the group's share in Joint Venture Company FCH Centrum Wealth Managers Limited' ('FCH CWML') had accumulated losses amounts Rs. 134,627,600 which has resulted in reduction in the net worth of the said Company. The group's share in FCH CWML's losses for the current year amounted to Rs. 43,797,956. FCH CWML's board of directors has reviewed the business plans and other general economic factors. Based on such review and continued financial support from the said Company's joint venture partners viz. Centrum Capital Limited and Future Capital Holdings Limited, the financial statements of FCH CWML, for the purpose of consolidation have been prepared under the going concern assumption.

- 5. Without qualifying our opinion, we draw attention to Note 18 of the Schedule 17 to the financial statements. In the previous year ended June 2009, the group's Joint Venture Company FCH Centrum Wealth Managers Limited ('FCH CWML') had made an application to the Central Government for the waiver of excess remuneration paid to one whole time director of the said Company in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. FCH CWML has received an approval of Central Government for the waiver of Rs. 3,062,000 being part of the excess remuneration paid and it has filed a fresh application for waiver of balance amount Rs. 4,894,823 and the approval is awaited. Pending the final outcome of FCH CWML's application, no adjustments have been made to the accompanying financial statement in this regard.
- 6. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements", AS 23, "Accounting for Investments in Associates in Consolidated Financial Statements," and AS 27, "Financial reporting of Interest in Joint Ventures" [notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended)].
- 7. Based on our audit and on consideration of report of other auditor on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the consolidated balance sheet, of the state of affairs of the Group as at June 30, 2010; and
  - in the case of the consolidated profit and loss account of the profit for the year ended on that date; and
  - c. in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date

For S.R. Batliboi & CO. Firm registration number: 301003E Chartered Accountants

per Shrawan Jalan Partner

Partner

Membership No.: 102102

Place: Mumbai

Date: September 30, 2010





## Consolidated Balance Sheet as at June 30, 2010

(₹)

Particulars	Schedule	June 30, 2010	June 30, 2009
SOURCES OF FUNDS	Structure	June 20, 2010	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Shareholder's Funds			
Share capital	1	68,280,960	68,280,960
Reserves and surplus	2-A	2,147,321,168	2,123,554,143
Tota		2,215,602,128	2,191,835,103
		2,210,002,120	2,191,000,100
Minority Interest (Refer Note 10 of Schedule 17)	2-B	3,548,425	3,399,815
		- , ,	
Loan Funds			
Secured loans	3-A	212,128,466	320,419,480
Unsecured loans	3-B	455,797,721	215,790,902
Tota	1	667,926,187	536,210,382
<b>Deferred Tax Liability</b> (net) (Refer note 15 of Schedule 17)		30,093,569	26,404,865
Tota	1	2,917,170,309	2,757,850,165
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4-A	441,154,589	435,105,301
Less : Accumulated Depreciation		149,443,645	104,308,160
Net Block		291,710,944	330,797,141
Share in capital work-in-progress (including capital advances) of Joint Ventures		1,234,906	7,174,580
		292,945,850	337,971,721
Intangible Assets	4-B	19,495,269	15,630,994
Investments	5	721,450,410	783,494,203
Current Assets, Loans and Advances			
Inventories	6	18,683,178	11,466,322
Sundry debtors	7	564,367,724	566,094,220
Cash and bank balances	8	277,922,942	379,562,625
Loans and advances	9	1,229,932,918	944,689,735
Interest accrued but not due		53,718,787	4,888,082
Tota		2,144,625,549	1,906,700,984
Less : Current Liabilities and Provisions	10		
Current liabilities		252,724,825	274,093,106
Provisions		10,639,096	14,083,456
Tota	( )	263,363,921	288,176,562
Net Current Assets	(A-B)	1,881,261,628	1,618,524,422
Miscellaneous Expenditure (to the extent not written off or adjusted)	11	2,017,152	2,228,825
Tota		2,917,170,309	2,757,850,165
Significant Accounting Policies & Notes to Accounts	17		

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

As per our report of even date For and on behalf of Board of Directors of Centrum Capital Limited

For S. R. Batliboi & Co.

Firm Registration No.: 301003E G. Narayanan K. V. Krishnamurthy
Chartered Accountants Managing Director

Chartered Accountants Managing Director Director
Place: Austin, USA Place: Mumbai

per Shrawan Jalan Date: September 30, 2010 Date: September 30, 2010

Partner

Membership No.: 102102 Himanshoo Bohara Gajendra Thakur
Chief Financial Officer Company Secretary
Place: Mumbai Place: Mumbai Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010 Date: September 30, 2010





(₹)

# Consolidated Profit and Loss Account for the year ended June 30, 2010

	•		(₹)
Particulars	Schedule	June 30, 2010	June 30, 2009
INCOME			
Income from operations	12	12,745,015,935	11,375,938,860
Other Income	13	132,274,003	122,728,945
Total		12,877,289,938	11,498,667,805
EXPENDITURE			
Share in Cost of goods / services sold of Joint Venture		11,901,912,748	10,546,827,783
Personnel expenses	14	327,870,745	321,710,394
Administrative and other expenses	15	435,320,995	393,982,434
Financial Expenses	16	79,326,256	66,586,094
Depreciation/amortization		49,241,985	51,633,566
Total		12,793,672,729	11,380,740,271
Profit before tax		83,617,209	117,927,534
Less: Provision for tax			
- Current tax [Net of credit of ₹ Nil share in Joint Venture, (Previous year ₹ 1,213,527)]			
[Includes provision for tax for earlier years ₹ Nil, (Previous year ₹ 3,474,739)]		50,647,834	94,671,827
- Reversal of excess provision of tax for earlier year (Net)		1,383,957	-
- Deferred tax charge / (credit) (Refer note 15 of Schedule 17)			
[Net of credit of ₹ Nil of share in Joint Venture, (Previous year ₹ 4,879,332)]		3,688,704	18,273,081
- Fringe benefit tax [Includes shares in Fringe benefit tax of Joint Ventures of			
₹ Nil, (Previous year ₹ 1,273,373)]		-	3,369,354
Profit after tax		27,896,714	1,613,272
<b>Prior period adjustments</b> [Net of shares in prior period adjustments of Joint Venture			
₹ Nil, (Previous year ₹ 6,966,097)]		-	13,342,315
Profit after tax, and before share in associates loss, minority interest		27,896,714	14,955,587
Share in loss of associates		-	(72,627,000)
Minority interest (Refer note 10 of Schedule 17) [Including shares in loss of Minority		(140.(10)	(2.067.520)
Interest of Joint Ventures ₹ 186,711, (Previous year profit ₹ 2,490,353)]		(148,610)	(2,067,529)
(Loss) / Profit after tax and share in associates loss, minority interest		27,748,104	(59,738,942)
Balance brought forward from previous year		260,992,971	378,030,584
Profit available for appropriation		288,741,075	318,291,642
Appropriations		2 44 4 0 40	6.000.006
Proposed dividend		3,414,048	6,828,096
Tax on dividend		567,031	1,160,435
Adjustment in opening balance of Profit & Loss Account (Refer Note 19 of Schedule 17)			(40.210.140)
Surplus carried to Consolidated Balance Sheet		284,759,996	(49,310,140) 260,992,971
*			
Basic and diluted earning per share of ₹ 10/- each (Refer Note 16 of Schedule 17)	17	4.06	(8.75)
Significant Accounting Policies & Notes to Accounts	17		

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

As per our report of even date

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

For S. R. Batliboi & Co.

Firm Registration No.: 301003E G. Narayanan K. V. Krishnamurthy

Chartered Accountants Managing Director Director
Place: Austin, USA Place: Mumbai

per Shrawan Jalan Date: September 30, 2010 Date: September 30, 2010

Partner Date: September 30, 2010 Date: September 30, 2010

Membership No.: 102102 Himanshoo Bohara Gajendra Thakur
Chief Financial Officer Company Secretary
Place: Mumbai Place: Mumbai Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010 Date: September 30, 2010





# Consolidated Cash Flow Statement for the year ended June 30, 2010

Particulars	June 30,	2010	June 30	2009
A. Cash flow from operating activities	ounc 50,	2010	oune 50	, 2009
Net profit before taxation		83,617,209		117,927,534
Adjustments for:		05,017,205		117,727,331
Depreciation/amortisation	49,241,985		51,633,566	
Loss on sale of fixed assets	1,760,310		781,201	
Write back of provisions	(164,931)		(577,083)	
Provision for leave encashment	(188,098)		(377,063)	
Provision for gratuity	(190,945)		-	
Sundry balances written off	958,179		-	
Loss on sale of sundry debtors	19,618,970		-	
Profit on sale of Shares	1 1		(2.421.972)	
Loss on redemption of mutual fund investment (net)	(4,436,738)		(2,421,873)	
	406.005		6,302,647	
Impairment of investments  Interest income	496,995		((0,(22,057)	
Dividend from shares	(108,303,343)		(69,632,057)	
	(1,152,165)		(3,468,286)	
Dividend from mutual fund	(3,286,831)		(43,281,647)	
Preliminary/share issue expenses written off	124,003		155,887	
Bad Debts written off	12,189,703		20,427,855	
Provision for doubtful debts and advances	1,069,839		11,188,941	
Provision no longer required written back	(8,400,993)		-	
Wealth Tax	200,000		295,000	
Unrealised loss / (gain) (net)	(138,977)		320,967	
Prior period adjustment	(5,200)		(7,233,552)	
Interest expense	74,219,202		59,785,783	
	_	33,610,965	_	24,277,349
Operating profit before working capital changes		117,228,174		142,204,883
Movements in working capital:				
Decrease / (Increase) in sundry debtors	(36,011,322)		(58,377,745)	
Decrease / (Increase) in inventories	(7,216,856)		3,003,542	
Decrease / (Increase) in loans and advances	(285,429,312)		(131,398,085)	
Increase / (Decrease) in creditors & other liability	(57,982,854)		52,827,804	
		(386,640,344)		(133,944,484)
Cash used in operations		(269,412,170)		8,260,399
Direct taxes paid (including tax deducted at source and				
fringe benefit tax)		(95,438,467)		(200,569,111)
Net cash used in operating activities		(364,850,637)		(192,308,712)
B. Cash flows from investing activities				
Purchase of fixed assets	(22,298,121)		(69,873,180)	
Proceeds from sale of fixed assets	1,266,357		886,333	
Purchase of investments (including dividend reinvestment)				
(Including ₹ 13,584,000/- towards investment in equity of				
subsidiary companies (Previous year ₹ 561,163,445/-))	(35,078,196)		(4,830,068,663)	
Deposits with other companies	68,631,530		(605,700,164)	
Sale proceeds from investments	96,861,042		5,545,246,928	
Interest received	87,436,531		44,483,544	
Dividends received from shares	436,365		20,592,143	
Dividends received from mutual fund	4,002,631		26,157,790	
Net cash from / (used) in investing activities		201,258,139		131,724,731





# Consolidated Cash Flow Statement for the year ended June 30, 2010

(₹)

D (1. 1	I 20	2010	T 20	(₹)
Particulars	June 30	), 2010	June 30,	2009
C. Cash flows from financing activities				
Increase in working capital facilities from banks	-		52,675,884	
Proceeds from long-term borrowings	1,812,073,602		22,968,598	
Repayment of long-term borrowings	(1,882,308,789)		(258,654,324)	
Proceeds from short-term borrowings (net of repayment)	212,091,108		294,337,136	
Interest paid	(71,914,574)		(52,138,727)	
Dividend paid	(6,828,096)		(6,828,096)	
Tax on dividend paid	(1,160,435)		(1,160,435)	
Net cash from financial activities		61,952,816		51,200,036
Net (Decrease)/ Increase in Cash and Cash Equivalents		(101,639,682)	_	(9,383,945)
Cash and Cash Equivalents				
As at the Beginning of the year				
Cash in Hand including foreign currencies	81,601,513		194,766,293	
Cheques on hand	11,109,715		37,448,989	
Balance with Scheduled Banks-Current Accounts	267,407,685		185,120,915	
Debit Balance with other Banks-O/D A/c	181,110		1,549,801	
Balance with other Banks-Current Accounts	19,262,602		2,199,816	
Total	379,562,625		421,085,814	
Add:Taken over on acquisition of subsidiary	-		25,127,523	
Less: Reversal on account of conversion into Joint Ventures	-	379,562,625	(161,638,606)	284,574,731
As at the end of the year				
Cash in Hand including foreign currencies	79,788,840		97,042,984	
Cheques on hand	14,462,945		11,109,715	
Balance with Scheduled Banks-Current Accounts	162,028,505		148,725,524	
Debit Balance with other Banks-O/D A/c	7,779,281		181,110	
Balance with other Banks-Current Accounts	15,119,848		1,763,057	
Deposits (including deposit aggregating ₹ 9,139,452	-		17,499,545	
pledged with bank for secured overdraft facility)				
Less: Effect of exchange difference on cash and cash equivalent	1,256,476		(1,131,149)	
Total		277,922,943		275,190,786
		(101,639,682)		(9,383,945)

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

As per our report of even date For and on behalf of Board of Directors of Centrum Capital Limited

For S. R. Batliboi & Co.

Membership No.: 102102

Firm Registration No.: 301003E G. Narayanan K. V. Krishnamurthy

Chartered Accountants Managing Director Director

Place: Austin, USA Place: Mumbai

Himanshoo Bohara

per Shrawan Jalan Date: September 30, 2010 Date: September 30, 2010

artner

Chief Financial Officer Company Secretary

Place: Mumbai Place: Mumbai Place: Mumbai Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010 Date: September 30, 2010



Gajendra Thakur



Particulars	June 30, 2010	June 30, 2009
SCHEDULE 1		
Share capital		
Authorised		
10,000,000 (Previous year 10,000,000) equity shares of ₹ 10/- each	100,000,000	100,000,000
Issued, Subscribed and Paid-Up		
6,828,096 Equity Shares (Previous year: 6,828,096) of ₹ 10/- each fully paid-up	68,280,960	68,280,960
Of the above equity shares:		
(a) 3,254,000 equity shares were allotted as bonus shares in the year 2000-01 by capitalisation of reserves.	32,540,000	32,540,000
(b) 409,686 were allotted by way of preferential allotment in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 to Centrum ESPS Trust on May 17, 2008		4,096,860
(c) 682,810 were allotted by way of preferential allotment in terms of SEBI (Disclosure & Investor Protection) Guidelines 2000 to Indivision India Partners on June 5, 2008	6,828,100	6,828,100
SCHEDULE 2-A		
Reserves & Surplus		
Capital Reserve (Gift of 525,000 equity shares of Rap Media Limited)	1	1
General Reserve		
Opening General Reserve	2,770,000	6,554,924
Less: Adjustment in opening balance (Refer Note 19 of Schedule 17)	-	3,784,924
	2,770,000	2,770,000
Capital Reserve on Consolidation		
Opening Capital Reserve on Consolidation	466,262,891	3,867,736
Add / (Less): Adjustment during the year	-	(15,065,632)
Less: Adjustment in opening balance (Refer Note 19 of Schedule 17)	-	477,460,787
	466,262,891	466,262,891
Securities Premium Account		
Opening balance of Securities Premium Account	1,393,528,280	1,820,175,223
Less: Adjustment in opening balance (Refer Note 19 of Schedule 17)	-	426,646,943
	1,393,528,280	1,393,528,280
Profit and Loss Account		
Balance in Consolidated Profit & Loss Account	284,759,996	260,992,971
	284,759,996	260,992,971
Total	2,147,321,168	2,123,554,143





Particulars	June 30, 2010	June 30, 2009
SCHEDULE 2-B	June 20, 2010	
Minority Interest		
Opening Minority Interest	3,399,815	643,534,600
Less: Reversal of Minority Interest	-	(643,534,600)
Add: Addition during the year (Refer note 10 of Schedule 17)	148,610	3,399,815
Total	3,548,425	3,399,815
SCHEDULE 3-A		
Secured Loans		
Loans and advances from banks		
Vehicle Loans		
(a) From Bank (Secured by hypothecation of vehicles)	9,632,686	13,392,376
(b) From Others (Secured by hypothecation of vehicles)	440,458	533,334
Overdraft / cash credit facilities		
(a) The Federal Bank Limited (Secured by pledge of Government securities)	14,343,751	3,453,819
(b) The Lakshmi Vilas Bank Limited (Secured by pledge of bonds)	-	4,140,776
(c) The Federal Bank Limited (Secured against Fixed Deposits kept with the bank)	-	74,169,308
Term Loan		
(a) The Federal Bank Limited (Secured by hypothecation of assets procured at Centrum House, Mumbai and personal guarantee of Chairman of the Company)	6,100,656	54,602,720
Share in secured loans of Joint Ventures	181,610,915	170,127,147
Total	212,128,466	320,419,480
SCHEDULE 3-B		
Unsecured Loans		
Inter Corporate Deposits	328,000,000	17,084,799
From Joint Venture Company	102,329,087	167,928,155
Interest accrued and due on above loan	6,435,014	-
Share in unsecured loans of Joint Ventures	19,033,620	30,777,948
Total	455,797,721	215,790,902
Amount due within one year	328,000,000	182,512,954





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												( )
		GROS	SS BLOCK	CK			DEPR	ECIATION	I O N		NET BLOCK	LOCK
Description of Assets	As at July 1, 2009	Adjustments	Additions	Deductions	As at June 30, 2010	Upto July 1, 2009		Adjustments For the year Deductions	Deductions	Upto June 30, 2010	Upto As at June 30, 2010 June 30, 2010	As at June 30, 2009
SCHEDULE 4-A												
TANGIBLE ASSETS												
Building	1,297,850	1	1	1	1,297,850	224,821	1	21,154	1	245,975	1,051,875	1,073,029
Computers - Hardware	47,741,366	1	467,525	24,793	48,184,098	13,709,317	1	7,131,836	4,842	20,836,311	27,347,787	34,032,049
Vehicles	46,672,877	1	5,163,153	2,826,560	49,009,470	11,490,375	1	4,378,471	846,640	15,022,206	33,987,264	35,182,502
Furniture & Fixtures	8,089,882	1	149,113	•	8,238,995	2,429,019	1	1,211,536	1	3,640,555	4,598,440	5,660,863
Air Conditioners	11,709,612	1	1	1	11,709,612	1,005,995	1	556,208	1	1,562,203	10,147,409	10,703,617
Office Equipments	14,318,267	1	246,524	1	14,564,791	1,182,026	1	745,288	1	1,927,314	12,637,477	13,136,241
Leasehold Development	189,588,695	1	1	•	189,588,695	23,959,408	1	21,075,730	•	45,035,138	144,553,557	165,629,287
Total (A)	319,418,549	1	6,026,315	2,851,353	322,593,511	54,000,961	1	35,120,223	851,482	88,269,702	234,323,809	265,417,588
Leased Assets												
Plant & Machinery	23,601,042	1	-	-	23,601,042	23,601,042	-	•	-	23,601,042	-	-
Total (B)	23,601,042	-	1	-	23,601,042	23,601,042	-	•	-	23,601,042	-	-
Share in Tangible Assets of Joint Ventures (C)	92,085,710	1	4,415,053	1,540,727	94,960,036	26,706,157	1	11,472,638	605,894	37,572,901	57,387,135	65,379,553
Total (A + B + C)	435,105,301	1	10,441,368	4,392,080	441,154,589	104,308,160	1	46,592,861	1,457,376	149,443,645	291,710,944	330,797,141
SCHEDULE 4-B												
INTANGIBLE ASSETS												
Goodwill	10,180,000	1	1	1	10,180,000	10,180,000	1	1	1	10,180,000	1	1
Computers - Software	10,163,910	1	-	-	10,163,910	4,478,587	-	1,055,747	-	5,534,334	4,629,576	5,685,323
Share in Tangible Assets of Joint Ventures (Refer Note 1 below)	11,791,012	1	6,513,399		18,304,411	1,845,341		1,593,377	ı	3,438,718	14,865,693	9,945,671
Total	32,134,922	1	6,513,399	•	38,648,321	16,503,928	1	2,649,124	1	19,153,052	19,495,269	15,630,994
Grand Total	467,240,223	1	16,954,767	4,392,080	479,802,910	120,812,088	1	49,241,985	1,457,376	168,596,697	311,206,213	346,428,135
Previous Year	457,412,859	(70,341,031)	84,216,334	4,047,939	467,240,223	80,602,399	(9,193,525)	51,633,566	2,230,352	120,812,088	346,428,135	
Share in capital work in progress (including capital advance) of Joint Ventures	s (including capi	ital advance) of J	oint Ventures								1,234,906	7,174,580

Notes:- 1) Adjustment for 50% share in opening gross block and accumulated depreciation of Joint Venture entities (including subsidiary of Joint Ventures)



FIXED ASSETS



David and and	Dana	June 30, 2010	I 20 2000	I 20 2010	(₹
Particulars	Face Value	No. of shares/ d		June 30, 2010	June 30, 2009
SCHEDULE 5	value	1 (or of shares) a	Cocintar es, annes		
Investments					
Long Term Investments (At cost)					
Non Trade (Unquoted)					
Equity / Preference Shares of Associates - Fully Paid up					
Centrum Securities Private Limited	1.0	100,000	100,000	4 000 000	1 000 000
Centrum Broking Private Limited	10	100,000	100,000	1,000,000	1,000,000
Essel-Centrum Holdings Limited (Partly Paid up)	10	699,000	699,000	71,997,000	71,997,000
12% Redeemable Non Cumulative Preference Shares	10	500,000	500,000	1,000,000	1,000,000
of Centrum Broking Private Limited (5,500,000 shares redeemable at par at the end of 5 years from the date of allotment)	100	5,500,000	5,500,000	550,000,000	550,000,000
Share in accumulated loss of associates (Equity Investments)				(73,997,000)	(75,042,311)
Total				550,000,000	548,954,689
Preference Shares					
1% Preference shares of Indra Investments Advisory Private Limited (100,000 shares redeemable at par at the end of 20 years from the date of allotment i.e. October 18, 2008)	100	100,000	100,000	10,000,000	10,000,000
9% Preference shares of SRR Consultants Private Limited (10,000 shares redeemable at the end of 20 years from the date of allotment i.e. August 29, 2008)  1% Preference shares of Ray Relators Private Limited (20,000	10	10,000	10,000	10,000,000	10,000,000
Shared redeemable at the end of 20 years from the date of allotment $$					
i.e. February 09, 2010)  Total	10	20,000	-	5,000,000	-
				25,000,000	20,000,000
Non-Trade (Quoted) - Others					
Equity Shares - Fully Paid up					
Nikumbh Dairy Products Limited	10	4,000	4,000	109,500	109,500
Birla Transasia Carpets Limited	10	9,100	9,100	153,159	153,159
Kaiser Press Limited	10	500	500	5,000	5,000
Dynemic Products Limited	10	10,000	10,000	350,000	350,000
Sunil Hitech Engineers Limited	10	6,500	6,500	-	650,000
Lumax Auto Technologies Limited	10	27,500	55,000	1,237,500	2,475,000
Jagjanani Textiles Limited	10	10,000	10,000	250,000	250,000
Hilton Metal Forging Limited	10	5,000	5,000	350,000	350,000
Rap Media Limited	10	608,550	608,550	12,104,675	12,104,675
Shares in quoted non trade investments of Joint Venture				61,250	61,250
Total				14,621,084	16,508,584
Non-Trade (Unquoted) - Others					
Equity Shares - Fully Paid up					
The Ratnakar Bank Limited	10	216,530	216,530	2,165,300	2,165,300
Softchip Technologies Limited	10	907,200	907,200	9,072,000	9,072,000
Pan India Motors Private Limited	10	11,800,000	11,800,000	43,000,000	43,000,000
Oasis Counsel and Advisory Private Limited	10	11,000,000	11,000,000	10	10
Total	10	1	1	54,237,310	54,237,310





(₹)

Particulars	Face	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	Value	No. of shares/ d	ebentures/units		
Non Convertible Debentures					
8.40% Non Convertible Debentures of the Ratnakar Bank Ltd.	1,000,000	2	2	2,000,000	2,000,000
Non Convertible Debentures of Oasis Counsel and Advisory Private Limited	1,000	50,000	50,000	50,000,000	50,000,000
Secured Non Convertible Debentures of Polar Industries Limited	100	300,000	300,000	4,955,444	15,161,000
Total				56,955,444	67,161,000
Portfolio Management Service					
PMS - Scheme Centrum One				6,348,749	4,740,951
Total				6,348,749	4,740,951
<b>Current Investments - At lower of cost and market value</b>					
In Units of Mutual Funds					
Reliance Money Manager-Daily Dividend Reinvestment Option [Net Asset Value as on June 30, 2010 ₹ 614,592/-(Previous year ₹ 590,795/-)]		613.75	590.12	614,450	590,795
Reliance Medium Term Fund - Daily Dividend Plan [Net Asset Value as on June 30, 2010 ₹ 200,112/- (Previous year ₹ 192,449/-)]		11,705.24	11,257.00	200,107	192,449
SBI Gilt Magnum Fund [Net Asset Value as on June 30, 2010 ₹ 1,294,370/- (Previous year ₹ 30,862,336/-)]		68,890.50	1,700,364.49	1,135,439	28,025,067
Shares in current investments of Joint Ventures				12,975,722	43,224,258
Total				14,925,718	72,032,569
Total				722,088,305	783,635,103
Provision for Diminution in the Value of Investment				637,895	140,900
Total				721,450,410	783,494,203
Aggregate value of quoted investments				20,331,938	16,367,684
Aggregate value of unquoted investments				701,118,472	767,126,519
Aggregate market value of the quoted investments				31,129,065	35,288,904

₹)

				(₹)
Particulars	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	Quantity	Quantity		
SCHEDULE 6				
Inventories (at lower of cost and net realisable value)				
Unquoted bonds				
6.75% ICICI 2010	-	30	-	147,114
7.60% IDBI 2011	-	1	-	990,911
9.75% IDBI 2009	-	120	-	644,236
10.90% ICICI 2016	-	1	-	113,469
9.40% Syndicate Bank Perpetual	-	4	-	4,216,093
8.59% UPSDL 2019	-	50,000	-	5,354,499
8.42% J & K SDL 2020	2,500	-	257,692	-
7.5% GOI 2034	150,000	-	14,296,042	-
8.10% APSDL 2019	30,700	-	3,113,134	-
9.20 WBIDFC 2020	1	-	1,016,310	-
Net realizable value ₹ 19,078,543/- (Previous year ₹ 11,546,006/-)				
Total			18,683,178	11,466,322





Doug! and an	I 20 2010	(₹)
Particulars	June 30, 2010	June 30, 2009
SCHEDULE 7		
Sundry Debtors (Unsecured, considered good, unless otherwise stated)		
Debtors outstanding for a period exceeding six months (Refer Note 5 of Schedule 17)		
Unsecured, considered good	290,490,196	253,107,108
Unsecured, considered doubtful	1,016,100	9,417,093
Total	291,506,296	262,524,201
Other Debts		
Considered good	116,931,576	166,663,607
Total	408,437,872	429,187,808
Less: Provision for doubtful debts	6,344,100	9,417,093
Total	402,093,772	419,770,715
Shares in sundry debtors of Joint Ventures (Net of provison for doubtful debts ₹ 4,654,617/-		
(Previous year ₹ 4,286,187/-) in respect of debts outstanding for more than 6 months)	162,273,952	146,323,505
Total	564,367,724	566,094,220
SCHEDULE 8		
Cash and Bank Balances		
Cash on Hand including foreign currencies	1,281,346	20,877,067
Balances with Scheduled Banks:		
On current accounts	51,503,887	42,644,770
On fixed deposit account	-	104,371,840
On unpaid dividend accounts	87,180	104,221
Debit balance in overdraft account	7,779,281	181,110
Other current accounts	1,535,279	1,763,057
Shares in cash and bank balance of Joint Ventures	215,735,969	209,620,560
Total	277,922,942	379,562,625
Bank Balance with others include:		
National Bank of Dubai - AED Current Account (Maximum amount outstanding during the		
year ₹ 3,063,659 Previous year ₹ 3,139,139)	1,535,279	1,763,057





Particulars	June 30, 2010	June 30, 2009
SCHEDULE 9		
Loans and advances		
(Unsecured, considered good unless otherwise stated)		
Advance tax (net of provision for tax)	44,473,931	10,475,556
Loan to Joint Venture	7,327,533	-
Advance for purchase of shares	10,000,000	10,000,000
Prepaid Expenses	164,429	-
Loans to employees & others	31,929,744	44,682,922
Advances recoverable in cash or in kind or for value to be received		
Considered good	144,049,933	61,493,126
Considered doubtful	453,488	453,488
Inter corporate deposits other than related party	634,327,263	513,627,265
Service tax (Input / Credit Account)	18,196,743	16,710,978
Deposits - Others	73,935,141	72,131,104
Total	964,858,205	729,574,439
Less: Provision for doubtful advances	453,488	453,488
Total	964,404,717	729,120,951
Shares in loans and advances of Joint Ventures (net of provision for doubtful loans &		
advances ₹ 472,939/-, Previous year ₹ 472,939/-)	265,528,201	215,568,784
Total	1,229,932,918	944,689,735





Particulars	June 30, 2010	June 30, 2009
SCHEDULE 10		
Current Liabilities		
Sundry creditors		
(a) total oustanding dues of Micro, Medium and small Enterprises	-	-
(b) total outstanding dues of creditors other than Micro, Medium and Small Enterprises	19,200,371	54,290,734
Advance from customers	4,956,036	984,954
Advance from related party	-	3,623,795
Investor Education and Protection Fund shall be credited by unpaid dividend (as and when due)	87,197	104,221
Other liabilities	80,219,835	74,289,056
Share in current liabilities of Joint Ventures	148,261,386	140,800,346
Total (A)	252,724,825	274,093,106
Provisions		
Provision for wealth tax (net of advance tax)	500,340	653,393
Provision for Fringe Benefit Tax (net of advance tax)	-	562,758
Provision for Gratuity	1,597,462	371,132
Provision for Leave encashment	2,455,590	2,358,151
Proposed dividend	3,414,048	6,828,096
Tax on proposed dividend	567,031	1,160,435
Share in provision of Joint Ventures	2,104,625	2,149,491
Total (B)	10,639,096	14,083,456
Total (A+B)	263,363,921	288,176,562
SCHEDULE 11		
Miscellaneous Expenditures		
(to the extent not written off or adjusted)		
Preliminary expenditures	1,935,548	2,032,453
Share in miscellaneous expenditures of joint ventures	81,604	196,372
	2,017,152	2,228,825





# Schedules forming part of Consolidated Profit & Loss Account for the year ended June 30, 2010

Particulars	June 30, 2010	June 30, 2009
SCHEDULE 12		
Income from Operation		
Syndication fees, Brokerage and Commission (TDS ₹28,639,587/-, Previous year ₹53,831,665/-)	558,360,683	502,734,291
Less : Service Tax	44,638,308	51,023,563
Total	513,722,375	451,710,728
Trading in Bonds	127,053,870	197,753,426
Share in income from operation of Joint Ventures	12,104,239,690	10,726,474,706
Total	12,745,015,935	11,375,938,860
SCHEDULE 13		
Other Income		
Interest		
Bank deposits (TDS ₹ 669,854/-, Previous year ₹ 1,387,034/-)	3,769,091	9,636,653
Others (TDS ₹ 19,494,005/-, Previous year ₹ 10,671,277/-)	88,053,220	48,210,798
Dividend income		
Dividend on Equity Shares - Non-trade	456,262	406,523
Dividend on Units of Mutual Fund - Non-trade	31,313	23,024,293
Profit on Sale of Investments - Long Term - Non-trade (net)	2,786,425	-
Profit on Sale of Investments - Short Term - Non-trade (net)	1,650,313	749,862
Profit on Sale of Mutual Funds	3,210,372	-
Profit on Sale of Shares (Net)	-	2,421,873
Miscellaneous Income	5,374,948	-
Provision no longer required written back	8,400,993	-
Others	595,876	1,337,856
Share in other income of Joint Ventures	17,945,190	36,941,087
Total	132,274,003	122,728,945
SCHEDULE 14		
Personnel expenses		
Salaries, wages and allowances	210,874,652	203,499,862
Contribution to provident fund and ESIC	6,137,564	6,084,760
Gratuity	1,242,068	2,510,292
Leave encashment	988,569	-
Staff welfare expenses	1,802,468	3,980,227
Share in personnel expenses of Joint Ventures	106,825,424	105,635,253
Total	327,870,745	321,710,394





# Schedules forming part of Consolidated Profit & Loss Account for the year ended June 30, 2010

Particulars	June 30, 2010	June 30, 2009
SCHEDULE 15		
Administrative and other expenses		
Rent	96,829,777	97,808,854
Rates & Taxes	14,932,052	15,826,010
Electricity	4,152,244	4,654,289
Foreign exchange loss / (gain)	1,443,278	-
Repair & Maintenance	-	211,945
Repair & Maintenance - Buildings and others	668,663	-
Insurance	1,932,133	808,705
Meeting and seminars	1,660,189	2,367,251
Vehicle Expenses	10,242,162	9,952,823
Loss on Sale of Debtors	16,157,327	-
Business promotion expenses	5,023,699	5,241,167
Advertisement and marketing expenses	349,161	1,975,164
Commission and brokerage	8,286,736	2,641,772
Travelling and conveyance	15,994,703	17,247,895
Communication costs	6,371,232	5,614,645
Printing and stationery	2,058,377	2,237,340
Legal & professional fees	69,314,566	28,295,735
Subscription and membership fees	1,255,270	1,272,634
Office expenses	685,840	870,262
Filing fees and regulatory fee	1,926,197	479,995
Directors sitting fees	760,000	490,000
Registration & Stamp Duty Charges	15,150	1,558,396
Auditor's remuneration		
Audit Fees	1,165,022	675,000
Tax audit fees	55,765	5,000
Taxation and other matters	2,240,830	-
	3,461,617	680,000
Donation	5,181,000	1,141,899
Bad debts	12,779,196	18,794,678
Provision for doubtful debts	-	8,400,993
Loss on Sale of fixed asset	1,408,379	697,803
Preliminary expenses/ Share issue expenses written off	96,905	-
Miscellaneous expenses	8,535,205	5,217,252
Share in administrative and other expenses of Joint Ventures	143,799,937	159,494,927
Total	435,320,995	393,982,434
SCHEDULE 16		
Financial Expenses		
Interest		
on inter corporate deposits	30,998,680	10,993,888
on banks	18,185,131	26,004,115
others	5,280,684	701,674
Bank charges	1,853,324	982,627
Share in financial expenses of Joint Ventures	23,008,437	27,903,790
Total	79,326,256	66,586,094





### **SCHEDULE 17**

### CONSOLIDATED NOTES TO ACCOUNTS

### 1. Basis of preparation

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

The Consolidated Financial Statements has been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

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

### 2. Principles of consolidation

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

Particulars	Country of Incorporation		Proportion of ownership interest as at June 30, 2009	Financial year ends on
a) Subsidiaries				
Centrum Infrastructure and Realty Limited	India	100%	100%	June 30, 2010
Centrum Financial Services Limited	India	100%	100%	June 30, 2010
Centrum Investments Limited	India	100%	100%	June 30, 2010
Centrum Capital Holdings LLC	USA	100%	100%	June 30, 2010
Centrum Securities (Europe) Limited #	UK	100%	-	June 30, 2010
Accounts Receivables Management Services (India) Limited	India	80%	80%	June 30, 2010





Particulars	Country of Incorporation	•	Proportion of ownership interest as at June 30, 2009	Financial year ends on
b) Joint Ventures				
FCH CentrumDirect Limited	India	50%	50%	June 30, 2010
FCH Centrum Wealth Managers Limited	India	50%	50%	June 30, 2010
c) Associates				
Centrum Broking Private Limited	India	48.74%	48.74%	June 30, 2010
Centrum Securities Private Limited*	India	47.62%	47.62%	March 31, 2010
Essel-Centrum Holdings Limited	India	33.33%	33.33%	June 30, 2010

<sup>#</sup> for the purpose of consolidation, accounts are drawn from January 28, 2009 upto June 30, 2010.

Comparative figures do not include the figures of newly acquired / incorporated subsidiary namely, Centrum Securities (Europe) Limited.

For the purpose of Consolidated Financial Statements, the results of CCL and its subsidiaries for the year/period ended June 30, 2010 have been derived from the respective company's audited financials of the year ended June 30, 2010.

### 3. Goodwill / Capital Reserves on consolidation

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

### 4. Statement of Significant Accounting Policies

### a. 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.

### b. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Advances paid towards acquisition of fixed assets outstanding at balance sheet date and the cost of fixed assets not ready to use before such date are disclosed under capital work in progress.

### c. Depreciation

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

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



<sup>\*</sup> for the purpose of consolidation, accounts are drawn upto June 30, 2010.



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

### d. Impairment

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

### e. Intangible Assets

### Computer Salites

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

### f. Leases

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

### g. Investments

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

### h. Inventories

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

### i. Revenue recognition

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

### Syndication es fe

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





Income from trading in bonds

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

Interest oinc

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

Revenue from services

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

Revenue on foreign exchange

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

Income from Inward money transfer

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

**Revenue on Tour Income** 

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

**Income from Commission** 

Commission income is accounted on accrual basis.

**Incentives** 

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

Dividend

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

Profit / Loss on sale of investments

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

### j. Foreign currency transactions

i. Initial Recognition

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

ii. Conversion

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

### iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are





recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India on or before accounting period commencing after December 7, 2006 are capitalized as a part of fixed asset.

### k. Retirement and other employee benefits

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

- (i) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. The Group makes contribution to a scheme administered by the Life Insurance Corporation of India ("LIC") to discharge the gratuity liability to employees. The Group records its gratuity liability based on an actuarial valuation made by an independent actuary as at year end. Contribution made to the LIC fund and provision made for the funded amounts are expensed in the books of accounts.
- (ii) Long term compensated absences are provided for, based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit Method.
- (iii) All actuarial gains / losses are immediately taken to the Profit and Loss account and are not deferred.

### l. Income taxes

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

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

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

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





### m. Segment Reporting Policies

### **Identification of segments:**

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

### Allocation of common costs:

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

### Unallocated mite

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

### n. Earning Per Share

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

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### o. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### p. Cash and Cash equivalents

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

### q. Borrowing costs

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

### r. Deferred Revenue Expenditure

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

5. During the current year, the Company has sold sundry debtors of ₹ 153,870,757/- for ₹ 130,790,143/-. Consequently, the loss on sale of such debtors has been recognized in the financial statements.

### 6. Segment Information

### **Primary Segment**

As of June 30, 2010, the Group has for the purpose of segment reporting identified the following major business as primary business segment.





- Advisory and Transactional Services consists of Investment Banking, Wealth Management and Realty / Infrastructure Advisory services thereby earning transaction based fees.
- ii) Trading in Bonds Purchase and sale of bonds and government securities in secondary market.
- iii) Forex business mainly comprising of Money changing services.
- iv) Travel and Tours Travels and tours related services.
- v) Treasury Treasury operations ensure liquidity for business and manages investment of surplus funds to optimize returns within the approved risk management framework.

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

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

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

Segment wise details are given in Annexure -1.

### 7. Related Party Disclosures

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

Names of related parties with whom transactions have taken place during the year				
Joint Ventures in which Holding Company is a Venturer	FCH CentrumDirect Limited FCH Centrum Wealth Managers Limited			
Enterprise controlled by Key Management Personnel or their relatives	Businessmatch Services (India) Private Limited P & M Infrastructure Limited (formerly known as P & M Infrastructure Private Limited) Centrum Fiscal Private Limited Sonchajyo Investments & Finance Private Limited			
Associates / Entities where the Company has significant influence	Centrum Broking Private Limited Centrum Securities Private Limited Club 7 Holidays Limited Centrum ESPS Trust			
Key Management Personnel	Mr. Chandir Gidwani, Chairman of the Holding Company Mr. T. R. Madhavan, Managing Director of the Holding Company (upto January 30, 2010) Mr. G. Narayanan, Managing Director of the Holding Company (w.e.f. January 30, 2010) and FCH CDL (w.e.f. February 16, 2010) Ms. Sonia Gidwani, Whole Time Director of the Holding Company Mr. Rajan Bhat - Managing Director of FCH CDL (upto July 17, 2009) Mr. Srimanta Basu Mallik - Whole Time director of Club 7 Holidays Limited. Mr. Pradeep Kumar Mukherjee - Whole Time Director of Club 7 Holidays Limited. Mr. Sriram Venkatasubramanian - Whole Time Director of FCH CWML Mr. K Raghunath Kamath - Whole Time Director of FCH CWML Mr. Hardeep Dayal - Designated as Managing Director of Centrum Infrastructure and Realty Limited (upto September 30, 2009)			





			(₹)
Nature of transaction	Joint Ventures 2010 ( 2009 )	Enterprise controlled by Key Management Personnel or their relatives 2010 ( 2009 )	Associates / Entities where the Company has significant influence 2010 ( 2009 )
Transactions during the year			
Investment in equity / preference shares			
FCH CentrumDirect Limited	(254)	(-)	(-)
Centrum Broking Private Limited	(-)	(-)	(500,000,000)
Total	(254)	(-)	(500,000,000)
Advances given			4.500.000
Centrum Securities Private Limited	(-)	(-)	1,500,000 (2,500,000)
FCH Centrum Wealth Managers Limited	4,250,000 (19,049,911)	(-)	(-)
Centrum Broking Private Limited	(-)	(-)	72,500,000 (717,223,454)
FCH CentrumDirect Limited	90,000,000	(-)	- (-)
Centrum Securities Private Limited	- (-)	(-)	108,000,000
Total	<b>94,250,000</b> (19,049,911)	(-)	<b>182,000,000</b> (719,723,454)
Repayment of advances given			
Centrum Securities Private Limited	(-)	(-)	108,000,000 (1,000,000)
FCH Centrum Wealth Managers Limited	3,750,000 (19,049,911)	(-)	- (-)
Centrum Broking Private Limited	(-)	(-)	73,174,201 (682,865,000)
FCH CentrumDirect Limited	90,000,000	(-)	- (-)
P & M Infrastructure Limited	(-)	34,000,000	- (-)
Total	<b>93,750,000</b> (19,049,911)	34,000,000	<b>181,174,201</b> (683,865,000)
Loans / advances taken			
FCH CentrumDirect Limited	1,061,000,000 (482,903,731)	(-)	(-)
FCH Centrum Wealth Managers Limited	(16,387,609)	(-)	- (-)
Total	<b>1,061,000,000</b> (499,291,340)	(-)	- (-)







Nature of transaction	Joint Ventures	Enterprise controlled by Key Management Personnel or their relatives	Associates / Entities where the Company has significant influence
	2010 (2009)	2010 ( 2009 )	2010 ( 2009 )
Repayment of loans / advances taken	(200)	(200)	(200)
Businessmatch Services (India) Private Limited	(-)	(84,000,000)	- (-)
FCH CentrumDirect Limited	1,120,224,850 (407,180,139)		(-)
FCH Centrum Wealth Managers Limited	4,000,000 (9,750,000)	-	- (-)
Total	<b>1,124,224,850</b> (416,930,139)	-	(-)
Purchase of air tickets	( ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(* ,***,****)	
FCH CentrumDirect Limited	(3,651,045)	(-)	- (-)
Club 7 Holidays Limited	(-)	(-)	4,631,313 (906,148)
Total	(3,651,045)	(-)	<b>4,631,313</b> (906,148)
Purchase of fixed assets			
FCH CentrumDirect Limited	91,959	(-)	(-)
Total	91,959	(-)	(-)
Purchase of foreign currency			
FCH CentrumDirect Limited	222,788 (941,071)		- (-)
Total	<b>222,788</b> (941,071)	(-)	(-)
Reimbursement of expenses claimed			
FCH CentrumDirect Limited - Rent	120,000 (191,222)	(-)	(-)
FCH CentrumDirect Limited - Other exps	(3,225,783)	- (-)	(-)
FCH Centrum Wealth Managers Limited	13,037,871 (19,049,911)	- (-)	- (-)
Centrum Broking Private Limited	- (-)	- (-)	3,414,024 (3,716,057)
Total	13,157,871 (22,466,916)	-	<b>3,414,024</b> (3,716,057)





			(₹)
Nature of transaction	Joint Ventures	Enterprise controlled by Key Management Personnel or their relatives	Associates / Entities where the Company has significant influence
	2010	2010	2010
Commission and brokerage paid	(2009)	(2009)	( 2009 )
Commission and broker age paid	2,415,606	_	_
FCH Centrum Wealth Managers Limited	(1,143,461)	(-)	(-)
	-	-	228,278
Centrum Broking Private Limited	(-)	(-)	(-)
	2,415,606	-	228,278
Total	(1,143,461)	(-)	(-)
Rent expenses			
Businessmatch Services (India) Private Limited	-	931,875	-
240.000.000.0000 (114.00) 1.114.00 2.1114.00	(-)	(830,000)	(-)
FCH CentrumDirect Limited	1,450,881	-	-
	(-)	(-)	(-)
Total	1,450,881	<b>931,875</b> (830,000)	-
Commission & brokerage received	(-)	(830,000)	(-)
•	7,502,150	_	_
FCH Centrum Wealth Managers Limited	(-)	(-)	(-)
	7,502,150	-	-
Total	(-)	(-)	(-)
Interest income	<u> </u>		
FCH Centrum Wealth Managers Limited	321,325	-	-
Terr centrum weatur Wanagers Emmed	(372,457)	(-)	(-)
Centrum Broking Private Limited	-	-	69,042
	(-)	(-)	(10,016,475)
P & M Infrastructure Limited	-	5,100,001	-
	(-)	(5,113,973)	(-)
Centrum Securities Private Limited	(-)	(-)	680,608 (453,055)
	321,325	1 1	749,650
Total	(372,457)	(5,113,973)	(10,469,530)
Interest expenses	(,)	(-, -,,	( , , , , , , , , , , , , , , , , , , ,
-	-	-	-
Businessmatch Services (India) Private Limited	(-)	(2,535,780)	(-)
FCH Centrum Wealth Managers Limited	102,392	-	-
1 CH Controll Wester Managers Ellineet	(249,445)	(-)	(-)
FCH CentrumDirect Limited	18,406,491	-	-
	(8,111,521)	(-)	(-)
Total	18,508,883	-	-
	(8,360,966)	(2,535,780)	(-)







	Joint	<b>Enterprise controlled</b>	Associates / Entities
	Ventures	by Key Management	where the Company
Nature of transaction		Personnel or their	has significant
reaction		relatives	influence
	2010	2010	2010
	(2009)	(2009)	(2009)
Professional fees expense			
	-	-	3,333,332
Centrum Broking Private Limited	(-)	(-)	(2,500,000)
	_	360,000	
Sonchajyo Investments & Finance Private Limited	(-)	(360,000)	(-)
	(-)	(300,000)	(-)
FCH Centrum Wealth Managers Limited	(924.750)	-	
	(834,759)	(-)	(-)
Total	-	360,000	3,333,332
	(834,759)	(360,000)	(2,500,000)
Professional fees income			
Centrum Broking Private Limited	-	-	-
Centrum Broking i fivate Linned	(-)	(-)	(2,500,000)
EGIL G	-	-	-
FCH CentrumDirect Limited	(946,297)	(-)	(-)
	_	-	-
Total	(946,297)	(-)	(2,500,000)
Corporate guarantees given during the year	(540,257)	(-)	(2,300,000)
Corporate guarantees given during the year	120,000,000		
FCH CentrumDirect Limited	120,000,000		
	(80,000,000)	(-)	(-)
Centrum Broking Private Limited	-	-	-
	(-)	(-)	(350,000,000)
Total	120,000,000	-	-
Iviai	(80,000,000)	(-)	(350,000,000)
Corporate guarantees outstanding as at June 30, 2010			
EGIL G	510,000,000	-	-
FCH CentrumDirect Limited	(390,000,000)	(-)	(-)
	-	-	660,100,000
Centrum Broking Private Limited	(-)	(-)	(660,100,000)
	510,000,000		660,100,000
Total			
	(390,000,000)	(-)	(660,100,000)
Amount receivable as at the year end			
Interest receivable			
P & M Infrastructure Limited	-	2,023,232	-
With initiation of the control of th	(-)	(1,271,507)	(-)
Centrum Securities Private Limited	-	-	329,556
Centrum Securities Private Limited	(-)	(-)	(-)
	289,192		
FCH Centrum Wealth Managers Limited	(-)	(-)	(-)





			(₹)
Nature of transaction	Joint Ventures	Enterprise controlled by Key Management Personnel or their relatives	Associates / Entities where the Company has significant influence
	2010	2010	2010
	(2009)	(2009)	(2009)
	-	-	4,439
Centrum Broking Private Limited	(-)	(-)	(-)
	289,192		333,995
Total	(-)	(1,271,507)	(-)
Sundry debtors			
	-	1,417,430	-
P & M Infrastructure Limited	(-)	(1,417,430)	(-)
TOTAL WALLEY AND THE PARTY OF T	1,652,300	-	-
FCH Centrum Wealth Managers Limited	(-)	(-)	(-)
70. 4 J	1,652,300	1,417,430	-
Total	(-)	(1,417,430)	(-)
Security Deposit	'		
D '	-	3,000,000	-
Businessmatch Services (India) Private Limited	(-)	(3,000,000)	(-)
TF. 4 . 1	-	3,000,000	-
Total	(-)	(3,000,000)	(-)
Loans / advances receivable			
P & M Infrastructure Limited	-	-	-
r & Wi illinastructure Ellinted	(-)	(34,000,000)	(-)
Centrum Fiscal Private Limited	-	100,000	-
Centum Piscai i rivate Linned	(-)	(100,000)	(-)
Centrum Securities Private Limited	-	-	5,827,904
Centum Securities Frivate Eminted	(-)	(-)	(4,327,904)
Centrum Broking Private Limited	-	-	-
Centrum Broking Firvate Emilied	(-)	(-)	(2,988,785)
FCH Centrum Wealth Managers Limited	7,327,533	-	-
1 C11 Contrain Wealth Wallagers Elimica	(-)	(-)	(-)
Centrum ESPS Trust	-	-	4,096,860
Contain Bot 5 Trust	(-)	(-)	(4,096,860)
Total	7,327,533	100,000	9,924,764
	(-)	(34,100,000)	(11,413,549)
Amount payable as at the year end			
Interest payable			
FCH CentrumDirect Limited	4,300,036		-
	(3,476,959)	(-)	(-)
FCH Centrum Wealth Managers Limited	-	-	-
	(190,060)	(-)	(-)
Total	4,300,036		-
	(3,667,019)	(-)	(-)







	Joint	Enternaire controlled	(\)
	Ventures	Enterprise controlled by Key Management	Associates / Entities where the Company
	ventures	Personnel or their	has significant
Nature of transaction		relatives	influence
	2010	2010	2010
	(2009)	(2009)	(2009)
Outstanding payable on purchase of forex			
FCH CentrumDirect Limited	36,959	-	-
1 Off Condumbred Emitted	(66,351)	(-)	(-)
Total	36,959	-	-
	(66,351)	(-)	(-)
Outstanding payable on purchase of air tickets			
Club 7 Holidays Limited	-	-	594,244
•	(-)	(-)	(143,145)
Total	-	-	594,244
Loons / advances navable	(-)	(-)	(143,145)
Loans / advances payable	102,329,087		
FCH CentrumDirect Limited	(159,514,470)	(-)	(-)
	(137,314,470)	(-)	(-)
FCH Centrum Wealth Managers Limited	(7,581,909)		( )
	(7,381,909)	(-)	( - ) 2,169,077
Centrum Broking Private Limited	(-)	(-)	2,109,077
	102,329,087	(-)	2,169,077
Total	(167,096,379)	(-)	(-)
Investments in equity shares as on June 30, 2010	(107,070,077)	( )	( )
	133,471,490	_	_
FCH CentrumDirect Limited	(133,471,490)	(-)	(-)
	14,498,400	( )	( )
FCH Centrum Wealth Managers Limited		-	-
	(14,498,400)	(-)	(-)
Centrum Broking Private Limited	-	-	71,997,000
	(-)	(-)	(71,997,000) 1,000,000
Centrum Securities Private Limited	(-)	(-)	(1,000,000)
	(-)	(-)	1,000,000
Essel-Centrum Holdings Limited	(-)	(-)	(1,000,000)
	147,969,890	-	73,997,000
Total	(147,969,890)	(-)	(73,997,000)
Investments in preference shares as on June 30, 2010	( ) /** ()		( ) / / / /
-	-	-	550,000,000
Centrum Broking Private Limited	(-)	(-)	(550,000,000)
Total	-	-	550,000,000
Total	(-)	(-)	(550,000,000)





(₹)		
Transaction with Key Management Personnel	June 30, 2010	June 30, 2009
Directors sitting fees		
Mr. Chandir Gidwani	100,000	100,000
Total	100,000	100,000
Managerial Remuneration		
Mr. T. R. Madhavan	4,290,491	5,864,031
Mr. G. Narayanan	2,532,258	Nil
Ms. Sonia Gidwani	4,864,960	5,017,280
Mr. Gopal Sharma	Nil	1,193,073
Mr. Rajan Bhat	Nil	2,319,223
Mr. Srimanta Basu Mallik	1,478,040	197,431
Mr. Pradeep Kumar Mukherjee	1,272,181	174,606
Mr. Sriram Venkatasubramanian	1,940,004	1,084,292
Mr. K Raghunath Kamath	1,431,504	690,220
Mr. Rahul Rege	Nil	3,990,864
Ms. Meher Baburaj	Nil	1,207,097
Mr. Hardeep Dayal	2,881,914	9,894,028
Total	20,691,352	31,632,145
Security Deposit outstanding as at the year end		
Mr. Chandir Gidwani	3,000,000	3,000,000
Total	3,000,000	3,000,000
Loan / Advance outstanding as at the year end		
Mr. Hardeep Dayal [net of repayment of ₹ 3,866,666 (previous year ₹ 1,933,334) being adjusted against remuneration]	Nil	3,866,666
Total	Nil	3,866,666
Loan / Advance repaid during the year		
Mr. Hardeep Dayal	3,866,666	1,933,334
Mr. Rishad Byramjee	Nil	18,80,000
Total	3,866,666	3,313,334
Guarantees outstanding as at year end		
Mr. Chandir Gidwani	120,000,000	120,000,000
Total	120,000,000	120,000,000





#### 8. Operating lease

- i) The Group has entered into cancellable leasing arrangements for corporate and branch offices and residential premises. The lease rentals of ₹ 54,556,793 (previous year ₹ 47,685,927) have been included under the head Rent under Schedule 15 of Profit and Loss account.
- ii) The Group has also entered into non-cancellable leasing arrangement for corporate office and other offices.

(₹)

Particulars	July 1, 2009 - June 30, 2010	July 1, 2008 - June 30, 2009
Lease rental paid during the year	108,714,164	113,072,953
		(₹)
Future minimum lease payments are as under	As at June 30, 2010	As at June 30, 2009
Payment not later than one year	105,698,581	100,951,030
Payment later than one year but not later than five year	150,479,924	240,243,455

General description of Group's Significant leasing arrangement

iii) Corporate Office premises in Mumbai are obtained on operating lease. The lease rent payable (including amenities) is ₹8,063,291/per month for the period July 1, 2009 to December 9, 2009. The lease rent was revised in December 2009 and consequently the lease rent payable is ₹8,466,456/- per month for the period December 10, 2009 to June 30, 2010. The lease term is for a period of 9 years with a lock in period of 5 year and there after as per the mutual agreement between the lessor and the Group. There is an escalation clause in the lease agreement @ 5 % every year which will be reviewed mutually every year by the Group and the lessor hence effect of escalation is not taken in the above disclosure. There are no subleases.

#### 9. Interest in Joint Ventures

Payment later than 5 years

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

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity as at June 30, 2010 are as follows:

Particulars	As at June 30, 2010	As at June 30, 2009
Balance sheet		
Reserves and Surplus	600,662,823	602,309,325
Fixed assets (net)	92,462,731	101,474,804
Investments	80,082,301	110,330,837
Current assets		
Sundry Debtors	162,913,211	146,533,001
Cash and Bank	215,735,969	209,620,560
Loans and Advances	394,008,670	387,475,567
Miscellaneous expenses	81,604	196,372





Particulars	As at June 30, 2010	As at June 30, 2009
Current liabilities and provisions	150,663,422	142,949,837
Deffered tax liability	1,703,350	3,050,741
Unsecured loans	48,212,500	30,777,948
Secured loans	181,610,915	170,127,147
Profit and Loss Account		
Revenue	12,165,664,482	10,776,323,585
Other expenses	12,172,033,875	10,812,904,259
Finance expense	24,975,141	30,663,507
Depreciation/ Amortisation	13,066,015	15,610,004
Loss before tax	44,410,550	82,854,185
Capital expenditure commitments and contingent liabilities		
Bank Guarantees	1,375,000	391,224,658
Capital Commitments	1,341,853	1,426,603
Legal Claims	1,763,214	1,773,214
Dividend on 12% Cumulative, Non Convertible and	6,000,000	Nil
Redeemable Preference Shares		

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

(₹)

Particulars	As at June 30, 2010	As at June 30, 2009
Subsidiary (A)		
Share Capital	100,000	100,000
Share Premium	-	•
Share of opening reserve	(395,803)	27,021
Share of current year profit/(loss)	335,321	(422,824)
Total (A)	39,518	(295,803)
Subsidiary of Joint Venture (to the extent of share in Joint Venture) (B)		
Share Capital	180,000	180,000
Share of opening reserve	3,515,618	1,025,265
Share of current year profit/(loss)	(186,711)	2,490,353
Total (B)	3,508,907	3,695,618
Net Total (A-B)	3,548,425	3,399,815

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#### 11. Contingent Liabilities and capital commitments:

(₹)

Particulars	As at June 30, 2010	As at June 30, 2009
Corporate Guarantees given by the Company on behalf of :-		
- Associate	660,100,000	660,100,000
- Joint Ventures		
Limit	510,000,000	390,000,000
Outstanding	327,177,342	287,541,695
Partly paid equity shares of Essel-Centrum Holdings Limited	4,000,000	4,000,000
Income Tax in respect of Assessment Year 2007-2008 in respect of which		
the Company has gone on appeal	1,323,224	-
Bank guarantees of Joint Ventures ( to the extent of share in Joint Ventures)	1,375,000	1,224,658
Estimated amount of contracts remaining to be executed (to the extent of		
share in Joint Ventures)	1,341,853	1,426,603
Legal Claims pending in consumer court (to the extent of share in Joint Venture)	1,763,214	1,773,214

#### 12. Gratuity and Post employment benefit plans

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

**Profit and Loss account** 

Net employee benefit expense (recognized in personnel expense)

(₹)

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Current service cost	2,084,354	2,121,975
Interest cost on benefit obligation	572,707	514,238
Expected return on plan assets	(509,106)	(404,735)
Past service cost( non vested benefit) recognised	Nil	Nil
Past service cost (vested benefit) recognised	256,115	Nil
Recognition of transition liability	Nil	Nil
Net actuarial(gain) / loss recognised in the year	(995,579)	(360,850)
Net benefit expense	1,408,491	1,870,629

**Balance sheet** 

Details for provision for gratuity

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Liability at the end of the year	8,271,711	7,267,886
Fair Value of Plan Assets at the end of the year	7,012,504	6,163,351
Difference	(1,259,207)	(1,104,535)
Unrecognised past service cost	Nil	Nil
Unrecognised transition liability	Nil	Nil
Amount recognized in the Balance Sheet	(1,259,207)	(1,104,535)





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

(₹)

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Opening defined benefit obligation	7,267,886	5,365,327
Interest cost	572,707	514,238
Current service cost	2,084,354	2,121,975
Past service cost (non vested benefit)	Nil	Nil
Past service cost (vested benefit)	256,115	Nil
Settlement	Nil	Nil
Liability transfer in	Nil	231,776
Liability transfer out	Nil	(231,776)
Benefit paid	(1,035,385)	(49,269)
Actuarial (gain)/loss on obligation	(873,966)	(684,385)
Closing defined benefit obligation	8,271,711	7,267,886

Changes in the fair value of plan assets are as follows

(₹)

Particulars	For the year ended	For the year ended
	June 30, 2010	June 30, 2009
Opening fair value of plan assets	6,200,319	3,888,030
Expected return on plan assets	513,104	404,735
Contributions by employer	1,212,852	2,243,391
Transfer from other Company	Nil	231,776
Transfer to other Company	Nil	Nil
Benefit paid	(1,035,385)	(49,269)
Actuarial gain/(loss) on plan assets	121,614	(323,535)
Closing fair value of plan assets	7,012,504	6,163,351
Total actuarial gain / (loss) to be recognized	995,579	360,850

The Group expects to contribute ₹ 2,474,912 to gratuity for the year July 1, 2010 to June 30, 2011.

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

Particulars	For the year ended	For the year ended	
	June 30, 2010	June 30, 2009	
Investments with insurer	100%	100%	

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





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

Particulars	For the year ended	For the year ended	
	June 30, 2010	June 30, 2009	
Discount rate	8.00%	7.75%	
Expected rate of return on assets	8.00%	8.00%	
Salary escalation	5.00%	5.00%	
Employee turnover	2.00%	2.00%	

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

Amounts for the current year are as follows\*

(₹)

Particulars	July 01, 2009 to	July 01, 2008 to
	<b>June 30, 2010</b>	June 30, 2009
Defined benefit obligation	(8,271,711)	(7,267,886)
Plan assets	7,012,505	6,163,351
Surplus / (deficit)	(1,259,207)	(1,104,535)
Experience adjustments on plan liabilities	(508,968)	(817,519)
Experience adjustments on plan assets	121,614	(323,535)

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

#### 13. Derivative instruments and un-hedged foreign currency exposure:

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

Particulars	Current Year			Previous Year			
	Quantity	Rate	Amount(₹)	Quantity	Rate	Amount(₹)	
Sundry creditors							
USD	116,512	46.46	5,413,148	159,475	48.10	7,670,748	
EURO	203,443	56.81	11,557,597	53,621	67.24	3,605,476	
GBP	14,503	70.00	1,015,210	41,430	78.89	3,268,413	
CAD	3,157	43.66	137,835	30,734	41.23	1,267,163	
AUD	7,750	39.06	302,715	14,338	38.65	554,164	
OTHERS			319,786			311,284	
Total			18,746,291			16,677,248	





Particulars		Current Year			Previous Year	
	Quantity	Rate	Amount(₹)	Quantity	Rate	Amount(₹)
Forex and forex	equivalents					
USD	691,241	46.46	32,115,057	624,231	48.10	30,025,511
EURO	585,735	56.81	33,275,605	193,623	67.24	13,019,211
GBP	72,180	70.00	5,052,600	85,854	78.89	6,773,022
CAD	26,608	43.66	1,161,705	38,390	41.23	1,582,820
JPY	1,772,000	0.52	921,440	4,996,950	0.50	2,498,475
AED	211,128	12.65	2,670,769	252,553	13.00	3,283,189
AUD	49,357	39.06	1,927,884	35,757	38.65	1,382,008
SGD	39,611	33.19	1,314,689	31,006	33.10	1,026,299
CHF	10,098	43.03	434,516	20,051	44.11	884,450
SAR	70,288	12.38	870,165	63,987	12.77	817,114
OTHERS						3,387,660
Total			79,744,430			64,679,759
Loans and Advar	nces					
USD	98,750	46.46	4,587,925	98,750	48.10	4,749,875
GBP	60,434	70.00	4,230,380	53,246	78.89	4,200,577
Total			8,818,305			8,950,452

#### 14. Loans and Advances (including interest) includes amounts due from

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

Particulars	As at June 30, 2010	Maximum outstanding during the year	Asat June 30, 2009	Maximum outstanding during the year
Parties under the same management				
Centrum Broking Private Limited	4,439	59,445,194	2,988,785	372,224,724
Centrum Securities Private Limited	6,157,460	10,426,688	4,327,904	9,821,420
Centrum ESPS Trust	4,096,860	4,096,860	4,096,860	4,096,860
Parties in which directors are interested				
Centrum Fiscal Private Limited	100,000	100,000	100,000	100,000
P & M Infrastructure Limited	2,023,232	35,417,430	35,271,507	37,842,466
Businessmatch Services (India) Private				
Limited	3,000,000	3,000,000	3,000,000	3,000,000
Deposits outstanding from Director of				
Holding Company	3,000,000	3,000,000	3,000,000	3,000,000





#### 15. Deferred Tax Asset / Liability

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

(₹)

Particulars	For the year ended June 30, 2010	For the year ended June 30, 2009
Deferred tax liabilities		
Difference between book and tax depreciation*	25,891,707	26,543,020
Share in deferred tax liability of Joint Ventures entity	10,159,845	10,612,346
Total (A)	36,051,552	37,155,366
Less: Deferred tax assets		
Provision for gratuity and leave encashment	356,988	333,399
Provision for bad debts	(2,855,498)	2,855,498
Share in deferred tax assets of Joint Ventures entity	8,456,493	7,561,604
Total (B)	5,957,983	10,750,501
Net deferred tax liability (A - B)	30,093,569	26,404,865

<sup>\*</sup> Including prior period charge of ₹ Nil (Previous year ₹ 21,114,916) towards lease expenses fully expensed off in income tax.

#### **Deferred tax reconciliation**

(₹)

Opening deferred tax liability as on July 1, 2009	26,404,865
Less: Reversal on account of proportionate shares of Joint Ventures	-
	26,404,865
Closing deferred tax liability as on June 30, 2010	30,093,569
Deferred tax liabilites charge to Profit & Loss account	3,688,704

#### 16. Earning Per Share

Particulars	For the year ended June 30, 2010	For the year ended June 30, 2009
Profit/(Loss) after taxes (net of prior period items) attributable to equity shareholders	27,748,104	(59,738,942)
Number of Equity Shares of ₹ 10/- each issued and outstanding at the end of the year	6,828,096	6,828,096
Weighted average number of equity shares outstanding during the year	6,828,096	6,828,096
Basic and diluted earning per share	4.06	(8.75)
Nominal Value of Equity Shares	10/-	10/-





- 17. During the year ended June 30, 2010, the group share of losses in FCH CWML (Joint Venture of the Company) is ₹ 43,797,956/- which has resulted in reduction of net worth of FCH CWML. FCH CWML's Board of Directors has reviewed the business plans and other general economic factors. Based on such review and continued financial support from the Company and Future Capital Holdings Limited, the financial statements of FCH CWML have been prepared under the going concern assumption.
- 18. During the year, FCH CWML (Joint Venture of the Company) has exceeded limit prescribed for managerial remuneration in the Schedule XIII to the Companies Act, 1956, the details are mentioned here under:
  - a) In the previous year ended June 2009, FCH CWML had made an application to the Central Government for the waiver of excess remuneration paid to Mr Rahul Rege, Whole Time Director of the said Company in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. FCH CWML has received an approval from Central Government for waiver of ₹ 3,062,000/- being part of the excess remuneration paid vide letter dated March 19, 2010. FCH CWML has filed a fresh application for the waiver of balance amount of ₹ 4,894,823/- and the approval is awaited
  - b) FCH CWML had made an application to the Central Government for its approval for the appointment and payment of remuneration to Mr. Sriram Venkatasubramanian, Whole Time Director of the said Company in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. FCH CWML has received approval towards this vide letter dated August 11, 2010.
- 19. During the year ended June 30, 2008 general reserve, capital reserve on consolidation, securities premium account and profit and loss account balances were inaccurately stated which have been adjusted in the previous year ended June 30, 2009 against the opening balances of general reserve, capital reserve on consolidation, securities premium account and profit and loss account. Details of the said adjustments are as follows:

General reserve:		
Reversal of profit in associates squared off during 2007-08		5,371,440
Less: Incorrect transfer to capital reserve from general reserve		1,586,516
Net reversal in General reserve		3,784,924
Capital reserve on consolidation:		
Carrying cost of Investment as on the date of dilution	- A	145,971,620
Share in net worth of acquirees	- B	627,300,143
Capital reserve	[C = (B-A)]	481,328,523
Less: Considered in opening balance	- D	(3,867,736)
Adjusted in the opening balance	$[\mathbf{E} = (\mathbf{C} \mathbf{-} \mathbf{D})]$	477,460,787
Securities premium account:		
Share in securities premium of acquirees to be considered for capital reserve		426,646,943
Profit and loss account:		
Shares in Profit &Loss of acquiree as on date of acquisition to be considered in capital reserve on consolidation		54,681,580
Reversal of profit in associates squared off during 2007-08		(5,371,440)
Net reversal in Profit and loss account		49,310,140





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

(₹)

Particulars	Effect on Group profit/ (loss)	Net assets as at June 30, 2010
Centrum Securities (Europe) Limited	(2,665,827)	8,534,673

#### 21. Previous year comparatives

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

Previous year's figures do not include the figures of newly acquired / incorporated subsidiary namely, Centrum Securities (Europe) Limited.

As per our report of even date

For S. R. Batliboi & Co. Firm Registration No.: 301003E

**Chartered Accountants** 

per Shrawan Jalan

**Partner** 

Membership No.: 102102

Place: Mumbai

Date: September 30, 2010

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

G. Narayanan **Managing Director** Place: Austin, USA

Date: September 30, 2010

Himanshoo Bohara **Chief Financial Officer** 

Place: Mumbai

Date: September 30, 2010

K. V. Krishnamurthy

Director Place: Mumbai

Date: September 30, 2010

Gajendra Thakur **Company Secretary** Place: Mumbai

Date: September 30, 2010





# Annexure 1 to Note No. 6 of Schedule 17 Segment Information for the year ended June 30, 2010

#### (i) Information about Primary business Segments

Particulars	Advisory & Transactional Services	Trading in Bonds	Forex and Forex equivalents	Tours & Travels	· ·	Unallocated	Elimination	Total
Revenue								
T 0	511,543,887	127,053,870	12,055,280,697	37,327,851	113,664,233	132,964,846	(100,545,446)	12,877,289,938
Income from operations	(485,867,259)	(197,753,426)		(29,041,317)		(83,783,199)	(-35,193,684)	(11,498,667,805)
m . 1	511,543,887	127,053,870		37,327,851	113,664,233	132,964,846		12,877,289,938
Total revenue	(485,867,259)	(197,753,426)		(29,041,317)		(83,783,199)	(-35,193,684)	(11,498,667,805)
Result	, , ,	( , , ,	( , , , , ,	( ) , , ,	( ) , , ,	( ) , , ,	(	( , , , , ,
G . D 1.	(9,778,556)	59,081,596	(14,780,447)	1,485,234	111,926,686	87,556,706	(77,654,810)	157,836,409
Segment Result	(-23,252,326)	(127,435,070)	(-23,064,824)	(12,156,524)	(54,356,470)	(62,465,228)	(-32,087,822)	(178,008,320)
	8,101,337	12,975,084	16,054,005	707,525		42,175,762		74,219,200
Interest Expenses	(25,602,169)	(7,291,643)	(14,411,581)	(855,599)		(19,217,743)		(59,785,786)
Profit/(Loss) before	(17,879,893)	46,106,512	(30,834,452)	777,709		45,380,944		83,617,209
taxation and prior period items	(-48,854,495)	(120,143,427)	(-37,476,405)	(11,300,925)		(43,247,485)		(118,222,534)
Т	-	-	-	-	-	55,720,495	-	55,720,495
Tax expenses	(-)	(-)	(-)	(-)	(-)	(116,609,262)	(-)	(116,609,262)
Prior period Items	(1,508,430)	(-)	(5,725,122)	(-)	(-)	(-20,575,867)	(-)	(-13,342,315)
Net Profit/(Loss)	( ) ,	( )	(-): -)	( )	( )	( ', ', ', ', ', ', ', ', ', ', ', ', ',	( )	27,896,714 (14,955,587)
Other Information								(14,733,367)
Other information	853,137,676	71,833,183	416,397,875	74,976,150	1,094,761,783	1,708,165,147	(1,038,737,584)	3,180,534,230
Segment assets	(904,164,640)	(63,082,303)	(359,689,685)	(90,922,020)			(-874,575,314)	(3,046,026,726)
	853,137,676	71,833,183	416,397,875	74,976,150		1,708,165,145		3,180,534,228
Total Assets	(904,164,640)	(63,082,303)	(359,689,685)	(90,922,020)			(-874,575,314)	(3,046,026,726)
	194,372,281	19,681,666		66,481,574		355,338,257	(694,508,516)	961,383,677
Segment liabilities	(314,343,234)	(19,892,473)	(232,032,156)	(72,870,387)	(597,860,447)	(488,368,429)	(-874,575,318)	(850,791,808)
	(314,343,234)	(19,092,473)	(232,032,130)	(12,010,301)	(397,000,447)			
Minority Interest	-	-	-	-	( )	3,844,227 (3,399,815)	(295,802)	3,548,425 (3,399,815)
	(-) 194,372,281	19,681,666	( - ) 248,132,267	( - ) 66,481,574	( - ) 771,886,148	359,182,484		964,932,102
Total liabilities	(314,343,234)	(19,892,473)	(232,032,156)	(72,870,387)	(597,860,447)	(491,768,244)	(-874,575,318)	(854,191,623)
	11,303,299	893,337	3,715,491	971,906		70,734		16,954,767
Capital expenditure	(71,881,465)	(9,074,206)	(9,592,287)	(692,903)		(150,050)	_	(91,390,911)
	31,824,921	5,240,038		556,345	_	63,289	_	46,592,862
Depreciation	(31,635,439)	(5,219,385)	(12,144,368)	(264,616)		(29,045)		(49,292,853)
	1,759,307	148,021	409,057	57,683		275,055		2,649,123
Amortisation	(1,594,651)	(147,826)	(323,181)	31,003	-	(275,055)	_	(2,340,713)
Provision for doubtful	6,951,337	(217,020)	1,035,159	_	_	(270,000)		7,986,496
advances, debts and bad debts written off	(27,621,323)	-	(3,995,473)		_		-	(31,616,796)
Miscellenous expenditure	92,670	-	-	-	-	119,003		211,673
(to the extent not written off or adjusted)	(36,880)	-	-	-	-	(119,003)	-	(155,883)

i There are no Intersegment transfers.

ii. Figures in brackets are that of previous year





## Information on the financials of the subsidiary companies for the year ended June 30, 2010

### [PREPARED IN COMPLIANCE WITH THE REQUIREMENTS OF THE EXPEMPTION LETTER(S) OF THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA]

(₹)

Name of the Subsidiary Company	Centrum Infrastructure & Realty Limited	Centrum Investments Limited	Accounts Receivables Management Services (India) Limited	Limited	Capital Holdings		Centrum Securities (Europe) Limited
The financial year of the subsidiary ended on	June 30, 2010	June 30, 2010	June 30, 2010	June 30, 2010	June 30, 2010	June 30, 2010	June 30, 2010
Capital	500,000	500,000	500,000	12,500,000	30,686,675	30,686,675	10,410,000
Reserves	(89,011,588)	(316,965)	(302,406)	6,353,252	(15,913,182)	(11,321,799)	(1,875,327)
Total Assets	132,891,533	500,000	500,000	795,551,075	19,368,731	19,503,825	8,534,673
Total Liabilities	132,891,533	500,000	500,000	795,551,075	19,368,731	19,503,825	8,534,673
Investments (except in case of investment in subsidiaries)	-	-	1,135,439	61,304,203	-	-	-
Turnover	21,133,440	-	3,210,372	80,219,162	2,162,899	23,608,673	18,586,802
Profit / (Loss) before taxation	(21,766,989)	(108,193)	1,994,165	6,014,927	1,698,951	1,535,312	(1,858,904)
Provision for taxation	-	-	317,560	1,460,000	-	-	(16,423)
Profit / (Loss) after taxation	(21,766,989)	(108,193)	1,676,605	4,554,927	1,698,951	1,535,312	(1,875,327)
Proposed dividend	-	-	-	-	-	-	-

#### **Notes:**

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

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

G. Narayanan K. V. Krishnamurthy

Managing Director
Place: Austin, USA

Director
Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010

Himanshoo Bohara Gajendra Thakur
Chief Financial Officer Company Secretary
Place: Mumbai Place: Mumbai

Date: September 30, 2010 Date: September 30, 2010





### C (NTRUM

Your aim is our only target

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Tel: (022) 2266 2434 Fax: (022) 2261 1105

CORPORATE OFFICE: CENTRUM HOUSE, CST ROAD, VIDYA NAGARI MARG, KALINA,

Santacruz (East), Mumbai - 400 098.

Tel: (022) 4215 9000 Fax: (022) 4215 9533

EMAIL: cs@centrum.co.in; info@centrum.co.in Website: www.centrum.co.in

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