

Many trajectories.
Varying canvases.

One core.

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Chairman's Message

Dear Shareholders,

The Indian economy has seen distinct signs of recovery in the last few months even though opinion on this is mixed. Trade deficit and the current account deficit have seen a substantial improvement in FY2015 with the fall in global prices of key commodities like crude and gold. India's Current Account Deficit (CAD) for FY2015 reduced to \$27.5 billion (1.3% of GDP) from \$32.4 billion (1.7% of GDP) in FY2014. The fiscal deficit was under 4% for the first time in seven years in 2015 at 3.99%. This was lower than the government's budgeted target of 4.1%, and 4.5% recorded in FY2014.

A new phase of growth is expected for the Indian economy with the various steps initiated by the Government like reduction in subsidy burden on account of reduced crude/commodity prices. This will leave more funds at the disposal of the Government for strengthening the infrastructure of the country. The Government thrust on Make in India" to boost manufacturing and indigenization of defence manufacturing, will give a spurt to industrial growth. This is expected to improve the investment climate in the country.

I am happy to share that in FY 2014-15 all our businesses witnessed impressive growth. The Group's profits (EBITDA) on a consolidated basis increased by Rs.11713 lacs for the year ended 30th June, 2015 compared to Rs. 6025.13 lacs posted in the previous year. Such an impressive jump in profits was possible due to significant improvement in total revenues and the Group's continued thrust on streamlining operating expenses which was initiated in the earlier financial years. We posted a big growth of 112 % in net profit at Rs. 5301.32 lacs in FY2015, as compared to a net profit of Rs.2497.73 lacs in FY2014 .

The Centrum Group is at the forefront of the financial services industry in India. It is our endeavor to build

strong relationships and be the partner of choice for all our stakeholders - corporates, institutions, HNIs, employees and investors. As an integrated, financial services Company, Centrum specializes in equity, debt, infrastructure, wealth management, fixed income, foreign exchange, margin funding and loans against securities.

CentrumDirect Limited consolidated its position as a market leader in the foreign exchange market and has emerged as the country's number one airport player. CentrumDirect has got the distinction of winning the award for "Best foreign exchange company" at India travel Awards

Centrum Wealth Management Limited (CWML) gained recognition for the excellent Private Wealth platform that it has built in a short span of three years. CWML won multiple awards at various industry forums. CWML was awarded the Best Equities Fundamental Research award at Zee Business's "India's Best Market Analyst Awards 2014". The awards were chosen through a nomination process, followed by a detailed vetting by a high profile jury and audited by Ernst & Young.

In the Asiamoney Private Banking Poll 2015, Centrum Wealth Management was ranked amongst the top three service providers in India in the Private Wealth business. In the Category USD 5-25 million of household wealth, CWML was ranked number one for (a) Holistic Approach to Addressing Advice and (b) Discretionary Portfolio Management. In the Category USD 1-5 million of household wealth, CWML was number one in (a) Client relationship Management & Servicing and (b) Technology and Support Infrastructure. In all the other categories CWML was rated very highly.

Taking advantage of the improved sentiments in the capital markets, our investment banking team has

successfully structured a number of QIPs / IPOs. Our dedicated debt team has been quite active in the stressed asset resolution area by assisting a number of stressed corporates through CDR, OTS, JLF and Bilateral restructuring etc in the last couple of years. This year too, the team implemented deals in excess of Rs.50 billion (Rs.5000 crores) in the stressed asset segment.

During the year we continued to launch innovative structured products.

The positive change in sentiment in the domestic economy, throws up exciting opportunities for both the financial services and wealth management businesses in the country in the medium term. The equity markets have seen a steady rise reaching all time high levels. The burgeoning Indian middle class, rising income levels, liberal policies for foreign capital inflows, especially in the areas of FDI and attracting capital from NRIs in the

form of FCNR deposits, etc augur well for the significant businesses in which we operate. Our core expertise, dedicated and talented team and focused business approach will enable us to make the best of the emerging opportunities and look at the future with optimism and confidence.

I would like to end by expressing my gratitude to all our clients, employees, investors, and shareholders – for the trust they have reposed in us. I would especially like to thank our Board members for their guidance throughout our journey.

We look forward to your continued support in our journey to create long term value for all our stakeholders.

Yours sincerely,



Chandir Gidwani

Corporate Information

BOARD OF DIRECTORS

Mr. Chandir Gidwani
Non-Executive Chairman

Mr. Sanjiv Bhasin
Managing Director & CEO

Mrs. Mahakhurshid Byamjee
Non-Executive Director

Mr. Rishad Byramjee
Non-Executive Director

Mr. Manmohan Shetty
Non-Executive Director

Mr. Pankaj Thappar
Non –Executive Director

Mr. Ibrahim Belselah
Non-Executive Independent Director

Mr. Subimal Bhattacharjee
Non-Executive Independent Director

Mr. Rajesh Nanavaty
Non-Executive Independent Director

Mr. R S Reddy
Non-Executive Independent Director

Mr. Subhash Kutte
Non-Executive Independent Director

Mr. Manishkumar Verma
Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Shailendra Apte

COMPANY SECRETARY

Mr. Alpesh Shah

REGISTERED OFFICE

Bombay Mutual Building,
2nd Floor, Dr. D.N. Road, Fort,
Mumbai-400001
Tel: 2266 2434
Fax: 2261 1105
Website : www.centrum.co.in
E-Mail : cs@centrum.co.in

CORPORATE OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
No. C-13, Pannalal Silk Mills Compound,
Lal Bahadur Shastri Road, Bhandup West,
Mumbai-400078
Tel.:022-2596 3838
Fax: 022-25946969 / 25960329
Website : www.linkintime.co.in
E-Mail : mumbai@linkintime.co.in

BANKERS

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

STATUTORY AUDITORS (FY 2014-2015)

Haribhakti & Co. LLP
Chartered Accountants
701, Leela Business Park, Andheri Kurla Road,
Andheri (East), Mumbai - 400059
Tel.: 022-6672 9999 Dir.: 022-6672 9803
Fax: 022-6672 9777 Mob : 091 98203 81822
Website : www.dhc.co.in
E-Mail : info@dhc.co.in

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 37th Annual Report and Audited Accounts of your Company for the Financial Year ended 30th June, 2015

Financial Highlights

The Summarized performance of the Company for the Year 2014-2015 and 2013-2014 is given below;

(₹ In lacs)

Particulars	Centrum Capital Limited (Standalone)		Centrum Capital Limited (Consolidated)	
	2014-15	2013-14	2014-15	2013-14
Net revenue from operations	6,607.46	5,143.06	446,825.98	348,444.58
Add: Other income	780.70	1,000.62	1,673.36	1,464.56
Total Income	7,388.16	6,143.68	448,499.34	349,909.14
Total expenditure before finance cost, depreciation & Exceptional items and taxes	3,415.13	3,258.34	436,786.22	343,883.83
Profit before finance cost, depreciation, exceptional items and taxes	3,973.03	2,885.34	11,713.13	6,025.31
Less: Finance costs	2,253.57	1,712.00	3,319.13	2,536.66
Profit before depreciation, exceptional items and taxes	1,719.46	1,173.34	8,394.00	3,488.65
Less: Depreciation	353.23	364.20	658.84	533.12
Profit before exceptional items and taxes	1,366.22	809.14	7,735.16	2,955.53
Add/(Less): Exceptional items	-	185.49	-	185.49
Profit before taxes	1,366.22	994.63	7,735.16	3,141.02
Less: Provision for current taxation	575.00	464.11	2,619.97	1,643.33
Add : Provision for MAT credit	-	454.00	-	464.97
Add: Provision for deferred taxation	159.61	156.00	186.13	535.07
Profit/ (Loss) after taxes available for appropriation.	950.83	1,140.52	5,301.32	2,497.73
Less : Proposed Dividend	-	-	-	-
Less : Provision of Dividend Tax	-	-	-	-
Add: Profit on disposal of investment in subsidiary	-	-	-	3.06
Less: Minority Interest	-	-	739.95	0.96
Balance to be carried forward	950.83	1,140.52	4,561.37	2,499.83

Financial Performance and state of Company affairs.

Information on the operational and financial performance of the Company is given in the Management Discussion and Analysis Report, which is annexed to the Report and is in accordance with Clause 49 of the Listing Agreement.

Transfer to Reserves

No transfers were made to the reserves in the current financial year.

Change in Financial Year

In compliance of section 2(41) of the New Companies Act 2013, the financial year of the Company shall be changed from 1st July to 30th June to 1st April to 31st March of every year. Accordingly the Board has decided the financial year 2015-2016 shall be for a period of 9 months beginning from 1st July 2015 and ending on 31st March 2016.

Dividend

With a view to conserve the resources your Directors do not recommend any dividend for the financial year 2014-2015.

Material changes and Commitments

There are no material changes and or commitments affecting the financial position of the Company, between the end of the financial year, i.e. 30th June, 2015 and the date of the report.

Corporate Social Responsibility (CSR) Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (CSR Committee). As on 29th August 2015, this Committee comprises of following three Directors:

Sr. No.	Name	Category	Designation in Committee
1	Mr. Chandir Gidwani	Non-Executive Director	Chairman
2	Mr. Rajesh Nanavaty	Independent Director	Member
3	Mr. Subhash Kutte	Independent Director	Member

Company has devised a policy which can be viewed on the website of the Company <http://centrum.co.in/policies.php>

Corporate Governance

At Centrum, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely to not just boost long-term shareholder value, but to also respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding financials and performance, as well as leadership and governance of the Company

Listing Fees

At present the Company's Equity shares are listed on BSE Limited and the Company has paid listing fees upto the financial year 2015-16.

Pursuant to Clause 49 of the Listing Agreement of the Stock Exchange, the Management Discussion & Analysis Report, the Corporate Governance Report and the Auditors' Certificate regarding compliance of condition of Corporate Governance are made a part of the Annual Report.

Number of meetings of the Board

During the year ended 30th June, 2015, the Board met five times. The details of the Board meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, which forms a part of this Annual Report

Selection of New Directors and Board Membership Criteria.

The Nomination and Remuneration Committee works with

the Board to determine the appropriate characteristic skills, and experience for the Board as a whole, and its individual members with the objective of having a Board with a diverse background and experience in business. Characteristic expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberation and willingness to exercise authority in a collective manner. The policies regarding it are provided in **Annexure III** to this report.

Remuneration Policy

The Company has framed a Remuneration Policy pursuant to Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013. The Policy is provided in **Annexure IV** to this report.

Familiarisation Programme for Independent Directors

In terms of Clause 49 of the Listing Agreement, the Company is required to familiarize its Independent Directors with their roles, rights and responsibilities in the Company etc. through interactions and various programmes.

The Independent Directors are also required to undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company in terms of Schedule IV of the Companies Act, 2013.

The Policy on the Company's Familiarisation Programme for IDs can be accessed at <http://centrum.co.in/policies.php>

Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Act. The performance of the Board shall be evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes,

information and functioning, etc. The performance of the committees shall be evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee ("NRC") will review the performance of the individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman shall be evaluated, taking into account the views of executive directors and non-executive directors. The same shall be discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors shall also be discussed.

Independent Directors Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Directors and Key Managerial Personnel

Induction

The Board of Directors of the Company has appointed Mr. Pankaj Thapar as an Additional Director with effect from 13th February 2015, Mr. Sanjiv Bhasin was appointed as additional director in the capacity of Managing Director & CEO with effect from 6th July 2015. Mr. Subhash Kutte was appointed as an Additional Director in the capacity of Independent Director with effect from 6th July 2015

and Mr. Manish Verma was appointed as an Additional Director, designated in the capacity of Independent Director with effect from 29th August 2015.

The approval of members is being sought for appointment of Mr. Pankaj Thapar as a Non- Executive Director, Mr. Sanjiv Bhasin as a Managing Director & CEO and Mr. Subhash Kutte as an Independent Director through Postal ballot.

The approval of members is being sought for the appointment of Mr. Manish Verma, as an Independent Director at the forthcoming Annual General Meeting.

Resignation

During the year, Mr. Dhanpal Jhaveri resigned from the Board with effect from 28th January, 2015, Mr. Rashid Kidwai resigned from the Board with effect from 13th February, 2015, Mr. Ameet Naik resigned from the Board with effect from 26th March, 2015 and Mr. P R Kalyanaraman, Managing Director of the Company resigned from the Board with effect from 6th July 2015.

The Board of Directors place on record their deep appreciation for the enormous contribution made by Mr. Dhanpal Jhaveri, Mr. Rashid Kidwai, Mr. Ameet Naik and Mr. P R Kalyanaraman. The Company and the Board benefited immensely from their vast experience, knowledge and insights of the Industry and operation of the Company.

Re-appointment

As per the provision of the Companies Act 2013, Mr. Manmohan Shetty and Mr. Rishad Byramjee retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

A Brief profile of all the Directors seeking appointment and re-appointment at the ensuing Annual General

Meeting, Nature of their expertise and names of the other Companies in which they hold Directorship and Committee Membership is provided as a part of the notice of the ensuing Annual General Meeting.

Key Managerial Personnel

Mr. Sanjiv Bhasin has been appointed as the Managing Director & CEO of the Company with effect from 06th July, 2015.

Mr. Shailendra Apte was appointed as a Chief Financial Officer (CFO) with effect from 1st August 2015.

Mr. Alpesh Shah is the Company Secretary of the Company.

Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, secretarial auditors and external agencies, the reviews performed by Management and the relevant Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls are adequate and effective.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. that we had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

- iii. that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis;
- v. that internal financial controls have been laid down and the same are adequate and are operating effectively; and
- vi. that proper systems to ensure compliance with the provisions of all applicable laws have been laid down and that such systems were adequate and operating effectively.

Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

The Committee met 4 (four) times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. As of the date of this report, the Committee is comprised of:

Sr. No.	Name	Category	Designation in Committee
1	Mr. Rajesh Nanavaty	Independent Director	Chairman
2	Mr. Subimal Bhattacharjee	Independent Director	Member
3	Mr. Rishad Byramjee	Non-Executive Director	Member

Related Party Transactions

All related party transactions that were entered during the financial year were on arm's length basis and were in