

(THIS SHELF DISCLOSURE DOCUMENT IS NOT A PROSPECTUS)
(FOR PRIVATE CIRCULATION ONLY)

Dated: June 12, 2020



CENTRUM FINANCIAL SERVICES LIMITED
(CIN: U65910MH1993PLC192085)

A Public Limited Company Incorporated on 27th January 1993 under the Companies Act, 1956, as amended and registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)

Registered Office: 2nd Floor, Bombay Mutual Building, Dr. D.N. Road, Fort, Mumbai-400001

Corporate Office: Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai-400098

Tel: +91 22 42159000; **Website:** www.centrum.co.in

Contact Person: Ms. Archana Goyal, Compliance Officer; **Email:** cs@centrum.co.in

SHELF DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF PRINCIPAL PROTECTED, SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, MARKET LINKED DEBENTURES OF THE FACE VALUE RS. 1,00,000 (RUPEES ONE LAKH ONLY) EACH ("DEBENTURES" OR "NCDs" OR "MLDs") FOR CASH, AGGREGATING UPTO RS. 50,00,00,000 (RS. FIFTY CRORE ONLY) TO BE ISSUED IN ONE OR MORE TRanches (THE "ISSUE")

GENERAL DISCLAIMER

This Shelf Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Centrum Financial Services Limited (the "Issuer" / the "Company"). This Shelf Disclosure Document is for the exclusive use of the institutions to whom it is addressed and it should not be circulated or distributed to third parties. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be offered to the same person. No document in relation to the Issuer or this Issue of Debentures has been delivered for registration to any authority.

This Shelf Disclosure Document is strictly for a private placement and is only an information brochure intended for private use. Nothing contained in this Shelf Disclosure Document shall constitute and/or deemed to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

GENERAL RISK

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the section titled 'Risk Factors' of this Shelf Disclosure Document carefully before taking an investment decision in relation to any Tranche of this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Shelf Disclosure Document and any Supplemental Disclosure Document issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Shelf Disclosure Document. Prospective investors are advised to carefully read the risks associated with the Issue of Debentures. **Specific attention of investors is invited to the section titled 'Risk Factors' of this Shelf Disclosure Document.** These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Shelf Disclosure Document contains all information as required under Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, that this information contained in this Shelf Disclosure Document is true and fair in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Shelf Disclosure Document as a whole or any of such information or the expression

of any such opinions or intentions misleading in any material respect.

CREDIT RATING

“CARE PP-MLD A- with Negative Outlook” rating has been assigned by CARE Ratings Limited for Rs. 450,00,00,000 (Rupees Four Hundred Fifty Crore) and Rs. 50,00,00,000 (Rupees Fifty Crore) for long term principal protected equity linked debentures programme of our Company. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The letters ‘PP-MLD’ suffixed to a rating symbol stand for ‘Principal Protected Market Linked Debentures’. The present issue is part of the aforesaid programme.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. The credit rating and rationale issued by CARE Ratings Limited is annexed as ‘Annexure B’ to this Shelf Disclosure Document.

LISTING

The Debentures to be issued under this Shelf Disclosure Document are proposed to be listed on the Wholesale Debt Market segment (“WDM”) of the BSE Limited (“BSE”).

The Company reserves the right to appoint an arranger(s) for any Tranche/Series under the Issue and the details of such arranger shall be specified in the Supplemental Disclosure Document relevant to such Tranche/Series.

REGISTRAR	TRUSTEE
 <p>NSDL Database Management Limited Address: 4th Floor, Trade World A Wing, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 49142700 Fax: +91 22 49142503 E-mail: nileshb@nsdl.co.in Website: www.nsd.co.in</p>	 <p>Beacon Trusteeship Limited Address: 4C, Siddhivinayak Chambers, Gandhi Nagar, Opposite MIG Club, Bandra (E), Mumbai 400 051 Tel: +91 22 +91 22 26558759 E-mail: contact@beacontrustee.co.in vaishali@beacontrustee.co.in Website: www.beacontrustee.co.in</p>
<p>Issue Opens on: As specified in the relevant Supplemental Disclosure Document.</p>	<p>Issue Closes on: As specified in the relevant Supplemental Disclosure Document.</p>

The Shelf Disclosure Document is dated June 12, 2020.

ISSUE SCHEDULE:

The Issue Opening Date, Closing Date and Deemed Date of Allotment for each Tranche/Series will be informed to the Debenture Trustee separately and shall be incorporated in the Supplemental Disclosure Document.

Each Tranche/Series of Debentures offered pursuant to this Shelf Disclosure Document shall be subject to the terms and conditions pertaining to the Debentures outlined hereunder as modified /supplemented by the terms of the respective Supplemental Disclosure Document(s) and/or the Private Placement Offer Letter(s) filed with the Stock Exchange in relation to such Series/Tranches and other documents in relation to such issuance. The terms and conditions contained in this Shelf Disclosure shall be read in conjunction with the provisions (as may be mutually agreed between the Issuer and respective Debenture Holders from time to time) contained in the respective Supplemental Disclosure Document(s) and/or the Private Placement Offer Letter(s), and in case of any repugnancy, inconsistency or where there is a conflict between the terms and conditions as are stipulated in the respective Supplemental Disclosure Document(s) / Private Placement Offer Letter(s) on one hand, and the terms and conditions in the Shelf Disclosure Document on the other, the provisions contained in the Supplemental Disclosure Document(s)/ Private Placement Offer Letter(s) shall prevail over and override the provisions of this Shelf Disclosure Document for all intents and purposes.

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SECTION I – NOTICE TO INVESTORS AND DISCLAIMER

GENERAL DISCLAIMER:

This Shelf Disclosure Document (“**Disclosure Document**”) is not a prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Centrum Financial Services Limited (the “**Issuer**”). Neither this Disclosure Document nor any other information supplied in connection with the contemplated issue should be construed as legal, tax, accounting or investment advice.

The Issue is proposed to be listed on the BSE and is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general.

This Disclosure Document is for private placement of Debentures and has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, and SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 issued vide circular no. No. LAD-NRO/GN/2014-15/25/539 dated March 24, 2015, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 issued vide circular no. SEBI/ LAD-NRO/GN/2016-17/004 dated May 25, 2016, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2017 issued vide circular dated SEBI/LAD-NRO/GN/2017-18/009 dated June 13, 2017 and SEBI (Issue and Listing of Debt Securities) (Second Amendment) Regulations, 2017 issued vide circular SEBI/LAD-NRO/GN/2017-18/023 dated December 15, 2017, and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019 issued vide circular SEBI/LAD-NRO/GN/2019/13 dated May 7, 2019 and section 42 of the Companies act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Disclosure Document also complies with SEBI circular Cir./IMD/DF/17/2011 dated September 28, 2011 titled ‘Guidelines for Issue and Listing of Structured Products/Market Linked Debentures’. As per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to SEBI for its review and/or approval.

This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Each recipient of this Disclosure Document acknowledges that such person has not relied on the Issuer or any of its affiliates, shareholders, directors, employees, agents or advisors in connection with its investigation of the accuracy of such information or its investment decision and such person has relied solely on its own examination of the creditworthiness of the Issuer and the merits and risks involved in investing in the Debentures. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor’s particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Disclosure Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

DISCLAIMER CLAUSE OF THE COMPANY

The Company accepts no responsibility for statements made otherwise than in the Shelf Disclosure Document and in any Supplemental Disclosure Document(s) read with the Private Placement Offer Letter(s) and anyone placing reliance on any other source of information would be doing so at their own risk.

The Company has certified that the disclosures made in this Disclosure Document are adequate and in conformity with SEBI regulations/guidelines and RBI guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue.

DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with the Securities & Exchange Board of India (SEBI). The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. This document should not, in any way, be deemed or construed to have been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debentures is being made on a private placement basis and, therefore, filing of this document with SEBI is not required, however SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this document.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Disclosure Document shall be submitted to the BSE for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER BY THE RESERVE BANK OF INDIA:

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED AUGUST 14, 2009 BEARING REGISTRATION NO. B-1301946 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER OF THE TRUSTEE

The Debenture Trustee, "*ipso facto*" does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by Debenture Holders.

DISCLAIMER IN RESPECT OF JURISDICTION

The private placement of Debenture is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorised under constitution/ rules/ byelaws to hold debenture in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Disclosure Document does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Disclosure Document comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts at Mumbai. All information considered adequate and relevant about the Issuer has been made available in this Information Memorandum for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever.

DISCLAIMER CLAUSE OF THE RATING AGENCIES

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities / instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities / instruments.

FORCE MAJEURE

The Company reserves the right to withdraw the Issue at any time or any Tranche/Series under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, collected in respect of that Tranche/Series without assigning any reason.

ISSUE OF DEBENTURES IN DEMATERIALIZED FORM

The Debentures will be issued in dematerialised form The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of the Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its Depository Participant. The Issuer will make the Allotment to Investors on the Deemed Date(s) of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

EACH PERSON RECEIVING THIS DISCLOSURE DOCUMENT ACKNOWLEDGES THAT:

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein. Each such person (i) is a knowledgeable and sophisticated investor; (ii) have the expertise in assessing the credit, market and all the other risks involved in purchasing the Debentures; (iii) has done its own independent assessment and analysis of the Issue; (iv) understands that, by purchase or holding of the Debentures, it is assuming and is capable of bearing the risk of loss that may occur with respect to Debentures, including the possibility that it may lose all or a substantial portion of investment.

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document.

Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

It is the responsibility of investors to ensure that any transfer of the Debentures is in accordance with this Disclosure Document and the applicable laws, and ensure that the same does not constitute an offer to the public.

The information and data contained herein is submitted to each of the recipient of this Disclosure Document on a strictly private and confidential basis. By accepting a copy of this Disclosure Document, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the subscription to the Issue or will divulge to any other party any such information. This Disclosure Document must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Issuer.

The Issuer accepts no responsibility for statements made other than in this document or any other material expressly stated to be issued by or at the instance of the Issuer in connection with the Issue of this series of debentures and that anyone placing reliance on any other source of information would be doing so at their/its own risk.

FORWARD LOOKING STATEMENTS

All statements in this Disclosure Document that are not statements of historical fact constitute “forward looking statements”. All statements regarding the Issuer’s expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Disclosure Document (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. The forward looking statements, if any, contained in this Disclosure Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management as at the date of this Disclosure Document. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward looking statements. All subsequent written and oral forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II - DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

Company related terms

Term	Description
Board of Directors/Board	The board of directors of the Company or any committee thereof.
Company/Issuer	Centrum Financial Services Limited.
Director(s)	Director(s) of the Company, as may change from time to time, unless otherwise specified.
Memorandum and Articles	The Memorandum & Articles of Association of the Company, as amended from time to time.
NBFC	Non-Banking Financial Company as per Reserve Bank of India Act, 1934, as amended from time to time.
NBFC ND-SI	Non-Deposit Taking Systemically Important Non-Banking Financial Company

Issue related terms

Term	Description
Act	Companies Act, 1956 and the Companies Act, 2013, which are in effect from time to time.
Allotment/Allot/Allotted	The allotment of the NCDs or Debentures.
AGM	Annual General Meeting.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	The form used by the recipient of this Disclosure Document, to apply for subscription to the Debentures, which is annexed to this Disclosure Document and marked as Annexure A .
Arranger	Centrum Investment Advisors Limited
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act, 1996.
BSE	BSE Limited (earlier known as Bombay Stock Exchange).
Business Day	shall mean any day of the week (excluding non-working Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) or any other day on which banks are closed for customer business in Mumbai, India) on which money market is functioning in Mumbai.
CDSL	Central Depository Services (India) Limited
Debenture(s) or NCDs	5,000 Principal Protected, Secured, Rated, Listed, Redeemable, Non-Cumulative, Non-Convertible, Market Linked Debenture(s) of the face value of Rs. 1,00,000/- (Rupees One Lakh) each for cash aggregating upto Rs. 50,00,00,000/- (Rupees Fifty Crore Only) to be issued in one or more Tranches (and within any Tranche, in one or more Series) pursuant to this Shelf Disclosure Document and the Supplemental Disclosure Document(s).
Debenture Holder	The Debenture holder whose name appears in the register of debenture holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
Term	Description
Debenture Trustee	Trustee for the Debenture Holders, in this case being Beacon Trusteeship Limited
Debenture Trustee Agreement	Agreement executed/to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures
Debenture Trust Deed	Debenture Trust Deed to be entered by and between the Company and the Debenture Trustee.
Deemed Date of Allotment	The deemed date of allotment of Debentures will be as specified in the relevant Supplemental Disclosure Document(s) issued for each Tranche/Series of Debentures.

Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant/DP	A depository participant as defined under the Depositories Act.
Disclosure Document/DD/Shelf Disclosure Document	This Shelf Disclosure Document through which the Issue is being made and which contains the disclosures as per Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.
DP-ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether towards coupon/redemption premium or repayment of the principal amounts due in respect of the Debentures.
ECS	Electronic Clearing System
EGM	Extra Ordinary General Meeting
Equity Shares	Equity shares of the Company of face value of Rs.10/- (Rupees Ten only) each.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
Interest/Coupon Rate	The rate of interest payable, if any, on the Debentures for the period specified in the relevant Supplemental Disclosure Document issued for each Tranche/Series of the Debentures.
Issue	Private placement of the Debentures.
INR/ Rs.	Rupees (Currency of Republic of India)
Investors	Those persons who fall under the category of eligibility to whom this Disclosure Document along with Supplemental Disclosure Document may be sent with a view to offering the debentures for sale on private placement basis through this Disclosure Document.
Majority Debenture Holders	Debenture Holders holding at least 51% of the outstanding amounts of Debentures
Market Lot	The minimum lot size for trading of the Debentures on the Stock Exchange, being 1 (one) Debenture.
Moveable Property	Moveable Property shall mean the specific identified Receivables of the Company provided as security in relation to the Debentures.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NA	Not Applicable
NPA	Non-Performing Asset
PAN	Permanent Account Number
Private Placement Offer Letter	Shall mean the offer letter prepared in compliance with Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, which shall be issued with respect to each Tranche issued under the Issue.
Rating Agency	CARE Ratings Limited
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
Record Date	Means in relation to any Due Date on which any payments are scheduled to be made by the Company to the Debenture Holders, the day falling at least 3 (Three) calendar days prior to such Due Date.
Receivables	Receivables shall mean all amounts payable to the Company by the obligors

	including principal, interest, additional interest, overdue charges, premium on prepayment, prepayment proceeds, gross of service tax (if any) arising out of any of loans and advances' of the Company.
Redemption Date	With respect to any Tranche/Series shall mean the date on which repayment of principal amount and all other amounts due in respect of the Debentures of that Tranche/Series will be made.
Registrar/Registrar to the Issue	NSDL Database Management Limited
RoC	Registrar of Companies
RTGS	Real Time Gross Settlement
Term	Description
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Debt Listing Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 vide notification dated October 12, 2012 and from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended/replaced from time to time.
Security	Means the security created or caused to be created by the Company to secure its obligations in respect of the Debentures.
Series	Any Series of Debentures (within a Tranche) issued under the Issue pursuant to the issue of a Supplemental Disclosure Document and Private Placement Offer Letter.
Super Majority Debenture Holders	Debenture Holders holding at least 75% of the outstanding amounts of Debentures
Supplemental Disclosure Document	Means the supplemental disclosure document to be issued by the Company Document(s) / broadly in the format provided in Annexure H hereof containing inter alia the issue price, Interest Rate (if any), redemption premium (if any) and other terms and conditions regarding each Tranche/Series of the NCDs issued under the Issue. The Company shall be free to amend the format of Supplemental Disclosure Document depending upon the terms and conditions of the NCDs being issued in each Tranche/Series.
TDS	Tax Deducted at Source
Tranche	Any tranche of Debentures issued under the Issue pursuant to the issue of a Supplemental Disclosure Document and Private Placement Offer Letter.
Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out hereinafter.
Stock Exchange	BSE
WDM	Wholesale Debt Market Segment of the BSE
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

TERMS AND CONDITIONS RELATING TO THE REFERENCE INDEX

“Disruption Event” means any Change in Law, Market Disruption Event or Trading Disruption or Reference Index Disruption;

“Change in Law” means that, on or after the Issue Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Company determines in its sole and absolute discretion that (i) it has become illegal for it or any of its affiliates or agents acting on its behalf to hold, acquire or dispose of any Component Asset, or (ii) the Company will incur a materially increased cost in performing its obligations in relation to the Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any of its affiliates or agents acting on its behalf);

“Component Asset” means any security comprised within the Reference Index from time to time;

“Disrupted Day” means, any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

“Early Closure” means, the closure on an Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day;

“Exchange” means the BSE, any successor to such exchange or any substitute exchange or quotation system to which trading in such shares underlying such Reference Index has temporarily relocated (provided that the Valuation Agent has determined that there is comparable liquidity relative to such shares underlying such Reference Index on such temporary substitute exchange or quotation system as on the original Exchange);

“Exchange Business Day” means, any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time;

“Exchange Disruption” means, any event (other than an Early Closure) that (i) disrupts or impairs the ability of market participants in general to obtain market values for, the Reference Index on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Reference Index on any relevant Exchange;

“Market Disruption Event” means, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Valuation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purpose of determining whether a Market Disruption Event exists in relation to the Reference Index at any time, if a Market Disruption Event occurs in respect of a security included in the Reference Index at any time, then the relevant percentage contribution of that security to the level of the Reference Index shall be based on a comparison of (a) the portion of the level of the Reference Index attributable to that security and (b) the overall level of the Reference Index, in each case immediately before the occurrence of such Market Disruption Event. The Valuation Agent shall, as soon as reasonably practicable, notify the Registered Debenture Holder of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been an Observation Date;

“Observation Date” shall mean each Date as specified in **Annexure A** below, provided that, if any such date is not a scheduled Reference Index futures expiry date, then the Reference Index futures expiry date as notified by the Exchange for that month will be considered as the Observation Date;

“Observation Time” means any time within normal business hours as may be determined by the Valuation Agent;

“Official Closing Level” means (subject to what is provided below in reference to Adjustments to the Reference Index), the official closing level of the Reference Index of a given day as determined by the Valuation Agent;

“Scheduled Closing Time” means, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time

of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

“Scheduled Trading Day” means any weekday on which the Exchange is scheduled to be open for trading for their respective regular trading sessions (other than special trading sessions);

“Trading Disruption” means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise (i) on the Exchange relating to the relevant share that comprise 20.00% or more level of the Reference Index or (ii) in futures or options contracts relating to the Reference Index on any relevant Exchange;

“Valuation Time” means the Scheduled Closing Time on the Exchange. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

Adjustments to the Reference Index

If the Reference Index:

1. is not calculated and published by the sponsor of the Reference Index but is calculated and published by a successor to the Sponsor acceptable to the Valuation Agent; or is replaced by a successor index using, in the determination of the Sponsor, the same or a substantially similar formula for and method of calculating the Reference Index, then in each case that index (the **“Successor Reference Index”**) will be deemed to be the Reference Index.

If:

(a) on or prior to any Observation Date or any other relevant date, the Sponsor announces that it will make a material change in the formula for or the method of calculating the Reference Index or in any other way materially modifies the Reference Index (other than a modification prescribed in that formula or method to maintain the Reference Index in the event of changes in constituent stock and capitalisation and other routine events) (a **“Reference Index Modification”**); or

(b) on an Observation Date, the Sponsor fails to calculate and announce the Reference Index (a **“Reference Index Disruption”**) and, together with a Reference Index Modification and a Reference Index Cancellation each a **“Reference Index Adjustment Event”**),

then the Valuation Agent shall, in its sole and absolute discretion, determine if such Reference Index Adjustment Event has a material effect on the Debentures and, if so, the Valuation Agent will calculate the Official Closing Level using, in lieu of a published level for the Reference Index, the level for the Reference Index as at the Valuation Time on the relevant Observation Date as determined by the Valuation Agent in accordance with the formula for and method of calculating the Reference Index last in effect prior to that change, failure or cancellation but using only those securities that comprised the Reference Index immediately prior to that Reference Index Adjustment Event.

If the level of the Reference Index in relation to an Observation Date used or to be used by the Valuation Agent to determine the Final Redemption Amount is subsequently corrected and such correction is published by the Sponsor no later than the second Business Day prior to the Final Maturity Date, then the level of the Reference Index for that Observation Date shall be the level of the Reference Index as so corrected.

If, on or prior to any Observation Date, the Sponsor permanently cancels the Reference Index and no Successor Reference Index exists (a **“Reference Index Cancellation”**), this shall constitute an Early Redemption Event for Extraordinary Reason as referred to in the Terms and Conditions above and accordingly consequent early redemption of the Debentures by the Company if so elected for by the Company.

1. If a Disruption Event occurs, the Company in its sole and absolute discretion may require the Valuation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Debentures to account for the Disruption Event and determine the effective date of that adjustment;

- (b) Upon the occurrence of a Disruption Event, the Company shall give notice as soon as practicable to the Registered Debenture Holders stating the occurrence of the Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Disruption Event.

SECTION III - RISK FACTORS

General Risk factors related to the Reference Index of NIFTY 50:

1. *Although the principal value on the NCDs is protected on maturity, the investment return on the NCDs is linked to the performance of the underlying Nifty 50 Index.*
2. *An investor in the NCD will not be entitled to receiving any interest payments and/or dividends and/or other distributions in the constituent stocks of the Nifty 50 index during the term of the NCD.*
3. *Even though the investment return on the NCDs is linked to the Nifty 50 index the return on the NCDs may not reflect the return an investor may realize if the investor was to actually own each of the constituent stocks comprising the Nifty 50 index. Further, the debenture holders will have no ownership rights on the constituent stocks of the Nifty 50 index.*

Internal Risk Factors

1. ***Any increase in the levels of non-performing assets ("NPA") on our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations.***

Consistent with the growth of our branch network and our product portfolio, we expect an increase in our loan assets. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. As of March 31, 2020, the gross value of NPAs on our books of accounts was 2% of our total loan book. While we believe that we have adequately provided for NPAs to cover known or expected losses which may arise in our asset portfolio, any increase in the level of final credit losses shall adversely affect our business and future financial performance.

Post COVID-19 lockdown being lifted, the operational and financial performance of the borrowers of the Company will be critical for maintaining reduced NPA levels. The NPA levels may temporarily increase due to cashflow issues with the borrowers. We may be impacted by volatility in interest rates or adverse market scenario which could cause our Gross Spreads to decline and consequently affect our profitability.

We are exposed to interest rate risks as a result of lending to customers at fixed/ floating interest rates and in amounts and for periods which may differ from our funding sources. While we seek to match our interest rate positions to minimise interest rate risk, we are unable to assure you that significant variation in interest rates or adverse market scenario will not have an effect on our results of operations. Moreover, volatility in interest rates is sensitive to factors which are beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other such considerations. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future and any significant increase in interest rates would adversely affect our business and results of operations.

2. ***We are subjected to supervision and regulation by the RBI as a systemically important NBFC, and changes in RBI's regulations governing us could adversely affect our business.***

Being an NBFC, the operations of the Company are subject to various regulations prescribed by the RBI and other statutory authorities including regulations relating to foreign investment in India. Pursuant to the regulatory framework for NBFCs issued by RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on February 17, 2020), the Company has been classified as a Systemically Important Non Deposit Accepting NBFC. Pursuant to the aforesaid circular, among other things, NBFCs will be required to consider a term loan inclusive of unpaid interest as non-performing asset if it is overdue for period of 3 months or more or on which interest amount remained overdue for period of 3 months or more and in respect of demand or call loan which remained overdue for period of 3 months or more from the date of demand or call or on which interest amount remained overdue for period of 3 months or more. Provisions for standard assets has 0.23%_ per cent by end of March 31, 2020. The Company is required to maintain a CAR of 15% besides complying with other Prudential Norms, directions and the requirements under the revised regulatory framework. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on investments and other activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected. Further, the RBI's may amend regulations/ guidelines applicable to NBFCs in future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance.

While the RBI has not provided for any restriction on interest rates that can be charged by non -deposit taking NBFCs but there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non-deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

3. Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs.

The RBI in its notification (No. RBI/2006-07/205/DBOD.No. FSD.BC.46 / 24.01.028 /2006-07) dated December 12, 2006 has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. This notification reduces the exposure (both lending and investment, including off balance sheet exposures) of a bank to NBFCs like us. Accordingly, banks' exposure limits on any NBFC are reduced from the 25% of the banks' capital funds to 10% of its capital funds. Furthermore, RBI has suggested that banks may consider fixing internal limits for their aggregate exposure to all NBFCs combined. This notification limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks and thereby increasing the cost of our borrowing.

This notification has adversely affected our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

Under the various schemes announced by the government for NBFCs, the impact on liquidity of the NBFCs depends majorly on the successful implementation of these by the Banks/ FIs.

4. Our ability to lend against security of shares may be restricted on account of guidelines issued by RBI, which may have a negative impact on our business and results of operation.

As per RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on February 17, 2020) has restricted 'Loan against Shares' business undertaken by NBFCs. Some of the requirements of such circular are: a. LTV ratio should not exceed 50%, and shall be maintained at all times. Any shortfall in the maintenance of the 50% LTV occurring on account of movement in the share price shall be made within 7 working days, b. In case where lending is done for investment in capital market, only Group 1 securities can be accepted as collateral for loans of value more than Rs.5 lakh subject to review by RBI, and c. to report on-line to stock exchanges, information on the shares pledged in favor of NBFC, by borrowers for availing loans. At this point, we cannot assure you that this notification and its applicability to us will not have a material and adverse effect on our future financial conditions and results of operations.

5. Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of borrowings such as term loans and working capital limits from banks and issuance of commercial paper, non-convertible debentures on private placement basis and equity on right issue basis. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

The RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on February 17, 2020) issued certain guidelines to NBFCs with respect to raising of money through private placement by them in the form of non -convertible debentures. These guidelines include restrictions on the minimum subscription amount for a single investor of Rs. 20,000, prohibition on providing loan against the security of its own debentures, etc. This has resulted in limiting the Company's ability to raise fresh debentures on private placement basis. Such changes in laws of the country applicable to our company can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition.

6. The financing industry is becoming increasingly competitive and our growth will depend on our ability to compete effectively.

The sector in which we operate is highly competitive and we face significant competition from banks and other NBFCs. Many of our competitors are larger institutions, which may have much larger customer and funding sources, larger branch networks and more capital than we do. Some of our competitors may be more flexible and better-positioned to take advantage of market opportunities. Private banks in India and many of our competitors outside of India may have operational advantages in implementing new technologies and rationalizing branches. These competitive pressures affect the industry in which we operate as a whole, and our future success will depend in large part on our ability to respond in an effective and timely manner to these competitive pressures.

Unlike commercial banks, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher cost syndicated loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks will depend, to some extent, on our ability to raise low -cost sources of funding in the future. If we are unable to compete effectively with other participants in the loan against security/property industry, our business, future financial performance and the trading price of the NCDs may be adversely affected.

Due to COVID -19 pandemic resulting in nation-wide lockdown, has impacted the growth prospects of the Company due to overall economic slowdown across all business segments. The growth strategies will have to be re-calibrated considering the revised economic scenarios.

7. Contingent Liability

The Company's contingent liabilities could adversely affect its financial condition. As on March 31, 2020, the Company had contingent liabilities of Rs 21.60 Crore on account of financial and other guarantees and other contingent liabilities.

8. We rely to some extent on Centrum Wealth Management Limited team and Centrum Broking Limited team, for our clientele, distribution network, connect and marketing to HNI and other investors connected to Centrum Wealth Management and Centrum Broking Limited that we enjoy in the industry and our brand name and any factor affecting the business and reputation, performance and strength of distribution capability of Centrum Wealth Management team or Centrum Broking team may have a concurrent adverse effect on our business and results of operations.

We source our clients inter alia from Centrum Wealth Management team and significantly benefit from the goodwill that Centrum Wealth Management team enjoys in the market. We believe that this goodwill ensures a steady inflow of business. In the event Centrum Wealth Management team is unable to maintain the quality of its services or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. Any failure to retain our Company name may deprive us of the associated brand equity that we have developed which may have a material adverse effect on our business and operations.

9. If we are unable to manage our rapid growth effectively, our business and financial results could be adversely affected.

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

The business of customers is temporarily impacted due to the recent Covid-19 Pandemic. This may result in temporary deterioration in customer credit and impact on their operational and financial performance. Thus the growth of the company with new credit disbursements has to be done cautiously.

10. Our growth will depend on our continued ability to access funds at competitive rates which are dependent on a number of factors including our ability to maintain our credit ratings.

As we are a "systemically important non-deposit accepting" NBFC and do not have access to deposits, our liquidity and ongoing profitability are primarily dependent upon our timely access to, and the costs associated with raising capital. Our business is significantly dependent on funding from the debt capital markets and commercial borrowings. The demand for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors including our ability to maintain positive credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. In relation to our long-term debt instruments, we currently have long term ratings of "CARE PP-MLD A- with Negative Outlook" from Care Ratings Limited. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. Any such adverse development could adversely affect our business, financial condition and results of operations.

Our business depends and will continue to depend on our ability to access diversified funding sources. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. As an NBFC, we also face certain restrictions on our ability to raise money from international markets which may further constrain our ability to raise funds at attractive rates. While our borrowing costs have been competitive in the past due to our ability to raise debt products, credit rating and our asset portfolio, in the event we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. This may adversely impact our business and results of operations.

11. We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.

We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. Our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

During the COVID 19 lockdown RBI has indicated various packages for extending moratorium to Borrowers for 6 months from Mar'20 to Aug'20. The lenders to the Company are still contemplating to extend the moratorium to NBFC's. Thus, there is a cashflow impact on Company which may lead to temporary asset liability mismatch for the Company

12. We extend loans against shares, and loan against properties or a combination of both to our clients, and any default by a client coupled with a downturn in the stock markets could result in substantial losses for us.

We extend "loans against shares", or margin funding loans, which are secured by liquid, marketable securities at appropriate or pre-determined margin levels. Recently as per RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on February 17, 2020) has restricted 'Loan against Shares' business undertaken by NBFCs. Some of the requirements of such circular are: (a) LTV ratio should not exceed 50%, and only Group 1 securities can be accepted as collateral for loans of value more than Rs.5 lakh subject to review by RBI. In the event of a volatile stock market or adverse movements in stock prices, the collateral securing the loans may decrease significantly in value, resulting in LTV to fall below the prescribed limit of 50% and consequential losses which we may not be able to support. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. There is little financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analysis on our clients. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include limits on the amount of margin, the quality of collateral provided by the client and pre-determined margin call thresholds, no assurance can be given that if the financial markets witnessed a significant single-day or general downturn, our financial condition and results of operations would not be adversely affected.

13. We do not own the premises where our branch office(s) is/are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.

At present we do not own the premises for our branch office(s). In the event the owner of the premises revokes the consent granted to us or fails to renew the tenancy, we may suffer disruption in our operations for certain periods of time.

14. We require several licenses and approvals for our business and in the event we are unable to procure or renew them in time or at all, our business may be adversely affected.

We require several licenses, approvals and registration in order to undertake our business activities. These registrations include registrations with the RBI as a systemically important non-deposit taking NBFC. We are also required to maintain licenses under various state Shops and Establishment Acts for some of our offices. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

15. A decline in our capital adequacy ratio could restrict our future business growth

Pursuant to the revised regulatory framework for NBFCs issued by RBI, vide its RBI Master Direction NBFC-SI-ND Directions, 2016- RBI/DNBR/2016-17/45 Master Direction DNBR.PD.CC.No.086/03.10.001 dated September 01, 2016 (Updated as on February 17, 2020), all systemically important non-deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items and Tier I capital of 10% by March, 2018. On an unaudited basis, our capital adequacy ratio computed on the basis of applicable RBI requirements was 25.33 % as of March 31, 2020, with Tier I capital being 23.49% and Tier II Capital being 1.84 % If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

16. We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India.

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. Moreover, new regulations may be passed that restrict our ability to do business. For example, regulatory restrictions on securitisation may be extended to bilateral assignment transactions, resulting in loss of arbitrage options.

We cannot assure you that we will not be subject to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon government policy. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.

17. We are subject to certain restrictive covenants in our loan/ funding documents, which may restrict our operations and ability to grow and may adversely affect our business.

There are restrictive covenants in the agreements we have entered into with our lenders. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion, taking up an allied line of business or making any amendments to Memorandum and Articles of Association etc. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business.

18. Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons. Our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees can be intense. While we have an incentive structure and an Employee Incentive Plan/ ESOP designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

Due to COVID-19 nationwide lockdown, all offices across the country were temporarily closed and all employees were continuing their services from home. In this scenario, keeping the employees motivated is a challenge and also the sales and marketing teams are refrained for approaching the prospective clients / borrowers. This would have temporary impact on the company's operational performance.

19. We may not be able to successfully sustain our growth plans.

In recent years, our growth has been fairly substantial. Our growth plan includes growing our secured lending, expanding our customer base and presence. There can be no assurance that we will be able to sustain our growth plan successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. Our branch network has expanded as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks, including business and operational risks, such as the possibility of growth of NPAs, fraud risks and regulatory and legal risks.

Our ability to sustain our rate of growth also significantly depends upon our ability to recruit trained and efficient personnel and retain key managerial personnel, maintain effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. As we grow we will need to recruit new employees, who will have to be trained and integrated

into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to integrate our employees properly may result in an increase in employee attrition rates, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

Due to COVID -19 pandemic resulting in nationwide lockdown, has impacted the growth prospects of the Company due to overall economic slowdown across all business segments. The growth strategies will have to be re-calibrated considering the revised economic scenarios.

20. Our insurance coverage may not adequately protect us against losses.

We maintain certain insurance coverage that we believe is adequate for our operations/ purposes. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductible s, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co - insurance requirement, could adversely affect our business, financial condition and results of operations.

21. Any change in control of our Promoter or our Company may correspondingly adversely affect our operations and profitability.

As on March 31, 2020, the Promoter holds 100% equity capital of the Company. Any change in control of the Promoter / Promoter Group may have an adverse effect on the operations of the Company including influencing the policies of the Company.

22. Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts.

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires among other things, policies and procedures properly to record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

Our future success will depend, in part, on our ability to respond to new technological advances and emerging banking and housing finance industry standards and practices on a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will be able to successfully implement new technologies or adapt its transaction processing systems to customer requirements or emerging market standards.

23. Our Company is exposed to many operational risks which could materially impact our business and results of operations.

Our Company is exposed to many types of operational risks. Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing

employees with continuous training. Any failure to mitigate such risks could adversely affect our business and results of operations.

24. High levels of customer defaults could adversely affect our business, financial condition and results of operations.

We are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

25. Significant fraud, system failure or calamities could adversely impact our business.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Although we take adequate measures to safeguard against system-related and other frauds, there can be no assurance that it would be able to prevent frauds.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees and unauthorized transactions by employees. Although we have been careful in recruiting all our employees, we have in the past been held liable for the fraudulent acts committed by our employees adversely impacting our business. Our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders.

26. We depend on the accuracy and completeness of information about customers and counterparties which may adversely affect our reputation and business.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform to generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading.

Moreover, we have implemented KYC norms and other measures, to prevent money laundering. In the event of ineffectiveness of these norms and systems, our reputation, business and results of operations may be adversely affected.

27. Inaccurate appraisal of credit may adversely impact our business.

We may be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

28. We have entered into some related party transactions and may continue to enter into related party transactions, which may involve conflict of interest.

Our Company enters into transactions with the related parties in the ordinary course of business pursuant to the applicable provisions of the Companies Act, 2013. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties.

- 29. Our Group Companies may be subject to certain legal proceedings and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in litigating any or all of the disputes, our business and results of operations may be adversely affected.**

Our group companies may be subject to a number of legal proceedings. We may incur a substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we shall be successful in any or all of these actions. In the event we suffer any adverse order, our reputation may suffer and may have an adverse impact on our business and results of operations.

External Risk Factors:

- 30. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.**

Our business is highly dependent on Indian and international markets and economic conditions. Such conditions in India include fluctuations in interest rates; changes in consumer spending; the level of consumer confidence; housing prices; corporate or other scandals that reduce confidence in the financial markets, among others. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates, investor sentiment, inflation, the availability and cost of capital and credit, and the degree to which international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions can directly and indirectly affect demand for our lending finance and other financial products, or increase the cost to provide such products.

Global financial markets were and continue to be extremely volatile and were materially and adversely affected by a significant lack of liquidity, decreased confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices and erosion of consumer confidence.

These factors have contributed to and may continue to adversely affect our business, financial condition and results of operations.

- 31. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.**

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

- 32. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

33. Natural calamities could have a negative impact on the Indian economy, particularly the agriculture sector, and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon in 2012 affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

34. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to raise financing for onward lending and the price of our NCDs.

35. Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry.

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

36. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed/to be imposed by the central and state governments in India that affect our tax liability include: (i) central and state taxes and other levies; (ii) income tax; (iii) value added tax; (iv) turnover tax; (v) service tax; (vi) stamp duty; (vii) GST and (viii) other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a Direct tax code is proposed to be introduced in the Indian Parliament.

The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge could change. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

37. Financial instability in other countries could disrupt our business.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the economy as a whole, in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any

worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

In the event that the current difficult conditions in the global credit markets continue or if the recovery is slower than expected or if there any significant financial disruption, this could have an adverse effect on our cost of funding, loan portfolio, business, prospects, results of operations and financial condition.

38. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen.

If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Prospectus.

39. Foreign Investors, including FPIs subscribing to the NCDs are subject to risks in connection with (i) exchange control regulations, and, (ii) fluctuations in foreign exchange rates.

The NCDs will be denominated in Indian rupees and the payment of interest and Redemption Amount shall be made in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the NCDs held by FPIs (Exchange Control Regulations). The amounts payable to FPIs holding the NCDs, on redemption of the NCDs and/or the interest paid/payable in connection with such NCDs would accordingly be subject to prevailing Exchange Control Regulations. Any change in the Exchange Control Regulations may adversely affect the ability of such FPIs to convert such amounts into other currencies, in a timely manner or at all.

Further, fluctuations in the exchange rates between the Indian rupee and other currencies could adversely affect the amounts realized by FPIs on redemption or payment of interest on the NCDs by us.

40. The offering of NCDs to FPIs is subject to restrictions imposed by jurisdictions where such investors are resident in and of laws to which they are otherwise subject to.

FPIs who intend to participate in the Issue must comply with the laws, rules and regulations of the jurisdiction they are resident in and laws, rules and regulations to which they are otherwise subject to in connection with the purchase and sale of NCDs. No offer or sale of NCDs, pursuant to this Prospectus or otherwise, is being made in the United States or any other jurisdiction where it is unlawful to do so.

41. Outbreak of COVID-19 pandemic

'The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant impact and volatility in the global and Indian financial markets and slowdown in economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package on March 27, 2020, April 17, 2020 and 23 May 2020 and in accordance therewith, the Company has engaged with customers and offered repayment moratorium to various eligible borrowers classified as standard, even if the said amounts were overdue on February 29, 2020, excluding collections made in March 2020 prior to the offer. For all such accounts, where the moratorium is granted, the asset classification i.e. staging will remain at a standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the policy). Extension of such moratorium benefit to the borrowers as per the COVID-19 Regulatory Package of the Reserve Bank of India (RBI), by itself, is not considered to result in significant increase in the credit risk as per Ind AS 109 for staging of accounts. Further, the Company has considered the moratorium and various other measures taken by Government and regulators and have assessed that no further provisioning on account COVID 19 is required at this time in the Statement of Profit and Loss for the year ended March 31, 2020. Further, the Company expects that all other assets including Goodwill of the Company are recoverable and goodwill is not impaired. The impact of COVID -19 is dynamic, evolving and uncertain and impact assessment is based on the current situation.

Product related risk factors:

1. **The composition of the securities underlying the Reference Index to which a Debenture may be linked may change over time.**

The composition of the constituents of the Reference Index to which the Debentures are linked may change over time. The Reference Index sponsor may, in its sole discretion, add, delete or substitute the securities underlying the index or make other methodological changes required by certain corporate events relating to the securities underlying the Reference Index that could change the value of the index. There may be additions to the securities in Reference Index to which the Registered Debenture Holders may not want exposure, or deletions of securities to which they would want exposure. The Registered Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of constituents of Reference Index as of the date hereof.

2. **Disclaimer in relation to Valuation.**

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions.

The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different.

Structure Risks

PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES.

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments. Please note that both the return on the Debentures and the return of the principal amount in full are at risk if the Debentures are not held till, or for any reason have to be sold or redeemed, before the final Redemption Date. The Debentures are a principal protected product only upon maturity.

The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till final Redemption Date. The Registered Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures till the final Redemption Date. Prior to investing in the Debentures, a prospective Investor should ensure that such prospective Investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective Investor in light of such prospective Investor's experience, objectives, financial position and other relevant circumstances. Prospective Investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective Investor considers necessary in order to make their own investment decisions.

An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable

or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than the holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

Model Risk

Investment in the Debentures is subject to model risk.

The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

Prepayment or Early Redemption or Premature Exit

The Investor may lose money or may not be able to sell their debentures, if the Company decides to prepay or early redeem or decides to exit prematurely.

Credit Risk

While, the repayment of sums due at maturity is provided by the Issuer, Investors should be aware that receipt of any coupon payment and principal amount at maturity on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Company will not be able to satisfy their obligations under the Debentures and Investor may or may not recover all or part of the Principal Amount in case of default by the Issuer. Any stated credit rating of the Company reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Company. Any downgrading of the credit ratings of the Company or its parent or affiliates, by any rating agency could result in a reduction in the value of the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

The Debenture holders should consult their own tax, legal, accounting experts to determine the impact of any change in valuation, returns etc of these debentures in case of any prepayment or early redemption or premature exit by the Company.

Risks relating to Debentures due to linkages to the reference asset

An investment in any series of Debentures that has payments of principal, coupon or both, indexed to the value of any equity share, index or any other rate, asset or index, or a basket including one or more of the foregoing and /or to the number of observation of such value falling within or outside a pre-stipulated range (each of the foregoing, a "Reference Value") will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the applicable Reference Value and how such changes will impact the amount of any principal or coupon payments linked to the applicable Reference Value. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and political events. Past performance of any Reference Value to which any principal or coupon payments may be linked is not necessarily indicative of future performance. Investors should be aware that a Reference Value may go down as well as up and/or be volatile and the resulting impact such changes will have on the amount of any principal or coupon payments will depend on the applicable index formula. The Registered Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures and the Debentures are not sold or redeemed or bought back till the Final Maturity Date.

If so specified, the early redemption amount, if any, may in certain circumstances be determined by the Valuation Agent based upon the market value of the Debentures less any costs associated with unwinding any hedge positions relating to the particular series of Debentures. In the event the terms and conditions do not provide for a minimum redemption amount even in the event of an early redemption, then on such occurrence a holder may receive less than 100.00% of the principal amount. In case of principal/capital protected market linked debentures, the principal amount is subject to the credit risk of the Issuer whereby the Registered Debenture Holder may or may not recover all or part of the funds in case of default by the Issuer. However, if the Debentures are held till the final maturity date, subject to credit risk of the Issuer, the Registered Debenture Holder of the Debenture will receive at least the principal amount.

The Debentures are likely to be less liquid than conventional fixed or floating rate debt instruments. No representation will be made as to the existence of a market for a series of Debentures. While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given, if any, will be affected by many factors including, but not limited to, the remaining term and outstanding principal amount of the particular series of Debentures, the level of the Reference Value, fluctuations in interest rates and/or in exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective Investors must be prepared to hold any series of Debentures for an indefinite period of time or until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

Early Redemption for Extraordinary Reason, Illegality and Force Majeure, if for reasons beyond the control of the Issuer, the performance of the Issuer's obligations under the Debentures is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Issuer, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Issuer may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Registered Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "Early Redemption Date").

Provided however if the Issuer believes or is advised that it is necessary to only redeem and/or arrange for the purchase of Debentures held by only certain class of Registered Debenture Holders to overcome or mitigate any such force majeure, then the Issuer may without obligation to do so, redeem and/or arrange for the purchase of only such number of Debentures actually held by such class of Registered Debenture Holders at the relevant time. If the Debentures are bought by the Issuer, the Issuer will, if and to the extent permitted by applicable law, pay to each Registered Debenture Holder in respect of each Debenture held by such holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Calculation Agent in its sole and absolute discretion.

Early Redemption Amount means fair market value as determined by the Calculation Agent minus associated costs.

No Claim against reference asset

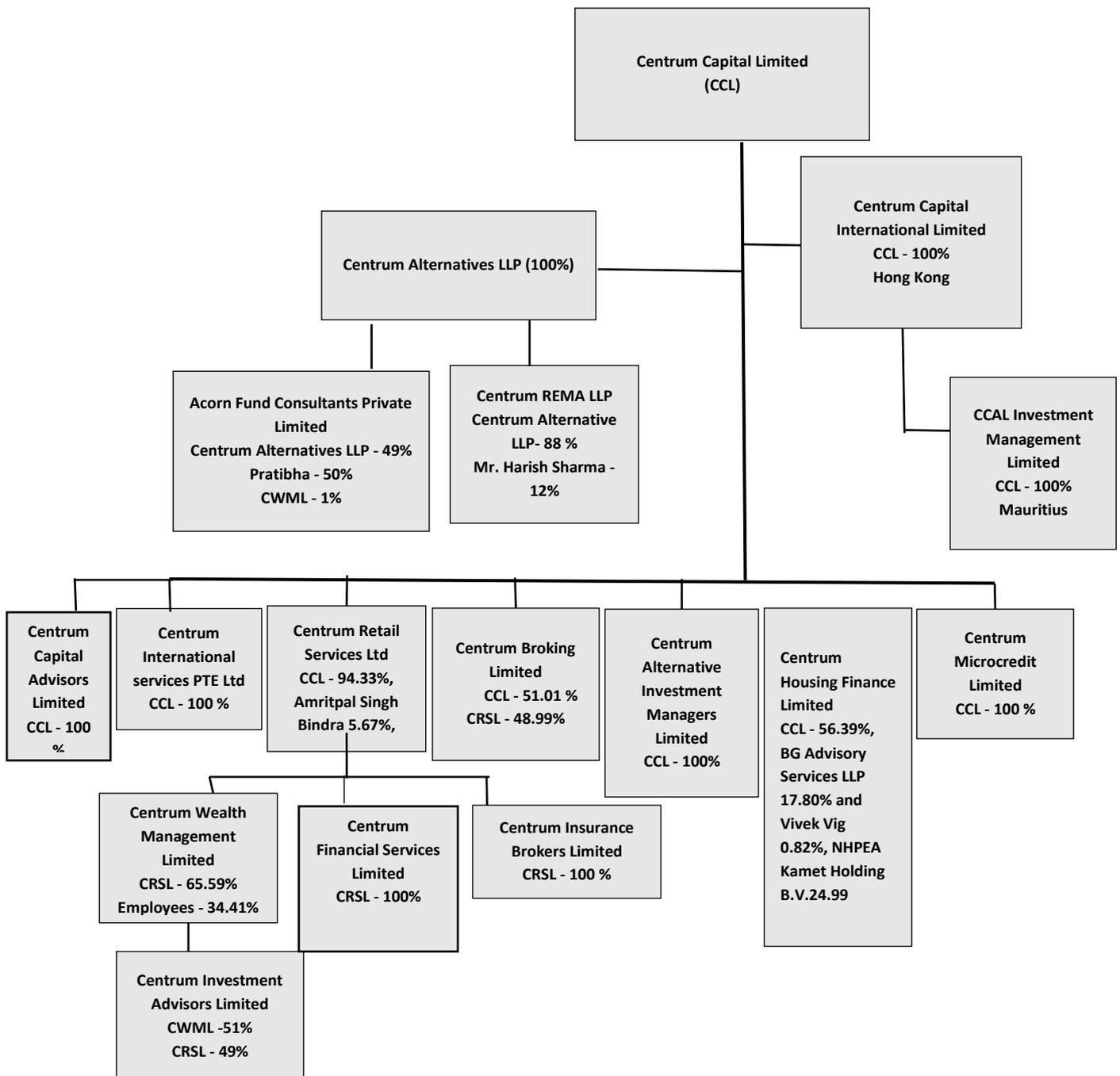
Registered Debenture Holders do not have any interest in or rights to the underlying assets, indices or securities to which Debentures relate.

SECTION IV - ISSUER INFORMATION

1. General Information about the Issuer:

Issuer Name	Centrum Financial Services Limited
Registered office & Corporate office	Registered Office: 2 nd Floor, Bombay Mutual Building, Dr. D. N. Road, Fort, Mumbai – 400001 Corporate Office: Centrum House, C.S.T. Road, Vidyanagari Marg Kalina, Santacruz East, Mumbai – 400098 Tel.: +91 22-42159000 Email: cs@centrum.co.in Website: www.centrum.co.in
Date of incorporation	January 27, 1993
Company Secretary & Compliance Officer for the Issue	Ms. Archana Goyal Address: Centrum House, C.S.T. Road, Vidyanagari Marg Kalina, Santacruz East, Mumbai – 400098 Tel.: +91 22 42159000 Email: cs@centrum.co.in
Chief Financial Officer	Mr. Abhishek Baxi Address: Centrum House, C.S.T. Road, Vidyanagari Marg Kalina, Santacruz East, Mumbai – 400098 Tel.: +91 22 42159000 Email: abhishek.baxi@centrum.co.in
Trustee of the Issue	Beacon Trusteeship Limited Address: 4C, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Club, Bandra (E), Mumbai 400 051 Tel: +91 22 26558759 Email: deepavali@beacontrustee.co.in Website: www.beacontrustee.co.in
Registrar of the Issue	NSDL Database Management Limited Address: 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 49142700 Fax: +91 22 49142503 E-mail: nileshb@nsdl.co.in Website: www.nsdl.co.in
Credit Rating Agency of the Issue	CARE Rating Limited Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, off: Eastern Express Highway, Sion (E), Mumbai - 400022 Tel: +91 22 67543456 Fax: +91 22 67543457 Website: www.careratings.com
Auditors of the Issuer	Haribhakti & Co. LLP Address: 701, Leela Business Park, Andheri Kurla Road, Andheri East, Mumbai - 400059
Arrangers of the Issue	Centrum Investment Advisors Limited Address: Centrum House, C.S.T. Road, Vidyanagari Marg Kalina, Santacruz East, Mumbai – 400098

2. Our Corporate Structure:



3. A brief history of our Company since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed).

a. Corporate profile

The Company is promoted by Centrum Retail Services Limited which is a subsidiary company of Centrum Capital Limited. The Company was originally incorporated in the year 1993 and is presently a 100% subsidiary of Centrum Retail Services Ltd. The Company is registered with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934, by a Certificate of Registration No. N-13.01925 dated August 14, 2009 and is a Non Deposit Accepting Systematically Important Non-Banking (Non Deposit Accepting) Financial Company (NBFC-ND-SI). Centrum Financial Services Limited (“CFSL”), with its team of rapidly growing professionals, each with diverse and in-depth banking experience, provides a strong credit evaluation and compliance mechanism through a complete digitized process. We actively collaborate with Centrum Group's well-established investment banking, real estate, debt capital markets and wealth management businesses for cross-selling, sourcing and down-selling of credit products.

b. Change in registered office of our Company

None

c. Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association is: *To carry on the business of finance company including lease finance, hire purchase finance, factoring and all types of financing and to provide finance by loans, advances, deposits, giving credits and guarantees otherwise to any persons, firms, companies, co-operative societies, trusts, non-trading corporations and other organizations and to carry out finance operations of all kinds for managing, purchasing, selling, and hiring of all kinds of properties and to perform financial services such as financial consultants, advisors, portfolio managers and fund appraisers.*

d. CAPITAL STRUCTURE

i. Details of share capital

The share capital of our Company as at March 31, 2020 is set forth below:

Share Capital	In Rs.
Authorised Share Capital	
15,00,00,000 Equity Shares of Rs. 10 each	1,50,00,00,000
Total Authorised Share Capital	1,50,00,00,000
Issued, Subscribed and Paid-up share capital	
9,89,56,942 Equity Shares of Rs. 10 each	98,95,69,420
Total Issued, Subscribed and Paid-up share capital	98,95,69,420

Capital Structure	In Rs.
Paid up capital:	
i. After the offer	98,95,69,420
ii. After conversion of convertible instruments	Will depend on Conversion price
iii Share premium account	1,86,39,95,419

ii. Changes in the authorized capital of our Company as on March 31, 2020 for last five years:

Date of Approval	Authorised Share Capital (in Rs.)	Particulars
23/09/2015	31,50,00,000	Authorized capital increased to Rs. 31,50,00,000/- divided into 3,14,99,900 (Three Crores Fourteen Lacs Ninety-Nine Thousand Nine Hundred) Equity Shares of Rs.10/- (Rupees Ten only) each and 10,000 (Ten Thousand) 9% Cumulative Convertible preference shares of Rs. 0.10 (Ten Paisa only) each
08/10/2015	38,00,00,000	Authorized capital increased divided into 379,99,900 equity shares of Rs. 10 each and 10,000 9% cumulative convertible preference shares of Rs.0.10 paise
06/11/2017	38,00,00,000	Authorized capital reclassified into 380,00,00 equity shares of Rs. 10 each
06/11/2017	1,00,00,00,000	Increase in authorized capital to Rs. 1,00,00,00,000/- (Rupees One Hundred Crore Only) divided into 10,00,00,000 (Ten Crore Only) Equity Shares of Rs.10/- (Rupees Ten only) each
-	102,12,00,000	Increase in authorized capital pursuant to amalgamation of Shree Srinivas Realtors Private Limited and Agrata Mercantile Private. Limited into the Company in F.Y. 2017-18
10/8/2018	1,50,00,00,000	Increase in authorized capital to Rs. 1,50,00,00,000/- (Rupees One Hundred and Fifty Crore Only) divided into 15,00,00,000 (Fifteen Crore Only) Equity Shares of Rs.10/- (Rupees Ten only) each

iii. Equity Share Capital allotment history of our Company as on March 31, 2020 for last five years:

Date of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration (Cash, other than cash etc.)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Equity Share Capital (in Rs.)	Cumulative Equity Share Premium (in Rs.)
03.10.2015	1,49,62,500	10	28.51	42,65,80,875	Rights issue	1,49,62,500	197,125,000	18.51
05.10.2015	11347222	10	28.51	32,35,09,299.2	Rights issue	2,63,09,722	310,597,220.	18.51
12.10.2015	5823698	10	28.51	16,60,33,629	Rights issue	3,21,33,420	368,834,200	18.51
29.03.2018	1,99,78,522	10	20.02	59,97,55,230	Rights issue	5,21,11,942	568,619,420	20.02
20.06.2018	50,00,000	10	20	15,00,00,000	Conversion of CCD	5,71,11,942	618,619,420	20
26.09.2018	70,95,000	10	28.06	199,08,570	Conversion of CCD	6,89,56,942	689,569,420	18.06
2.11.2018	3,00,00,000	10	30.00	90,00,00,000	Rights issue	9,89,56,942	989,569,420	20.00

iv. Details of any acquisition, amalgamation, reorganization or reconstruction in the last 1 year.

Type of event	Date of Announcement	Date of completion	Details
Reorganisation	10/05/2019	28/06/2019	The 100% shareholding of the Company was transferred to Centrum Retail Services Limited from Centrum Capital Limited.

4. Shareholding Pattern & Top Ten shareholders of our Company as on March 31, 2020:

Sr. No.	Name of the Shareholder	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares	Shares pledged or otherwise encumbered	% of Shares pledged with respect to shares owned
1	M/s. Centrum Retail Services Limited	9,89,56,936	9,89,56,936	99.999994%	-	-
2	Mr. Alpesh Shah, Nominee of Centrum Retail Services Limited	1	1	0.000001%	-	-
3	Mr. Shailendra Apte, Nominee of Centrum Retail Services Limited	1	1	0.000001%	-	-
4	Mr. Ajay Sharma, Nominee of Centrum Retail Services Limited	1	1	0.000001%	-	-
5	Mr. V. Sriram, Nominee of Centrum Retail Services Limited	1	1	0.000001%	-	-
6	Mr. Ashok Poojari, Nominee of Centrum Retail Services Limited	1	1	0.000001%	-	-
7	Mr. Archana Goyal, Nominee of Centrum Retail Services Limited	1	1	0.000001%	-	-
	Total	9,89,56,942	9,89,56,942	100%	-	-

5. Directors of the Company

The following table sets out the details regarding the Board of Directors as on the date of this Disclosure Document.

Name, Designation, Nationality, DIN	Age (years)	Address	Date of Appointment	Other Directorships
Ranjan Ghosh MD & CEO DIN: 07592235 Nationality: Indian Occupation: Services	57	C-1701/2 Plot 63/7-4, Ashok Tower, Dr.S.S.Rao Road, Opp. Mahatma Gandhi Hospital, Parel, Mumbai-400012	17/08/2016	1. Centrum Microcredit Limited
Shailendra Apte Non-Executive Director DIN: 00017814 Nationality: Indian Occupation: Service	50	10, Dhavalgiri CHS, Plot 31, Sec 2, Vashi, Navi Mumbai-400703	29/09/2015	1. Centrum Microcredit Limited 2. Centrum Insurance Brokers Limited 3. Acorn Fund Consultants Private Limited 4. Pyxis Finvest Limited 5. Geometric Mercantile Company Private Limited 6. Softchip Technologies Limited 7. Shaan Agro and Realty India Private Limited 8. Centrum Infrastructure and Realty Limited 9. Breakfast App Private Limited 10. Centrum Holdings Limited

Name, Designation, Nationality, DIN	Age (years)	Address	Date of Appointment	Other Directorships
Rishad Byramjee Non-Executive Director DIN: 00164123 Nationality: Indian Occupation: Service	39	Shahnazeen, 6 th floor, Babulnath Road, Near Babulnath Temple, Babulnath, Mumbai- 400007	24/12/2002	1. Lion Estates Private Limited 2. Aquarius Estates Private Limited 3. Nightingale Estates Private Limited 4. Casby Logistics and Solutions Private Limited 5. Casby Global Air Private Limited 6. Sea Freight Pvt Ltd 7. Machado And Sons Agents and Stevedores Private Limited 8. Dinshaw and Sons Private Limited 9. M Dinshaw and Company Private Limited 10. Kavita Stockbrokers Private Limited 11. Sika Properties Private Limited 12. Jakari Developers Private Limited 13. Kaikobad Byramjee and Sons (Agency) Private Limited 14. Casby Logistics Private Limited 15. Centrum Microcredit Limited 16. Centrum Capital Limited 17. Centrum Holdings Limited
G S Sundararajan Independent Director DIN: 00361030 Nationality: Indian Occupation: Service	59	Flat 1002, The Summit, No.6, 1st Avenue, Shastri Nagar, Chennai- 600020	12/10/2017	1. Paytm Payments Bank Limited 2. Hinduja Housing Finance Limited 3. Hinduja Leyland Finance Limited 4. Shriram Seva Sankalp Foundation 5. Utkarsh Coreinvest Limited
Dipali Sheth Independent Director DIN: 07556685 Nationality: Indian Occupation: Service	54	Address :Lodha Bellissimo, A Wing, Apt 2002, N.M. Joshi Marg, Apollo Mills Compound, Mahalaxmi, Mumbai-400011	16/05/2018	1. DFM Foods Limited 2. UTI Asset Management Company Limited
Subrata Kumar Mitra Independent Director DIN: 00029961 Nationality: Indian Occupation: Service	72	1201, Pheonix Tower B, Senapati Bapat Marg, Lower Parel, Mumbai 400013	14/05/2020	1. Centrum Capital Limited 2. Cheminova India Limited 3. Robocash Private Limited 4. Asirvad Micro Finance Limited 5. L&T Mutual Fund Trustee Limited 6. Onward Technologies Limited
Siddhartha Sengupta Independent Director DIN: 08467648 Nationality: Indian Occupation: Service	61	Flat No. A-604, Sai Sapphire , Plot No. 178/180, Sector 20, Ulwe, Panvel, Raigarh -410206	14/05/2020	1. Tara Chand Logistic Solutions Ltd. 2. The Federal Bank Ltd 3. Standard Chartered Investments and Loans (India) Limited 4. IIFL Trustee Limited

Note: None of the above directors appear in the RBI defaulter list and/or ECGC default list.

6. Brief profile/particulars of Directors & Key Managerial Personnel of the Company**1. Mr. Ranjan Ghosh:**

Mr. Ranjan Ghosh has close to 25 years of rich experience in the Banking & Financial Service Industry. He brings a wide array of professional and industry contacts, a deep understanding of Risk Management and Financial Markets and international best practices in Governance, Human Resources, etc. He has held several Senior Management roles in Standard Chartered in India and Singapore. He was also associated with HSBC and CRISIL. Ranjan has done his Masters of Business Administration from The University of Northern Iowa - USA and Bachelor of Electrical Engineering from Jadavpur University, Kolkata.

2. Mr. Shailendra Apte:

Mr. Apte is a post graduate in management studies and has around 25 years of experience in financial services sector. He started his career as part of the Corporate Finance Team in a leading financial services company. He had set up South India operations of the Company and has handled all products in the debt division of the Company. At Centrum, he has been a key member of the lease syndication team specializing in lease pricing.

3. Mr. Rishad Byramjee:

Mr. Byramjee has around 20 years of experience in different businesses and has been actively involved with Casby Logistics Pvt Ltd. He has also been actively associated with other companies of the Casby group such as Ferrari Express India Pvt Ltd., Cassinath Truckers Pvt Ltd., K.B. & Son (Agency) Pvt Ltd. He also spearheads all new logistics ventures for the organization.

4. Mr. G S Sundararajan

Mr. Sundararajan holds a Bachelor of Engineering degree from Coimbatore and a Post Graduate Diploma in Management from the Indian Institute of Management (IIM), Ahmedabad. G.S. Sundararajan is presently serving on Boards of several reputed companies in the Banking and Financial Service Industry. He is also actively involved in the field of Social Entrepreneurship in an advisory capacity. G S Sundararajan was till recently the Group Director, Shriram Group. He joined Shriram Group as the Managing Director of Shriram Capital Ltd, the Holding Company of Shriram Group's financial services and Insurance businesses across India and overseas.

In his capacity as Group Director, Mr. Sundararajan was a director on the Board of these subsidiaries to provide oversight in critical areas of strategic growth opportunities for each of these companies. Earlier to this, he was the Managing Director and Head of Citibank's SME and Asset Based Finance business in India. He had an exceptional stint at Citibank where he built the SME and ABF business of the bank across the country.

5. Ms. Dipali Sheth

Ms. Dipali Sheth was the Country Head of HR in R B Sand was overseeing HR function across all businesses and Geographies in India. She is a seasoned HR professional with previous experience in Standard Chartered Bank where she joined in Learning and Development, moved onto Head Resourcing and Talent, Head HR Wholesale Bank and included experience in the Standard Chartered acquisition of Grindlays.

Ms. Sheth then left after twelve years of rich and diverse roles as Head H R South Asia to join ABN Amro /RBS. Prior to working in Standard Chartered Bank, she has worked in Procter and Gamble India Ltd, where she was the first woman leader to be hired in sales in Procter & Gamble India.

6. Mr. Subrata Kumar Mitra:

Mr. Subrata Kumar Mitra has more than 40 years of experience in the financial industry. He has held roles in companies such as Standard Chartered, American Express and the Aditya Birla Group, operating across functions such as investment banking, asset management and financial services.

Mr. Mitra is one of the early investment bankers in India. He was instrumental in setting up the Merchant Banking Divisions of Bank of India in 1977 and then in 1978 for Standard Chartered Bank in Mumbai. Mr. Mitra had at different times managed each of businesses directly as CEO. He was a member of Board, Executive Committee, Investment Committee, and Audit Committee of companies in financial services. He was also inducted on the Board of Aditya Birla Nuvo, one of the flagship companies of the Aditya Birla Group and on the Board of Aditya Birla Management Corporation Ltd, the supervisory Board of the Group.

He has vast experience in setting up and running new ventures in full range of financial services, to develop differential business strategies for rapid growth, to develop and manage relationship with foreign multinational investors and in dealing with regulators. Mr. Mitra gave top priority to Risk Management and Transparency. With effect from August 1, 2007, he stepped down from active role for an advisory role.

7. Siddhartha Sengupta:

Mr. Siddhartha Sengupta has a career banker with SBI spanning 36 years in key leadership roles in India and overseas, with hands on exposure in the areas of Corporate Credit, SME Credit, Trade Finance, International Banking business, managing key client relationships globally and banking regulatory compliance in multiple jurisdictions. Leadership experience include five years of board level experience in India and abroad.

Last assignment in SBI was as Deputy Managing Director in charge of International Banking Group of SBI from 1st December 2014 to 31st January 2019, responsible for SBI's international strategy and overseeing a balance sheet of USD 55 bn spread across 35 countries. Responsibilities included chairing the boards of five overseas subsidiaries of SBI in advanced regulatory jurisdictions including the USA, Canada and UK in addition to driving strategic business development and risk management in multiple jurisdictions overseas.

8. Ms. Archana Goyal – Company Secretary

Ms. Archana Goyal is a Qualified Company Secretary with more than 15 years of rich and qualitative experience in compliances under various Corporate and SEBI Laws. She is associated with Centrum Group since more than five years and has handled important projects in group companies including. Besides regular Secretarial Compliances, she assists in fund raising activities within the group through different means, vis. Preferential Issue, Rights Issue, PE investments, Private placement of Equity / Debentures, issue of DVRs, Issue of Warrants, Buy-back of Shares, Listing of Shares & Debentures on Stock Exchanges, etc. She has been involved in the various acquisitions and disinvestments done within Centrum Group. Besides her expertise includes drafting and Managing ESOP Scheme, handling due diligences, drafting, vetting, negotiating and finalising legal documents, providing legal support and advice on IPR matters, etc.

9. Mr. Abhishek Baxi – Chief Financial Officer

Abhishek Baxi is Chartered Accountant by qualification with over 15 years of extensive experience in Banking and Finance Industry. He has worked in Audit Division of KPMG, India and KPMG, London at the beginning of his career. Thereafter, he has worked as Chief Financial Officer, Internal Controls Officer and / or Compliance Officer in renowned Companies/NBFCs like UBS, Karvy Financial Services Limited, Unimoni Financial Services Limited and Edelweiss Asset Reconstruction Company covering areas like Finance and Accounts, Regulatory Reporting, Management Reporting, Taxation, Planning, Fund raising, Budgeting and Strategy, Investor Relations, Compliance and Internal Controls and Risk Assessment.

7. Details of change in directors since last three years:

Name of Director, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Rajesh Nanavaty Independent Director DIN: 00005076	Resignation: October 12, 2017	October 05, 2016	None
Mr. Subhash Kutte Independent Director DIN: 00233322	Resignation: December 14, 2017	October 05, 2016	None
Mr. Harish Engineer Independent Director DIN: 01843009	Appointment: August 19, 2017	March 1, 2019	None
Mr. G S Sundararajan Independent Director DIN: 00361030	Appointment: October 12, 2017	NA	None
Ms. Dipali Sheth Independent Director DIN: 07556685	Appointment: May 16, 2018	NA	None
Mr. R S Reddy Independent Director DIN: 02339668	Resignation: May 06, 2020	September 4, 2018	None
Mr. Shailendra Apte Non-Executive Director DIN: 00017814	Appointment as Whole Time Director: December 21, 2015	NA	Change in Designation to Non-Executive Director w.e.f. May 16, 2018
Name: Subrata Kumar Mitra Independent Director DIN: 00029961	Appointment: May 14, 2020	NA	-
Name: Siddhartha Sengupta Independent Director DIN: 08467648	Appointment: May 14, 2020	NA	-

8. Auditors of Company

Name	Address	Auditor since
Haribhakti & Co. LLP	701, Leela Business Park, Andheri Kurla Road, Andheri East, Mumbai – 400059	April 1, 2019

9. Details of change in auditor since last three years:

Name of Auditor	Address	Date of Appointment	Auditor of the Company since (in case of resignation)	Reason
Walker Chandio & Co. LLP	Walker Chandio & Co LLP 16th Floor, Tower II, Indiabulls Finance Centre, S B Marg, Elphinstone (W). Mumbai-400013	August 29, 2017	FY 2017-2018	Resignation
Haribhakti & Co. LLP	701, Leela Business Park, Andheri Kurla Road, Andheri East, Mumbai – 400059	August 06, 2019	F.Y 2019-2020	N.A.

10. Brief Summary of the business/ activities of the Issuer and its line of business:**Overview of business:**

Centrum Financial Services Limited with its team of rapidly growing professionals, each with diverse and in-depth banking experience, provides a strong credit evaluation and compliance mechanism through a complete digitized process. We actively collaborate with Centrum group's well-established investment banking, real estate, debt capital markets and wealth management businesses for cross-selling, sourcing and down-selling of credit products. Our Company is in the following line of business:

i. Commercial Finance

Commercial Finance (CF) assists SMEs, Start-ups in new age economies and their founders to scale the businesses. The clients in these segment, in essence is the 'sweet spot' of the Indian economy. Companies Commercial Finance aims to create value, by fulfilling capital and credit needs of this segment through loan products in a variety of forms, structures and collaterals. We provide cash flow based lending upto Rs 250 million targeted at clients operating in 5 metro cities. The team of professionals, equipped with diverse and in-depth banking experience apply a completely digitized process to evaluate credit and compliance mechanisms. Commercial Finance follow a 'relationship financing approach' to help understand a fund seeker's needs, craft a comprehensive solution for them, further financial inclusion and create a positive socio-economic impact.

ii. Financial Intermediaries

In the Financial Intermediaries (FI) segment, the main objective is to support financial institutions (NBFCs) that are serving the unbanked/less banked segments of the population. Our Company is working with microfinance institutions, NBFCs lending to MSMEs, Agri-value chain, education, rural connectivity etc. to enhance their ability to extend credit to the masses after doing appropriate due-diligence on the entity's operating methodology, financials, promoter and management background, governance practices, IT system etc.

Our Company engages with these institutions to offer products and services ranging from funding as term loan, structured credit, and also towards arranging debt, equity, insurance and related products through Centrum group companies.

iii. Supply Chain Financing Solutions

Supply Chain Financing Solutions (SCF) primarily involves:

a. Dealers Finance

This Invoice Discounting financing facility is available for channel partners of Corporates. It enables the conversion of their receivables into cash which in turn improves liquidity resulting into a healthy and continuous cash flow for the businesses. Industry wide benefits of the Dealers financing solution are:

- Facilitates increased sales through higher purchasing power for channel partners
- Instant conversion of receivables into cash
- Assures availability of working capital finance to channel partners at a competitive cost
- Simple Documentation, Fast Turn Around Times and simple procedures

Faster payments leading to cash discounts from the company.

b. Receivables Discounting Finance

This Receivables Discounting facility helps Corporates encash their Receivables before time, to help the Business grow rapidly and avoid Cash Flow issues. There are tested benefits of the Receivables financing solution including:

- Instant conversion of a high percentage of your receivables into cash
- Simple Documentation, Faster Turnaround times and easy process
- Provides you Funding to grow your business at a competitive cost.
- CFSL collects the receivables and routes balance payments back to you.

iv. Real Estate Solutions

Our Company's Real Estate business vertical provides construction finance, take-out financing, promoter financing and acquisition financing for real estate projects being developed across India. Within the sector, the focus is on mid-income to affordable housing projects being developed in Tier 1 and 2 cities like Mumbai, Delhi NCR, Bangalore, Hyderabad, Pune, Chennai, Kolkata and Ahmedabad.

The capital is provided through combination of Term Loans, Working Capital Loans or Non-Convertible Debentures. The Company typically prefers to invest in cash-flow generating ongoing projects, which are RERA registered and have all approvals in place.

Salient Features:

1. Credit facilities of a meaningful quantum, assessed as per CFSL parameters
2. Purpose – Construction Finance, take-over of existing credit facilities as well as general corporate purposes
3. Tenure up to 5 years, including interest moratorium
4. Security in the form of exclusive charge on the project land and structure thereon (both present and future).
5. Hypothecation of present and future receivables
6. Escrow mechanism and cash-flow control.

v. MSME Finance

The ever burgeoning MSME space in the Indian economy is growing at a fascinating pace and is the focus of India's growth story. With the credit requirement growing, the SME sector provides a golden opportunity for CFSL. A deeper penetration of technology, priority sector benefits and higher returns make this sector attractive for CFSL. Following are the various beneficial considerations by CFSL for foraying in the MSME segment:

- 1) **Priority Sector Lending:** Priority sector lending is currently the flavor of the lending eco-system wherein regulatory norms support lenders in this space
- 2) **Under-Penetrated:** Only a few lenders have been able to penetrate deep into the multiple tiers of the Indian geography, leaving a huge segment ready to be served with good credit quality
- 3) **Retail Focus:** the retail segment of borrowers in the MSME space are those with a high level of credit discipline and keen understanding of various important aspect like cash-flow, operating profits, etc. A retail focus also enables hedging of risks that generally arise from large ticket corporate loans
- 4) **Secured & Unsecured Book Building:** The MSME book is proposed to be built with a combination of secured and unsecured business loan products to address different financing needs of Indian MSMEs and to drive optimal returns on the portfolio built.
- 5) **Higher Yield:** the retail portfolio entails a higher yield on the loan book due to various factors

- 6) **Sectoral Approach:** Targeting low delinquency and under-served segments to ensure sustainable growth and good credit quality
- 7) **Tier 2 & 3 Focus:** Focusing on a deeper penetration into the Tier 2 & 3 locations to ensure we tap into the Indian growth story of small cities and towns thereby contributing to “Make in India”.

CFSL intends to have customer-centric approach which includes customized offerings and quicker delivery times, all aided by a superior technology platform.

11. **Summary of our key operational and financial parameters for the last three completed financial years on a standalone basis, are as follows:**

For Financial Entities	FY20 (IND AS)	FY19 (IGAAP)	FY18 (IGAAP)
	(Unaudited)	(Audited)	(Audited)
Net worth	2,99,27,00,771	2,97,75,77,674	1,70,92,76,414
Total Debt	7,52,70,02,387	9,90,58,38,822	3,42,41,82,820
of which –			
- Non Current Maturities of Long Term Borrowing	3,06,89,23,998	4,09,68,00,740	2,07,81,10,522
- Short Term Borrowings	47,94,69,637	2,72,42,99,049	26,09,36,384
- Current Maturities of long Term Borrowings	3,97,86,08,752	3,08,47,39,033	1,08,51,35,914
Net Fixed Assets	18,12,11,649	18,35,97,689	3,72,32,124
Non-Current Assets	86,82,55,263	4,29,58,908	31,29,14,356
Cash and Cash Equivalents	78,44,86,000	1,02,34,13,276	72,69,61,101
Current Investments	19,15,00,000	34,73,99,996	13,56,03,051
Current Assets	36,54,821	21,41,52,642	27,38,29,558
Current Liabilities	18,64,23,313	6,55,20,30,134	1,48,77,51,272
Assets Under Management	8,43,88,69,366	11,33,49,92,233	3,42,85,11,885
Off Balance Sheet Assets			-
Interest Income	1,41,97,54,503	85,30,10,387	44,36,16,254
Interest Expense	87,74,76,710	65,35,10,977	40,53,62,331
Provisioning & Write-offs	-8,76,568	5,09,62,943	3,40,94,607
Profit before tax	12,18,27,778	19,78,818	2,81,91,507
Provision for tax	-3,95,63,565	-27,79,273	2,43,16,425
Profit after tax (PAT)	8,22,64,213	47,58,091	38,75,082
Gross NPA (%)	2.00%	1.40%	0
Net NPA (%)	0.74%	1.26%	0
Tier I Capital Adequacy Ratio (%)	23.49%	21.44%	37.04%
Tier II Capital Adequacy Ratio (%)	1.84%	1.57%	0.31%
Gross Debt: Equity Ratio of the Company:-	2.52	3.34	2
After the issue of proposed debt securities	2.52	3.34	2.51
Total Debt after new issue (Rs. In Millions)			4,813
Dividend Declared (standalone basis)	-	-	-
Interest coverage ratio	NA	NA	NA

12. **Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Issuer**

First-time adoption of Ind AS

Transition from IGAAP to Ind AS from FY 2019-20

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out have been applied in preparing the financial statements for the year ended March 31, 2020 the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS balance sheet at April 1, 2018 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Optional exemptions availed

Ind AS 101 'First Time Adoption of Indian Accounting Standards' allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

- Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

- Estimates

On an assessment of the estimates made under previous GAAP the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by previous GAAP or the basis of measurement were different (e.g. impairment of loans and other assets as per expected credit losses).

- De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

- Impairment of financial assets

Ind AS 101 requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind AS. Basis this assessment, the Company has concluded that there is no significant increase in the credit risk since the initial recognition.

- Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (e.g. loans and investments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed financial assets at the date of transition and has classified all its investments as measured at fair value through profit and loss except for investments in equity shares of its associate which are measured at cost. Asset backed finance loan portfolio is measured at fair value through other comprehensive income and all other loans are measured at amortised cost.

c) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of Total equity between previous GAAP and Ind AS:

	Notes to first time adoption	As at March 31, 2019	As at April 1, 2018
Equity as per previous GAAP		2,97,75,77,673	1,70,92,76,414
Adjustments:			
Fair valuation of security deposits	i	(2,269)	(2,046)
Loan assets - transaction cost adjustments	ii	(4,18,67,340)	(3,31,03,140)
Impact of Ind AS 116 on leased premises & car	iii	(2,02,056)	(56,103)
Borrowings - transaction cost adjustments	iv	(40,00,305)	(12,45,578)
Subordinated debt securities - transaction cost adjustments	iv	-	-
Fair valuation of financial guarantee given by parent	v	-	-
Provision for expected credit losses on loan assets	vi	(7,42,97,090)	(26,03,332)
Embedded derivatives		40,72,985	(3,47,30,213)
Yes bank bond fair valuation		(20,21,918)	(21,04,918)
Accrued interest on loan assets – NPA cases with deferred tax		1,12,48,430	-
Goodwill adjustments - L&T business		(1,32,86,528)	-
Goodwill adjustments – amalgamation		14,11,094	-
Impact on Financial Guarantees		10,11,264	9,98,325
Tax impact of Ind AS adjustments	vii	3,34,83,064	2,05,43,771
Total adjustments		(8,44,50,669)	(5,23,03,234)
Total equity as per Ind AS		2,89,31,27,005	1,65,69,73,180

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

	Notes to first time adoption	Year ended March 31, 2019
Net profit after tax as per previous GAAP		47,58,090
Adjustments:		
Fair valuation of interest free lease deposits	i	(223)
Loan assets - transaction cost adjustments	ii	(87,64,200)
Impact of Ind AS 116 on leased premises & car	iii	(1,45,953)
Borrowings - transaction cost adjustments	iv	(27,54,727)
Subordinated debt securities - transaction cost adjustments	iv	-
Fair valuation of financial guarantee given by parent	v	-
Provision for expected credit losses on loan assets	vi	(7,16,93,758)
Remeasurements of post-employment benefit obligations	viii	(7,43,475)
Embedded derivatives		3,88,03,199
Yes bank bond fair valuation		83,000
Accrued interest on loan assets - NPA cases with deferred tax		1,12,48,430
Goodwill adjustments - L&T business		(1,32,86,528)
Goodwill adjustments - amalgamation		14,11,094
Impact on Financial Guarantees		(16,34,767)
Interest subsidy - MLD		(5,88,68,196)
Tax impact of Ind AS adjustments		1,31,46,128
Profit after tax as per Ind AS		(8,84,41,886)
Other Comprehensive Income:		
Remeasurements of post-employment benefit obligations		7,43,475
Tax impact on above items		(2,06,835)
Total comprehensive income as per Ind AS		(8,79,05,246)

d) Notes to first-time adoption:**i. interest free lease deposits**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. The difference between the fair value and transaction value of the security deposit on initial recognition has been recognised as right to use. Subsequently, depreciation is charged to the statement of profit and loss for right to use over the tenure of the lease and unwinding of security deposit is credited to the statement of profit and loss as finance income.

ii. Loan assets

Under Indian GAAP, transaction income earned on loan assets was recognised upfront while under Ind AS, such income is included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

iii. Ind AS 116 - leases

Under Indian GAAP, payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease unless, the payments are structured to increase in line with expected general inflation, to compensate for the lessor's expected inflationary cost increases.

Ind AS 116 requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals. In the Statement of Profit and Loss, lessees present interest expense on the lease liability and depreciation on the right-of-use asset.

iv. Borrowings and subordinated debt instruments

Under Indian GAAP, transaction costs incurred on debt instruments and borrowings was expensed over the tenure of the borrowing while under Ind AS, such costs are included in the initial recognition amount of financial liability and recognised as interest expense using the effective interest method.

v. financial guarantee given by parent

Under the previous GAAP, financial guarantee given by parent is not accounted. Under Ind AS, financial guarantee contracts are measured at initial recognition at fair value and accounted as contribution from parent with corresponding impact on the borrowing.

vi. Expected Credit loss

Under the previous GAAP, provisions against loans and advances were made as per the prudential norms specified by the RBI. In accordance with Ind AS 109, the Company is required to recognise provisions by applying the expected credit loss model. Accordingly, the Company has reversed all outstanding provisions created against advances under the previous GAAP and recognised an amount for expected credit losses on its loans and other financial assets with a corresponding adjustment to profit and loss and consequently, equity.

vii. Deferred tax

Under the Previous GAAP, the deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period. Deferred tax under Ind AS has been recognised for temporary differences between tax base and the book base of the relevant assets and liabilities. Deferred tax impact has been considered on the adjustments made on transition to Ind AS.

viii. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

13. Details of the Promoter:

Details of Promoter Holding in the Company as on March 31, 2020:

Name of Promoter	Total Number of Equity Shares	Number of shares in Demat Form	Total shareholding as % of total no of equity shares	Number Shares Pledged	% of Shares pledged with respect to shares owned
Centrum Retail Services Limited	9,89,56,942	9,89,56,942	100%	Nil	NA

SECTION V – INDEBTEDNESS

1. Details of borrowings of the Company as on March 31, 2020:

1. Details of Secured Loan Facilities as on March 31, 2020:

Lender's Name	Type of facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule	Security
L & T Financial Services Ltd	Term Loan	2,00,00,00,000	1,11,11,11,112	Monthly Instalment from Jul-19 onwards	Receivables & CG
Yes Bank	Term Loan	1,00,00,00,000	20,74,13,034	Monthly	Receivables & CG
RBL Bank Ltd	Term Loan	20,00,00,000	19,46,76,736	Quarterly	Receivables & CG
RBL Bank Ltd	CC Limit	5,00,00,000	5,00,47,441	31-Dec-21	Receivables & CG
AU Small Finance Bank Ltd	Term Loan	25,00,00,000	9,37,50,000	Quarterly	Receivables
AU Small Finance Bank Ltd	Bank Overdraft	9,00,00,000	5,98,81,073	On Call	FD

Union Bank of India Ltd	Bank Overdraft	15,00,00,000	14,41,47,384	On Call	Mortgage 7th Floor and CCL Corporate Guarantee
State Bank of India	Term Loan	75,00,00,00,000	8,66,00,000	Quarterly	Receivables & CG
HDFC Bank Ltd	Vehicle Loan	22,00,000	8,02,869	Monthly	Vehicle
Daimler Financial Services India Pvt Ltd	Vehicle Loan	58,29,865	57,69,685	Monthly	Vehicle

2. Details of Unsecured Loan Facilities as on March 31, 2020:

Lender's Name	Type of facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule
Meenakshi Exports	ICD	1,00,00,000	1,00,00,000	On call
Sardesai Finance Pvt Ltd	ICD	25,00,000	25,00,000	21-Apr-20
Sardesai Irrigation Pvt Ltd	ICD	75,00,000	75,00,000	21-Apr-20
Siva Extrusions	ICD	30,00,000	-	
Centrum Retail Services Limited - Debenture	CCD	50,00,00,000	15,09,14,300	

3. Details of Secured Non-Convertible Debentures outstanding as of March 31, 2020:

Particulars	Type	Tenor / Period of Maturity (Days)	Coupon	Amount as at 31 March 2020	Issue Date	Date of Maturity	Credit Rating	Secured / Unsecured
MLD29	Type 1	1225	Market Linked	450,00,000	01-Dec-16	09-Apr-20	NA	Secured
MLD29	Type 3	1225	Market Linked	600,00,000	01-Dec-16	09-Apr-20	NA	Secured
MLD29	Type 4	1229	Market Linked	300,00,000	01-Dec-16	13-Apr-20	NA	Secured
MLD30	Type 2	1230	Market Linked	100,00,000	02-Dec-16	15-Apr-20	NA	Secured
MLD31	Type 3	1225	Market Linked	100,00,000	08-Dec-16	16-Apr-20	NA	Secured
MLD33	Type 3	1225	Market Linked	400,00,000	20-Dec-16	28-Apr-20	NA	Secured
MLD33	Type 4	1230	Market Linked	125,00,000	20-Dec-16	03-May-20	NA	Secured
MLD34	Type 1	1225	Market Linked	450,00,000	27-Dec-16	05-May-20	NA	Secured
MLD34	Type 2	1225	Market Linked	150,00,000	27-Dec-16	05-May-20	NA	Secured
MLD34	Type 3	1230	Market Linked	300,00,000	27-Dec-16	10-May-20	NA	Secured
MLD35	Type 1	1231	Market Linked	250,00,000	30-Dec-16	14-May-20	NA	Secured
MLD35	Type 3	1225	Market Linked	150,00,000	30-Dec-16	08-May-20	NA	Secured
MLD35	Type 4	1225	Market Linked	100,00,000	30-Dec-16	08-May-20	NA	Secured
MLD35	Type 5	1225	Market Linked	300,00,000	30-Dec-16	08-May-20	NA	Secured
MLD36	Type 1	1228	Market Linked	100,00,000	02-Jan-17	14-May-20	NA	Secured
MLD36	Type 2	1260	Market Linked	150,00,000	02-Jan-17	15-Jun-20	NA	Secured
MLD37	-	760	Market Linked	2350,00,000	08-Oct-18	06-Nov-20	NA	Secured
MLD38	-	762	Market Linked	505,00,000	23-Oct-18	23-Nov-20	NA	Secured
MLD39	-	1287	Market Linked	1955,00,000	02-Nov-18	12-May-22	NA	Secured
MLD 38A	-	705	Market Linked	458,00,300	22-Nov-18	23-Nov-20	NA	Secured
MLD40	-	1287	Market Linked	1315,00,000	05-Dec-18	14-Jun-22	NA	Secured
MLD39A	-	1247	Market Linked	257,01,450	12-Dec-18	12-May-22	NA	Secured
MLD 38B	-	1287	Market Linked	478,80,840	19-Dec-18	23-Nov-20	NA	Secured
MLD 38C	-	696	Market Linked	874,08,900	28-Dec-18	23-Nov-20	NA	Secured

MLD 38D	-	685	Market Linked	201,48,000	08-Jan-19	23-Nov-20	NA	Secured
MLD 38E	-	678	Market Linked	139,26,960	15-Jan-19	23-Nov-20	NA	Secured
MLD 41	-	1287	Market Linked	1893,00,000	25-Jan-19	04-Aug-22	NA	Secured
MLD 41A	-	1281	Market Linked	2342,67,600	31-Jan-19	04-Aug-22	NA	Secured
MLD 41B	-	1275	Market Linked	536,92,600	06-Feb-19	04-Aug-22	NA	Secured
MLD 38F	-	650	Market Linked	233,74,900	12-Feb-19	23-Nov-20	NA	Secured
MLD 42	-	481	Market Linked	2282,00,000	22-Feb-19	17-Jun-20	NA	Secured
MLD 41C	-	1253	Market Linked	1483,81,800	28-Feb-19	04-Aug-22	NA	Secured
MLD 42A	-	463	Market Linked	563,58,060	12-Mar-19	17-Jun-20	NA	Secured
MLD 41D	-	1238	Market Linked	207,72,650	15-Mar-19	04-Aug-22	NA	Secured
MLD 42B	-	456	Market Linked	800,08,800	19-Mar-19	17-Jun-20	NA	Secured
MLD 41E	-	1227	Market Linked	1135,20,710	26-Mar-19	04-Aug-22	NA	Secured
MLD 42C	-	446	Market Linked	100,90,000	29-Mar-19	17-Jun-20	NA	Secured
MLD 42D	-	439	Market Linked	399,02,900	05-Apr-19	17-Jun-20	NA	Secured
MLD 41F	-	1210	Market Linked	560,74,200	12-Apr-19	04-Aug-22	NA	Secured
MLD 42E	-	428	Market Linked	201,74,000	16-Apr-19	17-Jun-20	NA	Secured
MLD 43	-	1287	Market Linked	1594,00,000	24-Apr-19	01-Nov-22	NA	Secured
MLD 42F	-	418	Market Linked	574,15,300	26-Apr-19	17-Jun-20	NA	Secured
MLD 41G	-	1192	Market Linked	257,92,500	30-Apr-19	04-Aug-22	NA	Secured
MLD 41H	-	1190	Market Linked	206,44,000	02-May-19	04-Aug-22	NA	Secured
MLD 42G	-	406	Market Linked	203,86,000	08-May-19	17-Jun-20	NA	Secured
MLD 42H	-	397	Market Linked	459,63,000	17-May-19	17-Jun-20	NA	Secured
MLD 41I	-	1168	Market Linked	879,27,070	24-May-19	04-Aug-22	NA	Secured
MLD 42I	-	387	Market Linked	175,15,530	27-May-19	17-Jun-20	NA	Secured
MLD 43A	-	1251	Market Linked	568,00,000	30-May-19	01-Nov-22	NA	Secured
MLD 41J	-	1154	Market Linked	625,08,000	07-Jun-19	04-Aug-22	NA	Secured
MLD 41K	-	1149	Market Linked	265,99,050	12-Jun-19	04-Aug-22	NA	Secured
MLD 44	-	550	Market Linked	270,00,000	14-Jun-19	15-Dec-20	NA	Secured
MLD 45	-	860	Market Linked	755,00,000	21-Jun-19	28-Oct-21	NA	Secured
MLD 43B	-	1224	Market Linked	205,00,000	26-Jun-19	01-Nov-22	NA	Secured
MLD 41L	-	1134	Market Linked	630,35,420	27-Jun-19	04-Aug-22	NA	Secured
MLD 44A	-	530	Market Linked	482,54,400	04-Jul-19	15-Dec-20	NA	Secured
MLD 41M	-	1119	Market Linked	210,24,000	12-Jul-19	04-Aug-22	NA	Secured
MLD 43C	-	1203	Market Linked	177,26,550	17-Jul-19	01-Nov-22	NA	Secured
MLD 44C	-	515	Market Linked	655,98,000	19-Jul-19	15-Dec-20	NA	Secured
MLD 44D	-	511	Market Linked	501,95,000	23-Jul-19	15-Dec-20	NA	Secured
MLD 41N	-	1106	Market Linked	417,66,120	25-Jul-19	04-Aug-22	NA	Secured
MLD 44E	-	505	Market Linked	465,47,400	29-Jul-19	15-Dec-20	NA	Secured
MLD 44F	-	504	Market Linked	253,46,160	30-Jul-19	15-Dec-20	NA	Secured
MLD 41O	-	1100	Market Linked	701,38,320	31-Jul-19	04-Aug-22	NA	Secured
MLD 44G	-	502	Market Linked	202,54,000	01-Aug-19	15-Dec-20	NA	Secured
MLD 41P	-	1098	Market Linked	315,33,000	02-Aug-19	04-Aug-22	NA	Secured
MLD 44H	-	495	Market Linked	470,72,800	08-Aug-19	15-Dec-20	NA	Secured
MLD 43D	-	1173	Market Linked	275,00,000	16-Aug-19	01-Nov-22	NA	Secured
MLD 44I	-	483	Market Linked	445,75,260	20-Aug-19	15-Dec-20	NA	Secured
MLD 41Q	-	1078	Market Linked	697,86,540	22-Aug-19	04-Aug-22	NA	Secured
MLD 44J	-	476	Market Linked	586,27,000	27-Aug-19	15-Dec-20	NA	Secured
MLD 41R	-	1071	Market Linked	572,48,580	29-Aug-19	04-Aug-22	NA	Secured

MLD 44K	-	466	Market Linked	253,50,560	06-Sep-19	15-Dec-20	NA	Secured
MLD 44L	-	463	Market Linked	307,80,000	09-Sep-19	15-Dec-20	NA	Secured
MLD 41S	-	1057	Market Linked	633,26,470	12-Sep-19	04-Aug-22	NA	Secured
MLD 44M	-	459	Market Linked	409,64,000	13-Sep-19	15-Dec-20	NA	Secured
MLD 44N	-	454	Market Linked	159,38,650	18-Sep-19	15-Dec-20	NA	Secured
MLD 44O	-	452	Market Linked	199,95,920	20-Sep-19	15-Dec-20	NA	Secured
MLD 46	-	1310	Market Linked	597,00,000	26-Sep-19	28-Apr-23	NA	Secured
MLD 44P	-	445	Market Linked	185,00,400	27-Sep-19	15-Dec-20	NA	Secured
MLD 41T	-	1038	Market Linked	93,36,840	01-Oct-19	04-Aug-22	NA	Secured
MLD 41U	-	1021	Market Linked	174,60,360	18-Oct-19	04-Aug-22	NA	Secured
MLD 44Q	-	419	Market Linked	962,36,400	23-Oct-19	15-Dec-20	NA	Secured
MLD 41V	-	1014	Market Linked	107,98,000	25-Oct-19	04-Aug-22	NA	Secured
MLD 46A	-	1276	Market Linked	200,40,000	30-Oct-19	28-Apr-23	NA	Secured
MLD 44R	-	411	Market Linked	335,98,800	31-Oct-19	15-Dec-20	NA	Secured
MLD 47	-	551	Market Linked	685,00,000	08-Oct-19	12-May-21	NA	Secured
MLD 48	-	1286	Market Linked	370,00,000	15-Nov-19	24-May-23	NA	Secured
MLD 46B	-	1255	Market Linked	262,96,400	20-Nov-19	28-Apr-23	NA	Secured
MLD 47A	-	537	Market Linked	331,28,700	22-Nov-19	12-May-21	NA	Secured
MLD 48A	-	1276	Market Linked	269,67,250	25-Nov-19	24-May-23	NA	Secured
MLD 48B	-	1273	Market Linked	401,32,000	28-Nov-19	24-May-23	NA	Secured
MLD 47B	-	530	Market Linked	392,22,300	29-Nov-19	12-May-21	NA	Secured
MLD 41W	-	958	Market Linked	343,38,720	20-Dec-19	04-Aug-22	NA	Secured
MLD 41X	-	954	Market Linked	338,00,700	24-Dec-19	04-Aug-22	NA	Secured
MLD 47C	-	475	Market Linked	204,06,000	23-Jan-20	12-May-21	NA	Secured
MLD 47D	-	456	Market Linked	205,06,000	11-Feb-20	12-May-21	NA	Secured
				488,24,88,140				

Note: 1. These Market Linked Debentures are secured against first pari passu charge over present and future receivables and identified immovable property with minimum security cover of 100 percent of the issued amount.

4. Details of Unsecured NCDs as of March 31, 2020: Nil

5. List of Top 10 Debenture holders as on June 5, 2020:

Sr No.	Name of Debenture Holders	Amount (Rs. In Lakhs)
1	CENTRUM WEALTH MANAGEMENT LIMITED	4814
2	APURVA GOSWAMY .	1335
3	VIREET INVESTMENTS PRIVATE LIMITED	600
4	SURESH PAHWA .	600
5	ALEFIYA SAMEER JAVERI	600
6	JAI BEVERAGES PRIVATE LIMITED	500
7	IMPACT CORPORATE INVESTMENTS PRIVATE LIMITED	420
8	K P SINGH	399
9	PRITI YOGINDER SACHDEV .	350
10	SHEKHAR H KIRANI .	350

6. Details of Commercial Paper Outstanding as on March 31, 2020:

Allotment date	Maturity date	No. of units credited	Face value	Price	Amount Outstanding at discount
22-01-2020	20-01-2021	400	5,00,000	4,60,928	18,43,71,200

7. Details of Rest of the borrowing (including any hybrid debt like FCCB, Optionally Convertible Debentures, and Preference Shares).

Nil

8. The amount of corporate guarantee issued by the Company along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued

Corporate Guarantee issued to Clix Capital on behalf of JBCG Advisory Services Ltd amounting to Rs 100 Crores (Note to be given)

9. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years.

Nil

10. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option

The Company confirms that, currently, it does not have any outstanding borrowing taken or currently it has not issued debt securities for consideration other than cash, whether in whole or in part; at a premium or discount; or in pursuance of an option.

11. Details of default, if any, including therein the amount involved, duration of default and present status in repayment of:

1. **Statutory Dues:** No Outstanding Dues except; Outstanding Tax Dues as at March 31, 2020 is Rs. Rs.3,25,50,840/-
2. **Debentures and interest thereon;** Nil
3. **Deposits and interest thereon:** Nil
4. **Loan from any bank or financial institution and interest thereon:** Nil

12. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event, etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

Nil

13. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document

Nil

SECTION VI - FINANCIAL STATEMENTS

1. Statement of Audited Standalone Financial Results for the Year Ended March 31, 2020

1. Profit and Loss account for the year ended March 31, 2020

(Rs in Lakhs)

Sr. No	Particulars	For the Year ended March 31, 2020 (Unaudited)	For the Year ended March 31, 2019 (Unaudited)
(1)'	Revenue from operations		
(a)	Interest Income	14,197.54	9,428.67
(b)	Rental Income	24.34	86.89
(c)	Fees Income	299.88	46.20
(d)	Net gain on Fair value changes	90.16	567.62
(e)	Other operating Revenue	189.11	41.53
	Total revenue from operations (a)+(b)+(c)+(d)	14,801.03	10,170.91
(2)'	Other income	140.52	27.07
(3)'	Total income (3) = (1) + (2)	14,941.55	10,197.98
(4)'	Expenses		
(a)	Finance costs	8,774.76	6,834.55
(b)	Impairment / (reversal of impairment) on financial instruments	(8.76)	1,204.79
(c)	Employee benefits expenses	3,112.67	2,117.91
(d)	Depreciation, amortisation and impairment	166.21	127.66
(e)	Others expenses	1,678.41	956.74
	Total expenses (a)+(b)+(c)+(d)+(e)	13,723.29	11,241.65
(5)'	Profit/(loss) before exceptional items and tax (3) - (4)	1,218.26	(1,043.67)
(6)'	Exceptional Items	-	-
(7)'	Profit/(loss) before tax (5) - (6)	1,218.26	(1,043.67)
(8)'	Income tax expense:		
(a)	Current Tax		109.48
(b)	tax expense for earlier years	8.99	-
(c)	Deferred tax	386.65	(268.74)
	Total tax expense (a)+(b)	395.64	(268.74)
(9)'	Profit/(loss) for the period (7) - (8)	822.62	(774.93)

(10)'	Other comprehensive income		
(a)	Items that will not be reclassified to profit or loss		
	Remeasurements of post-employment benefit obligations	(8.60)	7.44
	Income tax relating to these items	(2.17)	(2.07)
(b)	Items that will be reclassified to profit or loss	-	-
	Other comprehensive income for the period (a)+(b)	(10.77)	5.37
(11)'	Total comprehensive income for the period (9) + (10)	811.85	(769.56)
(12)'	Paid-up equity share capital (face value Rs 10/- per share)	9,895.69	9,895.69
(13)'	Earnings per equity share (Not annualised)		
	Basic (Rs.)	0.83	(1.15)
	Diluted (Rs.)	0.82	(1.15)

2. Statement of Assets and Liabilities half year ended March 31, 2020

(Rs in Lakhs)

Particulars	As at March 31, 2020 (Unaudited)
ASSETS	
Financial Assets	
Cash and cash equivalents	5,625
Bank balances other than cash and cash equivalents	2,220
Derivative financial instruments	1,639
Loans	84,389
Investments	4,643
Other financial assets	1,073
	99,588
Non-financial assets	
Current tax assets (Net)	2,040
Deferred tax assets (net)	216
Investment Property	3,398
Property, plant and equipment	153
Right-of-use assets	10
Goodwill	1,442
Other intangible assets	207
Other non-financial assets	391
	7,856
Total Assets	1,07,444
LIABILITIES AND EQUITY	
Financial liabilities	
Derivative Financial Instruments	3,402
Trade Payables	238
Debt securities	52,076
Borrowings (other than Debt securities)	19,535
Deposits	257

Lease liabilities	11
Other financial liabilities	1,143
	76,662
Non-financial Liabilities	
Current tax liabilities (Net)	89
Provisions	89
Other non-financial liabilities	677
	855
EQUITY	
Equity share capital	9,896
Other equity	20,031
Total equity	29,927
Total Liabilities	1,07,444

3. Statement of Reformatted Unconsolidated Financials for last three years

(In Rs.)

a. Statement of Reformatted Unconsolidated Assets and Liabilities for last three years

Particulars	As at March 31, 2020 (IND AS)	As at March 31, 2019 (IGAAP)	As at March 31, 2018 (IGAAP)
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	98,95,69,420	98,95,69,420	56,86,19,420
(b) Reserve and Surplus	2,00,31,31,351	1,98,80,08,254	1,14,06,56,994
	2,99,27,00,771	2,97,75,77,674	1,70,92,76,414
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3,06,89,23,998	4,09,68,00,740	2,07,81,10,522
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long-term liabilities	2,49,43,263	18,01,94,905	29,38,18,135
(d) Long-term provisions	38,93,603	5,28,35,197	60,56,082
	3,09,77,60,864	4,32,98,30,842	2,37,79,84,739
(4) Current liabilities			
(a) Short-term borrowings	47,94,69,637	2,72,42,99,049	26,09,36,384
(b) Trade payables	2,38,32,890	1,18,72,471	2,22,19,225
(c) Other current liabilities			
-Borrowings	3,97,86,08,752	3,08,47,39,033	1,14,83,91,722
-Others	16,69,91,821	70,17,85,583	1,93,27,008
(d) Short-term provisions	50,46,841	2,93,33,998	3,68,76,933
	4,65,39,49,941	6,55,20,30,134	1,48,77,51,272
TOTAL – EQUITY AND LIABILITIES	10,74,44,11,576	13,85,94,38,650	5,57,50,12,425
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	1,62,77,700	1,14,55,187	75,19,481
(ii) Intangible assets	16,49,33,949	17,21,42,502	1,49,97,643

(iii) Capital work-in-progress	-	-	
(iv) Intangible assets under development	-	-	1,47,15,000
	18,12,11,649	18,35,97,689	3,72,32,124
(b) Non-current investments	61,25,52,282	39,54,46,627	59,75,61,424
(c) Deferred tax assets(Net)	2,15,93,987	2,65,54,228	1,28,26,560
(d) Long-term loans & advances			
-Loans	1,91,30,21,730	3,01,47,03,789	1,23,42,09,264
-Others	20,36,16,764	10,47,57,223	7,75,93,020
(e) Other non-current assets	13,93,82,195	4,29,58,908	31,29,14,356
	2,89,01,66,958	3,58,44,20,774	2,23,51,04,624
(2) Current assets			
(a) Current investments	19,15,00,000	34,73,99,996	13,56,03,051
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and Bank balances	78,44,87,200	1,02,34,13,276	72,69,61,101
(e) Short-term loans & advances			
-Loans	2,96,16,41,526	1,94,43,38,246	2,16,62,81,967
-Others	3,56,42,06,110	6,37,59,50,199	-
(f) Other current assets	17,11,98,133	40,03,18,470	27,38,29,558
	7,67,30,32,969	10,09,14,20,186	3,30,26,75,677
TOTAL ASSETS	10,74,44,11,576	13,85,94,38,650	5,57,50,12,425

(In Rs.)

b. Statement of Reformatted Unconsolidated Profit & Losses for last three years

Particulars	2019-2020 (IND AS)	2018-2019 (IGAAP)	2017-2018 (IGAAP)
Revenue			
Revenue from operations	1,48,01,02,494	93,89,20,573	51,13,40,014
Other Income	1,40,52,213	8,04,68,884	19,32,60,871
Total Revenue	1,49,41,54,707	1,01,93,89,457	70,46,00,885
Expenses			
Employee benefit expenses	31,12,67,165	21,16,14,742	9,57,53,004
Finance cost	87,74,76,710	65,35,10,977	45,64,82,120
Depreciation & amortization expenses	1,66,19,853	1,30,83,351	84,54,293
Other expenses	16,78,39,769	8,82,38,626	8,16,25,354
Provision and write offs	-8,76,568	5,09,62,943	3,40,94,607
Total Expenses	1,37,23,26,929	1,01,74,10,639	67,64,09,378
Profit/(Loss) before tax	12,18,27,778	19,78,817	2,81,91,507
Tax expenses :			
Current tax expense for current year	-8,98,850	1,09,48,395	2,52,65,070
Deferred tax	-3,86,64,715	-1,37,27,668	-1,29,48,646
Fringe benefit tax	-	-	-
Current tax expense relating to prior years	-	-	1,20,00,000
Total tax expense	-3,95,63,565	-27,79,273	2,43,16,424

Profit (loss) for the period	8,22,64,213	47,58,091	38,75,082
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c. Statement of Reformatted Unconsolidated Cash Flows for last three years

(In Rs.)

Particulars	2019-2020 (IND AS)	2018-2019 (IGAAP)	2017-2018 (IGAAP)
Net profit before taxation, and extraordinary item	8,22,64,213	19,78,818	2,81,91,507
Adjustments for:			
Depreciation			
Provision for Old Debtors			
Provision for Standard Loans			
Profit on Sale of Investments			
Dividend Income			
Operating profit before working capital changes	13,73,10,388	-2,25,15,576	-55,85,015
(Increase)/ Decrease in Current/Non-Current Assets			
Increase/ (Decrease) in Current/Non-Current Liabilities			
Cash generated from operations	2,92,62,44,327	-5,31,27,63,967	12,63,33,262
Tax (Paid) / Refund	-9,23,93,388	-5,23,28,764	-2,43,16,425
Net cash from operating activities [A]	2,83,38,50,939	-5,36,50,92,731	10,20,16,837
Purchase/(Sale) of fixed assets, including intangible assets, Capital work-in-progress and Capital advances			
Purchase/Sale of current and Non-Current investments			
Net cash from investing activities [B]	20,09,72,419	-6,50,44,676	-24,66,42,940
Dividend Income			
Share issue expenses			
Proceeds of issue of share Capital/Premium			
Proceeds from long term borrowings#			
Proceeds from short term borrowings#			
Repayment of short term borrowings#			
Net cash used in financing activities [C]	-2,94,27,77,635	5,72,65,89,582	74,13,56,884
Net increase in cash and cash equivalents [A+B+C]	9,20,45,723	29,64,52,175	59,67,30,782
Opening Cash and cash equivalents	47,04,10,679	72,69,61,101	13,02,30,318
Closing Cash and cash equivalents	56,24,56,401	1,02,34,13,276	72,69,61,100
Add; Earmarked Fixed Deposits			
Cash and Cash Equivalents as per Balance Sheet	56,24,56,401	1,02,34,13,276	72,69,61,101

Represents net amount due to transaction volume

SECTION VII - OTHER INFORMATION AND ISSUE PROCEDURE

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Shelf Disclosure Document read with the relevant Supplemental Disclosure Document(s), the Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

7.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and the Applicable Law. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and the Applicable Laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

Transfer of the Debentures to and from His/ NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines issued by RBI.

7.2 Debentures held in Dematerialised Form

The Debentures shall, be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the relevant Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by NEFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

7.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Beacon Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intend to enter into the Debenture Trust Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The debenture trustee(s) has given its consent to the Issuer for its appointment under regulation 4 (4) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and in all the subsequent periodical communications sent to the holders of debt securities, the consent so received from the Debenture Trustee is attached as **Annexure C** to this Shelf Disclosure Document. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and yield thereon and the Debenture Trustee will take necessary action, subject to and in accordance with the Debenture Trust Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, consistently fails to do so. The Debenture Trustee Agreement and

the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

7.4 Sharing of Information

The Issuer may, at its option, but subject to Applicable Law, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

7.5 Deemed Date of Allotment

All the benefits under the Debentures subscribed to by the Debenture Holders, will accrue to the Investor from the Deemed Date of Allotment provided for in the relevant Supplemental Disclosure Document issued in respect of the relevant Tranche/Series.

7.6 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

7.7 Tax Deduction at Source (TDS)

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source for which a certificate will be issued by the Company. As per the provisions of the Income Tax Act, 1961, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the NCDs shall be issued in dematerialised mode and shall be listed on the WDM segment of BSE, no tax will be deductible at source on the payment/credit of interest/implicit yield on NCDs held by any person resident in India. In the event of rematerialisation of the NCDs, or NCDs held by person resident outside India or a change in Applicable Law governing the taxation of the NCDs, the following provisions shall apply:

1. In the event the NCDs are rematerialized and the Company is required to make a tax deduction, the Company shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by Applicable Law;
2. The Company shall within 30 (thirty) days after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

Interest on application money shall be subject to TDS at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company.

For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holder(s) at the Corporate Office of the Company at least 15 (Fifteen) days before the interest payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money should be submitted along with the Application Form.

For detailed tax implications of the investment in NCDs, Investors should get in touch with their tax consultant.

7.8 Object of the Issue and utilization of proceeds

The object of the Issue is to augment the long-term resources of the Company and to increase the average maturity period of its borrowings in compliance with the Applicable Laws.

The proceeds of the Issue would be utilised by the Company, *inter-alia*, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, and for the general corporate purposes of the Company in compliance with the Applicable Laws.

7.9 Right of the Company to Purchase, Consolidate, Re-sell and Re-issue NCDs

1. Purchase and Resale of NCDs:

The Company may, subject to Applicable Law at any time and from time to time, at its sole and absolute discretion purchase some or all of the NCDs held by the Debenture Holders at any time prior to the specified date(s) of redemption / put / call as specified in the relevant Supplemental DD. Such buy-back of NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company. The NCDs so purchased may, at the option of the Company, be cancelled, consolidated, held or resold in accordance with the provisions of the Applicable Law.

2. Reissue of Debentures

The Company shall have a right to repurchase the said Debentures or any of the Series of the Debentures and cancel or re-issue them from time to time in accordance with the provisions of the Act and Applicable Law. Upon such re-issue the person entitled to the Debentures shall have and shall be deemed always to have had, the same rights and priorities as if the Debentures had never been redeemed.

Where the Company has repurchased / redeemed any such NCDs, subject to the provisions the Companies Act, 2013 and other applicable legal provisions, the Company shall have and shall be deemed always to have had the right to keep such NCDs alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such NCDs either by reissuing the same NCDs or by issuing other NCDs in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

7.10 Modification of Rights

The Debenture Trustee and the Issuer will agree to make any modifications in this Shelf Disclosure Document or any Supplemental DD(s) which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

7.11 Variation of Debenture Holder(s) rights

The rights, privileges and conditions attached to the Debentures and this Shelf Disclosure Document and the relevant Supplemental DD(s) may be varied, modified or abrogated in accordance with the Articles of Association of the Company and the Act and with the consent of the Super Majority Debenture Holder(s). The rights, privileges and conditions attached to the Debentures of a particular Series/Tranche, may be varied, modified or abrogated in accordance with the Article of Association of the Company and the Act and with the consent of the Majority Debenture Holders of that Series/Tranche of Debentures. Provided that nothing in such resolution shall be operative against the Company where such resolution modifies or varies the terms and conditions governing the Debenture(s) if the same are not acceptable to the Company.

Provided that the Debenture Trustee and the Issuer may agree to make any modifications in this Shelf Disclosure Document or any Supplemental DD which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

7.12 Notices

The Company agrees to send notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013 shall be applicable for such meeting. The notices, communications and writings to the Debenture Holder(s) required to be given by the Company shall be, deemed to have been given if sent by registered post or through recognized overnight courier service or by hand delivery to the sole / first allottee or sole/first registered Debenture Holder or by e-mail at the e-mail address provided by the Debenture Holder to his Depository Participant as the case may be at its address, registered with the Company.

All notices, communications and writings to be given by the Debenture Holder(s) shall be sent by registered post or through recognized courier service or by hand delivery to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

7.13 Splitting and Consolidation:

Splitting and consolidation of the NCD5 is not applicable in the dematerialised mode form since the saleable lot is 1 (one) Debenture.

7.14 Transfers

The NCD may be transferred to any person duly qualified to acquire such NCDs under the Applicable Laws.

7.15 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment.

7.16 Succession

In the event of demise of a Debenture Holder, the Company will recognize the executor or administrator of the demised Debenture Holder or the holder of succession certificate or other legal representative of the demised Debenture Holder as the registered holder of such NCDs, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company.

The Company may, in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the NCD5 standing in the name of the demised Debenture Holder on production of sufficient documentary proof or indemnity. In case a person other than individual holds the NCDs, the rights in the NCDs shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the Applicable Law.

7.17 Effect of Holidays

Should the date of payment of any Coupon which is due in respect of any Tranche/Series of Debentures fall on a day other than a 'Business Day' the immediately succeeding Business Day shall be considered as the effective date(s) for that payment.

In the event that the date of payment of the redemption amounts in respect of any Tranche of Debentures falls on a day other than a 'Business Day', the immediately preceding Business Day shall be considered as the effective date for that payment.

All interest and redemption calculations shall be made up to 1 (one) Business Day prior to the date of actual payment.

7.18 Debentures to Rank *Pari- Passu*

The Debenture(s) of this Issue shall rank first *pari-passu* inter-se without preference or priority of one over the other or others.

SECTION VIII—KEY REGULATIONS AND POLICIES

The following description is a summary of certain laws applicable in India to the business of our Company. The summary of laws, regulations and policies set forth below is not exhaustive and is only intended to provide general overview.

Our Company is engaged in the business of providing loans against collaterals. We are governed by the laws governing service sector enterprises and commercial establishments. We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting systemically important NBFCs (“**ND-SI NBFC**”).

Taxation statutes such as the Income Tax Act, 1961, the Finance Act, 1994, the Shops and Establishments Act, 1958, labour regulations such as the Employees’ State Insurance Act, 1948 and the Employees’ Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its ‘principal business’ is to be treated as an NBFC. The term ‘principal business’ has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company’s principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Prudential Norms for Systemically Important Non-Deposit Taking Norms for Non-Banking Financial Company, 2017 read with RBI Norms for Raising Money through Private Placement of Non-Convertible Debentures (NCDs) issued vide circular bearing reference DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Securities Contract Regulation Act, 1956

The Securities Contract (Regulation) Act, 1956 as amended till date (“SCRA”) seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. The said act deals with recognition, derecognition, regulation / control on the stock exchanges, empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities. The said enactment also provides for appellate mechanism.

The bye-laws inter-alia provide for:

1. the opening and closing of markets and the regulation of the hours of trade;
2. the fixing, altering or postponing of days for settlements;
3. the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
4. the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
5. the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

Other disclosures are made in accordance with Section 42 of the Companies Act, 2013 and rule 14(1) of Companies (Prospectus and of Securities) Rules, 2014. (Provided in Form PAS – 4 annexed as Annexure I)

SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Material contract/agreements

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) or documents pertaining to the Issue which are or may be deemed material have been entered or to be entered into by our Company. These contracts or documents which are or may be deemed material are available for inspection at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of opening of the Issue until the Issue closing date.

Material Contracts:

1. Agreement with NSDL Database Management Limited dated November 22, 2019 appointing it as registrar;
2. Agreement with Beacon Trusteeship Limited dated December 11, 2019 appointing it as debenture trustee;

Other Documents:

1. Memorandum and Articles of Association of the Issuer;
2. Audited Annual Reports of the Company for the last three years;
3. Certificate of incorporation dated January 19, 2009;
4. Resolution of Annual General Meeting of the Company dated August 06, 2019 for raising money under the Issue the same have been attached as **Annexure E** to this Disclosure Document;
5. Resolution of the Board dated May 13, 2019 and Finance Committee dated November 15, 2019, of the Company for raising money under the Issue. The same has been attached as **Annexure F** and **Annexure G** respectively to this Disclosure Document;
6. Rating letter along with rationale dated October 1, 2019 and December 12, 2019 attached as Annexure B to this Shelf Disclosure Document;
7. Consent dated November 22, 2019 of Beacon Trusteeship Limited to act as Trustee to the Issue of Debentures, attached as Annexure C to this Shelf Disclosure Document;
8. Consent dated November 21, 2019 of NSDL Database Management Limited to act as Registrar to the Issue of Debentures, attached as Annexure D to this Shelf Disclosure Document;
9. Arranger mandate letter;
10. An undertaking that the Issuer will, till the redemption of the Debentures, submit the details of the latest audited/ limited review half yearly results (wherever available) and financial information (profit and loss statement, balance sheet and cash flow statement) and auditor qualifications, if any, to the Debenture Trustee within the timelines as mentioned in the simplified listing agreement, issued by SEBI vide circular dated May 11, 2009 as amended from time to time, for furnishing/ publishing it half yearly result;
11. The details of present Issue of Secured NCD will be covered under the Debenture Trust Deed;
12. An undertaking that permission/consent from the prior creditor for a *paripassu* charge being created where applicable in favour of debenture trustee has been obtained.

SECTION X - DISCLOSURES PERTAINING TO WILFUL DEFAULT

The Issuer, its promoter and its Directors have never been declared as a wilful defaulters by any bank. Thus no disclosure is required to be made under this matter.

DECLARATION

The Issuer declares that as of the date of this Shelf Disclosure Document all the relevant provisions in the regulations / guidelines issued by SEBI and other Applicable Laws have been complied with and no statement made in this Shelf Disclosure Document is contrary to the provisions of the regulations / guidelines issued by SEBI and other Applicable Laws, as the case may be. The information contained in this Shelf Disclosure Document is applicable to the private placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Shelf Disclosure Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by companies in the past.

For, **Centrum Financial Services Limited**



Name: Ranjan Ghosh

Designation: Managing Director & CEO

Date: June 12, 2020

REQUEST FOR DEBENTURES IN DEMATERIALIZED FORM : [●]
TOTAL NUMBER OF DEBENTURES: [●]

I/We the undersigned, want to hold the Debentures of the Company in the dematerialised form. Details of my/our Beneficiary Account are given below:

DEPOSITORY PARTICIPANT NAME	[●]
DP-ID	[●]
BENEFICIARY ACCOUNT NUMBER	[●]
NAME OF THE APPLICANT(S)	[●]

I/We understand that: (i) in case of allotment of Debentures to me/us, my/our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, (ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, (iii) if the names of the Applicant(s) in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to my/our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole option to reject the application.

I/We understand that in case of allotment of Debentures to me/us, the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name in the debenture certificate.

The details mentioned above would be used for all correspondence with the applicants including mailing of Allotment Letters and printing of bank particulars on the refund/interest order (if any). By signing the Application Form, the applicant would have deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue these relevant details. Applicant may note that delivery of Refund Orders/Allotment of Debentures in the Demat Account/Allotment Letters may get delayed if the details provided by the applicant are incorrect. Please note that any such delay shall be at the applicant’s sole risk and neither Company nor the Registrars shall be liable to compensate the applicant for any losses caused to the applicant due to any such delay or liable to pay any interest for such delay.

I/We hereby confirm that I/we have reviewed, read and understood the terms and conditions contained in the Shelf Disclosure Document and the Private Placement Offer Letter and found the same acceptable for investment. I/We hereby confirm that we have been explained the nature of these NCDs and I/We understand the nature of the risks inherent in an investment in these NCDs.

I / We understand that the Issuer may communicate to or intimate me / us only by e-mail or facsimile message and I / we undertake to accept the same as a valid communication or intimation as if such communication or intimation had been otherwise hand delivered or delivered by registered post or courier. I / We undertake that upon sale or transfer to subsequent investor or transferee (“**Transferee**”), I / We shall convey all the terms and conditions contained herein (including the fact that these Debentures cannot be sold to a Non-Resident Indian and/or an Overseas Corporate Body or Foreign Portfolio Investor) to such Transferee. I / We undertake that we shall not sell or transfer the Debentures to a Non-Resident Indian and/or an Overseas Corporate Body and/or Foreign Portfolio Investor. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer (and all such persons acting on its or their behalf) and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

Sole/First Applicant’s

Second Applicant’s

Third Applicant’s

Signature

Signature

Signature

(Tear here

ACKNOWLEDGEMENT SLIP:

Application No.: [●]

Date: [●]

NCD Series	[●]
No. of Debentures (in figures)	[●]
No. of Debentures (in words)	[●]
Amount (Rs. in figures)	[●]
Amount (Rs. in words)	[●]
NEFT / RTGS	[●]

For all further correspondence, please contact the Compliance Officer.

INSTRUCTIONS

- Application must be completed entirely in English, using BLOCK LETTERS.
- A signature can be made either in English or in any other Indian language.
- Application forms duly completed in all respects, must be lodged at the Company's Registered Office.
- All transfers/RTGS must be made payable to "[●]". Details for RTGS payments are mentioned herein below:

Beneficiary Name:	[●]
Bank Name:	[●]
Account No. :	[●]
IFSC Code:	[●]
- Cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
- As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, one is requested to mention the full particulars of the bank account, as specified in the application form.
- Interest warrants will then be made out in favour of the bank for credit to one's account. In case the full particulars are not given, cheques will be issued in the name of the applicant at their own risk.
- One should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided.
- The application would be accepted as per the terms of the issue outlined in the Shelf Disclosure Document / Disclosure Document / Private Placement Offer Letter.
- The payment(s) towards subscription of the securities shall be made from the bank account(s) of the applicants.

ANNEXURE B - CREDIT RATING LETTER AND RATIONALE



CARE/HO/RL/2019-20/3050
Mr. Ranjan Ghosh
 MD and CEO
Centrum Financial Services Limited,
 Centrum House, C.S.T. Road,
 Vidyanagari Marg, Kalina,
 Santacruz (E), Mumbai – 400 098

October 01, 2019

Confidential

Dear Sir,

Credit rating for Principal Protected Market Linked Debenture

On the basis of recent developments including operational and financial performance of your company for FY19 and Q1FY20, our Rating Committee has reviewed the following rating:

Instrument	Rated Amount (Rs. crore)	O/s amount as on Sept 30,2019 (Rs. crore)	Unutilised amount (Rs. crore)	Rating ¹	Rating Action
Principle Protected Market Linked Debenture.	450 (Rupees Four Hundred and fifty crore only)	391.22 (Rupees Three Hundred and ninety one crores and twenty two lakhs only)	58.78 (Rupees Fifty eight crores and seventy eight lakhs only)	CARE PP-MLD A-; Negative (PP-MLD Single A Minus; Outlook: Negative)	Reaffirmed and Outlook revised from 'Stable' to 'Negative'

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months.
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture	Details of top 10 investors
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¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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							Trustee	
--	--	--	--	--	--	--	---------	--

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. The rationale for the rating will be communicated to you separately.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,



[Shailee Sanghvi]
Deputy Manager
shailee.sanghvi@careratings.com



[Ravi Kumar]
Associate Director
ravi.kumar@careratings.com

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Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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Professional Risk Opinion

CARE/HO/RL/2019-20/1784

Mr. Ranjan Ghosh

MD and CEO

Centrum Financial Services Limited,

Centrum House, C.S.T. Road,

Vidyanagari Marg, Kalina,

Santacruz (E), Mumbai – 400 098

November 13, 2019

Dear Sir,

Rating of Bank facilities

Please refer to our letters dated September 30, 2019 on the above subject.

2. The rationale for the ratings is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.
3. A write-up (brief rationale) on the above ratings is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as **Annexure - II**.

If you have any further clarifications, you are welcome too approach us.

Thanking you,

Yours faithfully,

A handwritten signature in black ink, appearing to read "Shailee Sanghvi".

[Shailee Sanghvi]

Deputy Manager

Shailee.sanghvi@careratings.com

A handwritten signature in black ink, appearing to read "Ravi Kumar Dasari".

[Ravi Kumar Dasari]

AGM

ravi.kumar@careratings.com

Encl: As above

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Annexure-I
Rating Rationale

Centrum Financial Services Limited(CFSL)

Ratings

Instrument	Amount (Rs. crore)	Ratings	Rating Action
Market Linked Debentures	450	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Long term bank facilities	300	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Commercial Paper	200	CARE A2+ [A Two Plus]	Reaffirmed
Total	950 (Rs. Nine hundred and fifty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating reaffirmation factors in the established presence of the Centrum Group in the financial services segment, with experienced management and comfortable capital adequacy levels of Centrum Financial Services Limited (CFSL). The ratings are however constrained by concentration in CFSL's loan portfolio towards supply chain financing and entry into newer products segments i.e. MSME which are yet to be established. The ratings also take into account CFSL's weak profitability and concentrated resource profile amidst overall tight funding scenario for NBFC/ HFC sector. The ratings factor in the utilization of the proceeds received from stake sale of Centrum Direct Ltd towards general corporate purposes by Centrum Group which was earlier committed towards equity infusion in CFSL in line with the then proposed growth plans. Ability to raise equity through external sources, improve profitability and ability to scale up the portfolio through diversification continues to remain a key rating sensitivity.

Outlook: Negative

The outlook has been revised to 'Negative' on account of depletion of equity funds committed for future growth, concentrated resource profile along with product concentration and weaker profitability amidst challenging funding environment for NBFCs & HFCs. The outlook may be revised to 'Stable' if the company is able to improve its profitability and scale up its credit book, diversify its resource profile and establish visibility of equity infusion.

Detailed description of the key rating drivers

Key Rating Strengths

Established presence of the group in the financial services segment

CFSL was 100% subsidiary of Centrum Capital Limited (CCL). However, the entire shareholding of CFSL was sold by Centrum Capital Limited (CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The centrum group has presence across various segments

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including institutional business (investment banking, institutional broking), wealth management business (private wealth, insurance broking), lending businesses (affordable housing, NBFC and microfinance) and asset management business. Centrum Wealth Management is amongst the top private wealth management firms in India of which the asset under service as on Sept 30, 2019 stood at Rs.21,026 crores. It is also because of the established presence of Centrum Wealth Management that the company has been able to raise MLD every month of Rs.25-30 crores through HNI investors. The group has set-up Centrum Housing Financial Ltd (CHFL) for offering affordable housing loans and a non-banking finance company, Centrum Financial Services Limited (CFSL) for offering business loans to small and medium enterprises and Centrum MicroCredit Pvt Ltd for providing loans to un-served and under-served borrowers operating small businesses in semi-urban areas.

Experienced management

The centrum group is being led by Mr. Jaspal Bindra former Asia Pacific CEO at Standard Chartered Bank in the role of Executive Chairman of Centrum group.

Mr. Ranjan Ghosh is the MD of CFSL since 2016. He is the former MD and Global Head of Banks, Financial Institutions Group for Standard Chartered Bank. Mr. Saurabh Srivastava is the Head – Credit Risk. He has 15+ years of Experience in the Banking across various functional roles with MNCs and Leading NBFCs like HSBC and Aditya Birla Finance. Each of the business segments is managed by experienced people in the relevant segments.

Comfortable capital adequacy levels

The tangible networth stood at Rs.292.98 crores as on March 31, 2019 as against Rs.168 crores as on March 31, 2018. CCL has infused equity of Rs.60 crores in FY18 and Rs.140 crores as equity and Compulsory convertible debentures (CCD's) in FY19. CCL has earlier committed a total equity infusion of Rs. 450 crores ie Rs. 150 crores in FY19 and Rs. 300 crores in FY20 in CFSL, the visibility of the cashflows was seen due to the proceeds of ~Rs. 900 crores received from the stake sale of Centrum Direct Limited. In light of the challenging funding environment for NBFCs, CFSL recalibrated its growth plans whereby the equity funding requirement came down from what was initially envisaged. However, the visibility of funds for equity infusion, which was evident at the parent level last year, has reduced substantially. Hence, the company/promoter will have to raise resources to meet their capital requirement in future and this remains a key rating monitorable.

In FY19, Total Capital Adequacy Ratio (CAR) stood at 23.01% (against the regulatory requirement of 15%) with Tier I CAR at 21.44%. The overall gearing stood at 3.33x times as on March 31, 2019 as compared to 2.04 times as on March 31, 2018.

Key Rating Weaknesses

Portfolio concentration & seasoning of new products

As on March 31, 2019, the outstanding portfolio stood at Rs.1134 crores as against Rs.343 crores as on March 31, 2018. In FY18, CFSL had envisaged a certain portfolio mix focused with diversification of book across different asset classes primarily being commercial finance, financial institutions, supply chain and real estate. However,

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in FY19 CFSL bought the supply chain portfolio (with relatively granular ticket size loans) from L&T Finance Limited which constitutes almost 54% of the outstanding book as on March 31, 2019.

In case of real estate portfolio, almost 40% of the book is in the last stage of completion and the sales velocity of this book is also high which helps to derive comfort. In case of FI's portfolio, as on March 31, 2019, exposure to MFI's is 73.4% of the total financial intermediary portfolio, however it being a relatively riskier asset class on account of event risks, asset quality performance and its impact on profitability will be key rating monitorable.

In the commercial finance portfolio as on March 31, 2019, top 10 exposures contribute to 56.74% of the tangible networth, 45.47% of the outstanding commercial finance portfolio and 14.66% of the total outstanding book. Maximum single borrower concentration is at 2.20% which is below the regulatory requirement of RBI at 15%. Besides, LAS being a small portfolio has an average security cover of at least 2x at all times. However, this business is not expected to be scaled up.

The supply chain business being competitive in nature, it is imperative for CFSL to access funding at relatively lower rates to maintain the spreads on an on-going basis, With current scenario in the NBFC sector, with lower funding availability and higher cost of funds, CFSL ability to do the same needs to be monitored.

Going forward, CFSL intends to diversify its portfolio with lower ticket sizes in the SCF and MSMSE portfolio. Company is primarily focusing on expanding its portfolio through supply chain through alternate business models and financing including co-lending method, MSME financing and lending to financial institutions mainly MFI's. These new products lines are expected to improve the granularity of the overall portfolio, however the asset quality performances of these new segments through the cycles remains to be seen.

Small size of operations

As CFSL is in early years of operations, the size of business is small and the seasoning of portfolio is limited. As a result, its asset quality performance through different economic cycles and geographies is yet to be established. The portfolio outstanding as on March 31, 2019 is Rs. 1134 crore. Even though the seasoning of the portfolio is low, CFSL portfolio is over-collateralised generally 1.2x or 2x of the loan amount for the exposures in commercial finance, real estate and Financial Intermediary segment. Even in case of LAS, the company has a cover of at least 2x at all times. Besides, supply chain being a short term loan churns faster and the ability to scale up the book along with reasonable yields continues to remain a key monitorable. As on March 31, 2019, GNPA and NNPA stood comfortable at 1.40% and 1.26% respectively.

Moderate Profitability

The company is in early stage of operations and has achieved break even in FY19. The Yield on Advances stood at 12.36% and NIM stood at 2.67% as on March 31, 2019. The supply chain book of Rs.647 crores acquired from L&T was a part of the portfolio from January, 2019 onwards and income on the same was only accounted for 3 months and the adjusted yield would be 14.01%. High levels of liquidity was maintained in the form of deposits, investment in liquid funds and temporary advances, all of which impacted yields and thereby profitability. The cost of borrowings stood at 9.92% as on March 31, 2019. The buy-out of supply chain portfolio has resulted in rise in employee benefit and other operational expenses but has provided liquidity and diversified portfolio. The

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yields on the entire portfolio including the SCF yields has been repriced from Q2 FY 20 onwards, which would enable the Company to have better average yield.

Thus the ability to maintain profitability with the increasing borrowings costs shall continue to remain a key monitorable going forward.

Moderate Resource Profile

As on March 31, 2019, the borrowings stood at Rs.975 crore . Post the NBFC crisis in September'18, company's major source of finance has been only through MLD's. Post March,2019, CFSL has been raising MLD's of approx. Rs.25-30 crores in each month and same is expected to continue in FY20. Apart from that company has raised CP of Rs.25 crores in August'19 and September'19 at 9.75%. Thus, Company has availed minimal loan from any bank/NBFC post March, 2019 and is largely dependent on MLD's as a source of finance thereby accessing the capital markets. However in FY 20, CFSL has been able to raise few facilities from PSU banks (availed a cash credit facility from Union Bank of India)

Liquidity –Moderate: The company is positive across all time brackets as on March 31, 2019. Company has been able to raise MLD's of Rs.25-30 crores each month and has also raised CP of Rs.25 crores. Also, company has cash balance of Rs.102.30 crores as on March 31, 2019. As on March 31, 2019, the borrowings upto 1 year stands at Rs.818.50 crores.

Analytical approach: Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Rating Methodology: Factoring Linkages in Ratings

Financial ratios – Financial sector

CARE's criteria for Housing Finance Companies

About the Company

CFSL, a registered Non-Banking Finance Company was incorporated on 1993 and was primarily meeting the requirements within the Centrum group. In the past few years it has expanded its lending products such as supply chain, real estate, commercial finance and financial intermediary. CFSL was a 100% subsidiary of Centrum Capital Ltd. However, the entire shareholding of CFSL has been sold from Centrum Capital Limited(CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The company started to grow its portfolio since FY17 and as on March 31, 2019 the total outstanding loan portfolio stood at Rs. 1133.5 crore

Financial Performance

(Rs. Crore)

Particulars	FY 2017	FY 2018	FY 2019
	12M, A	12M, A	12M, A
P&L:			

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Interest income	36	45	85
Fee Income	-	6	5
Other income	3	19	10
Total income	39	70	101
Interest expenses	12	46	65
Employee Expenses	2	10	21
Admin Expenses	16	8	8
Depreciation	0	1	1
Total operating expenses	17	19	30
Indirect Expense			
Provisions	0	3	5
Total expenses	30	68	35
PBT	9	3	1
PAT	5	0.39	0.48
Bal sheet:			
Tangible Net worth	111	168	292
Borrowings	298	342	975
Total Assets	429	557	1,385
Investments	34	38	39
Loans	324	334	1,134
Cash and Bank	47	73	102
Ratios (%)			
Overall gearing	2.70	2.04	3.33
Interest coverage	1.68	1.06	1.21
CAR (%)	-	37.34	23.01
Tier I CAR (%)	-	37.04	21.44
Total Income / Average Total Assets	11.81	14.36	10.33
Interest Income/ Avg. Interest earning assets (A)	14.12	12.99	12.36
Interest / Avg. Borrowed Funds (B)	6.14	14.25	9.92
Interest spread (A-B)	7.98	(1.26)	2.08
Net Interest Margin	7.14	(0.04)	2.67
Interest Income /Avg Total Assets	10.95	10.42	9.29
Other Income/Avg total Assets	0.87	3.94	1.03
Finance Cost/Avg Total Assets	3.81	9.30	6.71
Operating Expenses/Average Total Assets	5.31	3.82	3.10
Provisions /Avg Total Assets	0.09	0.67	0.52
Tax /Avg Total Assets	2.60	0.57	0.00
ROTA (PAT / Average Total Assets)	1.68	0.08	0.05
RONW	5.02	0.28	-
Gross NPA %	-	0.48	1.40
Net NPA %	-	-	1.26

*Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

[This follows our brief rationale published on October 09, 2019]

Contact us

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor

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in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure 1- Instrument Details

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue	Rating assigned along with Rating Outlook
				(Rs. crore)	
Bank Facilities – Cash Credit	-	-	-	20	CARE A-;Negative
Bank Facilities- Term Loan	-	-	-	97.53	CARE A-;Negative
Bank Facilities- Proposed	-	-	-	182.47	CARE A-;Negative
Commercial Paper	-	-	-	200	CARE A2+
Principle Protected- Market Linked Debentures	08-Oct-2018	-	06-Nov-2020	23.50	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Oct-2018	-	23-Nov-2020	5.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Nov-2018	-	12-May-2022	19.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Nov-2018	-	23-Nov-2020	4.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Dec-2018	-	14-Jun-2022	13.15	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Dec-2018	-	12-May-2022	2.57	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Dec-2018	-	23-Nov-2020	4.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Dec-2018	-	23-Nov-2020	8.74	CARE PP-MLD A-; Negative
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Principle Protected- Market Linked Debentures	15-Jan-2019	-	23-Nov-2020	1.39	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	25-Jan-2019	-	04-Aug-2022	18.93	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jan-2019	-	04-Aug-2022	23.43	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Feb-2019	-	04-Aug-2022	5.37	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Feb-2019	-	23-Nov-2020	2.34	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Feb-2019	-	17-Jun-2020	22.82	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Feb-2019	-	04-Aug-2022	14.84	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Mar-2019	-	17-Jun-2020	5.64	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	15-Mar-2019	-	04-Aug-2022	2.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Mar-2019	-	17-Jun-2020	8.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Mar-2019	-	04-Aug-2022	11.35	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Mar-2019	-	17-Jun-2020	1.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Apr-2019	-	17-Jun-2020	3.99	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Apr-2019	-	04-Aug-2022	5.61	CARE PP-MLD A-; Negative
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Principle Protected- Market Linked Debentures	24-Apr-2019	-	01-Nov-2022	15.94	CARE PP-MLD A-; Negative
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Principle Protected- Market Linked Debentures	02-May-2019	-	04-Aug-2022	2.06	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-May-2019	-	17-Jun-2020	2.04	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-May-2019	-	17-Jun-2020	4.60	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-May-2019	-	04-Aug-2022	8.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-May-2019	-	17-Jun-2020	1.75	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-May-2019	-	01-Nov-2022	5.68	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	07-Jun-2019	-	04-Aug-2022	6.25	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Jun-2019	-	04-Aug-2022	2.66	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	14-Jun-2019	-	15-Dec-2020	2.70	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	21-Jun-2019	-	28-Oct-2021	7.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Jun-2019	-	01-Nov-2022	2.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Jun-2019	-	04-Aug-2022	6.30	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	04-Jul-2019	-	15-Dec-2020	4.83	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Jul-2019	-	04-Aug-2022	2.10	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-Jul-2019	-	01-Nov-2022	1.77	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Jul-2019	-	15-Dec-2020	6.56	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Jul-2019	-	15-Dec-2020	5.02	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	25-Jul-2019	-	04-Aug-2022	4.18	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Jul-2019	-	15-Dec-2020	4.65	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-Jul-2019	-	15-Dec-2020	2.53	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jul-2019	-	04-Aug-2022	7.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	01-Aug-2019	-	15-Dec-2020	2.03	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Aug-2019	-	04-Aug-2022	3.15	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-Aug-2019	-	15-Dec-2020	4.71	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	16-Aug-2019	-	01-Nov-2022	2.75	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	20-Aug-2019	-	15-Dec-2020	4.46	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Aug-2019	-	04-Aug-2022	6.98	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Aug-2019	-	15-Dec-2020	5.86	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Aug-2019	-	04-Aug-2022	5.72	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Sep-2019	-	15-Dec-2020	2.54	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	09-Sep-2019	-	15-Dec-2020	3.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Sep-2019	-	04-Aug-2022	6.33	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	13-Sep-2019	-	15-Dec-2020	4.10	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	18-Sep-2019	-	15-Dec-2020	1.59	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	20-Sep-2019	-	15-Dec-2020	2.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Sep-2019	-	28-Apr-2023	5.97	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Sep-2019	-	15-Dec-2020	1.85	CARE PP-MLD A-; Negative
Proposed Principle Protected- Market Linked Debentures	-	-	-	58.78	CARE PP-MLD A-; Negative

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	300.00	CARE A-; Negative	-	1. CARE A-; Stable (06-Jul-18)	-	-
2.	Commercial Paper	ST	200.00	CARE A2+	-	1. CARE A2+ (21-Sep-18)	-	-

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						2.CARE A2+ (24-Aug-18)		
3.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (26-Sept-18)	-	-
4.	Market Linked Debenture	LT	50.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (07-Dec-18)	-	-
5.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (18-Feb-19)	-	-
6.	Market Linked Debenture	LT	200.00	CARE PP-MLD A-; Negative	1. CARE PP-MLD A-; Stable (13-May-19)	-	-	-

Annexure-II

Centrum Financial Services Limited (CFSL)

Ratings

Instrument	Amount (Rs. crore)	Ratings	Rating Action
Market Linked Debentures	450	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Long term bank facilities	300	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Commercial Paper	200	CARE A2+ [A Two Plus]	Reaffirmed
Total	950 (Rs. Nine hundred and fifty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale of CFSL

The rating reaffirmation factors in the established presence of the Centrum Group in the financial services segment, with experienced management and comfortable capital adequacy levels of Centrum Financial Services Limited (CFSL).

The ratings are however constrained by concentration in CFSL's loan portfolio towards supply chain financing and entry into newer products segments i.e. MSME which are yet to be established. The ratings also take into account CFSL's weak profitability and concentrated resource profile amidst overall tight funding scenario for NBFC/ HFC sector.

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The ratings factor in the utilization of the proceeds received from stake sale of Centrum Direct Ltd towards general corporate purposes by Centrum Group which was earlier committed towards equity infusion in CFSL in line with the then proposed growth plans. Ability to raise equity through external sources, improve profitability and ability to scale up the portfolio through diversification continues to remain a key rating sensitivity.

Outlook: Negative

The outlook has been revised to 'Negative' on account of depletion of equity funds committed for future growth, concentrated resource profile along with product concentration and weaker profitability amidst challenging funding environment for NBFCs & HFCs. The outlook may be revised to 'Stable' if the company is able to improve its profitability and scale up its credit book, diversify its resource profile and establish visibility of equity infusion.

Detailed description of the key rating drivers of CFSL

Key rating strengths

Established presence of the group in the financial services segment

CFSL was 100% subsidiary of Centrum Capital Limited (CCL). However, the entire shareholding of CFSL was sold by Centrum Capital Limited (CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The centrum group has presence across various segments including institutional business (investment banking, institutional broking), wealth management business (private wealth, insurance broking), lending businesses (affordable housing, NBFC and microfinance) and asset management business. Centrum Wealth Management is amongst the top private wealth management firms in India of which the asset under service as on Sept 30, 2019 stood at Rs.21,026 crores. It is also because of the established presence of Centrum Wealth Management that the company has been able to raise MLD every month of Rs.25-30 crores through HNI investors. The group has set-up Centrum Housing Financial Ltd (CHFL) for offering affordable housing loans and a non-banking finance company, Centrum Financial Services Limited (CFSL) for offering business loans to small and medium enterprises and Centrum MicroCredit Pvt Ltd for providing loans to un-served and under-served borrowers operating small businesses in semi-urban areas.

Experienced management

The centrum group is being led by Mr. Jaspal Bindra former Asia Pacific CEO at Standard Chartered Bank in the role of Executive Chairman of Centrum group.

Mr. Ranjan Ghosh is the MD of CFSL since 2016. He is the former MD and Global Head of Banks, Financial Institutions Group for Standard Chartered Bank. Mr. Saurabh Srivastava is the Head – Credit Risk. He has 15+ years of Experience in the Banking across various functional roles with MNCs and Leading NBFCs like HSBC and Aditya Birla Finance. Each of the business segments is managed by experienced people in the relevant segments.

Comfortable capital adequacy levels

The tangible networth stood at Rs.292.98 crores as on March 31, 2019 as against Rs.168 crores as on March 31, 2018. CCL has infused equity of Rs.60 crores in FY18 and Rs.140 crores as equity and Compulsory convertible debentures (CCD's) in FY19. CCL has earlier committed a total equity infusion of Rs. 450 crores ie Rs. 150 crores in FY19 and Rs. 300 crores in FY20 in CFSL, the visibility of the cashflows was seen due to the proceeds of ~Rs.

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900 crores received from the stake sale of Centrum Direct Limited. In light of the challenging funding environment for NBFCs, CFSL recalibrated its growth plans whereby the equity funding requirement came down from what was initially envisaged. However, the visibility of funds for equity infusion, which was evident at the parent level last year, has reduced substantially. Hence, the company/promoter will have to raise resources to meet their capital requirement in future and this remains a key rating monitorable.

In FY19, Total Capital Adequacy Ratio (CAR) stood at 23.01% (against the regulatory requirement of 15%) with Tier I CAR at 21.44%. The overall gearing stood at 3.33x times as on March 31, 2019 as compared to 2.04 times as on March 31, 2018.

Key rating weaknesses

Portfolio concentration & seasoning of new products

As on March 31, 2019, the outstanding portfolio stood at Rs.1134 crores as against Rs.343 crores as on March 31, 2018. In FY18, CFSL had envisaged a certain portfolio mix focused with diversification of book across different asset classes primarily being commercial finance, financial institutions, supply chain and real estate. However, in FY19 CFSL bought the supply chain portfolio (with relatively granular ticket size loans) from L&T Finance Limited which constitutes almost 54% of the outstanding book as on March 31, 2019.

In case of real estate portfolio, almost 40% of the book is in the last stage of completion and the sales velocity of this book is also high which helps to derive comfort. In case of FI's portfolio, as on March 31, 2019, exposure to MFI's is 73.4% of the total financial intermediary portfolio, however it being a relatively riskier asset class on account of event risks, asset quality performance and its impact on profitability will be key rating monitorable.

In the commercial finance portfolio as on March 31, 2019, top 10 exposures contribute to 56.74% of the tangible networth, 45.47% of the outstanding commercial finance portfolio and 14.66% of the total outstanding book. Maximum single borrower concentration is at 2.20% which is below the regulatory requirement of RBI at 15%.

Besides, LAS being a small portfolio has an average security cover of atleast 2x at all times. However, this business is not expected to be scaled up.

The supply chain business being competitive in nature, it is imperative for CFSL to access funding at relatively lower rates to maintain the spreads on an on-going basis, With current scenario in the NBFC sector, with lower funding availability and higher cost of funds, CFSL ability to do the same needs to be monitored.

Going forward, CFSL intends to diversify its portfolio with lower ticket sizes in the SCF and MSMSE portfolio. Company is primarily focusing on expanding its portfolio through supply chain through alternate business models and financing including co-lending method, MSME financing and lending to financial institutions mainly MFI's. These new products lines are expected to improve the granularity of the overall portfolio, however the asset quality performances of these new segments through the cycles remains to be seen.

Small size of operations

As CFSL is in early years of operations, the size of business is small and the seasoning of portfolio is limited. As a result, its asset quality performance through different economic cycles and geographies is yet to be established. The portfolio outstanding as on March 31, 2019 is Rs. 1134 crore. Even though the seasoning of the portfolio is

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low, CFSL portfolio is over-collateralised generally 1.2x or 2x of the loan amount for the exposures in commercial finance, real estate and Financial Intermediary segment. Even in case of LAS, the company has a cover of at least 2x at all times. Besides, supply chain being a short term loan churns faster and the ability to scale up the book along with reasonable yields continues to remain a key monitorable. As on March 31, 2019, GNPA and NNPA stood comfortable at 1.40% and 1.26% respectively.

Moderate Profitability

The company is in early stage of operations and has achieved break even in FY19. The Yield on Advances stood at 12.36% and NIM stood at 2.67% as on March 31, 2019. The supply chain book of Rs.647 crores acquired from L&T was a part of the portfolio from January, 2019 onwards and income on the same was only accounted for 3 months and the adjusted yield would be 14.01%. High levels of liquidity was maintained in the form of deposits, investment in liquid funds and temporary advances, all of which impacted yields and thereby profitability. The cost of borrowings stood at 9.92% as on March 31, 2019. The buy-out of supply chain portfolio has resulted in rise in employee benefit and other operational expenses but has provided liquidity and diversified portfolio. The yields on the entire portfolio including the SCF yields has been repriced from Q2 FY 20 onwards, which would enable the Company to have better average yield.

Thus the ability to maintain profitability with the increasing borrowings costs shall continue to remain a key monitorable going forward.

Moderate Resource Profile

As on March 31, 2019, the borrowings stood at Rs.975 crore . Post the NBFC crisis in September'18, company's major source of finance has been only through MLD's. Post March, 2019, CFSL has been raising MLD's of approx. Rs.25-30 crores in each month and same is expected to continue in FY20. Apart from that company has raised CP of Rs.25 crores in August'19 and September'19 at 9.75%. Thus, Company has availed minimal loan from any bank/NBFC post March, 2019 and is largely dependent on MLD's as a source of finance thereby accessing the capital markets. However in FY 20, CFSL has been able to raise few facilities from PSU banks (availed a cash credit facility from Union Bank of India)

Liquidity –Moderate: The company is positive across all time brackets as on March 31, 2019. Company has been able to raise MLD's of Rs.25-30 crores each month and has also raised CP of Rs.25 crores. Also, company has cash balance of Rs.102.30 crores as on March 31, 2019. As on March 31, 2019, the borrowings upto 1 year stands at Rs.818.50 crores.

Analytical approach: Standalone approach with support from promoters considered.

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Criteria for Non Banking Financial Companies

Financial ratios – Financial Sector

Factor Linkages in Ratings

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About the Company**CFSL**

CFSL, a registered Non-Banking Finance Company was incorporated on 1993 and was primarily meeting the requirements within the Centrum group. In the past few years it has expanded its lending products such as supply chain, real estate, commercial finance and financial intermediary. CFSL was a 100% subsidiary of Centrum Capital Ltd. However, the entire shareholding of CFSL has been sold from Centrum Capital Limited(CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The company started to grow its portfolio since FY17 and as on March 31, 2019 the total outstanding loan portfolio stood at Rs. 1133.5 crore.

Brief Financials (Rs. crore)	FY18(A)	FY19(A)
Total income	70.46	101.94
PAT	0.39	0.48
Interest coverage (times)	1.06	1.21
Tangible Net worth	168.15	292.98
Loans outstanding	342.41	1133.5
Total Assets	557.50	1385.94
ROTA (%)	0.08	0.05

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure 1- Instrument Details

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bank Facilities – Cash Credit	-	-	-	20	CARE A-;Negative
Bank Facilities- Term Loan	-	-	-	97.53	CARE A-;Negative
Bank Facilities- Proposed	-	-	-	182.47	CARE A-;Negative
Commercial Paper	-	-	-	200	CARE A2+
Principle Protected- Market Linked Debentures	08-Oct-2018	-	06-Nov-2020	23.50	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Oct-2018	-	23-Nov-2020	5.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Nov-2018	-	12-May-2022	19.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Nov-2018	-	23-Nov-2020	4.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Dec-2018	-	14-Jun-2022	13.15	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	12-Dec-2018	-	12-May-2022	2.57	CARE PP-MLD A-; Negative
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Principle Protected- Market Linked Debentures	17-May-2019	-	17-Jun-2020	4.60	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-May-2019	-	04-Aug-2022	8.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-May-2019	-	17-Jun-2020	1.75	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	30-May-2019	-	01-Nov-2022	5.68	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	07-Jun-2019	-	04-Aug-2022	6.25	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Jun-2019	-	04-Aug-2022	2.66	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	14-Jun-2019	-	15-Dec-2020	2.70	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	21-Jun-2019	-	28-Oct-2021	7.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Jun-2019	-	01-Nov-2022	2.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Jun-2019	-	04-Aug-2022	6.30	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	04-Jul-2019	-	15-Dec-2020	4.83	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Jul-2019	-	04-Aug-2022	2.10	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-Jul-2019	-	01-Nov-2022	1.77	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Jul-2019	-	15-Dec-2020	6.56	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Jul-2019	-	15-Dec-2020	5.02	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	25-Jul-2019	-	04-Aug-2022	4.18	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Jul-2019	-	15-Dec-2020	4.65	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-Jul-2019	-	15-Dec-2020	2.53	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jul-2019	-	04-Aug-2022	7.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	01-Aug-2019	-	15-Dec-2020	2.03	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Aug-2019	-	04-Aug-2022	3.15	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-Aug-2019	-	15-Dec-2020	4.71	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	16-Aug-2019	-	01-Nov-2022	2.75	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	20-Aug-2019	-	15-Dec-2020	4.46	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Aug-2019	-	04-Aug-2022	6.98	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Aug-2019	-	15-Dec-2020	5.86	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Aug-2019	-	04-Aug-2022	5.72	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Sep-2019	-	15-Dec-2020	2.54	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	09-Sep-2019	-	15-Dec-2020	3.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Sep-2019	-	04-Aug-2022	6.33	CARE PP-MLD A-; Negative

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						2.CARE A2+ (24-Aug-18)		
3.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (26-Sept-18)	-	-
4.	Market Linked Debenture	LT	50.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (07-Dec-18)	-	-
5.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (18-Feb-19)	-	-
6.	Market Linked Debenture	LT	200.00	CARE PP-MLD A-; Negative	1. CARE PP-MLD A-; Stable (13-May-19)	-	-	-

Annexure-II

Centrum Financial Services Limited (CFSL)

Ratings

Instrument	Amount (Rs. crore)	Ratings	Rating Action
Market Linked Debentures	450	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Long term bank facilities	300	CARE A-;Negative [Single A Minus; Outlook :Negative]	Reaffirmed Outlook revised from Stable to Negative
Commercial Paper	200	CARE A2+ [A Two Plus]	Reaffirmed
Total	950 (Rs. Nine hundred and fifty crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale of CFSL

The rating reaffirmation factors in the established presence of the Centrum Group in the financial services segment, with experienced management and comfortable capital adequacy levels of Centrum Financial Services Limited (CFSL).

The ratings are however constrained by concentration in CFSL's loan portfolio towards supply chain financing and entry into newer products segments i.e. MSME which are yet to be established. The ratings also take into account CFSL's weak profitability and concentrated resource profile amidst overall tight funding scenario for NBFC/ HFC sector.

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The ratings factor in the utilization of the proceeds received from stake sale of Centrum Direct Ltd towards general corporate purposes by Centrum Group which was earlier committed towards equity infusion in CFSL in line with the then proposed growth plans. Ability to raise equity through external sources, improve profitability and ability to scale up the portfolio through diversification continues to remain a key rating sensitivity.

Outlook: Negative

The outlook has been revised to 'Negative' on account of depletion of equity funds committed for future growth, concentrated resource profile along with product concentration and weaker profitability amidst challenging funding environment for NBFCs & HFCs. The outlook may be revised to 'Stable' if the company is able to improve its profitability and scale up its credit book, diversify its resource profile and establish visibility of equity infusion.

Detailed description of the key rating drivers of CFSL

Key rating strengths

Established presence of the group in the financial services segment

CFSL was 100% subsidiary of Centrum Capital Limited (CCL). However, the entire shareholding of CFSL was sold by Centrum Capital Limited (CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The centrum group has presence across various segments including institutional business (investment banking, institutional broking), wealth management business (private wealth, insurance broking), lending businesses (affordable housing, NBFC and microfinance) and asset management business. Centrum Wealth Management is amongst the top private wealth management firms in India of which the asset under service as on Sept 30, 2019 stood at Rs.21,026 crores. It is also because of the established presence of Centrum Wealth Management that the company has been able to raise MLD every month of Rs.25-30 crores through HNI investors. The group has set-up Centrum Housing Financial Ltd (CHFL) for offering affordable housing loans and a non-banking finance company, Centrum Financial Services Limited (CFSL) for offering business loans to small and medium enterprises and Centrum MicroCredit Pvt Ltd for providing loans to un-served and under-served borrowers operating small businesses in semi-urban areas.

Experienced management

The centrum group is being led by Mr. Jaspal Bindra former Asia Pacific CEO at Standard Chartered Bank in the role of Executive Chairman of Centrum group.

Mr. Ranjan Ghosh is the MD of CFSL since 2016. He is the former MD and Global Head of Banks, Financial Institutions Group for Standard Chartered Bank. Mr. Saurabh Srivastava is the Head – Credit Risk. He has 15+ years of Experience in the Banking across various functional roles with MNCs and Leading NBFCs like HSBC and Aditya Birla Finance. Each of the business segments is managed by experienced people in the relevant segments.

Comfortable capital adequacy levels

The tangible networth stood at Rs.292.98 crores as on March 31, 2019 as against Rs.168 crores as on March 31, 2018. CCL has infused equity of Rs.60 crores in FY18 and Rs.140 crores as equity and Compulsory convertible debentures (CCD's) in FY19. CCL has earlier committed a total equity infusion of Rs. 450 crores ie Rs. 150 crores in FY19 and Rs. 300 crores in FY20 in CFSL, the visibility of the cashflows was seen due to the proceeds of ~Rs.

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900 crores received from the stake sale of Centrum Direct Limited. In light of the challenging funding environment for NBFCs, CFSL recalibrated its growth plans whereby the equity funding requirement came down from what was initially envisaged. However, the visibility of funds for equity infusion, which was evident at the parent level last year, has reduced substantially. Hence, the company/promoter will have to raise resources to meet their capital requirement in future and this remains a key rating monitorable.

In FY19, Total Capital Adequacy Ratio (CAR) stood at 23.01% (against the regulatory requirement of 15%) with Tier I CAR at 21.44%. The overall gearing stood at 3.33x times as on March 31, 2019 as compared to 2.04 times as on March 31, 2018.

Key rating weaknesses

Portfolio concentration & seasoning of new products

As on March 31, 2019, the outstanding portfolio stood at Rs.1134 crores as against Rs.343 crores as on March 31, 2018. In FY18, CFSL had envisaged a certain portfolio mix focused with diversification of book across different asset classes primarily being commercial finance, financial institutions, supply chain and real estate. However, in FY19 CFSL bought the supply chain portfolio (with relatively granular ticket size loans) from L&T Finance Limited which constitutes almost 54% of the outstanding book as on March 31, 2019.

In case of real estate portfolio, almost 40% of the book is in the last stage of completion and the sales velocity of this book is also high which helps to derive comfort. In case of FI's portfolio, as on March 31, 2019, exposure to MFI's is 73.4% of the total financial intermediary portfolio, however it being a relatively riskier asset class on account of event risks, asset quality performance and its impact on profitability will be key rating monitorable.

In the commercial finance portfolio as on March 31, 2019, top 10 exposures contribute to 56.74% of the tangible networth, 45.47% of the outstanding commercial finance portfolio and 14.66% of the total outstanding book. Maximum single borrower concentration is at 2.20% which is below the regulatory requirement of RBI at 15%.

Besides, LAS being a small portfolio has an average security cover of atleast 2x at all times. However, this business is not expected to be scaled up.

The supply chain business being competitive in nature, it is imperative for CFSL to access funding at relatively lower rates to maintain the spreads on an on-going basis, With current scenario in the NBFC sector, with lower funding availability and higher cost of funds, CFSL ability to do the same needs to be monitored.

Going forward, CFSL intends to diversify its portfolio with lower ticket sizes in the SCF and MSMSE portfolio. Company is primarily focusing on expanding its portfolio through supply chain through alternate business models and financing including co-lending method, MSME financing and lending to financial institutions mainly MFI's. These new products lines are expected to improve the granularity of the overall portfolio, however the asset quality performances of these new segments through the cycles remains to be seen.

Small size of operations

As CFSL is in early years of operations, the size of business is small and the seasoning of portfolio is limited. As a result, its asset quality performance through different economic cycles and geographies is yet to be established. The portfolio outstanding as on March 31, 2019 is Rs. 1134 crore. Even though the seasoning of the portfolio is

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low, CFSL portfolio is over-collateralised generally 1.2x or 2x of the loan amount for the exposures in commercial finance, real estate and Financial Intermediary segment. Even in case of LAS, the company has a cover of at least 2x at all times. Besides, supply chain being a short term loan churns faster and the ability to scale up the book along with reasonable yields continues to remain a key monitorable. As on March 31, 2019, GNPA and NNPA stood comfortable at 1.40% and 1.26% respectively.

Moderate Profitability

The company is in early stage of operations and has achieved break even in FY19. The Yield on Advances stood at 12.36% and NIM stood at 2.67% as on March 31, 2019. The supply chain book of Rs.647 crores acquired from L&T was a part of the portfolio from January, 2019 onwards and income on the same was only accounted for 3 months and the adjusted yield would be 14.01%. High levels of liquidity was maintained in the form of deposits, investment in liquid funds and temporary advances, all of which impacted yields and thereby profitability. The cost of borrowings stood at 9.92% as on March 31, 2019. The buy-out of supply chain portfolio has resulted in rise in employee benefit and other operational expenses but has provided liquidity and diversified portfolio. The yields on the entire portfolio including the SCF yields has been repriced from Q2 FY 20 onwards, which would enable the Company to have better average yield.

Thus the ability to maintain profitability with the increasing borrowings costs shall continue to remain a key monitorable going forward.

Moderate Resource Profile

As on March 31, 2019, the borrowings stood at Rs.975 crore. Post the NBFC crisis in September'18, company's major source of finance has been only through MLD's. Post March, 2019, CFSL has been raising MLD's of approx. Rs.25-30 crores in each month and same is expected to continue in FY20. Apart from that company has raised CP of Rs.25 crores in August'19 and September'19 at 9.75%. Thus, Company has availed minimal loan from any bank/NBFC post March, 2019 and is largely dependent on MLD's as a source of finance thereby accessing the capital markets. However in FY 20, CFSL has been able to raise few facilities from PSU banks (availed a cash credit facility from Union Bank of India)

Liquidity –Moderate: The company is positive across all time brackets as on March 31, 2019. Company has been able to raise MLD's of Rs.25-30 crores each month and has also raised CP of Rs.25 crores. Also, company has cash balance of Rs.102.30 crores as on March 31, 2019. As on March 31, 2019, the borrowings upto 1 year stands at Rs.818.50 crores.

Analytical approach: Standalone approach with support from promoters considered.

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Criteria for Non Banking Financial Companies

Financial ratios – Financial Sector

Factor Linkages in Ratings

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About the Company**CFSL**

CFSL, a registered Non-Banking Finance Company was incorporated on 1993 and was primarily meeting the requirements within the Centrum group. In the past few years it has expanded its lending products such as supply chain, real estate, commercial finance and financial intermediary. CFSL was a 100% subsidiary of Centrum Capital Ltd. However, the entire shareholding of CFSL has been sold from Centrum Capital Limited(CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The company started to grow its portfolio since FY17 and as on March 31, 2019 the total outstanding loan portfolio stood at Rs. 1133.5 crore.

Brief Financials (Rs. crore)	FY18(A)	FY19(A)
Total income	70.46	101.94
PAT	0.39	0.48
Interest coverage (times)	1.06	1.21
Tangible Net worth	168.15	292.98
Loans outstanding	342.41	1133.5
Total Assets	557.50	1385.94
ROTA (%)	0.08	0.05

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure 1- Instrument Details

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Bank Facilities – Cash Credit	-	-	-	20	CARE A-;Negative
Bank Facilities- Term Loan	-	-	-	97.53	CARE A-;Negative
Bank Facilities- Proposed	-	-	-	182.47	CARE A-;Negative
Commercial Paper	-	-	-	200	CARE A2+
Principle Protected- Market Linked Debentures	08-Oct-2018	-	06-Nov-2020	23.50	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	23-Oct-2018	-	23-Nov-2020	5.05	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-Nov-2018	-	12-May-2022	19.55	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Nov-2018	-	23-Nov-2020	4.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Dec-2018	-	14-Jun-2022	13.15	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	12-Dec-2018	-	12-May-2022	2.57	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Dec-2018	-	23-Nov-2020	4.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Dec-2018	-	23-Nov-2020	8.74	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-Jan-2019	-	23-Nov-2020	2.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	15-Jan-2019	-	23-Nov-2020	1.39	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	25-Jan-2019	-	04-Aug-2022	18.93	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jan-2019	-	04-Aug-2022	23.43	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Feb-2019	-	04-Aug-2022	5.37	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Feb-2019	-	23-Nov-2020	2.34	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Feb-2019	-	17-Jun-2020	22.82	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Feb-2019	-	04-Aug-2022	14.84	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Mar-2019	-	17-Jun-2020	5.64	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	15-Mar-2019	-	04-Aug-2022	2.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Mar-2019	-	17-Jun-2020	8.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Mar-2019	-	04-Aug-2022	11.35	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Mar-2019	-	17-Jun-2020	1.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Apr-2019	-	17-Jun-2020	3.99	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Apr-2019	-	04-Aug-2022	5.61	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	16-Apr-2019	-	17-Jun-2020	2.02	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-Apr-2019	-	01-Nov-2022	15.94	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Apr-2019	-	17-Jun-2020	5.74	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-Apr-2019	-	04-Aug-2022	2.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-May-2019	-	04-Aug-2022	2.06	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-May-2019	-	17-Jun-2020	2.04	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-May-2019	-	17-Jun-2020	4.60	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-May-2019	-	04-Aug-2022	8.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-May-2019	-	17-Jun-2020	1.75	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	12-Dec-2018	-	12-May-2022	2.57	CARE PP-MLD A-; Negative
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Principle Protected- Market Linked Debentures	15-Jan-2019	-	23-Nov-2020	1.39	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	25-Jan-2019	-	04-Aug-2022	18.93	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	31-Jan-2019	-	04-Aug-2022	23.43	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	06-Feb-2019	-	04-Aug-2022	5.37	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Feb-2019	-	23-Nov-2020	2.34	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	22-Feb-2019	-	17-Jun-2020	22.82	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	28-Feb-2019	-	04-Aug-2022	14.84	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Mar-2019	-	17-Jun-2020	5.64	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	15-Mar-2019	-	04-Aug-2022	2.08	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	19-Mar-2019	-	17-Jun-2020	8.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Mar-2019	-	04-Aug-2022	11.35	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	29-Mar-2019	-	17-Jun-2020	1.01	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	05-Apr-2019	-	17-Jun-2020	3.99	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	12-Apr-2019	-	04-Aug-2022	5.61	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	16-Apr-2019	-	17-Jun-2020	2.02	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-Apr-2019	-	01-Nov-2022	15.94	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Apr-2019	-	17-Jun-2020	5.74	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	30-Apr-2019	-	04-Aug-2022	2.58	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	02-May-2019	-	04-Aug-2022	2.06	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	08-May-2019	-	17-Jun-2020	2.04	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	17-May-2019	-	17-Jun-2020	4.60	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	24-May-2019	-	04-Aug-2022	8.79	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-May-2019	-	17-Jun-2020	1.75	CARE PP-MLD A-; Negative

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Principle Protected- Market Linked Debentures	13-Sep-2019	-	15-Dec-2020	4.10	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	18-Sep-2019	-	15-Dec-2020	1.59	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	20-Sep-2019	-	15-Dec-2020	2.00	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	26-Sep-2019	-	28-Apr-2023	5.97	CARE PP-MLD A-; Negative
Principle Protected- Market Linked Debentures	27-Sep-2019	-	15-Dec-2020	1.85	CARE PP-MLD A-; Negative
Proposed Principle Protected- Market Linked Debentures	-	-	-	58.78	CARE PP-MLD A-; Negative

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings		Rating history				
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	300.00	CARE A-; Negative	-	1. CARE A-; Stable (06-Jul-18)	-	-
2.	Commercial Paper	ST	200.00	CARE A2+	-	1. CARE A2+ (21-Sep-18) 2. CARE A2+ (24-Aug-18)	-	-
3.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (26-Sept-18)	-	-
4.	Market Linked Debenture	LT	50.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (07-Dec-18)	-	-
5.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	-	1. CARE PP-MLD A-; Stable (18-Feb-19)	-	-
6.	Market Linked Debenture	LT	200.00	CARE PP-MLD A-; Negative	1. CARE PP-MLD A-; Stable (13-May-19)	-	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

CARE Ratings Limited
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Analyst Contact 1

Mr. Ravi Kumar
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Analyst Contact 2

Mr. Sanjay Agarwal
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 Email: ankur.sachdeva@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

*For detailed Rationale Report and subscription information, please contact us at www.careratings.com

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CARE/HO/RL/2019-20/3628

Mr. Ranjan Ghosh

MD and CEO

Centrum Financial Services Limited,

Centrum House, C.S.T. Road,

Vidyanagari Marg, Kalina,

Santacruz (E), Mumbai – 400 098

December 12, 2019

Confidential

Dear Sir,

Credit rating for proposed Principal Protected Market Linked Debenture

Please refer to your request for rating of proposed Principal Protected Market Linked Debenture issue aggregating to Rs.50 crore of your company.

2. The following rating has been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Proposed Principal Protected Market Linked Debenture	50 (Rs. Fifty crore only)	CARE PP-MLD A-; Negative (PP-MLD Single A Minus; Outlook: Negative)	Assigned

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you.

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Page 1 of 3

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7. The rationale for the rating will be communicated to you separately.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
11. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,



[Shailee Sanghvi]
Deputy Manager
shailee.sanghvi@careratings.com



[Aditya Acharekar]
AGM
aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the

Page 2 of 3

CARE Ratings Ltd.

investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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CARE/HO/RR/2019-20/1886
Mr. Ranjan Ghosh
MD and CEO
Centrum Financial Services Limited,
Centrum House, C.S.T. Road,
Vidyanagari Marg, Kalina,
Santacruz (E), Mumbai – 400 098

December 31, 2019

Dear Sir,

Rating of Bank facilities

Please refer to our letters dated December 12, 2019 on the above subject.

2. A write-up (brief rationale) on the above ratings is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as **Annexure - I**.

If you have any further clarifications, you are welcome too approach us.

Thanking you,

Yours faithfully,

[Shailee Sanghvi]
Deputy Manager
Shailee.sanghvi@careratings.com

[Ravi Kumar Dasari]
AGM
ravi.kumar@careratings.com

Encl: As above

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Annexure-I
Centrum Financial Services Limited (CFSL)

Ratings

Instrument	Amount (Rs. crore)	Ratings	Rating Action
Market Linked Debentures	50	CARE PP-MLD A-;Negative [PP-MLD Single A Minus; Outlook :Negative]	Assigned

Details of instruments/facilities in Annexure-1

Detailed Rationale of CFSL

The rating factors in the established presence of the Centrum Group in the financial services segment, with experienced management and comfortable capital adequacy levels of Centrum Financial Services Limited (CFSL). The rating is however constrained by concentration in CFSL's loan portfolio towards supply chain financing and entry into newer products segments i.e. MSME which are yet to be established. The rating also takes into account CFSL's weak profitability and concentrated resource profile amidst overall tight funding scenario for NBFC/HFC sector.

The rating factors in the utilization of the proceeds received from stake sale of Centrum Direct Ltd towards general corporate purposes by Centrum Group which was earlier committed towards equity infusion in CFSL in line with the then proposed growth plans. Ability to raise equity through external sources, improve profitability and ability to scale up the portfolio through diversification continues to remain a key rating sensitivity.

Outlook: Negative

The outlook is 'Negative' on account of depletion of equity funds committed for future growth, concentrated resource profile along with product concentration and weaker profitability amidst challenging funding environment for NBFCs & HFCs. The outlook may be revised to 'Stable' if the company is able to improve its profitability and scale up its credit book, diversify its resource profile and establish visibility of equity infusion.

Rating sensitivities*Positive Factors*

- Sustained growth in loan book while improving profitability
- Diversification of resource profile
- Diversification of loan book while maintaining asset quality
- Sizeable capital infusion

Negative Factors

- Weakening of parent's credit profile
- Material deterioration in asset quality
- Further deterioration in profitability

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Moderate Profitability

The company is in early stage of operations and has achieved break even in FY19. The Yield on Advances stood at 12.36% and NIM stood at 2.67% as on March 31, 2019. The supply chain book of Rs.647 crores acquired from L&T was a part of the portfolio from January, 2019 onwards and income on the same was only accounted for 3 months and the adjusted yield would be 14.01%. High levels of liquidity was maintained in the form of deposits, investment in liquid funds and temporary advances, all of which impacted yields and thereby profitability. The cost of borrowings stood at 9.92% as on March 31, 2019. The buy-out of supply chain portfolio has resulted in rise in employee benefit and other operational expenses but has provided liquidity and diversified portfolio. The yields on the entire portfolio including the SCF yields has been repriced from Q2 FY 20 onwards, which would enable the Company to have better average yield.

As on September 30, 2019, company has earned a marginal post tax profit of Rs.16 lakhs on a total income of Rs.79 crores. The yield on advances stood at 14.64% and cost of borrowing is 11.81%.

Thus the ability to maintain profitability with the increasing borrowings costs shall continue to remain a key monitorable going forward.

Moderate Resource Profile

As on March 31, 2019, the borrowings stood at Rs.975 crore . Post the NBFC crisis in September'18, company's major source of finance has been only through MLD's. Post March,2019, CFSL has been raising MLD's of approx. Rs.25-30 crores in each month and same is expected to continue in FY20. Apart from that company has raised CP of Rs.25 crores in August'19 and September'19 at 9.75%. Thus, Company has availed minimal loan from any bank/NBFC post March, 2019 and is largely dependent on MLD's as a source of finance thereby accessing the capital markets. However in FY 20, CFSL has been able to raise few facilities from PSU banks (availed a cash credit facility from Union Bank of India)

Liquidity –Moderate: The Company's ALM profile shows no negative gaps in any time brackets as on September 30, 2019. Company has been able to raise MLD's of Rs.25-30 crore each month and has also raised CP of Rs.25 crore. Also, the company had cash balance of Rs.142 crore as on September 30, 2019. As on September 30, 2019, the borrowings upto 1 year stands at Rs 720.66 crores as against the cash inflows of Rs. 829 crores.

Analytical approach: Standalone approach with support from promoters considered.

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

Criteria for Non Banking Financial Companies

Financial ratios – Financial Sector

Factor Linkages in Ratings

About the Company

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CFSL

CFSL, a registered Non-Banking Finance Company was incorporated on 1993 and was primarily meeting the requirements within the Centrum group. In the past few years it has expanded its lending products such as supply chain, real estate, commercial finance and financial intermediary. CFSL was a 100% subsidiary of Centrum Capital Ltd. However, the entire shareholding of CFSL has been sold from Centrum Capital Limited(CCL) to Centrum Retail Services Limited (CRSL) as on June 30, 2019. CCL holds 93.33% of CRSL and the balance is held by Promoters. The company started to grow its portfolio since FY17 and as on March 31, 2019 the total outstanding loan portfolio stood at Rs. 1133.5 crore.

Brief Financials (Rs. crore)	FY18(A)	FY19(A)
Total income	70.46	101.94
PAT	0.39	0.48
Interest coverage (times)	1.06	1.21
Tangible Net worth	168.15	292.98
Loans outstanding	342.41	1133.5
Total Assets	557.50	1385.94
ROTA (%)	0.08	0.05

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Market Linked Debentures	-	-	-	50	CARE PP-MLD A-; Negative

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	300.00	CARE A-; Negative	1.CARE A-; Negative (09-Oct-19)	1. CARE A-; Stable (06-Jul-18)	-	-
2.	Commercial Paper	ST	200.00	Withdrawn	1.CARE A2+; (09-Oct-19) 2. Withdrawn (17-Oct-19)	1.CARE A2+ (21-Sep-18) 2.CARE A2+ (24-Aug-18)	-	-
3.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	1.CARE PP-MLD A-; Negative	1. CARE PP-MLD A-; Stable	-	-

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					(09-Oct-19)	(26-Sept-18)		
4.	Market Linked Debenture	LT	50.00	CARE PP-MLD A-; Negative	1.CARE PP-MLD A-; Negative (09-Oct-19)	1. CARE PP-MLD A-; Stable (07-Dec-18)	-	-
5.	Market Linked Debenture	LT	100.00	CARE PP-MLD A-; Negative	1.CARE PP-MLD A-; Negative (09-Oct-19)	1. CARE PP-MLD A-; Stable (18-Feb-19)	-	-
6.	Market Linked Debenture	LT	200.00	CARE PP-MLD A-; Negative	1.CARE PP-MLD A-; Stable (13-May-19) 2.CARE PP-MLD A-; Negative (09-Oct-19)	-	-	-
7.	Market Linked Debenture	LT	50.00	CARE PP-MLD A-; Negative	-	-	-	-

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CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE

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Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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ANNEXURE C – CONSENT LETTER OF DEBENTURE TRUSTEE



7913/CL/MUM/19-20/DEB/236
Date: Nov 22, 2019

Centrum Financial Services Limited
Centrum House, ,
CST Road, Vidyanagari Marg, Kalina, ,
Santacruz East, ,
Mumbai, Maharashtra – 400098

Kind Attn: Ms. Archana Goyal

Sub: Consent to act as Debenture Trustee for Secured Listed Non-Covertible Debentures aggregating to Rs. 50.00 Crores

Dear Maam,

This is with reference to our conversation regarding appointment of Beacon Trusteeship Limited as Debenture Trustee for Secured Listed Non-Covertible Debentures aggregating to Rs. 50.00 Crores.

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully,

For Beacon Trusteeship Limited

Authorised Signatory

Accepted

For Centrum Financial Services Limited

Authorised Signatory

BEACON TRUSTEESHIP LIMITED

Regd & Corporate Office : 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E), Mumbai - 400051

CIN: U74999MH2015PLC271288

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

ANNEXURE D – CONSENT LETTER OF THE REGISTRAR TO THE ISSUE

NSDL Database Management Limited



November 21, 2019

Ms. Archana Goyal
Company Secretary
Centrum Financial Services Limited.
Centrum House, CST Road
Vidyanagari Marg, Kalina
Santacruz (East)
Mumbai - 400098

Dear Sir,

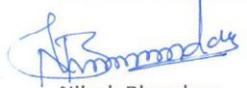
This has reference to your email dated November 20, 2019 regarding consent letter for debenture issue. We are happy to act as Registrar & Transfer Agent for Secured, Redeemable, Non-Cumulative, Listed, Rated, Non-Convertible, Principal Protected Market Linked Debentures (MLDs) upto an amount of Rs. 50 Crores (Rs. Fifty Crore Only).

We hereby give our consent to include our name in the Disclosure Document for the Secured, Redeemable, Non-Cumulative, Listed, Rated, Non-Convertible, Principal Protected Market Linked Debentures (MLDs) upto an amount of Rs. 50 Crores (Rs. Fifty Crore Only).

Our SEBI registration is INR000004181.

Yours faithfully

For NSDL Database Management Ltd.


Nilesh Bhandare
Manager



ANNEXURE E - RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING OF CENTRUM FINANCIAL SERVICES LIMITED HELD ON TUESDAY, AUGUST 06, 2019 AT 10.00 AM AT CENTRUM HOUSE, C.S.T ROAD, VIDYANAGARI MARG, KALINA, SANTACRUZ (EAST), MUMBAI - 400098.

APPROVAL FOR FURTHER ISSUE OF SECURITIES

"RESOLVED THAT subject to the provisions of the RBI guidelines, as amended from time to time including its circulars issued from time to time and in accordance with the provisions of section 42, 62(1)(c), 62(1)(a), 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules 2014, the Companies (Prospectus and Allotment of Securities) Rules, 2014 including any statutory modifications or re-enactment thereof, for the time being in force, to the extent notified and in effect, the relevant provisions of the Securities Contracts (Regulation) Act, 1956, as amended ("SCRA"), and the rules framed thereunder, and the applicable statutes, rules, regulations, guidelines, notifications, press notes and circulars, if any, issued by the Government of India ('GOI'), the Reserve Bank of India or any other competent authorities (collectively, the "Regulatory Authorities"), from time to time, to the extent applicable whether in India, from time to time, to the extent applicable, the provisions of the Memorandum and Articles of Association of the Company, and subject to approvals as might be required of RBI, stock exchanges and/or other relevant statutory, regulatory, judiciary or governmental authorities ("Concerned Authorities") in this regard and further subject to such modifications as might be prescribed while granting such approvals, and which may be agreed to by the Board of Directors of the Company or any committee of the Board, which may be constituted or in existence (herein after referred to as the "Board"), approval of the shareholders be and is hereby given to create, offer, issue and allot, by issue of securities, as may be decided by the Board/ any Committee of the Board to such persons or entities, including companies, financial institutions, insurance companies, mutual funds, pension/ provident funds and individuals, as the case may be or such other entities as the Board/ any Committee may decide so, however that the aggregate amount of funds from any such offering(s) whether in one or more tranches, shall not exceed Rs. 600 Crore (Rupees Six Hundred Crore Only);

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue, transfer or allotment of securities, the Board / Committee of the Board be and is hereby authorized to take all the necessary steps and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto;

RESOLVED FURTHER THAT the Securities to be so allotted shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects with the existing Securities of the same class of the Company including rights in respect of dividend, if applicable;



Centrum Financial Services Limited, (CIN No. U65920MH2902PLC190088)
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 Registered Office : 2nd Floor, Bombay Mutual Building, Dr. D. N. Road, Fort, Mumbai - 400 002
 Tel : +91 22 2266 2434 / Email : info@centrum.co.in | Website : www.centrum.co.in

CENTRUM

RESOLVED FURTHER THAT the Board/ Committee of the Board be and is hereby authorized to delegate all or any of its powers herein conferred to any one or more officers of the Company / Group Company;

CERTIFIED TO BE TRUE
FOR CENTRUM FINANCIAL SERVICES LIMITED



ARCHANA GOYAL
COMPANY SECRETARY



ANNEXURE F - BOARD RESOLUTION OF THE COMPANY

ANNEXURE F – BOARD RESOLUTION OF THE COMPANY

CENTRUM

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING (Q1/2/2019-2020) OF THE BOARD OF DIRECTORS OF CENTRUM FINANCIAL SERVICES LIMITED HELD ON MONDAY, MAY 13, 2019, AT 11.00 A.M. AT CENTRUM HOUSE, C.S.T. ROAD, VIDYANAGARI MARG, KALINA, SANTACRUZ (EAST), MUMBAI – 400 098.

CONSIDERATION AND APPROVAL OF FURTHER ISSUE OF SECURITIES

"RESOLVED THAT pursuant to Section 42, 62, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, any other applicable provisions under the Act, Securities and Exchange Board of India Act, 1992, Securities Contract Regulation Act, 1956, SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force), as may be amended from time to time, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force), as may be amended from time to time, the Depositories Act, 1996, Indian Stamp Act 1899, and/or the Rules, Regulations, Guidelines and Circulars issued thereunder and subject to the Reserve Bank of India regulations/ guidelines/circulars, the Memorandum and Articles of Association of the Company, the provisions of listing agreement entered into/ to be entered into with any stock exchange/s, and subject to any other regulations, consents, permissible approvals and sanctions, if any, as may be necessary and subject to such conditions, if any, as may be laid down by any other authority and in accordance with the approval of members of the Company at their Annual General Meeting held on August 10, 2018, approval of the Board be and is hereby given to create, offer, issue, allot, list, redeem, pay interest, etc., by issue of rated/ unrated/ listed/ unlisted securities, which may be secured/ unsecured, convertible/ non-convertible ("Securities") and as may be decided by the Board/ Finance Committee to such persons or entities, including companies, financial institutions, insurance companies, mutual funds, pension/ provident funds and individuals, as the case may be or such other entities as the Board/ Finance Committee may decide so, however that the aggregate amount of funds from any such offering(s), whether in one or more tranches, shall not exceed Rs. 500 Crore (Rupees Five Hundred Crores Only);

RESOLVED FURTHER THAT the Finance Committee of the Company be and is hereby authorised to decide the terms and conditions of the offer, the opening and closing of the offer, transfer or allotment of securities, listing/ delisting of securities, redemption, interest payment, other terms etc., and to take all the necessary steps and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto;

RESOLVED FURTHER THAT Mr. Dipesh Goyal, may be appointed as Compliance Officer for the issue/s under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations and shall undertake the responsibilities as listed in the regulation.



Centrum Financial Services Limited, (CIN No. U65910MH1993PLC192085)
 Corporate Office : Centrum House, CST Road, Vidyanageri Marg, Kalina, Santacruz (East), Mumbai - 400 098. Tel : +91 22 4226 4000
 Registered Office : 2 nd Floor, Bombay Mutual Building, Dr. D. N. Road, Fort, Mumbai - 400 001
 Tel : +91 22 2266 2434 / Email : info@centrum.co.in | Website : www.centrum.co.in



RESOLVED FURTHER THAT the Finance Committee be and is hereby authorized to open one or more bank accounts in the name of the Company in Indian currency or foreign currency (ies) with such bank or banks in India as may be required in connection with the aforesaid issue, subject to requisite approvals from Reserve Bank of India, if any, any one of the Directors, CFO or Company Secretary of the Company or any other officer as may be authorized by the Board / Finance Committee be and are hereby authorized to sign and execute the application forms and other documents required for opening the account, to operate the said account, and to give such instructions including closure thereof as may be required and deemed appropriate by these signatories, and that the said bank/s be and is/are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid signatories on behalf of the Company.

RESOLVED FURTHER THAT the Finance Committee be and is hereby authorized to do such acts, deeds and things as the Finance Committee in its absolute discretion deems necessary or desirable in connection with the offer of the Securities, including, without limitation, the following:

- i finalization of the terms of offer of the Securities
- ii finalization of the allotment of the Securities on the basis of the bids/applications received;
- iii approval of the preliminary and final offer document (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in accordance with all applicable statutory and/or regulatory requirements;
- iv acceptance and appropriation of the proceeds of the issue of the Securities;
- v authorization of the maintenance of a register of holders of the Securities;
- vi authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
- vii seeking, if required, the consent of the Company's lenders, or any other entities from whom consent may be required.
- viii giving or authorizing the giving by concerned persons of such consents and authorities as may be required from time to time; and deciding the pricing and terms of the Securities, and all other related matters;

RESOLVED FURTHER THAT the Board / Finance Committee be and is hereby authorized to delegate all or any of its powers herein conferred to any one or more officers of the Company/ Group Company;



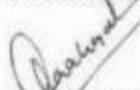
Centrum Financial Services Limited, (CIN No. U65910MH1993PLC192085)
 Corporate Office : Centrum House, CST Road, Vidyanagar Marg, Kalina, Santacruz (East), Mumbai - 400 098. Tel: +91 22 4215 9000
 Registered Office : 2nd Floor, Bombay Mutual Building, Dr. D. N. Road, Fort, Mumbai - 400 001
 Tel: +91 22 2266 2434 / Email: info@centrum.co.in | Website: www.centrum.co.in

CENTRUM

RESOLVED FURTHER THAT the common seal of the Company, if required, to be affixed in India on any agreement, undertaking, deed or any other document, the same is to be affixed in the presence of anyone of the directors of the company or anyone of the authorized officers of the company in accordance with the Articles of the Association of the Company,

RESOLVED FURTHER THAT a copy of the resolution duly certified to be true by any one of the Directors or the Company Secretary, if any, be forwarded for submission to various Authorities."

**CERTIFIED TO BE TRUE
FOR CENTRUM FINANCIAL SERVICES LIMITED**


**ARCHANA GOYAL
COMPANY SECRETARY**



Centrum Financial Services Limited, (CIN No. U65910MH1993PLC192085)

Corporate Office : Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098. Tel : +91 22 4215 9000

Registered Office : 2nd Floor, Bombay Mutual Building, Dr. D. N. Road, Fort, Mumbai - 400 001

Tel : +91 22 2266 2434 / **Email :** info@centrum.co.in | **Website :** www.centrum.co.in

ANNEXURE-G – RESOLUTION OF THE FINANCE COMMITTEE OF THE ISSUER

CENTRUM

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE FINANCE COMMITTEE OF CENTRUM FINANCIAL SERVICES LIMITED HELD ON MONDAY, NOVEMBER 15, 2019 AT 6:00 PM AT CENTRUM HOUSE, C.S.T. ROAD, VIDYANAGARI MARG, KALINA, SANTACRUZ (EAST), MUMBAI – 400 098.

APPROVAL FOR OFFER AND ALLOCATION OF SECURED, LISTED, RATED, REDEEMABLE, NON-CONVERTIBLE, PRINCIPAL PROTECTED MARKET LINKED DEBENTURES UP TO AN AMOUNT OF RS. 50 CRORE, APPOINTMENT OF INTERMEDIARIES FOR THE ISSUE, CREATION OF CHARGE AND OTHER MATTERS IN RESPECT OF THE ISSUE

RESOLVED THAT pursuant to Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, any other applicable provisions under the Act, Securities and Exchange Board of India Act, 1992, Securities Contract Regulation Act, 1956, SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force), as may be amended from time to time, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force), as may be amended from time to time, the Depositories Act, 1996, Indian Stamp Act 1899, and/or the Rules, Regulations, Guidelines and Circulars issued thereunder, the Memorandum and Articles of Association of the Company, the provisions of Uniform Listing Agreement entered into with the BSE Limited ("BSE"), and subject to such consents, permissible approvals and sanctions, if any, as may be necessary and subject to such conditions, if any, as may be laid down by any other authority and in accordance with the approval of members of the Company at their Annual General Meeting held on August 06, 2019 and powers given by the Board of Directors at its meeting held in May 14, 2019 ("Board") and subject to the closure of the offer for Rs. 200 approved vide Finance committee resolution dated May 14, 2019, the consent of the Committee be and is hereby given to the offer and allocate principal protected, secured, rated, listed, redeemable, non-convertible, market-linked debentures of the face value Rs. 1,00,000/- (Rupees One lakh only) each ("debentures" or "NCDs" or "MLDS"), for cash, aggregating upto Rs. 50,00,00,000/- (Rupees Fifty crore only) to be issued in one or more tranches, on a private placement basis (the "offer") to such person i.e. Companies, Bodies Corporates (Incorporated in India)/Financial Institutions/NBFCs/Statutory Corporations including Public Sector Undertakings, Commercial Banks, Resident Individuals (including Partnership Firms and HUF), Regional Rural Banks, Insurance Companies, Mutual Funds/Alternative Investment Fund (AIF) and any other Investors authorized/permitted to invest in accordance with the eligibility criteria applicable to them respectively as per current regulations on such terms and conditions as may be approved by the Committee from time to time;

RESOLVED FURTHER THAT the Company Secretary of the Company be appointed as Compliance Officer for the issue under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable regulations and shall undertake the responsibilities as listed in the regulation;

RESOLVED FURTHER THAT consent of the Committee be and is hereby given for appointment of NSDL Database Management Limited as the Registrar & Transfer Agent (RTA) for the proposed principal protected, secured, rated, listed, redeemable, non-convertible, Market-Linked Debentures (MLD) of up to Rs.50 crores on private placement basis, at a fees of Rs. 1000/- per Corporate Action and Annual Maintenance charges of Rs. 10,000/- per ISIN per annum, payable to them be and is hereby approved;



Centrum Financial Services Limited, (CIN No. U65930MH1993PLC192095)
 Corporate Office: Centrum House, CST Road, Vidyannagari Marg, Kalina, Santacruz (East), Mumbai - 400 098. Tel: +91 22 4215 9000
 Registered Office: 2nd Floor, Bombay Mutual Building, Dr. D. N. Road, Fort, Mumbai - 400 001
 Email: info@centrum.co.in | Website: www.centrum.co.in



RESOLVED FURTHER THAT consent of the Committee be and is hereby given for appointment of Beacon Trusteeship Limited as Debenture Trustee for the proposed principal protected, secured, rated, listed, redeemable, non-convertible, Market-Linked Debentures (MLD) of up to Rs.50 crores on private placement basis at a fees of Rs. 50,000/- payable one time plus Rs. 50,000/- per annum payable annually in advance till the debentures are redeemed and security is released, be and is hereby approved;

RESOLVED FURTHER THAT appointment of Care Ratings Limited be and is hereby ratified as Credit Rating Agency for the proposed principal protected, secured, rated, listed, redeemable, non-convertible, Market-Linked Debentures (MLD) of up to Rs. 50 crores on private placement basis;

RESOLVED FURTHER THAT consent of the Committee be and is hereby given for appointment of Centrum Broking Limited as "Arranger to the issue";

RESOLVED FURTHER THAT the Company do hereby create pari passu mortgage over immovable property located at Chennai, or such other immovable property as may be acceptable to the Debenture Trustee and create a charge on investments in subsidiaries of the Company;

RESOLVED FURTHER THAT the Shelf Disclosure Document for the private placement of MLDs, the draft of which is placed before the Committee be and is hereby approved;

RESOLVED FURTHER THAT any one of the Directors, or Company Secretary and Compliance Officer or Chief Financial Officer ("Authorized Persons") of the Company be and are hereby severally authorized to *inter-alia* do the following:

- to appoint, decide and amend the fees of intermediaries as may be required;
- to seek admission of securities with CDSL/NSDL;
- to make an application to BSE for listing and trading of the said Debentures and execute, sign and file various documents, applications, papers, documents, undertakings and deeds as may be deemed necessary, and to make such alterations thereon;
- to decide on the property/security for which charge is to be created and to create charge on the assets/properties of the Company as may be required, in favour of Debenture Trustee;
- to obtain valuation report, if required;
- to fund amounts towards the debenture redemption reserve as and when required in accordance with the provisions of the Act and the rules therein;
- to file all necessary forms, returns, documents etc. with the relevant Registrar of Companies ("ROC"), stock exchange, the Securities and Exchange Board of India (the "SEBI"), the sub-registrar of assurances, and any other government/quasi-governmental authorities, bank(s) etc. as may be required;
- to sign and execute disclosure, supplementary documents or any documents, forms, papers etc. as may be required and to do all such acts, deeds, matters and things as may be necessary, required or incidental to give effect to above resolutions;
- to undertake all acts pertaining to providing any assets/ property as security;
- to modify terms, negotiate, and carry out all functions related to the issue;
- to modify, finalize, execute, sign, stamp various agreements, deeds, documents, undertakings, declarations including necessary agreement with the RTA, tripartite agreement with NSDL and CDSL, debenture trust deed, any security document/s, agreement(s), undertaking(s) or any other documents and get those registered with any ROC, sub-registrar, governmental/quasi-governmental or non-governmental authorities as may be required anywhere in India;
- to represent the Company and appear before any statutory authority, including ROC, sub-registrar, governmental or non-governmental authorities, banks, trustee, financial institutions, etc. as may





be required

- to give certified copies of any documents, papers, resolutions including this resolution, forms etc. required to be submitted to any ROC, sub-registrar, governmental or non-governmental authorities, banks, trustee, financial institutions, etc.;
- to do all such acts, deeds and things as may be necessary, required or incidental to give effect to this resolution and to solve any doubts or questions which may arise pertaining thereto;

RESOLVED FURTHER THAT the approval of the committee be and is hereby given to the aforesaid Authorised persons of the Company or Mr. Raj Kumar or Mr. Sundararajan Gopalan or Mr. Harini Rajendran, to severally negotiate, finalise and execute or ratify, on behalf of the Company, inter alia, the Debenture Trustee Agreement for the appointment of the Debenture Trustee, the Debenture Trust Cum Mortgage Deed, setting out inter alia the terms upon which the Debentures are being issued, the security document(s), including inter alia, the Deed of Hypothecation, for the creation of Security, or any such other documents and to do all such acts, deeds and things as may be necessary or expedient to implement this resolution including the registration (if required) and perfection of the Security in accordance with applicable law and to do and execute all acts and deeds as may be required by the Debenture Trustee in connection with the aforesaid.

RESOLVED FURTHER THAT any one of the aforesaid Authorized Persons be and are hereby authorized to affix the common seal of the Company, if required, to any of the aforesaid documents who shall sign the same in token thereof and are further authorized to carry the common seal to any place in India for affixing the same on any document, if required;

RESOLVED FURTHER THAT that a copy of this resolution duly certified as a true copy by any one of the Directors or the Company Secretary or the Compliance Officer of the Company be submitted to the concerned authority/ entity and they be requested to rely upon the authority for the same."

Certified True Copy
For Centrum Financial Services Limited


Archana Goyal
Company Secretary



ANNEXURE H– FORMAT OF SUPPLEMENTAL DISCLOSURE DOCUMENT

Series [●]

**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE OF
NON-CONVERTIBLE DEBENTURES
ON A PRIVATE PLACEMENT BASIS
DATE: [●]**



CENTRUM FINANCIAL SERVICES LIMITED
(CIN: U65910MH1993PLC192085)

A Public Limited Company Incorporated on 27th January 1993 under the Companies Act, 1956, as amended and registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)

Registered Office: 2nd Floor, Bombay Mutual Building, Dr. D.N. Road, Fort, Mumbai-400001

Corporate Office: Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai-400098

Tel: +91 22 42159000, **Fax:** [●], **Website:** www.centrum.co.in

Contact Person: Ms. Archana Goyal, Compliance Officer **Email:** cs@centrum.co.in

SUPPLEMENTAL DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UPTO [●] SECURED, RATED, LISTED, REDEEMABLE, NON-CUMULATIVE, MARKET LINKED, NON-CONVERTIBLE DEBENTURES OF THE FACE VALUE RS. [●] (Rs. [●]) EACH ("DEBENTURES" or "NCDs") FOR CASH, AGGREGATING UPTO RS. [●] (Rs. [●]) (THE "ISSUE") UNDER THE SHELF DISCLOSURE DOCUMENT DATED MAY [●], ("SHELF DISCLOSURE DOCUMENT" OR "SHELF DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME FOR PRIVATE PLACEMENT OF SECURED, RATED, LISTED, REDEEMABLE, NON-CUMULATIVE MARKET-LINKED NON-CONVERTIBLE DEBENTURES AGGREGATING U PTO RS.[●], TO BE ISSUED IN ONE OR MORE SERIES

This supplemental disclosure document ("**Supplemental Disclosure Document/Supplemental DD**") is issued in terms of and pursuant to the Shelf Disclosure Document dated [●]. All the terms, conditions, information and stipulations contained in the Shelf Disclosure Document are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Disclosure Document must be read in conjunction with the Shelf Disclosure Document and the Private Placement Offer Letter.

This Supplemental DD contains details of this Tranche / Series and any material changes in the information provided in the Shelf Disclosure Document, as set out herein. Accordingly set out below are the updated particulars / changes in the particulars set out in the Shelf Disclosure Document, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Disclosure Document. All other particulars appearing in the Shelf Disclosure Document shall remain unchanged.

All capitalised terms used but not defined herein shall have the meaning ascribed to them in the Shelf Disclosure Document.

This Supplemental DD is dated [●], 2020

[Summary Term Sheet annexed]

DRAFT ILLUSTRATIVE FORMAT OF THE SUMMARY TERM SHEET*

Series [●]

1.	Security Name	Centrum Financial Services Limited Market Linked Non-Convertible Debentures Series [●]
2.	Issuer / Company	Centrum Financial Services Limited
3.	Type of Instrument / Kind of Security	Secured, Redeemable, Non-Cumulative, Listed, Rated, Non-Convertible, Principal Protected Market Linked Debentures
4.	Nature of Instrument	Secured
5.	Mode of Issue	Listed Private Placement
6.	Listing	<p>The Series [●] NCDs are proposed to be listed on WDM segment of BSE. BSE has given its in-principle approval to list the Series [●] NCDs to be issued and allotted in terms of this Supplemental DD vide its letter dated [●].</p> <p>The Issuer proposes to submit the listing application relating to the Debentures issued under the Supplemental Disclosure Document to BSE within 15 (fifteen) days of the Deemed Date of Allotment.</p> <p>In case of delay in listing of the NCDs beyond 20 (twenty) days from the Deemed Date of Allotment, the Company will pay penal interest, of 1% (one percent) p.a. over the interest/coupon rate/implicit yield from the expiry of 30 (thirty) days from the Deemed Date of Allotment till the listing of such NCDs, to the Investor.</p>
7.	Rating of the Instrument	CARE PP-MLD A- Stable outlook by Care Ratings Limited
8.	Seniority	Senior
9.	Minimum Application and in multiples of thereafter	<p>Investor Category I - Minimum application shall be for 25 (Twenty-Five) Debenture(s) and in multiples of 1 (one) thereafter.</p> <p>Investor Category II - Minimum application shall be for 100 (One Hundred) Debenture(s) and in multiples of 1 (one) thereafter.</p>
10.	Issue Size	The aggregate size of the Issue program is for Rs. [●], which Issue shall comprise of one or more Series of Debentures.
11.	ISIN	[●] Further issuances can be done under the same ISIN
12.	Series Size	INR [●]
13.	Investor Category I	Subscription amount less than Rs. 1,00,00,000 (Rupees One Crore) after considering discount or premium, if any.
14.	Investor Category II	Subscription amount equal to or greater than Rs. 1,00,00,000 (Rupees One Crore) after considering discount or premium, if any.
15.	Option to retain oversubscription (amount)	Not Applicable

16.	Objects of the Issue	The funds raised through the Issue will be utilized as per the section " Utilisation of Issue Proceeds " stipulated in the Shelf Disclosure Document.
17.	Details of utilization of the issue proceeds	The proceeds of the Issue would be utilised by the Company, <i>inter-alia</i> , for the disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, and for the general corporate purposes of the Company.
18.	Interest on Application Money	Not Applicable
19.	Default Interest Rate	2% payable per annum from the date of the default.
20.	Call Option (Redemption at the Option of the Company)	Not Applicable
21.	Put Option (Redemption at the Option of Debenture Holders)	[●]
22.	Early Redemption Option	As per the Disclosure Document mentioned in the relevant tranche
23.	Issue Timing/ Proposed Time Schedule 1. Issue Open Date 2. Issue Close Date 3. Pay-in Date 4. Deemed Date of Allotment	<p>1. [●] 2. [●] 3. [●] 4. [●]</p> <p>The Issue Close Date / Pay-in Date / Deemed Date of Allotment may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 7 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date / Deemed Date of Allotment shall be communicated to each Investor in the Allotment Advice.</p>
24.	Issuance mode of the Instrument	Dematerialized form (Demat) through authorized DP (for private placement)
25.	Trading mode of the Instrument	Dematerialized form (Demat) mode (for private placement)
26.	Settlement mode of the Instrument	RTGS / NEFT / Fund Transfer to the bank details as per NSDL record (in case of dematerialised Debentures)
27.	Depository(ies)	NSDL and CDSL
28.	Business Day / Holiday Convention	<p>All days except Sunday and any public holiday on which banks in Mumbai are open for business shall be considered as "Business Days".</p> <p>If any of the date(s), including the Record Date, as defined in the Draft</p>

		<p>Disclosure Document fall on a Sunday or a public holiday or on a date on which no high value clearing/RTGS/banking facility is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the next working day shall be considered as the effective date.</p> <p>However, in case Redemption Date (for payment of Principal and Coupon, if any) falls on Sunday or a public holiday or on a date on which no high value clearing/RTGS/banking facility is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the previous working day shall be considered as the effective date.</p>
29.	Record Date	3 (three) days prior to the Coupon Payment/Final Redemption Date/Early Redemption Date.
1.	Shut Period	3 (three) days prior to the Record Date
2.	Security	<p>The Debentures shall be secured by way of:</p> <ol style="list-style-type: none"> 1. A first <i>paripassu</i> charge over the Issuer's specific immovable property details of which will be set out in the Debenture Trust Deed; and 2. First <i>paripassu</i> floating charge on present and future book debts, investments and receivables of the Issuer (collectively, the securities mentioned in I and II hereinabove, are referred to as "Secured Assets"). For this purpose, receivables of the Issuer shall include receivables arising out of or in relation to Issuer's investment in subsidiaries and other group companies but shall exclude the receivables of the Company arising from supply chain lending business portfolio being acquired by the Company and, post-acquisition, any receivables arising from the supply chain lending business being undertaken by the Company from time to time. <p>With regards securities I and II mentioned above, the value shall be equivalent to 100% of the face value and coupon of Debentures in compliance with Rule 18 of Companies (Share Capital and Debentures) Rules, 2014.</p> <p><u>Time for security creation:</u> The security shall be created within the time period as stipulated under applicable laws.</p> <p><u>Ranking.</u> The first ranking charge to be created on the Secured Assets shall rank <i>paripassu</i> with the present and future lenders and debenture holders of the Company having first charge over the Secured Assets. The Company reserves the right to create further charge or encumbrances in which ever manner it deems fit, on the Secured Assets without seeking the consent of the Debenture Trustee or the Debenture Holders so long as the security cover of 1.00 times of the face value and coupon of Debentures is maintained. Further, the Company reserves the right to substitute the Secured Assets with the other assets or properties of the Issuer or its holding company or subsidiaries or associate companies, with the prior written</p>

		<p>consent of the Debenture Trustee, so long as the security cover of 1.00 times of the face value and coupon of Debentures is maintained.</p> <p>The Security provided in relation to this Issue shall be shared <i>paripassu</i> with other issuances and lenders of the Company at the discretion of the Company.</p>
3.	Security Cover	The Company shall maintain a minimum asset cover of 100% at all times.
4.	Variation of Terms of Debentures	<p>Other than the security to be created to secure the Debentures, the Tenor (except in case of Prepayment or Early Redemption or Premature Exit as mentioned herein) and the manner of calculation of Coupon Amount, all the other rights, privileges and conditions attached to the Debentures may be varied, modified, altered and/or abrogated with the consent in writing of the Majority Debenture Holders of the Series of Debentures. The security to be created to secure the Debentures, the Tenor (except in case of Prepayment or Early Redemption or Premature Exit as mentioned herein) and the manner of calculation of Coupon Amount may be varied by the Company with the consent in writing of the Super Majority Debenture Holders.</p> <p>“Majority Debenture Holders” for the purposes of this Issue shall mean the Debenture Holders holding at least 51% of the outstanding amounts of Debentures.</p> <p>“Super Majority Debenture Holders” for the purposes of this Issue shall mean the Debenture Holders holding at least 75% of the outstanding amounts of Debentures.</p>
5.	Transaction Documents	<ol style="list-style-type: none"> 1. Supplemental Disclosure Document 2. Draft Disclosure Document 3. Debenture Trust Deed 4. Private Placement Offer Letter 5. Debenture Trustee Agreement 6. Consent letter of the Debenture Trustee 7. Consent of the Registrar & Transfer Agent 8. Tripartite agreement between the Company, NSDL/CDSL and the Registrar and Transfer Agent; 9. Application Form 10. Rating letter by Care Ratings Limited 11. Board Resolution / Shareholder’s Resolution/ Resolution of the Fund Raising Committee
12.	Conditions Precedent to Disbursement	[●]
13.	Condition Subsequent to Disbursement	[●]
14.	Events of Default	As provided in the Debenture Trust Deed
15.	Delay in Listing	In case of delay in listing of the Debentures, the Company will pay penal interest as per the applicable regulations, if any.

16.	Delay in security creation	In case of delay in execution of Debenture Trust Deed and other security creation documents, the Company will pay penal interest of at least 2% p.a. till these conditions are complied with, at the option of the investor.
17.	Role and Responsibilities of Debenture Trustee	To be detailed in the Debenture Trust Deed
18.	Governing Law and Jurisdiction	Indian Law, courts of Mumbai to have jurisdiction to settle disputes
19.	Payment Details	[●]
20.	Registrar and Transfer Agents	NSDL Database Management Limited
21.	Trustees	Beacon Trusteeship Limited
22.	Distribution Fee	[●]
23.	Prepayment	Please refer to the paragraph " Prepayment or Early Redemption or Premature Exit " in the Shelf Disclosure Document.
24.	Early Redemption	Please refer to the paragraph " Prepayment or Early Redemption or Premature Exit " in the Shelf Disclosure Document.
25.	Premature Exit	Please refer to the paragraph " Prepayment or Early Redemption or Premature Exit " in the Shelf Disclosure Document.
26.	Valuation Agency	CARE Ratings Limited
27.	Valuation Agency Fees	[●]
28.	Disclosures	Please refer to the Shelf Disclosure Document
29.	Risk Factors associated with Market Linked Debentures	Please refer to the paragraph " Risk Factors " in the Shelf Disclosure Documents.

1. Provisions relating to Coupon (if any) and redemption amount payable for Debentures

[●]

2. Illustration of Cash Flows

[●]

3. Scenario Analysis

[●]

*Kindly note that this is a draft illustrative format of the term sheet. The actual format may differ. Investors are required to consider series wise term sheet issued by the Investor as Final and binding.

ANNEXURE I– DRAFT FORMAT OF THE FORM PAS-4

PART – A

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

[Pursuant to Section 42 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

THIS INFORMATION MEMORANDUM AS AN OFFER LETTER IN RESPECT OF DEBENTURES AGGREGATING TO RS. [●] (RUPEES [●] ONLY) NON-CONVERTIBLE DEBENTURES TO BE ISSUED BY THE COMPANY.

1. GENERAL INFORMATION:

Issuer / Company: Centrum Financial Services Limited

Registered Office: 2nd Floor, Bombay Mutual Bldg., Dr. D.N. Road, Fort, Mumbai-400001

Corporate Office: Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai-400098

Telephone No.: 022 42159000

Website: www.centrum.co.in

Contact Person: Ms. Archana Goyal

Email: cs@centrum.co.in

Date of Incorporation: 27/01/1993

2. Business carried on by the Company and its subsidiaries – The Company is registered with Reserve Bank of India as a Systemically Important Non-Banking Finance Company- Not Deposit Accepting (NBFC-ND-SI).

The Company does not have any subsidiaries.

3. Brief particulars of the management of the Company:

Please refer to Directors and Management Details as mentioned in **Shelf Disclosure Document dated June 12, 2020.**

4. Management’s perception of Risk Factors:

Please refer to the section titled “Risk Factors” of the **Shelf Disclosure Document dated June 12, 2020.**

5. Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:

1. **Statutory Dues:** Outstanding Tax Dues As at March 31, 2020 is Rs. 3,25,50,840/-
2. **Debentures and interest thereon:** No defaults
3. **Deposits and interest thereon:** No defaults
4. **Loans from banks or financial institutions and interest thereon:** No defaults

5. **Details of the Compliance officer to the Issue:**

Compliance/ Investor Relations Officer:	Ms. Archana Goyal
Designation/Department:	Company Secretary
Address:	Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098
Tel. Nos.:	022 42159000
Email address(s):	cs@centrum.co.in

6. **Any Default in Annual filing of the company under the Companies Act, 2013 or the rules made thereunder:**

Nil

7. **PARTICULARS OF THE OFFER:**

Financial position of the Company for the last 3 financial years	For information on financial position of the Company, please refer to the Section titled “Brief Summary of the Business / Business Overview” in the Shelf Disclosure Document.
Date of passing of Board Resolution	Board Resolution dated: May 13, 2019 Finance Committee dated: November 15, 2019
Date of passing of resolution in general meeting, authorizing the offer of securities	Shareholders resolution passed under Section 42, 62 and 71 dated August 06, 2019
Kinds of securities offered (i.e. whether share or debentures) and class of security, the total number of shares or other securities to be issued	Secured, listed, rated, redeemable, non-convertible, principal protected, market linked debentures.
Price at which the security is being offered, including premium if any, along with justification of the price	Rs. [●]
Name and address of the valuer who performed valuation of the security offered and the basis on which the price has been arrived at along with report of the registered valuer	N.A.
Relevant date with reference to which the price has been arrived at	N.A.
The class or classes of persons to whom the allotment is proposed to be made	Individuals, Trust, Companies, etc. For more details, kindly refer to section – ‘Who can apply’ in the document or the section ‘Eligible Investor(s)’ in the Term Sheet

Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)	N.A.
The proposed time within which the allotment shall be completed	Issue open date – [●] Issue close date – [●]
The names of the proposed allottees and the percentage of post private placement capital that may be held by them	N.A.
The change in control, if any, in the company that would occur consequent to the private placement	N.A.
The number of persons to whom allotment has already been made during the year, in terms of number of securities as well as price	[●]
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	N.A.
Amount, which the Company intends to raise by way of proposed offer of securities	[●]/- (Rupees [●] Only)
Terms of raising of securities	As per Term Sheet annexed as Annexure A to the Shelf Disclosure Document
Proposed time schedule for which the Issue is valid	Issue open date- [●] Issue close date- [●]
Purpose and objects of the Issue	[●]
Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of the object	No contribution is being made by the directors or promoters of the issuer
Principal terms of assets charged as security, if applicable	As per Term Sheet annexed as Annexure A to the Shelf Disclosure Document
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern	Nil

status of the company and its future operations						
The pre-issue and post-issue shareholding pattern of the company as on December 31, 2019	Sl. No.	Category	Pre-issue		Post-issue	
			No of shares held	% of Shareholding	No of shares held	% of Shareholding
	A	Promoters holding				
	1	Indian	-	-	-	-
		Individual	-	-	-	-
		Bodies Corporate	98,95,69,420-100%		98,95,69,420-100%	
		Sub-total	98,95,69,420-100%		98,95,69,420-100%	
	2	Foreign Promoters	-	-	-	-
		Sub-total (A)	-	-	-	-
	B	Non-promoters holding				
	1	Institutional Investors	-	-	-	-
	2	Non-Institutional Investors	-	-	-	-
	3	Private Corporate Bodies	-	-	-	-
	4	Directors and Relatives	-	-	-	-
	5	Indian Public	-	-	-	-
6	Others [including Non-Resident Indians(NRIs)]	-	-	-	-	
	Sub-total (B)	-	-	-	-	
	GRAND TOTAL		98,95,69,420-100%		98,95,69,420-100%	

8. MODE OF PAYMENT FOR SUBSCRIPTION:

1. Cheque
2. Demand Draft
3. Other Banking Channels

4. DISCLOSURE WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC:

Any financial or other material interest of the directors, promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons	Nil
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Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoters of the Company during the last 3 (three) years immediately preceding the year of the issue of this Disclosure Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	Nil			
Remuneration of directors (during the current year and last 3 (three) financial years) (Updated up to 31/03/2020)	Name of Director	2019-20 (In Rs.)	2018-19 (In Rs.)	2017-18 (In Rs.)
	Ranjan Ghosh	3,44,61,315	3,51,08,974	2,21,85,096
	Rishad Byramjee	1,90,000	1,40,000	3,42,000
	Shailendra Apte	Nil	Nil	Nil
	Dipali Sheth	4,30,000	1,80,000	-
	G S Sundararajan	5,20,000	2,80,000	1,98,000
	R S Reddy	3,70,000	1,00,000	-
	Rajesh Nanavaty	-	-	54,000
	Subhash Kutte	-	-	2,38,500
	Harish Engineer	-	2,60,000	2,56,000
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Disclosure Document including with regard to loans made or, guarantees given or securities provided	Appendix A attached hereto			
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Disclosure Document and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	No adverse remarks by auditors			
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of issue of Disclosure Document in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Disclosure Document and if so, section-wise	Nil			

details thereof for the Company and all of its subsidiaries	
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	Nil

5. FINANCIAL POSITION OF THE COMPANY:

The capital structure of the Company in the following manner in a tabular form as on March 31, 2019:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	Share Capital		Rs.					
	Authorised	15,00,00,000 equity shares	1,50,00,00,000					
	Issued, Subscribed and Fully Paid- up	98,95,69,42 equity shares	98,95,69,420/-					
Size of the Present Issue	Rs.[●]/-							
Paid-up Capital: After the offer:	[Not applicable in case of this Issue]							
After the conversion of Convertible Instruments (if applicable):								
Share Premium Account: Before the offer:	[Not applicable in case of this Issue]							
After the offer:								
Details of the existing share capital of the Issuer as on March 31, 2020: As provided above.								
Date of Allotment	No. of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative		
						No of equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs)
03.10.2015	1,49,62,500	10	28.51	42,65,80,875	Rights issue	1,49,62,500	19,712,5000	18.51
05.10.2015	1,13,47,222	10	28.51	32,35,09,299.2	Rights issue	2,63,09,722	310,597,220	18.51
12.10.2015	58,23,698	10	28.51	16,60,33,629	Rights issue	3,21,33,420	368,834,200	18.51
29.03.2018	1,99,78,522	10	20.02	59,97,55,230	Rights issue	5,21,11,942	568,619,420	20.02
20.06.2018	50,00,000	10	20	15,00,00,000	Conversion of CCD	5,71,11,942	61,86,19,420	20
26.09.2018	70,95,000	10	28.06	2,15,00,000	Conversion of CCD	6,42,06,942	68,95,69,420	18.06
02.11.2018	3,00,00,000	10	30.00	90,00,00,000	Rights issue	9,89,56,942	989,569,420	20

Details of allotments made by the Company in past 1 (one) year along with details of allotment made for consideration other than cash	Nil			
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Disclosure Document		2020	2019	2018
	Profit Before Tax (In Cr)	12.18	0.20	2.82
	Profit After Tax (In Cr)	8.22	0.48	0.39
Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio (Includes hedging expenses and forex loss) for last three years (cash profit after tax plus interest paid/interest paid)		2020	2019	2018
	Dividend (Rs crore)	-	-	-
	Interest Coverage Ratio	-	-	-
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of issue of this Disclosure Document	Please refer to the Disclosure Documents for details.			
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Disclosure Document	Please refer to the Disclosure Documents for details.			
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	First time adoption of IND AS Refer point no. 12 on page no 39			

PART - B

(To be filed by the Applicant)

Name: [●]

Father's name: [●]

Address: [●]

Phone number, if any: [●]

Email ID, if any: [●]

PAN Number: [●]

Bank Account Details: [●]

Signature

Initial of the Officer of the company designated to keep the record

The application form is enclosed separately.

DECLARATION

It is hereby declared that this Disclosure Document contains disclosures in accordance with (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time; (ii) the Companies Act, 2013 and rules made thereunder; (iii) other regulatory requirements.

The Directors of the Issuer declare that:

1. the Issuer has complied with the provisions of the Companies Act and the rules made thereunder;
2. the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
3. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter/disclosure document.

I am authorized by the resolution of the Board of Directors of the Company dated May 13, 2019 and Finance Committee dated November 15, 2019 to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

The Company accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

For Centrum Financial Services Limited

Ranjan Ghosh

Managing Director & CEO

DIN: 07592235

APPENDIX TO FORM PAS - 4: RELATED PARTY TRANSACTIONS FOR 3 YEARS

1. FY 2017-18

Related party disclosure

As per the requirement of Accounting Standards 18- On Related Party Disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

Name of related parties

Nature of relationship	Name of the party
Holding company	Centrum Capital Limited
Enterprises in which KMP are able to exercise control or have significant influence	Centrum Retail Services Limited Centrum Microcredit Private Limited Centrum Securities Private Limited Centrum Housing Finance Limited Centrum Wealth Management Limited Business match Services (I) Private Limited Centrum Broking Limited Centrum Direct Limited Centrum Defence System Limited BG Advisory Services LLP Buyforex India Limited Centrum Alternatives LLP Commonwealth Centrum Advisors Limited Centrum International Services PTE Centrum Infrastructure Advisory Limited Centrum Capital Holdings LLC Centrum Securities LLC Centrum Insurance Brokers Limited Centrum Investment Advisors Limited Krish and Ram Forex Private Limited Centrum REMA LLP Pyxis Finvest Limited Agrata Mercantile Private Limited* Shree Srinivas Realtors Private Limited*
Key Management Personnel (KMP)	Mr. Ranjan Ghosh (Managing Director)

*Companies have been amalgamated with CFSL effective from 01 April 2017.

Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

Transaction with related parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Transactions during the year		
Issue of equity shares including securities premium		
Centrum Capital Limited	59,97,55,230	-
Loans given		
Centrum Capital Limited	68,25,00,000	1,22,78,91,599
Centrum Microcredit Private Limited	8,00,00,000	-
Centrum Retail Services Limited	7,50,00,000	-
Centrum Securities Private Limited	-	98,00,000
Centrum Broking Limited	-	4,15,50,000
Centrum Wealth Management Limited	17,24,590	4,61,84,598
Shree Srinivas Realtors Private Limited	-	10,17,084
Agrata Mercantile Private Limited	-	2,52,50,000
Centrum Infrastructure Advisory Limited	-	2,90,00,000
Loan taken		
Centrum Capital Limited	30,00,00,000	-
Centrum Housing Finance Limited	10,00,00,000	-
Centrum Retail Services Limited	3,00,00,000	25,00,00,000
Bussinesmatch Services (I) Private Limited	-	1,50,00,000

Centrum Financial Services Limited
Circulation Only

For Private

Loan repaid		
Centrum Capital Limited	30,00,00,000	-
Centrum Housing Finance Limited	10,00,00,000	-
Centrum Retail Services Limited	3,00,00,000	25,00,00,000
Bussinessmatch Services (I) Private Limited	-	1,50,00,000
MLD repaid including accrued interest*		
Centrum Broking Limited	2,00,70,000	-
Centrum Wealth Management Limited	27,98,54,250	-
Loan repayment		
Centrum Capital Limited#	1,38,09,15,672	84,83,81,267
Centrum Securities Private Limited	4,94,00,000	-
Centrum Broking Limited	4,15,50,000	-
Centrum Microcredit Private Limited	8,00,00,000	-
Centrum Retail Services Limited	7,50,00,000	-
Centrum Wealth Management Limited	17,24,590	4,61,84,598
Centrum Infrastructure Advisory Limited	-	17,76,95,503
Rental income		
Centrum Capital Limited	2,58,15,416	-
Referral fee income		
Centrum Capital Limited	69,05,000	-
Processing fees income		
Centrum Microcredit Private Limited	16,20,000	-

Centrum Financial Services Limited
Circulation Only

For Private

Expenses incurred on behalf of the Company		
Centrum Microcredit Private Limited	63,78,975	-
Centrum Direct Limited	-	72,500

*MLDs were directly purchased from the market by the companies due to the which same is not disclosed by the Company. However, at the time of redemption amount is repaid to related party holding the MLD as on that date.

Loan repayment received from the party includes an amount of Rs. 110,000,000 which existed in the opening balance of the subsidiary merged in the Company. Hence, the opening balance is not disclosed in previous year figures. Also, the security deposit repaid includes the amount which is incorporated in the books due to amalgamation due to which opening balance is not disclosed in previous year balances.

Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

(Amount in Rs.)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income		
Centrum Capital Limited	9,41,00,909	7,84,00,353
Centrum Securities Private Limited	28,15,123	67,09,951
Centrum Broking Limited	24,38,359	6,25,052
Centrum Wealth Management Limited	98,278	24,04,472
Shree Srinivas Realtors Private Limited	-	44,863
Agrata Mercantile Private Limited	-	33,31,617
Centrum Microcredit Private limited	8,71,233	-
Centrum Infrastructure Advisory Limited	-	2,09,94,031
Interest expenses		

Centrum Financial Services Limited
Circulation Only

For Private

Centrum Capital Limited	6,72,193	7,46,959
Centrum Housing Finance Limited	4,36,986	-
Interest expense on MLD		
Centrum Broking Limited	1,05,076	-
Centrum Wealth Management Limited	2,87,99,505	-
Reimbursement of expenses		
Centrum Capital Limited	58,90,000	-
Group allocated expenses		
Centrum Retail Services Limited	46,37,513	-
Centrum Capital Limited	-	-
Security deposit received		
Centrum Capital Limited	1,13,55,747	-
Security deposit repaid		
Centrum Capital Limited	1,04,09,435	-
Corporate Guarantee taken		
Centrum Capital Limited	1,42,82,50,000	41,00,00,000
Debit note raised		
Centrum Retail Services Limited	1,00,00,000	-
Legal and professional fees		

Centrum Financial Services Limited
Circulation Only

For Private

Centrum Retail Services Limited	-	9,50,814
Centrum Capital Limited	-	9,40,500
Loans and advances (maximum balance)		
Centrum Capital Limited	94,84,15,672	77,20,81,546
Centrum Microcredit Private Limited	8,00,00,000	-
Centrum Retail Services Limited	7,50,00,000	25,00,00,000
Centrum Securities Private Limited	4,94,00,000	4,94,00,000
Centrum Broking Limited	4,15,50,000	4,15,50,000
Centrum Wealth Management Limited	17,24,590	3,31,63,898
Shree Srinivas Realtors Private Limited	-	10,17,084
Agrata Mercantile Private Limited	-	2,52,50,000
Centrum Infrastructure Advisory limited	-	17,56,95,503
Commission and Brokerage expenses		
Centrum Broking Limited	19,61,574	3,09,91,845
Key Management Personnel		
Managerial remuneration		
Mr. Ranjan Ghosh	2,21,85,096	-

Centrum Financial Services Limited

Summary of significant accounting policies and other explanatory information

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017

Interest receivable		
Centrum Capital Limited	-	2,64,901
Centrum Securities Private Limited	35,862	61,61,987
Centrum Broking Limited	-	5,62,547
Shree Srinivas Realtors Private Limited	-	44,377
Agrata Mercantile Private Limited	-	29,98,455
Interest accrued and due		
Centrum Capital Limited	-	13,46,267
Businessmatch Services (I) Private Limited	-	1,79,05,487
Centrum Direct Limited	-	9,98,361
Rent payable		
Centrum Capital Limited	-	7,23,990
Commission and Brokerage Payable		
Centrum Broking Limited	30,472	30,472
Closing balances - Asset		
Centrum Capital Limited	17,09,46,312	75,34,35,948
Centrum Microcredit Private Limited	23,23,181	-
Centrum Broking Limited	9,64,38,566	4,15,50,000
Centrum Securities Private Limited	-	4,94,00,000
Closing balances - Liability		
Shree Srinivas Realtors Private Limited	-	10,17,084
Agrata Mercantile Private Limited	-	2,52,50,000

Centrum Wealth Management Limited	1,79,30,724	
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*MLDs were directly purchased from the market by the companies due to the which same is not disclosed by the Company. However, at the time of redemption amount is repaid to related party holding the MLD as on that date.

Loan repayment received from the party includes an amount of Rs. 110,000,000 which existed in the opening balance of the subsidiary merged in the Company. Hence, the opening balance is not disclosed in previous year figures. Also, the security deposit repaid includes the amount which is incorporated in the books due to amalgamation due to which opening balance is not disclosed in previous year balances

2. FY 2018-19

Related party disclosure

As per the requirement of Accounting Standards 18- On Related Party Disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

Name of related parties

Nature of relationship	Name of the party
Holding company	Centrum Capital Limited
Fellow subsidiaries transacted during the year	Centrum Retail Services Limited Centrum Microcredit Limited Centrum Securities Private Limited Centrum Housing Finance Limited Centrum Wealth Management Limited Centrum Broking Limited Centrum Direct Limited Centrum Defence System Limited Centrum Alternatives LLP Centrum REMA LLP Club 7 Holidays Private Limited Axis Spaces Private Limited
Key management personnel (KMP)	Ranjan Ghosh (Managing Director)

Centrum Financial Services Limited

Significant accounting policies and other explanatory information

Transaction with related parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Transactions during the year		
Issue of equity shares		
Centrum Capital Limited	1,24,90,85,700	59,97,55,230
Loans given		
Centrum Capital Limited	13,00,00,000	68,25,00,000
Centrum Microcredit Limited	28,00,00,000	8,00,00,000
Centrum Retail Services Limited	-	7,50,00,000
Centrum Wealth Management Limited	-	17,24,590
Axis Spaces Private Limited	3,60,00,000	32,77,67,021
Loan repayment		
Centrum Capital Limited#	30,00,00,000	1,38,09,15,672
Centrum Securities Private Limited	-	4,94,00,000
Centrum Broking Limited	-	4,15,50,000
Centrum Microcredit Limited	28,00,00,000	8,00,00,000
Centrum Retail Services Limited	-	7,50,00,000
Centrum Wealth Management Limited	-	17,24,590
Axis Spaces Private Limited	27,89,43,835	21,98,23,186
Loan taken		
Centrum Capital Limited	25,00,00,000	30,00,00,000
Centrum Housing Finance Limited	10,00,00,000	10,00,00,000
Centrum Retail Services Limited	2,12,50,00,000	3,00,00,000
Axis Spaces Private Limited	5,75,00,000	26,35,00,000
Loan repaid during the year		
Centrum Capital Limited	25,00,00,000	30,00,00,000
Centrum Housing Finance Limited	10,00,00,000	10,00,00,000
Centrum Retail Services Limited	2,12,50,00,000	3,00,00,000
Axis Spaces Private Limited	19,75,96,175	16,39,03,826
Subscription to MLD		
Centrum Wealth Management Limited	66,72,23,700	-
MLD repaid including accrued interest*		
Centrum Broking Limited	-	2,00,70,000
Centrum Wealth Management Limited	8,45,20,000	27,98,54,250

*MLDs were directly purchased from the market by the companies due to the which same is not disclosed by the Company. However, at the time of redemption amount is repaid to related party holding the MLDs as on that date.

Centrum Financial Services Limited

Significant accounting policies and other explanatory information

Transaction with related parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Advance taken		
Centrum Retail Services Limited	34,56,00,000	-
Advance repaid		
Centrum Retail Services Limited	34,56,00,000	-
Rent income		
Centrum Capital Limited	68,70,228	2,58,15,416
Centrum Microcredit Limited	750	-
Centrum Retail Services Limited	18,18,487	-
Referral fee income		
Centrum Capital Limited	-	69,05,000
Processing fees income		
Centrum Microcredit Limited	-	16,20,000
Expenses incurred on behalf of the Company		
Centrum Capital Limited	45,54,000	-
Centrum Microcredit Limited	74,800	63,78,975
Centrum Direct Limited	-	-
Centrum Housing Finance Limited	20,429	-
Advisory fees income		
Centrum Wealth Management Limited	7,00,000	-
Interest income		
Centrum Capital Limited	39,51,509	9,41,00,909
Centrum Securities Private Limited	-	28,15,123
Centrum Broking Limited	-	24,38,359
Centrum Wealth Management Limited	-	98,278
Centrum Microcredit Limited	29,69,316	8,71,233
Centrum Retail Services Limited	3,58,992	-
Axis Spaces Private Limited	2,81,70,009	2,92,12,463

Interest expenses		
Centrum Capital Limited	2,18,65,337	6,72,193
Centrum Housing Finance Limited	19,28,768	4,36,986
Centrum Retail Services Limited	2,79,35,410	-
Axis Spaces Private Limited	1,19,50,032	1,53,90,715
Interest expense on MLD		
Centrum Broking Limited	-	1,05,076
Centrum Wealth Management Limited	-	2,87,99,505

Centrum Financial Services Limited

Significant accounting policies and other explanatory information

Transaction with related parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest subsidy		
Centrum Capital Limited	5,88,68,196	-
Investment service fees expenses		
Centrum Wealth Management Limited	95,70,000	-
Expenses		
Rent expenses		
Centrum Capital Limited	20,06,329	-
Centrum Wealth Management Limited	7,60,084	-
Centrum Retail Services Limited	49,31,067	-
Electricity expenses		
Centrum Retail Services Limited	10,51,938	-
Printing and stationery, postage and courier and telephone expense		
Centrum Retail Services Limited	46,345	-
Travelling expense		
Club7 Holidays Private Limited	27,37,705	30,38,780
Arrangers fees		
Centrum Capital Limited	47,00,000	-
Centrum Wealth Management Limited	3,75,000	-
Placement fees income		
Centrum Capital Limited	31,50,000	-

Reimbursement of expenses		
Centrum Capital Limited	-	58,90,000
Centrum Microcredit Limited	-	-
Centrum REMA LLP	3,67,500	-
Centrum Wealth Management Limited	1,83,750	-
Group allocation income		
Centrum Retail Services Limited	1,54,00,000	1,00,00,000
Group allocation expense		
Centrum Retail Services Limited	-	46,37,513
Security deposit received		
Centrum Capital Limited	-	1,13,55,747
Centrum Retail Services Limited	59,46,312	-

Centrum Financial Services Limited

Significant accounting policies and other explanatory information

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Security deposit repaid		
Centrum Capital Limited	9,46,312	1,04,09,435
Corporate Guarantee received		
Centrum Capital Limited	1,70,55,68,182	1,42,82,50,000
Centrum Capital Limited	20,00,00,000	94,84,15,672
Centrum Microcredit Limited	10,00,00,000	8,00,00,000
Centrum Retail Services Limited	25,00,00,000	7,50,00,000
Centrum Securities Private Limited	-	4,94,00,000
Centrum Broking Limited	-	4,15,50,000
Centrum Wealth Management Limited	-	17,24,590
Axis Spaces Private Limited	13,00,00,000	17,29,43,835
Commission and Brokerage expenses		
Centrum Broking Limited	6,34,58,803	19,61,574
Key Management Personnel		
Managerial remuneration		
Mr. Ranjan Ghosh	3,51,08,974	2,21,85,096
Interest Receivable		
Centrum Securities Private Limited	-	35,862

Commission and Brokerage Payable		
Centrum Broking Limited	-	30,472
Indemnification		
Centrum Capital Limited	25,00,00,000	-
Compulsory Convertible Debentures		
Centrum Capital Limited	15,09,14,300	-
Closing balances -Asset		
Centrum Capital Limited	-	17,09,46,312
Centrum Microcredit Limited	-	23,23,181
Centrum Broking Limited	49,92,482	9,64,38,566
Axis Spaces Private Limited	-	24,29,43,835
Closing balances - Liability		
Centrum Retail Services Limited	59,46,312	-
Centrum Wealth Management Limited	-	1,79,30,724
Axis Spaces Private Limited	-	14,00,96,174
Club7 Holidays Private Limited	9,44,885	6,90,970

3. FY 2019-20

Related party disclosure

As per the requirement of IND AS 24, on related party disclosures, the name of the related parties with the description of the relationship and transactions between the reporting enterprise and its related parties, as identified by the management are as follows :

25.1 Name of related parties

Nature of relationship	Name of the party
Promoter Company Holding company	Centrum Capital Limited Centrum Retail Services Limited
Fellow subsidiaries transacted during the year	Centrum Microcredit Limited Centrum Securities Private Limited Centrum Housing Finance Limited Centrum Wealth Management Limited Centrum Broking Limited Centrum Direct Limited Centrum Defence System Limited Centrum Alternatives LLP Centrum REMA LLP Club 7 Holidays Private Limited Centrum Investment Advisors Limited
Key management personnel (KMP)	Ranjan Ghosh (Managing Director and CEO) Abhishek Baxi (CFO)

Centrum Financial Services Limited

Significant accounting policies and other explanatory information

Transaction with related parties

(Amount in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a. Transactions during the year		
Issue of equity shares		
Centrum Capital Limited	-	1,24,90,85,700
Loans given		
Centrum Retail Services Limited	74,00,00,000	-

Centrum Wealth Management Limited		-
Centrum Capital Limited	1,19,45,00,000	13,00,00,000
Club 7 Holidays Private Limited	45,85,00,000	-
Centrum Microcredit Limited	1,50,00,000	-
	-	28,00,00,000
Loan repayment		
Centrum Retail Services Limited		-
Centrum Wealth Management Limited	43,00,00,000	-
Centrum Capital Limited	1,09,85,00,000	30,00,00,000
Centrum Microcredit Limited	21,85,00,000	28,00,00,000
	-	
Loan taken		
Centrum Microcredit Limited		
Centrum Housing Finance Limited	8,00,00,000	10,00,00,000
Centrum Capital Limited	5,00,00,000	25,00,00,000
Centrum Retail Services Limited		2,12,50,00,000
Loan repaid during the year		
Centrum Microcredit Limited		
Centrum Housing Finance Limited	8,00,00,000	10,00,00,000
Centrum Capital Limited	5,00,00,000	25,00,00,000
Centrum Retail Services Limited		2,12,50,00,000
Investment during the year		
Centrum Microcredit Limited		
	15,00,00,000	
Portfolio Assigned		
Centrum Microcredit Limited		
	17,67,41,071	
Portfolio Collection on behalf of		
Centrum Microcredit Limited		
	8,22,32,647	
Portfolio Collection paid		
Centrum Microcredit Limited		
	6,43,87,274	

Subscription to MLD		
Centrum Wealth Management Limited	-	66,70,93,650
MLD repaid including accrued interest		
Centrum Wealth Management Limited		8,45,20,000
	1,08,41,87,430	
	.00	
Advance taken		
Centrum Retail Services Limited	-	34,56,00,000
Advance repaid		
Centrum Retail Services Limited	-	34,56,00,000
Sharing of Economic Benefits		
Centrum Retail Services Limited		
	6,39,43,393	
Rent income		
Centrum Retail Services Limited		18,18,487
	24,24,648	
Centrum Microcredit Limited		750
	9,000	
Centrum Capital Limited	-	68,70,228
Service Fee income		
Centrum Wealth Management Limited		
	10,87,903	
Centrum Retail Services Limited		
	2,77,534	
JBCG Advisory Services Private Limited		
	21,53,427	
Centrum Microcredit Limited		
	7,50,000	
Expenses incurred on behalf of the Company		
Centrum REMA LLP		
	1,22,500	
Centrum Wealth Management Limited		
	61,250	
Centrum Capital Limited		45,54,000
Centrum Microcredit Limited		74,800
Centrum Housing Finance Limited		20,429
Advisory fees income		
Centrum Wealth Management Limited		7,00,000
Interest income		

Centrum Retail Services Limited		3,58,992
	2,87,96,590	
Centrum Capital Limited		39,51,509
	1,16,25,918	
Centrum Wealth Management Limited		-
	94,12,562	
Centrum Microcredit Limited		29,69,316
	59,83,607	
Club 7 Holidays Private Limited		
	91,803	
Centrum Securities Private Limited	-	-
Centrum Broking Limited	-	-
Interest expenses		
Centrum Retail Services Limited		2,79,35,410
	1,51,32,780	
Centrum Housing Finance Limited		19,28,768
	7,83,562	
Centrum Microcredit Limited		
	6,12,603	
Centrum Capital Limited	-	2,18,65,337
Interest subvention		
Centrum Capital Limited		5,88,68,196
Investment service fees expenses		
Centrum Wealth Management Limited		95,70,000
Expenses		
Rent expenses		
Centrum Retail Services Limited		49,31,067
	28,23,327	
Centrum Wealth Management Limited		7,60,084
	11,27,512	
Centrum Capital Limited		20,06,329
	3,77,638	
Centrum Broking Limited		
	4,96,211	
Electricity expenses		
Centrum Retail Services Limited		10,51,938
	16,71,457	
Centrum Wealth Management Limited		
	1,28,386	
Centrum Capital Limited		
	72,885	
Centrum Broking Limited		
	47,447	

Printing and stationery, postage and courier and telephone expense		
Centrum Retail Services Limited		46,345
	2,72,597	
Centrum Wealth Management Limited		46,299
	46,299	
Travelling expense		
Club7 Holidays Private Limited		27,37,705
	1,30,040	
Arrangers fees		
Centrum Capital Limited		47,00,000
	72,50,000	
Centrum Wealth Management Limited		3,75,000
	54,27,458	
Placement fees income		
Centrum Capital Limited		31,50,000
Reimbursement of expenses		
Centrum Capital Limited		-
	8,49,474	
Centrum Retail Services Limited		-
	5,66,496	
Centrum Broking Limited		-
	3,12,483	
Centrum Microcredit Limited		-
	1,89,600	
Centrum REMA LLP		3,67,500
	1,97,917	
Centrum Wealth Management Limited		1,83,750
	-	
Group allocation income		
Centrum Retail Services Limited		1,54,00,000
	-	
Group allocation expense		
Centrum Retail Services Limited		-
	3,75,77,500	
Security deposit received		
Centrum Retail Services Limited		59,46,312
	-	
Security deposit repaid		
Centrum Retail Services Limited		9,46,312
	50,00,000	
Corporate Guarantees issued on behalf of the Company		
Centrum Capital Limited		1,70,55,68,182
	68,26,06,099	

Corporate Guarantee/ Security given/ FD lien		
JBCG Advisory Services Private Limited	1,27,20,01,563	
Centrum Retail Services Limited	22,69,91,540	
Loans and advances(maximum balance)		
Centrum Retail Services Limited		25,00,00,000
	43,00,00,000	
Centrum Capital Limited		20,00,00,000
	30,00,00,000	
Centrum Wealth Management Limited		-
	25,60,00,000	
Club 7 Holidays Pvt Ltd		-
	1,50,00,000	
Centrum Microcredit Limited		10,00,00,000
Axis Spaces Private Limited		13,00,00,000
Commission and Brokerage expenses Paid		
Centrum Broking Limited		6,34,58,803
	9,37,40,418	
Centrum Investment Advisors Limited		
	22,68,700	
Key Management Personnel		
Managerial remuneration		
Mr. Ranjan Ghosh		3,51,08,974
	3,44,61,315	
Mr. Abhishek Baxi		
	14,45,916	
Indemnification		
Centrum Capital Limited		25,00,00,000
Compulsory Convertible Debentures		
Centrum Retail Services Limited		
	15,09,14,300	
Centrum Capital Limited		15,09,14,300
Closing balances with Related Parties		
Corporate Guarantee received		
Centrum Capital Limited		1,70,55,68,182
	68,26,06,099	
Corporate Guarantee/ Security given/ FD lien		

Centrum Financial Services Limited
Circulation Only

For Private

JBCG Advisory Services Private Limited	100,00,00,000	
Closing balances –Asset		
Centrum Capital Limited	24,00,12,822	-
Centrum Microcredit Limited	15,00,00,000	-
Centrum Wealth Management Limited	9,61,61,556	
Club 7 Holidays Private Limited	1,50,91,803	
Centrum Retail Services Limited	31,04,68,000	49,92,482
JBCG Advisors Private Limited	17,68,980	
Centrum Broking Limited	10,23,49,046	
Closing balances - Liability		
Centrum Microcredit Limited	11,84,25,716	
Centrum Capital Limited	78,30,000	
Centrum Broking Limited	3,18,54,643	
Centrum Retail Services Limited	16,17,44,600	59,46,312
Centrum Wealth Management Limited	10,65,00,000	-
Centrum REMA LLP	1,28,251	
Club7 Holidays Private Limited	-	9,44,885

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