

50/A/2025

09th April 2025

To
Managing Director,
Centbank Financial Services Limited.
Central Bank of India- MMO Building,
3rd floor, East Wing,
55 Mahatma Gandhi Road,
Fort Mumbai- 400001

Dear Sir,

Re: Audit Observation Report for the year ended 31st March 2025

We have completed the Statutory Audit of Centbank Financial Service Limited for the year ended on 31st March 2025. As per our audit plan and programme, we have examined on test check basis all the relevant transactions with supporting evidences and also carried out detailed scrutiny of all the ledgers, namely, Creditors ledger, Debtors ledger and General ledger. Our routine audit queries have been resolved subject to rectification entries to be passed wherever required.

We wish to draw the attention of the Board to the following audit observations:

1) Revenue from operation

(a) There is an increase of 226.66% amounting to Rs. 6,89,88,570/- in the revenue as compared to the previous financial year in 'Revenue from operation'. This is because, the Company has changed its basis of revenue recognition by adopting a new methodology in the form of Annual Maintenance/Holding charges on the underlying market value of the portfolio assets under trusteeship management as against on the basis of income generated by the portfolio in preceding years and levy of maintenance/holding charges on unclaimed income of the trust accounts w.e.f 1st September 2024.

This has been approved by the Board of Directors and given effects in accounts. In this regards, please provide us with the supporting documents that the such a change in basis for levy of maintenance/holding charges is in consonance with the terms of engagement in trusteeship arrangement and consented by the respected beneficiaries of the trust under management.

Auditee Remarks:

1. This is not a new methodology; in fact, it is an old procedure that was implemented at the inception of the executor trusteeship business. In most trusts, the schedule of fees was incorporated into the trust deed, specifying that charges would be recovered based on the total worth of the estate. This means that, in the early days, fees were calculated and recovered based on the market value of the entire portfolio.
2. This procedure was adopted because some companies did not declare dividends, and as a result, our company was unable to receive any remuneration or fees from those shares or securities. To address this, the Settlor empowered our company through the Trust Deed to collect fees or remuneration independently, without relying solely on dividend income from shares or interest from fixed deposits. It is within our prerogative to determine the appropriate methodology for charging fees or remuneration, which should be based on a periodic analysis of the company's income and expenditure.
3. The shares, securities, fixed deposits across various banks, and immovable properties—collectively referred to as estate property—are not reflected in our balance sheet. However, if we recover fees based on the market value of all such shares and securities, including those from companies that do not declare dividends, the fees or remuneration recovered will be accounted for in the Profit and Loss account. Therefore, we intend to recover charges based on the market value of the shares and securities. This method ensures minimal risk of misplacement or misuse of such securities, as any missing or misused certificates can be easily identified through the records available in our system.
4. As per the Standard Operating Procedure (SOP) regarding AMC charges, the matter has been vetted by our empaneled advocate, Ms. Sharadha Agrawal.
5. In the majority of the trusts currently under our management—approximately 95%—the Settlers have already passed away. It is important

to note that the Settlor is the only authority in the Trust who can direct or instruct the Managing Trustee to recover fees or remuneration from the Trust. With the absence of Settlor, the question arises: from whom should we seek consent for revising the service charges? As you are aware, a trust typically involves three parties: the Settlor, the Trustee, and the Beneficiaries. In the trusts we manage, the Settlers had appointed either their family members, relative individuals, or institutions/organizations (e.g., for purposes such as education, medical treatment, or community welfare for Parsis or others) as beneficiaries. In some cases, Settlor has even delegated to our company the authority to select beneficiaries for various specific purposes. Given this structure, it is unclear how consent can practically be obtained from the beneficiaries, especially when they are either numerous, unidentified, or subject to periodic selection. Therefore, a standardized internal SOP or legal consultation may be required to determine a lawful and practical approach for revising service charges under such circumstances

(b) The company has not raised invoices on following 13 parties being Non-Performing Assets. The details of the same is as follows-

Sr. No.	Name	Fees/ Remuneration	
		FY 2024-25	FY 2023-24
1	Topworth Tollways (Bela) Pvt Ltd	1,83,057	1,83,057
2	Transstroy Hostoke-Dobbaspert Tollways Pvt Ltd	3,50,000	3,50,000
3	Transstroy Obedullaganj-Betul Tollways Pvt Ltd	3,50,000	3,50,000
4	VIL Rohtak Jind Hind Highway Pvt Ltd	3,50,000	3,50,000
5	Kalisma Steels Pvt Ltd	1,74,740	1,74,740
6	Seya Industries Ltd	3,75,000	3,75,000
7	Infrastructure Leasing & Financial Services Ltd	93,30,992	93,30,992
8	IL&FS Financial Services LTD**	36,70,620	36,70,620
9	Innoventive Industries Ltd	5,00,000	5,00,000
10	Shri Lakshmi Cotsyn Ltd (Debenture Trustee)	50,000	50,000
	Shri Lakshmi Cotsyn Ltd (Security Trustee)	3,50,000	3,50,000
11	Future Enterprise Limited	33,24,000	33,24,000
12	Future Retail Limited	2,00,000	2,00,000
13	Future Lifestyle Fashions Ltd.	3,50,000	3,50,000
	TOTAL	1,95,58,409	198,13,409

Auditee Remarks:

All of the above accounts are currently treated as default accounts. Whenever the respective companies realize the underlying assets, we raise our invoice to claim the applicable fees or remuneration.

2) TDS Credit receivable

The TDS credit amount reflecting in the Form 26AS of the Company pertains to the TDS on dividend received on behalf of the beneficiaries of the respective trusts managed by the Company. However, the Company is claiming TDS credit in the income tax return only to the extent it is related to Company's income and not the full TDS credit reflected in Form 26AS. The Company has separately parked such TDS credit (year wise) in the books of accounts which pertains to the beneficiaries of the trusts. The accumulated amount of such TDS credit is Rs. 1,49,18,917/- as shown in the below table: -

Particulars	Amount
TDS Receivable AY 22-23 (Trust)	29,88,467
TDS Receivable AY 23-24 (Trust)	32,38,302
TDS Receivable AY 24-25 (Trust)	40,00,553
TDS Receivable AY 25-26 (Trust)	46,91,595
Total	Rs. 1,49,18,917

This mismatch in TDS in Form 26AS and TDS claimed in ITR may lead to treating of the return as Defective return u/s 139(9) and may also have implications during assessment proceedings.

We request you to kindly transfer such TDS credit to the PAN of respective beneficiaries at the earliest by filing appropriate declarations under Rule 37BA(2) of the Income Tax Rules 1962.

Auditee Remarks:

We will transfer the amount where the trust is identified and a PAN is available. Where the trust is identified but a PAN is not available, we will apply for the same. In cases where the trust is not identified, we will seek guidance from the appropriate authority on or before 30.06.2025.

3) Non-payment of dues to Debenture Holders

The Company had received an amount of Rs. 70,63,442/- on liquidation of following three Companies in its capacity as Debenture Trustee. The Company is responsible to distribute the said amount to the respective debenture holders of these liquidated companies. However, due to non-identification of the respective beneficiaries, the said amount is still lying with the Company in a separate bank account.

Sr. No.	Name of Company	Amount as on 30th September 2024	Amount as on 31st March 2025	Liquidated on
1	Shree Ambica Mills Ltd.	16,02,587/-	16,02,587/-	17 th January 1997
2	Tungabadra Industries Ltd	6,23,154/-	6,23,154/-	09 th July 2001
3	Ahmedabad Ram Krishna Mill Ltd	48,37,701/-	48,37,701/-	17 th January 1996
	Total	70,63,442	70,63,442	

It is recommended that the Company should obtain a legal opinion for proper treatment of this amount at the earliest.

Auditee Remarks:

We will obtain a legal opinion from our empaneled legal advocate, regarding the appropriate treatment of the outstanding dues to Debenture Holders. This opinion will be sought and obtained at the earliest, before 30.06.2025.

4) **Debit balance in Trust Accounts.**

During the year the Company has charged Annual Maintenance Charge and Penalty to various trusteeship accounts as per the newly adopted Standard Operating Procedure (SOP) effective from 1st September 2024. On account of this, there is debit balance in various trusts accounts due to insufficient income balance. This implies that the charges recovered from the Trusts exceeds the unclaimed income lying in the Trusts account as on 31st March, 2025. The details of such debit balance accounts are enumerated as follows: -

Trust Short Name	Trust Name	Trust Type	Amount Recoverable
HMC	H M COOPER (WILL)	Ordinary	26,50,621
KPM1	KAIKHUSHRU PEROSHAW MODY (ESTATE	Ordinary	13,41,145
FJD	FRENY JIMMY DADREWALA	Ordinary	5,21,595
PCM	PIROJA C MISTRY (NEW A/C)	Ordinary	5,26,864
GPM01	GOOLBAI P.MEHTAJI	Ordinary	4,73,575
KNK1	K N KENI	Ordinary	3,78,200
ASM2N	AMY SORAB MEHTA NO 2 (NAJ00)	Ordinary	3,74,220
AGRT	AHMEDMIYAN GULAM R.TOPIWALA	Ordinary	1,41,789
RBD	RATANSHAW BEHRAMJI DOCTOR	Ordinary	3,35,098
DKB	DHANBAI KAIKOBAD BOOKBINDER(ESTA	Ordinary	2,59,349
HCB5	HOMAI CAWASHAW BILLIMORIA 5	Ordinary	1,96,573
MFD	MANEKBAI FRAMROZE DUBASH	Ordinary	2,68,896
NDA3	NARIMAN DADABHOY ADENWALLA III	Ordinary	3,06,117
HCB4	HOMAI CAWASHA BILLIMORIA 4	Ordinary	1,68,898
TKG	TEHMINA .K. GANDHI.	Ordinary	1,09,951
JUD	J U DESAI	Ordinary	86,463
ASM1N	AMY SORAB MEHTA NO 1 (NAJ00)	Ordinary	80,268
RJC1	RAJNIBAI JAMNADAS CHAPSEY (RAJNI	Ordinary	60,920
ASM1M	AMY SORAB MEHTA NO 1 (MINOO)	Ordinary	52,080
ASM1R	AMY SORAB MEHTA NO 1 (NAUSHER)	Ordinary	40,047
PBC	PIROJ BAPUJI CHINYOY (CH)	Charity	41,013
DFM	DADABHOY FRAMJI MARKER	Ordinary	31,616
PDB	PUTLIBAI DARABSHAW BATLIWALLA	Ordinary	28,190
DJM1	DADI JEHANGIR MOTIWALA - 1	Ordinary	16,557
MJM1	MEHERBAI J MISTRY	Ordinary	13,703
MR2	MORARJI RAVJI A/c.NO.II(PROP)	Ordinary	11,906
DEC	DINSHAW ERUCHSHAW COOPER	Ordinary	11,220
KDT3	K.D.TAMBOLI III(A/C.CLOSED)	Ordinary	10,948
RSB1	RUSTOMJI SORABJI BATLIWALA 1	Ordinary	1,451
AHK1	ASOOMA H.KHATRI NO.1	Ordinary	10,650
KEK	KAIKOBAD EDULJI KARKARIA	Ordinary	10,136
DPM01	DHANJIBHOY PESTONJI MEHTA 1(SHAV	Ordinary	9,843
ANG	AVABAI N.GANDHI	Ordinary	6,577

SHB3	SHIRINBAI H.BARODAWALA(KHORSHE	Ordinary	6,404
HSB1	HOMI SORABJI BOYCE (ESTATE)	Ordinary	5,947
MAK1	MANCHERSHAW ARDESHIR KATRAK 1A/C	Ordinary	5,158
DDP	DHANBANOO D.PANDAY	Ordinary	12,018
	TOTAL		86,06,007

Please confirm that in respect of all the above trusts there will be sufficient income generation available for recovery in subsequent year and that no part of the same will become irrecoverable.

Auditee Remarks:

The above-mentioned trust accounts hold a substantial value in shares and fixed deposits. Typically, dividends from these investments are declared between the months of July to December each year. During this period, we recover our fees from the dividend income. In cases where sufficient funds are not available through dividends, we may consider alternative options such as breaking fixed deposits or selling shares, though these actions are generally avoided unless absolutely necessary.

5) Unallocated balance of Income

Following amounts are lying with the Company since long and are not allocated to the respective trust under Trusteeship management-

Sr. No.	Particulars	Amount
1	Unallocated Divided and Interest	2,10,10,322
2	Unallocated proceeds of redemption of securities	17,74,420
	TOTAL	2,27,84,742

It is recommended that the Company should expedite the process of identifying the trusts to which the above-mentioned income pertains to.

Auditee Remarks:

The process of identifying unclaimed or unallocated Trust assets is ongoing. Last year alone, we identified approx. 2500 entries and credited several such

entries to the respective Trust accounts. However, this is a never-ending exercise due to the following key reasons:

a) Legacy of Blank Transfer (Pre -2000):

Prior to the year 2000, a system known as the *blank transfer mechanism* was commonly used for transferring shares from one person to another. During this period, CFSL and joint holders (who may have been Settlers, Co-Trustees, or beneficiaries) transferred shares and securities through brokers upon the request of the Settlor, an authorized person, or upon closure of the trust. However, in many cases, the transferee failed to complete the formal transfer process in the company's records. As a result, several shares still remain in CFSL's name, and dividends continue to be sent to us. Despite repeated public notices in both Parsi and English newspapers, no legitimate claims have been made. In the past two years, two fraudulent claims were attempted, but these were proven false. Many original transferees either passed away or misplaced the share certificates, leaving the shares untransferred.

b) Non -Transferable Share Post Trust Closure: Some shares of certain companies are non-transferable because the respective companies issued the share certificates long after the closure of the trust accounts, often triggered by corporate actions (e.g., mergers, bonus issues). If such companies declare dividends, we are unable to disburse the dividend amounts, as the trusts have been closed and the beneficiaries cannot be traced. In many instances, the beneficiaries have relocated to other cities or countries, making it difficult to identify their whereabouts.

c) Consolidation of share Across Multiple Trust:

On instructions from Settlers or beneficiaries, CFSL had purchased shares in the single name of our company on behalf of multiple trusts. When these companies underwent corporate actions such as bonus issues, share splits, or amalgamations, they issued consolidated share certificates under CFSL's name. As a result, it has become virtually impossible to identify the exact number of shares attributable to each individual trust. When dividends are declared by such companies, they are credited to an unallocated/unclaimed dividend account.

d) Address Changes and Misplaced Certificate:

In several instances, original share certificates were lost due to address changes—sometimes up to four times—or because the certificates were delivered to joint holders and subsequently misplaced. Consequently, when dividends are declared on these shares, we are unable to determine the corresponding trust account.

e) Lack of Basic Records by Settlers/Beneficiaries:

Often, Settlers or beneficiaries have not maintained even basic records such as lists of share certificates or copies of the trust deeds. This lack of documentation further complicates the process of identifying rightful ownership. Given that CFSL does not receive any commission or fees from the dividend amounts lying unclaimed for more than seven years, a 4% penalty is now being charged on such amounts. This decision was implemented following multiple rounds of discussion with our former statutory auditor, M/s J.R. Jain & Company, and after legal vetting by our empaneled advocate. A Standard Operating Procedure (SOP) in this regard has also been reviewed and approved by our legal advisor, Ms. Sharadha Agrawal.

We are obligated to maintain detailed records of these transactions for an indefinite period—as long as the company exists—due to the legal and fiduciary responsibilities involved.

6) Non-Filing of SFT Return

As per the provisions of Section 285BA of the Income-tax Act, read with Rule 114E, a Company is required to furnish a Statement of Financial Transactions (SFT) in respect of dividend payment to its shareholders. We have observed that the Company has made a dividend payment amounting to Rs. 1,00,00,000/- during the current financial year as well as previous financial year. However, the Company has not filed the SFT return for the payment of such dividend in last year as well as current year.

Please note that the due date of filing the SFT return is 31st May of the succeeding financial year i.e. for the current financial year the due date is 31st May 2025.

We kindly request you file the SFT return for dividend paid during the FY 2024-25 before the due date to comply with the applicable statutory requirement.

Auditee Remarks:

We confirm that the SFT return for FY 2024-25 will be filed within the prescribed due date to ensure compliance.

7) Compliance with CSR Requirements.

As per Section 135 of the Companies Act 2013, the Company is required to comply with the provisions of Corporate Social Responsibility if any of the following conditions in the preceding financial year gets satisfied: -

- Net worth of more than Rs.500 crore
- Turnover of more than Rs.1000 crore
- Net profit of more than Rs.5 crore

Since the Company's net profit for the current financial year i.e. FY 2024-25 exceeds Rs. 5 crores, the Company should comply with the provisions of Corporate Social Responsibility in the next financial year i.e. FY 2025-26.

Auditee Remarks:

We confirm that the Company will ensure compliance with CSR provisions in FY 2025-26 as required under the Companies Act, 2013.

8) Non-deduction of TDS

It has been observed that the Company is making a fixed quarterly payment of Rs. 75,000/- to the Central Bank of India for the use of certain amenities related to office premises owned by them. However, it appears that the TDS amounting to Rs. 6,000/- under section 194C of the Income Tax Act 1961 has not been deducted on these payments. It is important to note that, non-deduction of TDS will lead to 30% disallowance of the expenditure on which TDS has not been deducted in the Income Tax Return.

We recommend to deduct and book the TDS liability in the financial statement for the year ended 31st March 2025 and pay the same along with interest before filing of the income tax return for AY 2025-26.

Auditee Remarks:

With reference to the observation regarding non-deduction of TDS on quarterly payments of ₹75,000/- made to the Central Bank of India, we would like to clarify the following:

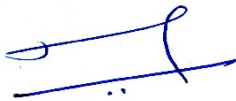
The said payment is not in the nature of contractual service but is a reimbursement of expenses such as electricity charges and certain other utility-related charges for the office premises provided by our parent bank.

As per prevailing tax provisions and judicial interpretations, reimbursement of electricity charges does not attract TDS under Section 194C of the Income Tax Act, 1961.

Further, to the best of our knowledge, wherever applicable (for example, in case of certain other charges), the Central Bank of India, being a tax-compliant entity, may itself be deducting and remitting TDS at their end.

In view of the above, we request you to kindly consider removing this observation from the audit report.

For Akkad Mehta & CO LLP
Chartered Accountants
(FRN: 100259W/W100384)



Sanjay Mehta
Partner
M. No: 016859

Place: Mumbai
Date: 11th April 2025

CENTBANK FINANCIAL SERVICES LIMITED

CIN: U67110MH1929GOI001484

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

BALANCE SHEET AS AT 31ST MARCH, 2025

(Rs. in Thousand)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	50,000	50,000
(b) Reserves and Surplus	4	3,97,346	3,24,842
(2) Non-Current Liabilities			
(a) Long-term provisions	5	935	617
(b) Other non current Liabilities	6	7,064	7,075
(3) Current Liabilities			
(a) Short-term Provisions	7	222	144
(b) Other Current Liabilities	8	1,76,717	1,62,657
TOTAL		6,32,284	5,45,335
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment and Intangible assets	9		
(i) Property, Plant and Equipment		1,131	934
(ii) Intangible Assets		10	20
(b) Non-current Investments	10	59,760	59,760
(c) Deferred tax assets (net)	11	627	350
(d) Other non-current assets	12	258	2,54,495
(2) Current Assets			
(b) Trade Receivables	13	15,653	919
(c) Cash and cash equivalents	14	5,15,850	2,16,016
(d) Other current assets	15	38,995	12,841
TOTAL		6,32,284	5,45,335

Significant accounting policies

As per our report on even date

Akkad Mehta & Co LLP

Chartered Accountants

FRN 100259W/W100384

1 & 2

For and on behalf of the Board of Directors



Sanjay Mehta

Partner


Mem. No. 16859

Place : Mumbai

Date : 24/04/2025




(Malladi Venkat Murali Krishna)
Chairman
DIN: 09021111



(Sunil Kumar Naik)
Managing Director
DIN: 09675568



(Jaya Tiwari)
Company Secretary
Mem. No. A41585

Place : Mumbai
Date : 24/04/2025



CENTBANK FINANCIAL SERVICES LIMITED

CIN: U67110MH1929GOI001484

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

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

(Rs. in Thousand)

Particulars	Note No.	For the year ended 31st March 2025	For the year ended 31st March 2024
Income:			
Revenue from Operations	16	99,426	30,437
Other Income	17	28,597	22,464
I. Total Income		1,28,023	52,901
Expenses:			
Employee Benefit Expenses	18	8,424	7,172
Depreciation and Amortisation Expenses	19	327	213
Other Expenses	20	8,347	7,943
II. Total Expenses		17,098	15,328
III. Profit / (Loss) before tax	(I - II)	1,10,925	37,573
IV. Tax expense:			
(1) Current tax		28,530	9,700
(2) Deferred tax		(277)	(48)
(3) Prior year tax expense		168	(1,878)
		28,421	7,774
V. Profit(Loss) for the period	(III-IV)	82,504	29,799
VI. Earnings per share			
Equity shares of par value of Rs 1000/- each			
(a) Basic (In Rs.)		1,650	596
(b) Diluted (In Rs)		1,650	596

Significant accounting policies

As per our report on even date

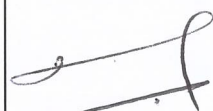
Akkad Mehta & Co LLP

Chartered Accountants

FRN 100259W/W100384

1 & 2

For and on behalf of the Board of Directors



Sanjay Mehta

Partner

Mem. No. 16859

Place : Mumbai

Date : 24/04/2025




(Malladi Venkat Murali Krishna)

Chairman

DIN: 09021111



(Sunil Kumar Naik)

Managing Director

DIN: 09675568



(Jaya Tiwari)

Company Secretary

Mem. No. A41585

Place : Mumbai

Date : 24/04/2025



CENTBANK FINANCIAL SERVICES LIMITED

CIN: U67110MH1929GOI001484

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025

(Rs. in Thousand)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
A. Cash Flow From Operating Activities		
Net Profit before Tax & Extraordinary items	1,10,925	37,573
Add:		
1) Depreciation	327	213
2) (Profit)/Loss on Sale of Assets (Net)	1	0
3) Interest Received	(28,032)	(21,806)
	(27,705)	(21,593)
Operating Profit before Working Capital Changes	83,220	15,980
Adjustments for working capital changes:		
(Increase) / Decrease in Trade Receivables	(14,734)	(557)
(Increase) / Decrease in Other Receivables	(75,952)	(17,296)
Increase / (Decrease) in Short Term Provisions	14,060	76
Increase / (Decrease) in Other Liabilities	384	50,116
(Increase)/Decrease in Working Capital	(76,242)	32,340
Cash Generated From Operations	6,979	48,320
Direct Taxes Paid	21,100	7,927
(A)	28,079	56,246
B. Cash Flow From Investing Activities		
Amount invested Long term Fixed Deposit	2,54,237	(51,859)
Purchase of Fixed Assets	(523)	(739)
Sale of Fixed Assets	9	-
Interest Received	28,032	21,806
(B)	2,81,755	(30,792)
C. Cash Flow From Financing Activities		
Dividend paid	(10,000)	(10,000)
(C)	(10,000)	(10,000)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	2,99,834	15,455
Opening Balance	2,16,016	2,00,561
Closing Balance	5,15,850	2,16,016
Net Increase/ (Decrease) in Cash & Cash Equivalents	2,99,834	15,455

Significant accounting policies

1 & 2

Notes:-

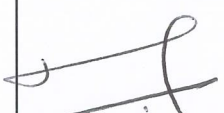
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statement issued by ICAI.

As per our report on even date

For and on behalf of the Board of Directors

Akkad Mehta & Co LLP
Chartered Accountants
FRN 100259W/W100384


(Malladi Venkat Murali Krishna)
Chairman
DIN: 09021111


Sanjay Mehta
Partner

Mem. No. 16859

Place : Mumbai

Date : 24/04/2025




(Sunil Kumar Naik)
Managing Director
DIN: 09675568


(Jaya Tiwari)
Company Secretary
Mem. No. A41585

Place : Mumbai

Date : 24/04/2025



CENTBANK FINANCIAL SERVICES LIMITED Notes forming of the financial Statements										
Note 9 : Property, Plant and Equipment and Intangible assets										
Particulars	Gross Block				Depreciation			Net Block		
	Gross Carrying Value as on 01st April, 2024	Additions	Deletions	Gross Carrying Value as on 31st March, 2025	Balance as on 01st April, 2024	Depreciation	Accumulated Depreciation on Deletions	Transfer to retained earning	Balance as on 31st March, 2025	WDV as on 31st March, 2025
Property, Plant and Equipment										
Computers	1,250	165	-	1,415	701	217	-	-	918	497
Server & Network	629	-	-	629	533	22	-	-	554	75
Furniture and Fixtures	108	209	-	317	96	6	-	-	102	215
Office Equipments	793	149	200	743	516	72	190	-	398	344
Intangible Asset										
Computer Software	4,586	-	-	4,586	4,586	-	-	-	4,586	-
Web-site	50	-	-	50	30	10	-	-	40	10
Grand Total	7,416	523	200	7,740	6,463	327	190	-	6,598	1,141
As on 31st Mar, 2024	6,677	739	-	7,416	6,249	213	-	-	6,462	954
										429



CENTBANK FINANCIAL SERVICES LIMITED
Notes forming part of the financial statements

Sr. No	Particulars	As at 31st March 2025	As at 31st March 2024
	Note 3 : Share Capital		
1	AUTHORISED CAPITAL 1,00,000 Equity Shares of Rs. 1000/- each.	1,00,000	1,00,000
		1,00,000	1,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL To the Subscribers of the Memorandum 50,000 Equity Shares of Rs. 1000/- each Paid up Share capital by allotment 50,000 Equity Shares of Rs. 1000/- each, Fully Paid Up	50,000	50,000
		50,000	50,000
(i) The company has one class of shares referred to as equity shares having a par value of Rs.1000/-. Each holder of equity shares is entitled to one vote per share.			
(ii) Details of shares held by each shareholder holding more than 5% shares:			
	Name of the shareholder	No.of Shares	No.of Shares
	Central Bank of India (Promoter) and its nominees	50,000	50,000
	Percentage of shareholding	100%	100%
(iii) The reconciliation of the number of shares outstanding is set out below:			
	Particulars	As at 31st March 2025	As at 31st March 2024
	Number of shares at the beginning	50,000	50,000
	Add: Allotment of Equity Shares	-	-
	Number of shares at the end	50,000	50,000
	Note 4 : Reserves and Surplus		
1	General Reserve Balance brought forward from previous year Add: Transfer from Profit & Loss account	32,500 -	32,500 -
		32,500	32,500
2	Surplus in the Statement of Profit and Loss Balance brought forward from previous year Add: Profit for the period Less: Dividend Paid	2,92,342 82,504 10,000	2,72,543 29,799 10,000
		3,64,846	2,92,342
		3,97,346	3,24,842



CENTBANK FINANCIAL SERVICES LIMITED
Notes forming part of the financial statements

Sr. No	Particulars	As at 31st March 2025	As at 31st March 2024
	Note 5 : Long-term Provisions		
1	Provision for Employee Benefits (Leave Encashement)	562	350
2	Provision for Employee Benefits (Gratuity)	373	267
		935	617
	Note 6 : Other non current Liabilities		
	Others:		
1	Debenture Trust A/c 1787419858 Shree Ambica Mills Ltd.	1,603	1,603
2	Debenture Trust A/c 1787419961 Tungabhadra Ind. Ltd.	623	623
3	Debenture Trust A/c 1787421006 Ahmedabad Ram Krishna Mill	4,838	4,838
4	Security Trustee Deposits	-	12
		7,064	7,075
	Note 7 : Short-term Provisions		
1	Audit Fees	68	75
2	Provision for Employee Benefits (Leave Encashement)	101	69
3	Provision for Employee Benefits (Gratuity)	53	0
		222	144
	Note 8 : Other Current Liabilities		
1	Trust Account Balances	1,29,632	1,32,633
2	Trust Account Balances (TDS)	14,919	9,620
3	TDS Payable	94	49
4	Professional Tax	2	1
5	Unallocated Dividend / Interest	21,010	15,888
6	Unallocated/unclaimed proceeds on redemption of Securities	1,774	1,774
7	Provision for Tax (Net of Advance Tax & TDS)	7,429	1,773
8	Other Liabilities	180	744
9	Security Deposits	-	4
10	GST Payable (Net)	1,677	170
		1,76,717	1,62,657
	Note 10 : Non-Current Investment (At Cost)		
	Quoted		
1	Investment in Government Securities		
	* 7.14% Karnataka SDL	19,741	19,741
	1,90,000 units valued at Rs. 100.58/- per unit (Market Value as on 31/03/2025 is Rs. 19,110)		
	* 7.30% Himachal Pradesh SDL	40,019	40,019
	3,86,600 units valued at Rs. 101.27/- per unit (Market Value as on 31/03/2025 is Rs. 39,151)		
		59,760	59,760
	Note 11 : Deferred Tax Asset		
	Deferred tax Liability / (Asset)		
	On difference between book balance and tax balance of fixed assets	-16	-
	Tax effect of items constituting deferred tax liability	-4	-
	Provision for compensated absences and other employee benefits	2,508	-
	Tax effect of items constituting deferred tax assets	631	-
	Net Deferred Tax Liability / (Asset)	627	-
	Deferred Tax Asset	627	350
		627	350
	Note 12 : Other Non Current Assets		
1	Fixed Deposits with maturity more than 12 months	50	2,39,275
2	Accrued Interest on Fixed Deposits with maturity more than 12 months	2	15,220
3	Prepaid Expense more than 12 months	206	-
		258	2,54,495



CENTBANK FINANCIAL SERVICES LIMITED
Notes forming part of the financial statements

Sr. No	Particulars	As at 31st March 2025	As at 31st March 2024
	<u>Note 13 : Trade Receivables</u>		
	<u>Unsecured</u>		
1	Undisputed Trade Receivable outstanding for a period 6 months and more Considered good Considered doubtful	1,480	1,480
2	Undisputed Trade Receivable outstanding for a period less than 6 months Considered good Considered doubtful	15,591 -	325 -
		17,071	1,805
	Less: Provision for Doubtful Debts	1,418	886
		15,653	920

Ageing for year ended on 31st March 2025

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	15,591	-	714	767	-	17,072
Considered Doubtful	-	-	-	-	-	
Disputed Trade Receivables						
Considered Good	-	-	-	-	-	
Considered Doubtful	-	-	-	-	-	
Less: Provision for Doubtful Debts						1,418
Net Trade Receivable						15,654

Ageing for year ended on 31st March 2024

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good					-	-
Considered Doubtful	301	413	649	118	-	1,481
Disputed Trade Receivables						
Considered Good	325	-	-	-	-	325
Considered Doubtful	-	-	-	-	-	
Less: Provision for Doubtful Debts						886
Net Trade Receivable						919

	<u>Note 14 : Cash & Bank Balances</u>		
1	<u>Cash and Cash Equivalents</u>		
	Cash on hand	6	0
2	<u>Balances with banks</u>		
	- In Current Accounts		
	With Central Bank of India A/c No. 1787420987 Bank A/c 1	1,06,205	1,35,241
	With Central Bank of India A/c No. 1787426399 Bank A/c 2	463	14,054
	With Central Bank of India A/c No. 5211991278 (Unallocated Dividend)	22,984	16,893
	With Central Bank of India A/c No. 1787421006 (Ahmedabad R K Mill)	4,838	4,838
	With Central Bank of India A/c No. 1787419858 (Shree Ambica Mills)	1,603	1,603
	With Central Bank of India A/c No. 1787419961 (Tungabhadra Ind. Ltd.)	623	623
	With Central Bank of India A/c No. 5773327306 Bank A/c 3	34,898	-



3	<u>Other Bank Balances</u> Fixed Deposit with maturity less than 12 months	Sub Total (A)	1,71,620	1,73,252
			3,44,230	42,764
		Sub Total (B)	3,44,230	42,764
		Total [A + B]	5,15,850	2,16,016
	<u>Note 15 : Other Current Assets</u>			
1	TDS Receivable AY 22-23 (Trust Account)		2,987	2,988
2	TDS Receivable AY 23-24 (Trust Account)		3,237	3,238
3	TDS Receivable A.Y. 2024-25 (Trust Account)		4,001	3,394
4	Tds Receivable Ay 25-26 (Trust Account)		4,692	0
5	Interest Accrued on FDR		14,072	1,212
6	Other Receivables		102	49
7	Prepaid Expenses		390	1,005
8	GST Input Tax Credit (Deferred)		4	14
9	Recoverable from Trusts Accounts		8,606	0
10	Estate of P.M. Pardiwala Current Account		10	10
11	Accured Interest on Securities		894	931
			38,995	12,841



CENTBANK FINANCIAL SERVICES LIMITED
Notes forming part of the financial statements

(Rs. in Thousand)

Sr. No	Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
	<u>Note 16 : Revenue from Operations</u>		
1	Fees from Executor Trusteeship	7,475	8,942
2	Fees from Debenture & Security Trusteeship	16,546	15,367
3	Fees from Safe Custody of Documents	-	5
4	Maintenance Charges On Unallocated Funds	271	6,121
5	Handling Charges On Securities	-	2
6	Penalty Charge On Unclaimed Income of Trust Account	20,702	-
7	Annual Maintenance/Holding Chares On Trust Portfolio Assets	54,235	-
8	Commission	197	-
		99,426	30,436
	<u>Note 17 : Other Income</u>		
1	Interest on Fixed Deposit Receipts	23,884	17,516
4	Sundry Credit balance Written Back	565	-
5	Other Income	0	659
6	Interest on Income tax Refund	5	77
7	Interest on Securities	4,143	4,190
		28,597	22,466
	<u>Note 18 : Employment Benefit Expenses</u>		
1	Salaries & Allowances	4,361	3,706
2	Remuneration Paid To Managing Director	3,173	2,605
3	Remuneration Paid to Key Managerial person	890	861
		8,424	7,173
	<u>Note 19 : Depreciation & Amorisation Expenses</u>		
1	Depreciation	327	213
		327	213
	<u>Note 20 : Other Expenses</u>		
1	Telephone Expenses	70	57
2	Travelling Expenses	1,221	550
3	Office Maintenance	437	313
4	General Expenses	1,137	691
5	Demat Expenses	14	9
6	Insurance Expenses	8	7
7	Charges for amenities	300	300
8	Postage & Telegram	11	15
9	Professional Fees	1,005	1,032
10	Stationery Expenses	82	66
11	Auditor's Remuneration:		
	Statutory Audit Fees	75	75
	GST Audit Fees	0	-
	Limited Review	100	90
	Other Services	25	-
12	Compensation for office premises	1,800	3,164
13	Website & Internet Expenses	23	19
14	Professional Tax Expenses	3	3
15	SEBI Registration Fees - Debenture Trustee	300	300
16	Directors Sitting Fees	330	50
17	ROC Filing Charges	15	34
18	Safe Locker charges	51	8
19	Shop and Establishment exp	0	-
19	Trustee Association Fees	5	0
20	Housekeeping Charges	251	241
21	Provision for Doubtful Debts	532	451
22	Advertisement Exp	552	468
		8,347	7,943



CENTBANK FINANCIAL SERVICES LIMITED

Notes to Accounts for the year ended 31st March, 2025:

Note 21: Disclosure Notes to Financial Statements

A. Disclosure in accordance with Revised AS 15 on 'Employee Benefits':

- Funded status of the Plan

Particulars	31 st March 2025 (12 months) Rs	31 st March 2024 (12 months) Rs
Present Value of unfunded obligation	4,27,498	2,66,645
Present Value of funded obligation	-	-
Fair Value of plan assets	-	-
Unrecognized Past Service Cost	-	-
Net Liability (Asset)	4,27,498	2,66,645

- Profit and loss account for the period

Particulars	31 st March 2025 (12 months) Rs	31 st March 2024 (12 months) Rs
Current Service Cost	75,156	42,006
Interest on obligation	24,705	-
Expected return on plan assets	-	-
Net actuarial loss/(gain)	(40,311)	-
Recognized Past Service Cost-Vested	-	-
Recognized Past Service Cost - Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	59,550	42,006
Loss/(gain) on obligation as per 3.3	(40,311)	-
Loss/(gain) on assets as per 3.4	-	-
Net actuarial loss/(gain)	(40,311)	-



- Reconciliation of defined benefit obligation

Particulars	31 st March 2025 (12 months) Rs	31 st March 2024 (12 months) Rs
Opening Defined Benefit Obligation	2,66,645	2,24,639
Adjustment in opening balance	1,01,304	-
Transfer in/(out) obligation	-	-
Current service cost	75,156	42,006
Interest cost	24,705	-
Actuarial loss (gain)	(40,311)	-
Closing Defined Benefit Obligation	4,27,498	2,66,645

- Principal actuarial assumptions

Particulars	31 st March 2025 (12 months) Rs	31 st March 2025 (12 months) Rs
Discount rate	6.60% p.a.	7.20% p.a.
Expected Return on Plan Assets	Not Applicable	Not Applicable
Salary Growth Rate	7.00% p.a.	7.00% p.a.
Withdrawal Rates	Age 25 & below: 15% p.a. 25 to 35: 15% p.a. 35 to 45: 15% p.a. 45 to 55: 15% p.a. 55 & above: 15% p.a.	Age 25 & below: 15% p.a. 25 to 35: 15% p.a. 35 to 45: 15% p.a. 45 to 55: 15% p.a. 55 & above: 15% p.a.



B. Accounting Standard 18: Related Party Disclosures:

- Disclosure of Related Parties

Name of the Party where Control Exists	Nature of the Relationship
Central Bank of India	Holding Company

Key Management Personnel	Nature of Relationship
Mr. Sunil Kumar Naik	Managing Director
Mr. Navtej Hazara Singh	Independent Director
Mr. Malladi Venkat Murali Krishna	Chairman
Mr. Vasti Venkatesh	Director
Mr. Ratan Kumar Eathakota	Director
Ms. Jaya Tiwari	Company Secretary

- During the year, the transactions entered with related parties are as under:
(Rs. in Thousand)

Sr. No	Particulars	2024-25	2023-24
i)	Expenses Reimbursed to Central Bank of India		
	- Salaries of staff on deputation	3,173	2,605
	- Charges for amenities	300	300
	- Compensation for Office Premises	1,800	3,164
		5,273	6,069
ii)	- Income Received by way of interest on Fixed Deposits from Central Bank of India	23,884	17,114
iii)	- Income Received from safe custody of Warehouse Receipts from Central Bank of India	0	5
iv)	- Dividend Paid to Central Bank of India	10,000	10,000
v)	- Deposits with Central Bank of India in	As at 31st March 2025	As at 31st March 2024
	- Fixed Deposits	3,44,280	2,82,039
	- Current Accounts		
	- Trust Current A/c No.1787420987	1,06,205	1,35,241
	- Company's A/c No.1787426399	463	14,054
	- Company's A/c No. 5211991278 (Unallocated Dividend)	22,984	16,893
	- Debenture Trust A/c No.1787421006 (ASRM)	4,838	4,838
	- Debenture Trust A/c No.1787419858 (Ambica Mills)	1,603	1,603
	- * Debenture Trust A/c No.1787419961 (Tungabhadra)	623	623
	- Company's A/c No. 5773327306	34,898	0
	Total Deposits With CBI	5,16,517	4,55,291



vi)	Accrued Interest on Fixed Deposit with Central Bank of India	As at 31 st March 2025	As at 31 st March 2024
	Accrued Interest	14,074	16,432
vii)	Remuneration to Key Management Personnel	2024-25	2023-24
A	Mr. S Venkataraman (Resigned as MD on 16/06/2022)	-	484
B	Mr. Sunil Kumar Naik (appointed as MD on 19th July 2022.)	3,173	2,605
C	Ms. Aarti Sharma (became KMP w.e.f. 01st May 2021 to 31st December 2023)	-	654
D	Ms. Jaya Tiwari (became KMP w.e.f. 01st January 2024)	890	207
	Total Remuneration to KMP	4,063	3,950

C. Contingent Liability and Capital Commitments

Particulars	(Rs. in Thousand)	
	2024-25	2023-24
Contingent Liability	Nil	Nil
Capital Commitments	Nil	Nil

D. Segment Reporting

The Company is engaged primarily in the trusteeship business and its business operations are concentrated in India. Accordingly, there are no separate business segments and geographical segments as per Accounting Standard 17 Segment Reporting issued by the Institute of Chartered Accountants of India.

E. Earnings per share

Particulars	(Rs. in Thousand)	
	2024-25	2023-24
Net profit after tax	82,508	29,799
Weighted average number of equity shares	50,000	50,000
Basic and Diluted EPS	1,650	596



F. Impairment Loss

There was no impairment loss on fixed assets on the basis of review carried out by the management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.

G. Disclosure of Derivatives

There are no foreign currency outstanding balances as the Company has not entered into any foreign currency transactions during the current financial year as well as previous financial year.

H. Leases

Disclosure as required by Accounting Standard 19 (AS-19) 'Leases' issued by the Institute of Chartered Accountants of India is as given below-

The Company does not have financial lease arrangement.

The Company has taken office premises under lease arrangement and are renewable on mutually agreeable terms.

Particulars	(Rs. in Thousand)	
	2024-25	2023-24
Rent paid under this arrangement	1,800	3,164

I. Micro, Small and Medium Enterprises Development Act, 2006

There is no amount due to Micro, Small and Medium Enterprises as on 31st March 2024 and 31st March 2025.

J. In the opinion of the Board of Directors, loans and advances, Trade receivables and Other current assets are approximately of the value stated, if realized in the ordinary course of the business.

K. No confirmation has been called for in respect of Trust account balances. The balances are taken as per book balances and are subject to reconciliation, if any.

L. The Company has opted for optional tax regime for Domestic Companies u/s 115BAA.

M. Title Deeds of Immovable property not held in the name of the Company

The Company does not have any immovable property in the current financial year as well as in the previous financial year.



N. Relationship with Struck off Companies

The Company has not entered into any transactions with companies struck off under section 248 of the Company's Act 2013 or section 560 of the Company's Act, 1956 for the year ended 31st March 2025.

O. Registration or Satisfaction of Charges with Registrar of Companies

The Company has not availed any Loan from any banks or financial institutions and hence registration or satisfaction of Charges with Registrar of Companies was not required for the financial year ended 31st March, 2025.

P. Undisclosed Income

The Company does not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

Q. Compliance with approved Scheme(s) of arrangement

The Company does not have any approved Scheme of arrangement as at the Balance Sheet Date.

R. Details of Crypto currency or Virtual currency

The Company has not traded or invested in Crypto Currency or virtual currency during the financial year.

S. Benami Property

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

T. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.



U. Key Financial Ratios are as follows:

(Rs. in Thousands)

SR No.	Financial Ratio	2024-25			2023-24		
		Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
1	Current Ratio (A)	5,70,502	1,76,941	3.22	2,29,776	1,62,801	1.41
2	Debt Equity Ratio	NIL	NIL	N.A.	NIL	NIL	N.A.
3	Debt Service Coverage Ratio	NIL	NIL	N.A.	NIL	NIL	N.A.
4	Return on Equity Ratio (B)	82,508	4,11,096	20.07%	29,799	3,64,942	8.17%
5	Inventory Turnover Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	Trade Receivable Turnover Ratio (C)	99,426	8,286	12.00	30,437	641	47.51
7	Trade Payable Turnover Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8	Net Capital Turnover Ratio (D)	99,426	3,93,561	0.25	30,437	66,975	0.45
9	Net Profit Ratio	82,508	99,426	82.98%	29,799	30,437	97.90%
10	Return on Capital Employed (E)	1,10,929	4,47,350	24.80%	37,573	3,74,842	10.02%
11	Return on investment	28,028	4,04,040	6.94%	21,707	3,41,799	6.35%

(A) An increase in current ratio is attributable to substantial increase in trade receivables and short term fixed deposits in the current financial year.

(B) The return on equity has increased due to substantial increase in current year's profit on account of increase in Revenue from Operations.

(C) A decrease in Trade Receivables ratio is attributable to substantial increase in Trade Receivables and Revenue from Operations in the current financial year.



(D) The Net Capital Turnover Ratio has decreased due to increase in Working Capital of company on account of increase in Trade Receivables.

(E) The Return on Capital Employed Ratio has increased due to increase in Earnings Before Interest & Tax (EBIT) of the company on account of increase in Revenue from Operations.

For Akkad Mehta & Co LLP.
Chartered Accountants
(FRN:100259W/W100384)


(Sanjay Mehta)
Partner
Mem. No. 16859
Place: MUMBAI
Date: 24/04/2025



For and on behalf of the Board of Directors


(Malladi Venkat Murali Krishana)
Chairman
DIN: 09021111


(Sunil Kumar Naik)
Managing Director
DIN: 09675568
Place: MUMBAI
Date: 24/04/2025


(Jaya Tiwari)
Company Secretary
Mem No: A41585

