

# Annual Report 2021-22



सेन्ट्रल बैंक होम फायनेन्स लिमिटेड  
*Cent Bank Home Finance Limited*

Corporate Office : Mumbai

सेन्ट्रल बैंक ऑफ इण्डिया की अनुषंगी Subsidiary of Central Bank of India



आज़ादी का  
अमृत महोत्सव

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## **LIST OF SHAREHOLDERS**

<b>S.No</b>	<b>Name of Shareholders</b>
1.	Central Bank of India
2.	National Housing Bank
3.	Housing & Urban Development Corporation Limited
4.	Specified Undertaking of Unit Trust of India
5.	Shri Vijay Vasant Murar (Nominee - Central Bank of India)
6.	Shri Y. Anil Kumar (Nominee - Central Bank of India)
7.	Shri Mukul Narayan Dandige (Nominee - Central Bank of India)
8.	Shri Kushal Pal (Nominee - Central Bank of India)

## **BOARD OF DIRECTORS**

<b>S.No</b>	<b>Full Name</b>	<b>DIN</b>	<b>Designation</b>
1.	Shri Alok Srivastava	05123610	Chairman
2.	Shri Anil Girotra	02221989	Independent Director
3.	Shri Bibhas Kumar Srivastav	06533710	Independent Director
4.	Shri Vijay Vasant Murar	08474945	Director (Nominee - Central Bank of India)
5.	Shri Mukul Narayan Dandige	08861846	Director (Nominee - Central Bank of India)
6.	Shri Y. Anil Kumar	09284938	Director (Nominee - Central Bank of India)
7.	Shri Vishal Goyal	05120754	Director (Nominee - National Housing Bank)
8.	Shri Navnath Rundekar	08472927	Director (Nominee - SUUTI)
9.	Shri K. K. Chauhan	00226460	Director (Nominee - HUDCO)
10	Shri Kushal Pal	09225722	Managing Director

## LIST OF COMMITTEES

S.No	Name Of Committee	Committee Members
1.	Audit Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Y. Anil Kumar
2.	Credit Management Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Mukul Dandige d) Shri Vijay Vasant Murar e) Shri Kushal Pal
3.	HR Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Vijay Vasant Murar d) Shri Vishal Goyal e) Shri K. K. Chouhan f) Shri Navnath Rundekar g) Shri Kushal Pal
4	CSR Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Vijay Vasant Murar d) Shri Vishal Goyal e) Shri Kushal Pal
5	Risk Management Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Vijay Vasant Murar d) Shri Mukul Dandige e) Shri Kushal Pal
6	Nomination & Remuneration Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Vishal Goyal
7	Stakeholders Relationship Committee	a) Shri Bibhas Kumar Srivastav, Chairman b) Shri Vijay Vasant Murar c) Shri Kushal Pal

8	IT Strategy Committee	Two Independent Directors One Director from Central Bank of India Managing Director
9	Recovery Committee	a)Shri Anil Girotra, Chairman b)Shri Bibhas Srivastav, c) Shri Y. Anil Kumar, d)Shri Kushal Pal, MD

## DIRECTOR'S REPORT

**Dear Members,**

The Board of Directors of your Company takes pleasure in presenting 31<sup>st</sup> Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2022.

### **INDUSTRY OUTLOOK**

Indian Economy have picked up well after the turbulent Q1 FY2022 due to emergence of Omicron variant of Covid-19 virus but Q4 FY2022 was again hit by increasing petroleum prices due to geopolitical conditions which impacted all Global economies. This situation resulted into increasing inflation across the globe. Most of the economies have to increase the rate of interest which eventually resulting into higher rate of interest.

In India also RBI increased the Repo rate twice in last three months resulting into higher lending rates offered by financial institutions for all categories of loans and even further increase is possible in remaining part of the financial year.

Above increase has already impacted the lending rates in the housing finance sector and it is further going to increase as and when RBI will take further upward actions.

In India, Housing finance Company (HFCs) are likely to witness a growth of 13-15% in AUM in fiscal 2023 considering the improved demand prospects of housing units with reduction in Covid-19 cases due to continuous and effective deployment of vaccination among citizens.

With increasing level of economic activities and improved job market and job stability in the country, there would be steady growth in disbursements and improvement in collection efficiency in FY 2023.

Notwithstanding the improvement in business in the rest of FY 2023 the persisting inflationary pressures would keep the credit costs elevated and consequently the profitability would be subdued in FY 2023 for HFCs.

As per CRISIL Research, affordable housing is expected to remain upbeat due to massive under penetration, favourable demographics, government's thrust on 'housing for all' and favourable regulatory and tax environment. Affordable housing segment is expected to grow at 15-17% in FY 2023.

Although, discontinuation of the PMAY scheme may impact affordable housing segment adversely to some extent which has to be seen in the current financial year.

Over the last decade, several new players have emerged in the housing finance space, focusing primarily on the affordable housing segment. The property cost in this segment is usually below Rs 30 lakhs and borrowers have relatively low income and usually do not have any formal income proof.

Earlier, most large players did not cater to this segment. However, over the last couple of years, even large HFCs have set up dedicated verticals focused on the affordable housing segment. While banks are also present in the smaller-ticket home loan market, their lending to the economically weaker section (EWS) and low-income group (LIG) segments and borrowers without any formal income proof is limited.

These specialised HFCs are trying to tap this underserved market segment.

India Ratings and Research has maintained a neutral sector outlook and a stable rating outlook for housing finance companies for 2022-23.

### **New Regulatory Framework**

On February 17, 2021, the RBI issued Master Direction - Non- Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions). These directions came into force with immediate effect. The directions includes such as guidelines on Liquidity Risk Management Framework, LCR, Loan against security of shares, Loan against security of single product-gold jewellery, managing Risk and Code of conduct in outsourcing of financial services, implementation of Indian Accounting Standards, Net owned fund requirement, Capital Requirement etc.

The said Master Direction - Non- Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021 were amended from time to time during the year as under:

29<sup>th</sup> July, 2021 - Para- 25.2 - Rating of Deposits of HFCs – Approved Credit Rating Agencies and Minimum Investment Grade Credit Rating.

25<sup>th</sup> August, 2021 - Para 105 - Notification as 'Financial Institution' under Section 2(1)(m)(iv) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) - Deleted

On November 12, 2021, the RBI issued a notification on prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications. The RBI introduced a stricter asset quality reporting norms for all lenders, bringing housing financiers and non-banking financial companies (NBFCs) at par with commercial banks. According to the new guidelines, any NPA account will be upgraded to “Standard” only when the entire arrears pertaining to principal and interest are paid by the borrower, thus shifting the focus from roll back to normalization.

On November 15, 2021, the RBI issued a notification on appointment of Internal Ombudsman by Non-Banking Financial Companies.

On December 14, 2021, the RBI issued a notification on Prompt Corrective Action Framework (PCA) for NBFCs stating that NBFCs have been growing in size and has substantial interconnectedness with other segments of the financial system. Accordingly, it has now been decided to put in place a PCA Framework for NBFCs to further strengthen the supervisory tools applicable to NBFCs. The PCA Framework for NBFCs comes into effect from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022. Further, as per notification, government companies and NBFCs not accepting/not intending to accept public funds, primary dealers and HFCs are excluded.

On February 15, 2022, further clarification was issued for prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications.

## 2) PERFORMANCE

Your Company's strategy for the financial year 2021-22 was to strengthen the productivity through the existing capacity and by expanding its branch/spoke locations. Company has taken a conscious decision to improve the asset quality and to upgrade its IT Platform to latest technology. Accordingly, during the year, Company has initiated process of selection of IT software and its vendor which will be concluded by the ended of Q1 FY 2022-23. Company through its existing branches and newly opened 1 branch and 4 spoke locations, succeeded in gaining customer satisfaction and new business. After the turbulent Q1 FY 2021-22 due to third wave of Covid-19 variants and a year of severe competition in housing finance industry, your Company managed to achieve total revenue of **Rs. 123.00** Crores as against **Rs.127.79** Crores in the previous year.

Despite above challenges, your Company's profit before tax for the year ended 31<sup>st</sup> March 2022 stood at **Rs.27.92** Crores as against **Rs. 19.64** Crores in the previous year. Your Company's profit for the year (after adjustments related to previous year) stood at **Rs.20.11** Crores as against **Rs. 14.67** Crores in the previous year.

Further, your Company is relentlessly working on reduction of NPAs which stood at **Rs. 59.00** Crores as on 31<sup>st</sup> March 2022 as against **Rs. 62.00** Crores as on 31<sup>st</sup> March 2021, Rigorous steps have been initiated to recover NPA and prevent fresh slippage.

a) **Financial Highlights**

The financial performance for the Fiscal Year **2021-22** is summarized here below:

(Rs. in Crores)

	Particulars	For the year ended	
		March 31, 2022	March 31, 2021
A)	Gross Income	<b>123.00</b>	<b>127.79</b>
B)	Total Expenses	87.20	102.56
C)	Operating Profit (A-B)	<b>35.80</b>	<b>25.23</b>
D)	Write off & Provisions	<b>7.94</b>	<b>5.58</b>
E)	Extraordinary Items +		-
F)	Adjustment related to previous year	(0.06)	0.01
G)	<b>Profit before tax (C-D-E-F)</b>	<b>27.92</b>	<b>19.64</b>
H)	Tax Expenses	7.81	4.97
I)	Profit for the year (G-H)	<b>20.11</b>	<b>14.67</b>
J)	<b>Profits brought forward from previous year</b>	43.37	33.56
K)	<b>Profits Available for Appropriation (I+J)</b>	<b>63.47</b>	<b>48.23</b>
	<b>Appropriations</b>		
	Transfer to Special Reserve (as per IT Act)	5.19	3.61
	Transfer to Additional Reserve (as per NHB Act)	-	-
	Transfer to CSR Reserve Fund	-	-
	Transfer to General Reserve	1.79	1.25
	Appropriation for dividend (Including dividend tax, surcharge & cess)	-	-
	Appropriation to DTL on Special Reserves Plus provision for tax for previous year	-	-
	Balance carried forward to Balance sheet	56.50	43.37
	<b>Total</b>	<b>63.48</b>	<b>48.23</b>

*Figures in parentheses are in negative.*

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

## (b) Lending Operation

### i) Sanctions

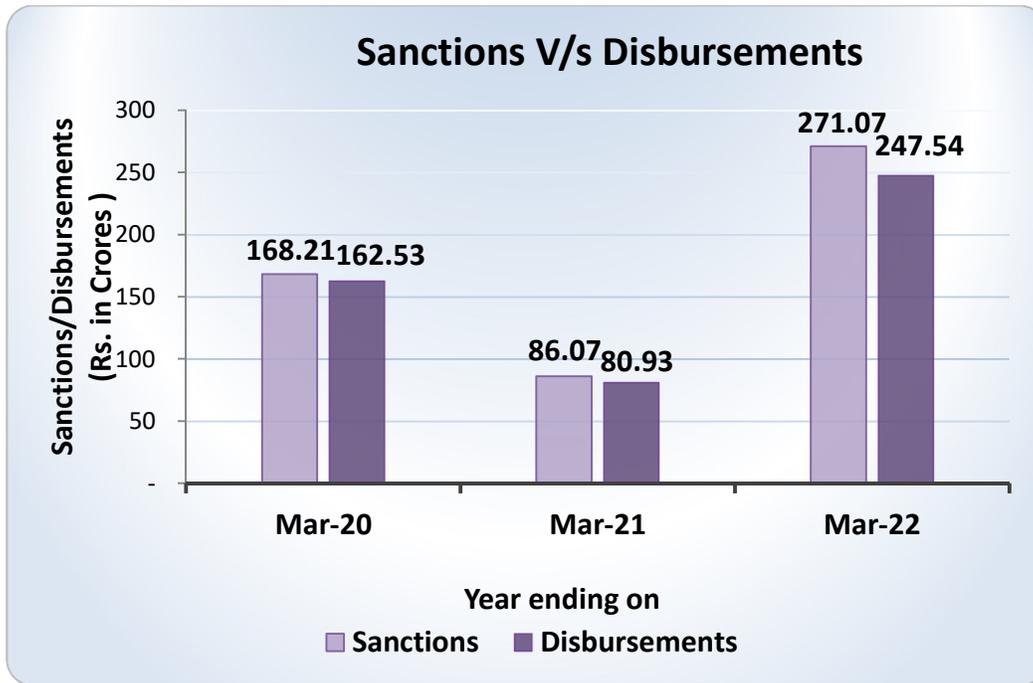
During the year 2021-22, your Company has sanctioned loans amounting to **Rs. 271.07** Crores as compared to total sanctions of **Rs. 86.07** Crores during the previous year ended March 31, 2021, registering growth of 215%.

- Out of above, Housing Loans account for **Rs. 171.95** Crores as compared to **Rs. 67.15** Crores in the corresponding financial year ended March 31, 2021, resulting in growth of 156%
- Non-Housing Loan accounts for **Rs. 99.12** Crores as compared to **Rs. 18.92** Crores in the corresponding financial year ended March 31, 2021, resulting into a massive growth of 424%.

### ii) Disbursements

During the year 2021-22, your Company has disbursed loans amounting to **Rs. 247.54** Crores as compared to disbursement of **Rs. 80.93** Crores in previous financial year ended March 31, 2021, registering growth of **206%**.

- Out of above Housing Loans account for Rs.151.43 Crores as compared to Rs. 63.74 Crores disbursements in corresponding financial year ended March 31, 2021, resulting in growth of 138%.
- Non-Housing loans account for **Rs.96.11** Crores as compared to **Rs. 17.19** Crores in previous financial year ended March 31, 2021, resulting in a massive growth of **459%**.



c) Loan Outstanding\*

Total Loan & Advances stood at **Rs.1,159.68** Crores as on March 31, 2022 as against **Rs. 1,129.93** Crores as on March 31, 2021 registering a humble growth of **2.63%**.



#### d) Profit and Net Owned Funds

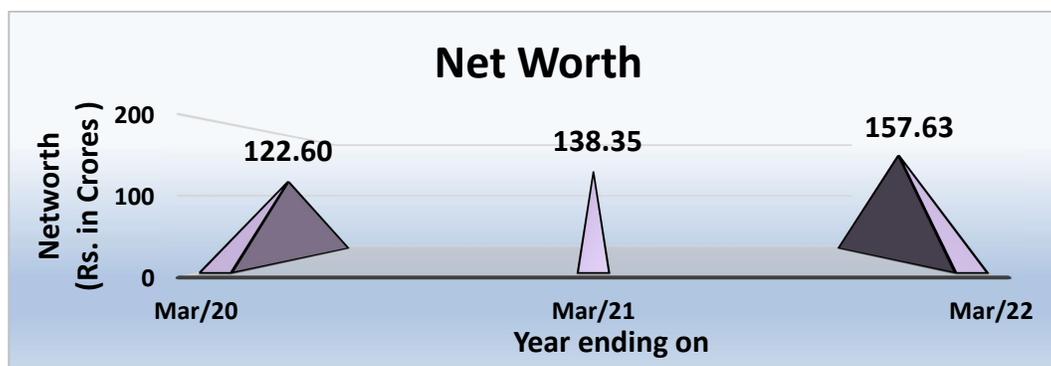
During the year 2021-22, your Company has made Profit before Tax of **Rs.27.92** Crores as compared to **Rs.19.64** Crores in 2020-21 and Profit after Tax (PAT) of **Rs.20.11** Crores as against PAT of **Rs. 14.67** Crores in the previous year.

The total owned fund of your Company stood at **Rs. 157.35** Crores as on March 31, 2022 as against **Rs. 138.18** Crores in 2020-21.

The Capital Adequacy Ratio of your company is at **23.68%** as against the minimum requirement of **15 %** as stipulated by the National Housing Bank (NHB). Earnings per Share (EPS) stood at **Rs. 8.04** as on March 31, 2022 as against **Rs. 5.87** as on March 31, 2021.

#### e) Net Worth

As a result of consistent profits quarter on quarter, the Net worth of the Company stands at **Rs. 157.63** Crores as on March 31, 2022 as against **Rs. 138.35** Crores as on 31<sup>st</sup> March, 2021.



#### f) Credit Rating

With improved financial performance of the Company, Company's credit rating has been improved from 'BBB+/Stable' from CRISIL and Brickwork to 'A-/Stable' from India Ratings & Research (Fitch Group) for its Bank Loan to the tune of Rs. 750 Crores and FD ratings remained at similar level of 'FA-/Stable' from CRISIL to 'A-/Stable' from India Ratings & Research (Fitch Group).

## g) Future Outlook

During the last financial year, the Company has converted its one Satellite Branch into full fledged Branch with the vision of expansion of business. Company has presently a network of 19 branches and 4 newly opened Spoke locations and Corporate Office at Mumbai. In current financial year, Company is planning to expand its presence in new cities by opening at 10 locations all over India.

Company has shifted its Corporate Office from Bhopal to Mumbai with the vision of expansion of business to tap available opportunities to grow at industry pace.

Company has already signed an agreement for procuring of Cloud Based IT Solution to shift its operations on State-of-the-Art Digital Platform and same would be operational in FY 2023.

After recovering from the impact of the deadly Covid-19 pandemic, Company showed moderate growth 2.63% and is now expecting bigger bounce back in its journey of progress towards the goal envisioned by the Board.

Your Directors are hopeful that your Company would continue to exhibit good performance in the current year with its efforts to optimal utilization of all its resources available at its disposal and achieve the targeted result.

During FY 2022-23, the Company proposes to take following initiatives to improve its operational as well as financial performance and to take it to the next level:

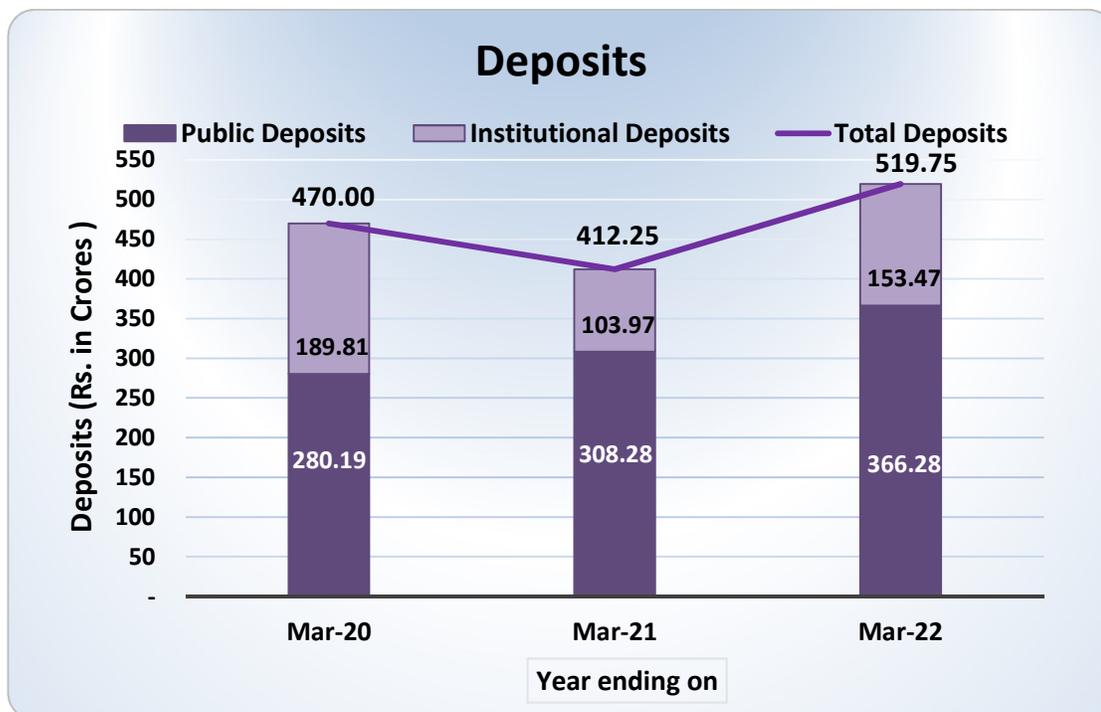
- To improve the asset quality and increase the portfolio of the Company.
- To continue Brand building exercise to improve general awareness about the Company and its business and to strengthen the Brand image of the Company.
- Strengthening of recovery mechanism to recover NPA a/cs and recycle blocked funds to generate more income.
- Focus on recovery in written off accounts of earlier years which will directly boost the income.

## 2) FINANCIAL RESOURCES

### i) Deposits

As on March 31<sup>st</sup> 2022, the total deposits of your Company are **Rs.519.75** crores (which includes public deposit of **Rs. 366.28** crores and institutional deposits of **Rs.153.47** crores) as compared to **Rs.412.25** crores (which includes public deposits of **Rs.308.28** crores and institutional deposits of **Rs.103.97** crores) at the end of the previous year.

Your Company being a housing finance company registered with the National Housing Bank (NHB), has complied with the Directions/Guidelines issued by NHB with regard to deposit acceptance and renewal.



#### ii) Borrowings from Banks

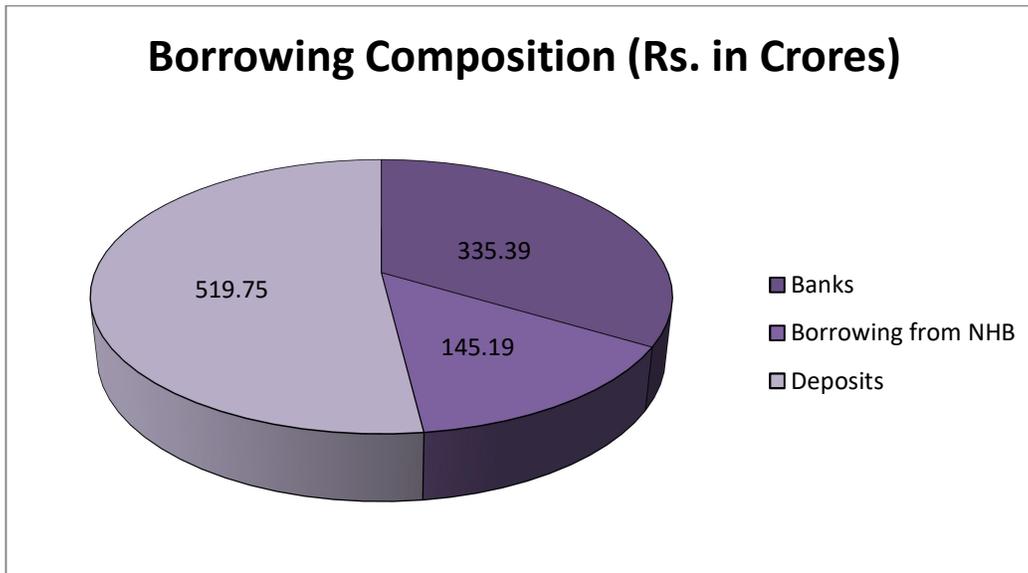
Your Company has availed Term Loan and Overdraft facility from Central Bank of India. The outstanding balance of the loan/facility as on March 31<sup>st</sup> 2022 is **Rs.291.64** Crores as against **Rs. 297.63** Crores as on March 31<sup>st</sup> 2021.

Your Company has availed term loan from HDFC Bank. The outstanding balance of the term loans availed from HDFC Bank as on 31.03.2022 is **Rs.43.75** Crores as against **Rs. 35** Crores as on 31.03.2021

The total outstanding balance as of 31.03.2022 under the head 'borrowings from Banks' are at **Rs.335.39** Crores as against **Rs.332.62** Crores during the previous financial year.

#### iii) Refinance From NHB:

In the Financial Year 2021-22, your Company has availed refinance and having outstanding amount of Rs. 145.19 Crores in comparison to the previous outstanding of Rs.226.03 from the National Housing Bank.



#### 4) SHARE CAPITAL

The authorized & Paid-up capital of the Company as on 31.03.2022 are Rs. 50,00,00,000 divided into 5,00,00,000 equity shares of Rs.10/- each and Rs. 25,00,00,000 divided into 2,50,00,000 equity shares of Rs.10/- each respectively.

##### i) Dematerialization of Shares/Debentures and Liquidity

As on 31<sup>st</sup> March 2022, share capital of the Company representing 2,50,00,000 equity shares were held in dematerialized form.

##### ii) Appointment of Registrars & Share Transfer Agents

The Company has appointed Kfin Technologies Private Limited as Registrar & Share Transfer Agents of the Company. Hence all dematerialization/rematerialisation requests shall be routed through your depository participants addressing it to our R&T agents at the address mentioned below:

Kfin Technologies Pvt. Ltd.,  
Selenium, Tower B, Plot No-31 & 32, Financial District, Nanakramguda,  
Serilingampally Hyderabad Rangareddi TG -500032.

#### 5) DIVIDEND

Considering the plans of expansion and business growth of the Company in the near future and maintain liquidity after impact of COVID- 19, no dividend is recommended to be distributed pertaining for the year ended 31<sup>st</sup> March 2022.

## 6) INVESTMENT

The Company has maintained its Statutory Liquidity Ratio (SLR) **13.82%** as per NHB guidelines which prescribes minimum 13% level. The Company has invested **Rs. 29.23. Cr.** in approved govt. securities & maintained deposits of **Rs. 13.40 Cr.** as on 31<sup>st</sup> March 2022 with Scheduled Banks.

## 7) UNCLAIMED DEPOSITS

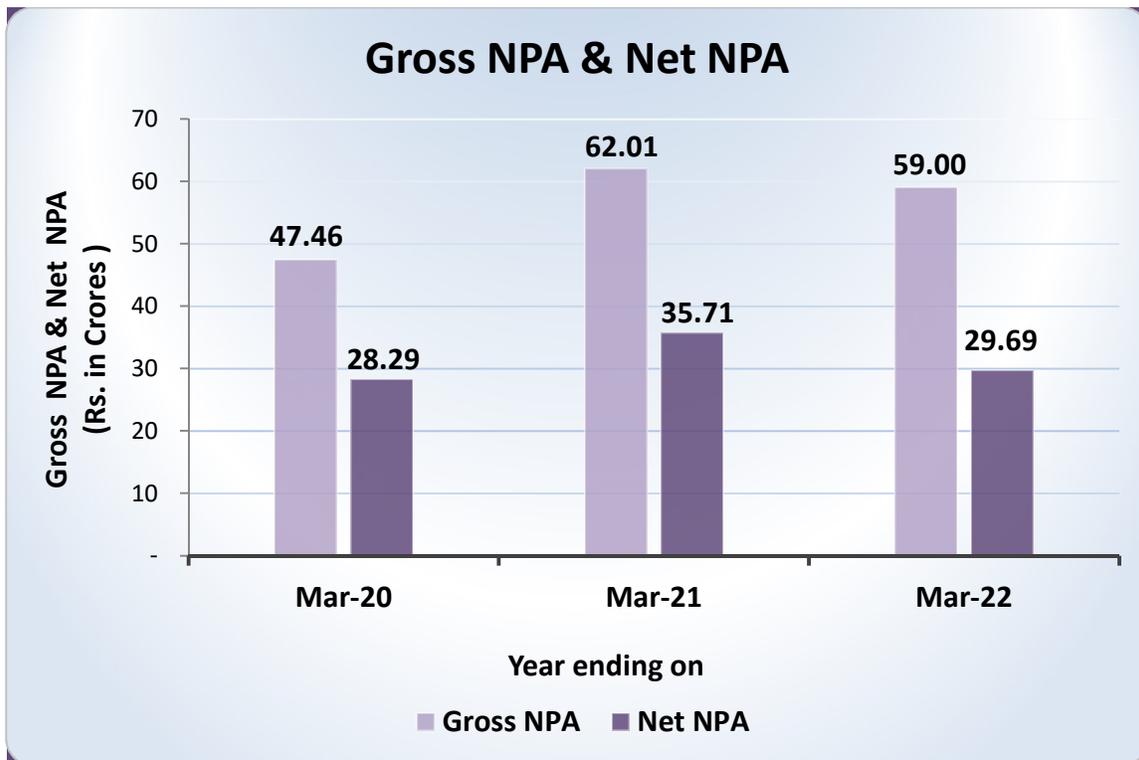
As on 31<sup>st</sup> March 2022, 502 public deposit accounts amounting to **Rs.9.53 Cr** have remained unclaimed. The depositors have been advised about the maturity of their deposits with a request either to renew or withdraw the same.

During the year under review, Rs. 3,89,904 amount was transferred to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013 in respect of deposit and interest thereon unclaimed & unpaid for more than 7 years.

## 8) NON PERFORMING ASSETS

Your Company has been pursuing all the available options to recover its dues from non- performing accounts. Your Company has taken recourse to Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and Section 138 of Negotiable Instruments Act, 1881 and DRT Act for recovering the overdue and bringing down the NPA. The gross NPA stood at **Rs.59.00 Crores** for the financial year 31<sup>st</sup> March 2022 as against **Rs.62.01 Crores** for the previous financial year ended 31<sup>st</sup> March 2021.

With due provisions the net NPA stood at **Rs.29.69 Crores** as on 31<sup>st</sup> March 2022 as against **Rs. 35.71 Crores** as on 31<sup>st</sup> March 2021.



## 9) BRANCH NETWORK

As on date your Company is operating in 9 states through a network of 19 branches and 4 representative offices.

## 10) AUDITORS

In exercise of the powers conferred by Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) appointed M/s B R I S K A & Associates (formerly L.K. Maheshwari & Co.) Chartered Accountants, having Firm Registration No.000780C as the statutory auditors of the Company for the financial year 2021-22.

No adverse comment has been made by the Auditors on the Financial Statements of the Company. However he emphasis on few points, reply of which is annexed as **Annexure- I**

Certificate issued by the Comptroller and Auditor General of India is annexed as **Annexure-II**

## Review of Accounts by C&AG

The accounts of the Company were taken up for review by the Comptroller and Auditor General of India. Review of accounts for FY 2021-22 by the Comptroller and auditor General of India, no comments were issued by C&AG and they have mentioned that nothing significant has come to knowledge which

would give rise to any comment upon or supplement to statutory auditors report under section 143(6)(b) of the Companies Act, 2013.

## 11) DIRECTORS

In terms of Article 99 of the Articles of Association of your Company and the provisions of the Companies Act, 2013, Shri Alok Srivastava and Shri Navnath Rundekar, Directors are liable to retire by rotation and are eligible for re-appointment.

None of the Directors of the Company is disqualified from being appointed as Director as specified in the Companies Act, 2013.

The following Directors ceased to be Directors of the Company during the reporting year:

S. No	Name OF The Directors	Date of cessation w.e.f.
1.	Shri Amrit Kumar	02/08/2021
2.	Shri LVS Sudhakar Babu	23/08/2021
3.	Shri Shishram Tundwal	05/07/2021
4.	Shri. Kulasekhara Chakravarthy	05/07/2021

The Directors of your Company wish to place on record their appreciation for the services rendered and contribution made by them during their tenure as Nominee Directors of the Company.

The following Directors were inducted into the Board as Directors (in the capacity as Nominee Directors) of the Company:

S.no	Name of the Directors	Date of Appointment w.e.f
1	Shri Kushal Pal	05/07/2021
2	Shri Vishal Goyal	05/07/2021
3	Shri Y. Anil Kumar	01/09/2021
4	Shri K. K. Chauhan	01/09/2021

### Declaration of Independent Directors under section 149 (6) of the Act

Your Company received declarations from the Independent Directors viz Shri. Anil Girotra & Shri Bibhas Kumar Srivastav for the financial year 2021-22 as required under the provisions of section 149 (6) of the Companies Act, 2013. Hence, your Directors are of the opinion that the Independent Directors are not disqualified to continue as Independent Directors on the Board of the Company.

## 12) EVALUATION

Nomination & Remuneration Committee meeting evaluated the performance of Chairman, Managing Director, Non-Executive Directors and Board as a whole. The Nomination & Remuneration

Committee carried the evaluation of each Director based on his/her contribution in the Board Meeting and other Committee Meetings.

### 13) CHANGE IN KEY MANAGERIAL PERSON (KMP):

During the year under review following change happened amongst the KMPs:-

The following KMP ceased to be KMP of the Company during the reporting year:

Sr. no	Name	Position	Date of Cessation
1.	Shri Shisharm Tundewal	Managing Director	05.07.2021
2.	Shri Manish Singh Payal	Company Secretary	27.09.2021

The following KMP Appointed to be KMP of the Company during the reporting year:

Sr. no	Name	Position	Date of appointment
1.	Shri Kushal Pal	Managing Director	05.07.2021
2.	Shri Suyogya Chandra Mehta	Chief Financial Officer	23.09.2021
3.	Shri Ashish Kumar Shrivastava	Company Secretary	07.10.2021

### 14) NUMBER OF MEETINGS OF THE BOARD

During the year the Board met six times, i.e. on 19<sup>th</sup> May 2021, 05<sup>th</sup> July 2021, 01<sup>st</sup> September 2021, 09<sup>th</sup> September 2021, 16<sup>th</sup> December 2021 and 25<sup>th</sup> January 2022. For the number of meetings attended by the Directors and other details, please refer to "Report on Corporate Governance" appended as **Annexure-III** to this Report.

### 15) AUDIT COMMITTEE

Your Company duly constituted Audit Committee in terms of the Section 177 of the Companies Act, 2013. As on 31<sup>st</sup> March 2022 the Committee comprised of 3 members:

1	Shri Anil Girotra- Independent Director	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director	Member
3	Shri Y. Anil Kumar	Member

## VIGIL MECHANISM

The Board adopted Vigil Mechanism as required under the provisions of section 177(9) wherein it provides adequate safeguards against victimization of persons who use such mechanism and also provides provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. This mechanism would enable your Company to evolve a process to encourage ethical corporate behavior.

## 16) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted under Section 178 of the Companies Act, 2013. As on 31<sup>st</sup> March 2022 the Committee comprised of 3 members:

1	Shri Anil Girotra- Independent Director	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director	Member
3	Shri Vishal Goyal - Non Executive Director	Member

The role of the Committee is to consider and recommend to the Board the appointment/reappointment of Managing Director/Executive Director(s) in addition to review of their performance and recommending to the Board remuneration for the said Directors and also for the key managerial personnel and other Senior Management employees as the case may be.

Nomination remuneration policy of the Company is annexed as **Annexure-IV**

## 17) CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company duly constituted Corporate Social Responsibility (CSR) Committee in terms of the provisions of section 135 of the Companies Act, 2013. As on 31<sup>st</sup> March 2022 the Committee comprised of 5 members:

1	Shri Anil Girotra- Independent Director	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director	Member
3	Shri Vijay Vasant Murar- Non Executive Director	Member
4	Shri Vishal Goyal - Non Executive Director	Member
5	Shri Kushal Pal- Managing Director	Member

The Committee performs the functions as defined under the provisions of section 135 of the Companies Act, 2013.

During the Financial Year 2021-22, Company contributed CSR fund amounting to Rs.50,50,889/- for the following institutions:-

S. No.	Name of the institutes/NGO	Amount of contribution
1.	Army Central Welfare Fund	2,11,769/-
2.	Contribution to Cama & Albless Hospital Mumbai.	15,80,000/-
3.	Contribution to Railway Police Hospital, Mumbai	32,59,120/-
	Total	50,50,889/-

The funds contributed towards Army Central Welfare fund will be utilized towards widows of our Soldiers, their Kith & Kin, Dependents and needy Ex- Servicemen.

The fund contributed to Cama & Albless Hospital Mumbai for purchasing of Ambulance Maruti EECO BSIV for benefit for Covid-19 patients and society.

The fund contributed to Railway Police Hospital, Mumbai for purchasing of Advance Life Support on Force Traveler Shell Ambulance -3350 WB BSVI for the benefits of Covid-19 and Cardiac patients and society.

The disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been provided in this report as **Annexure-V** which forms part of this report.

#### 18) DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors reports that:-

- (i) In the preparation of the annual accounts for the year 2021-22, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2021-2022 and of the profit and loss of the Company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis, and
- (v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 19) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Except in the ordinary course of business, your Company neither gave any loan or guarantee nor made any investment under the provisions of section 186 of the Companies Act, 2013.

## 20) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of all contracts or arrangements entered into by your Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto have been disclosed in Form No. AOC-2 which is annexed to this report as **Annexure-VI**. Company's Policy while dealing with Related Party Transaction is annexed to this report as **Annexure- VII**.

## 21) EXTRACTS OF ANNUAL RETURN

The extract of annual return pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is annexed to this report as **Annexure-VIII**.

## 22) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Since your Company is a housing finance company and does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated under rule 8 of the Companies (Accounts) Rules, 2014, are not applicable.

The Company did not earn any income nor incurred any expenditure in foreign currency during the year under review.

## 23) RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. As a lending entity, your Company is exposed to various risks such as credit risk, market risk, liquidity risk, legal risk, interest rate risk and operational risk. Your Company emphasis on risk management practices to ensure an appropriate balance between risks & returns.

In compliance of Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 Board has constituted a Risk Management Committee to monitor measure and mitigate the risk faced by the Company.

In addition to Audit Committee and Risk Management Committee, the Asset Liability Committee monitors Structural Liquidity and Interest Rate Risk Management. ALCO is also responsible to supervise short term business requirements of the Company.

Credit risk is a risk of loss due to failure of a borrower to meet the contractual obligation of repaying debt which is also commonly known as a risk of default. Your Company has constituted Credit Committee of the Board in order to mitigate such risk. Operational Risk Management Committee (ORCO) was established via introduction of a revamped Operational Risk Management Policy. ORCO endeavors to mitigate operational risk by maintaining a system of internal control by establishing a system to monitor transactions and maintaining back-up at regular intervals.

The Committees review compliance with risk policies, monitor risk tolerance limits, review and analyze risk exposures related to specific issues and provide oversight of risk across the organization.

## 24) REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT

The Company has a Policy on 'Prevention of Sexual Harassment of Women at Workplace'. CBHFL has zero tolerance towards sexual harassment at workplaces and has put in place appropriate mechanism for prevention and redressal of complaints of sexual harassment so as to ensure that women work with dignity and without fear. During the year, 1 Complaint was filed & the same has been disposed off.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 25) FRAUD REPORTED DURING THE YEAR

During the current financial Year 2021-22, no fraud was detected by the Company.

## 26) STATEMENT OF CORPORATE GOVERNANCE

Your Company has been complying with the standards of Corporate Governance as required under the Companies Act, 2013. The Board discharges the duties and responsibilities as required under the applicable statute(s) including the Companies Act, 2013.

Your Company has Board of Directors which has formal schedule of matters reserved for its consideration and decision apart from legally required matters.

Since the Company's equity shares are not listed on any stock exchange, provisions relating to corporate governance as per listing agreement are not applicable. However the Company voluntarily adopted them and is brought out in the report attached as **Annexure-III**. The Board of Directors regularly reviews the management reports on statutory and regulatory compliances.

## 27) HUMAN RESOURCES

Your Company aims to align HR practices with business goals, motivates people for higher performance and builds a competitive working environment. Productive high performing employees are vital to the Company's success. The Board values and appreciates the contribution and commitment of the employees towards the performance of your Company during the year.

As on March 31, 2022, the Company had 82 on rolls and 72 off roll employees.

## Information as per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

During the year under review, your Company had no employee whose remuneration exceeded the limits prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made under Chapter XIII of the Companies Act, 2013 and as amended from time to time.

## 28) COMPLIANCE WITH DIRECTIONS & GUIDELINES OF NHB

Your Company has complied with the guidelines and directions issued by National Housing Bank on asset classification, accounting standards, income recognition, provisioning, capital adequacy, credit rating, etc. as amended from time to time.

The Know Your Customer (KYC) guidelines, Fair Practices Code, Anti Money Laundering standards and Most Important Terms & Conditions as notified by the NHB are available on the Company's website.

Your Company is also registered with Central Registry of Securitization and Assets Reconstruction and Security Interest of India (CERSAI) and is registering its charge in respect of mortgages with CERSAI.

## 29) INTERNAL AUDIT, INTERNAL FINANCIAL CONTROL & ADEQUACY

Your Company performs internal audit of the all branches. All Branches are subject to audit at least once in 12 months as per the policy. 'Low risk' & 'Medium risk' rated Branches will be audited once in 12 months. However, if Audit rating of last audit is 'Extremely High risk' or 'Very High risk' or 'High risk', next audit will be done within 6 months from the last audit. If the rating of the Branch which was rated previously 'Extremely High or Very High or High risk' gets changed to 'Low or Medium risk' in subsequent audit, next audit of the same Branch will be conducted within 12 months.

## 30) INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the company which have occurred between 31<sup>st</sup> March 2022 which the financial statements relate and the date of the report.

## 31) SIGNIFICANT AND MATERIAL ORDERS

During the period under review, there were no significant and material orders passed by any regulator/Court/Tribunal impacting the going concern status and Company's operations in future.

## 32) SECRETARIAL STANDARDS

The Company is in compliance with SS-1 i.e. Secretarial Standard on meetings of Board of Directors and SS-2 i.e. Secretarial Standard on general meetings issued by the Institute of Company Secretaries of India.

## 33) PENALTY/ COMPOUNDING OF OFFENCES:

NHB has imposed a penalty of Rs.5000 on account of non-compliance of Para 2 of Master Circular- Fair Practice Code & Para 29 of HFC (NHB) Directions, 2010 in the Year 2021-22. It relates to NHB observed that there were 24 loan accounts with outstanding amount of Rs.3.77

Crores, where cheques were issued before 31-03-2020 but were not cleared. These cheques for the Financial Year 2019-20 were later cleared with a considerable delay.

### **34) ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the continued support and guidance from the Government of India, National Housing Bank, Central Bank of India, HUDCO and Specified Undertaking of Unit Trust of India. Your Directors also wish to place on record their appreciation for the continued patronage and support extended to the Company by its clients and depositors and also the contribution made by the members of staff of the Company.

**35) A detailed Management Discussion and Analysis is appended as Annexure- IX.**

### **36) SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

In compliance with the Section 204 of Companies Act, 2013 M/s Piyusha Mantri & Associates, Company Secretaries, was appointed as a Secretarial Auditor of the company for Financial Year 2021-22. The Secretarial Audit Report has been annexed as **Annexure –X**.

There are no adverse remarks, qualification remark of the secretarial auditor on the conduct of audit of the company during the Financial Year 2021-22.

**For and On Behalf of the Board**

**Place:** Mumbai  
**Date:** 22/08/2022

Sd/-  
**Alok Srivastava**  
**Chairman**  
**DIN 05123610**

Sd/-  
**Kushal Pal**  
**Managing Director**  
**DIN 09225722**

**Annexure-I**

**No qualification was given by the Statutory Auditor. However he laid emphasis on the following points which were observed by him during Audit. Point wise reply on the Auditor's observation is as follows:-**

Auditor's Observation	Management Reply
<p>(a) Note 25(14) in the Standalone financial statements which indicate that the company has maintained Deferred Tax Liability on Special Reserves to the tune of Rs 1463.68 Lakhs (Previous year 1316.05 Lakhs) in pursuance with NHB guidelines NHB(ND)/DRS/Policy Circular 65/20 14-15 through P/L Appropriation.</p>	<p>Creation of DTL is in accordance with the directions of NHB (ND) DRS/Policy circular 65/2014-15.</p>
<p>(b) Note 25(22) in the standalone financial statements which indicate that the company's current Liabilities exceeded its current assets as at the Balance sheet date. These conditions, along with other matters set forth in Note 25(22) read with Note 25(35)(5.5) indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a Going concern. However, the standalone financial statements of the company have been prepared on a going concern basis for the reasons stated in the said Note</p>	<p>While it may appear that there is a mismatch between Current Assets &amp; Current Liabilities, the nature of the Housing Finance Company's business is such that the resources or liabilities of the company (deposits and the borrowings of the Company which includes term loans) are substantially renewed at their maturity/ expiry of loan limit. Further bucket wise negative mismatches, if any, within the permissible limit are allowed by NHB guidelines on ALM.</p> <p>Current Ratio of the Company remains below 1 due to the reason that Company lends for tenure of 10-30 years whereas tenor of deposits ranges from 1 to 10 years. The tenor of term loan also ranges from 5 to 7 years.</p> <p>Further owing to the lower interest rates offered by the Banks. The pre-closures of the Loan accounts are always on a higher side, which has always maintain adequate liquidity in the Company. This may be verified from the fact that the mismatch between Current Assets and Current Liabilities is always part of the Auditor's observation from last five years and Company has been operating and managing the liquidity successfully.</p> <p>Along with the undrawn Overdraft facility of Rs. 72 Cr from Central Bank of India and pre-closures of Loans, a part of deposits due for maturity also gets renewed regularly. Hence Company has sufficient means to manage its liquidity.</p>

<p>(C) We draw attention to Note 25[23(a)] in the standalone Financial statements, which describes the economic and social consequences the entity is facing as a result of COVID-19 which is impacting consumer demand, Financial markets and personnel available for work.</p>	<p>This disease has hit the globe economically and socially. WHO also acknowledged the cascading effect of this virus and declared it as a Global Pandemic. On account of providing a relief to its borrowers Company has extended the Moratorium to its customers.</p> <p>Customer demand is growing and the Company has adequate liquidity to address the demand.</p>
<p>I. (a) The internal audit policy provide that the internal auditor is required to visit once in every 12 month (for low /medium Risk Branches) and in every 6 months (for High Risk Branches). However, we observed that the audit visits by the internal Audit team could cover the audit for only 3/5<sup>th</sup> of the total transactions made during the current financial year and internal audit reports were received to the extent of this period.</p> <p>(b) The Concurrent audit policy provides that the concurrent auditor is required to visit once in every month and submission of the report is done quarterly to the Head office Accordingly. However, we observed that the audit visits by the Concurrent Audit term Could cover the audit for only 3/4<sup>th</sup> of the total transactions made during the current financial year and concurrent audit reports were received to the extent of this period.</p> <p>Henceforth, it is observed that said element of internal Financial Control i.e., internal Audit and Concurrent Audit System is not working effectively and requires improvement.</p>	<p>Frequency of audit as mandated in audit policy has already been stated by Auditor in this report. No deviation from policy has been mentioned in this report and thus it is evident that audit frequency is as per policy.</p> <p>No branch is overdue for audit as per the extant guidelines, however, reported gap of transactions is due to time gap between the last audit and 31/03/2022. These transactions will be covered during the next audit as it is an ongoing exercise.</p>
<p>ii. Insurance of property mortgaged has been implemented w.e.f. 17-04-2018. That is, up until, 16-04-2018 there was no policy of the company as regards insurance. In our opinion, insurance of all the properties mortgaged till 16-04-2018 should be done to avoid any loss on account of damage to property because of natural calamities, disasters or other reasons.</p>	<p>Obtention of Insurance has been mandated in policy since 2018 and Company has been following the same.</p> <p>Company approached many of the Borrowers, whom the loans were sanctioned prior 17<sup>th</sup> April, 2018. But no Borrower agreed to take Insurance as it involves cost. Company shall keep continuing its endeavour to obtain insurance in earlier loans also.</p>

कार्यालय प्रधान निदेशक लेखापरीक्षा,  
उद्योग एवं कॉर्पोरेट कार्य  
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,  
नई दिल्ली-110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,  
INDUSTRY AND CORPORATE AFFAIRS  
A.G.C.R. BUILDING, I.P. ESTATE,  
NEW DELHI-110 002

संख्या: एएमजी-II/2(442)/वार्षिक लेखे(2021-22)/  
सेंट बैंक/2022-23/198-199

दिनांक: 14 JUL 2022

सेवा में

प्रबन्ध निदेशक,  
सेन्ट बैंक होम फाइनेन्स लिमिटेड,  
छठा तल, सेंट्रल बैंक ऑफ इंडिया एमएमओ बिल्डिंग,  
नजदीक फ्लोरा फाउंटेन, हुतात्मा चौक  
एमजी रोड, फोर्ट, मुंबई - 400 023

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2022 को समाप्त वर्ष के लिए सेन्ट बैंक होम फाइनेन्स लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2022 को समाप्त वर्ष के लिए सेन्ट बैंक होम फाइनेन्स लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है। आगे, शून्य टिप्पणियों को जारी करने का निर्णय, प्रबंधन के इस आश्वासन कि त्रुटियों को वार्षिक रिपोर्ट के मुद्रण के दौरान ठीक कर लिया जाएगा, के आधार पर लिया गया है। अतः, पीसी नंबर 5 के मामले में प्रबंधन द्वारा दिए गए आश्वासन को वार्षिक रिपोर्ट के मुद्रण के दौरान ठीक किया जाए। प्रबंधन द्वारा यह भी सुनिश्चित किया जाए कि वित्तीय विवरणों में सही आंकड़े छपे हों। वार्षिक रिपोर्ट के साथ संशोधित वित्तीय विवरणों की एक प्रति भी इस कार्यालय को पृष्ठांकित की जाए।

भवदीया

**एस. ए. पंडा**

(एस. आह्लादिनी पंडा)

प्रधान निदेशक लेखा परीक्षा

(उद्योग एवं कारपोरेट कार्य)

नई दिल्ली

संलग्नक:- यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CENT BANK HOME FINANCE LIMITED FOR THE YEAR ENDED 31 MARCH 2022.**

The preparation of financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 02 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**

  
**(S. Ahladini Panda)**  
**Principal Director of Audit**  
**(Industry and Corporate Affairs)**  
**New Delhi.**

**Place: New Delhi**  
**Date: 14.07.2022**

### **REPORT OF DIRECTORS ON CORPORATE GOVERNANCE FOR 2021-22**

Cent Bank Home Finance Limited, its promoter institutions, Board of Directors and Management of the Company adopt the principles of corporate governance and endeavor to implement good corporate governance practices in the Company.

Cent Bank Home Finance Ltd. (CBHFL) is jointly promoted by four premier institutions of the country viz., Central Bank of India (CBI), Housing and Urban Development Corporation Limited (HUDCO), National Housing Bank (NHB) and Specified Undertaking of Unit Trust of India (SUUTI). All these institutions believe in strong Corporate Governance culture. We are not only following the regulatory requirements of corporate governance but also striving hard to achieve customer satisfaction, employees' satisfaction and stakeholders' satisfaction as well as regulatory compliance. The Company and its Board of Directors strongly believe in the principles of transparency, accountability, integrity and maximization of shareholder's value. A brief report on the practices prevalent in Corporate Governance at CBHFL is given below:-

#### **BOARD OF DIRECTORS:**

##### **a) COMPOSITION:**

As on 31<sup>st</sup> March, 2022, there were ten Directors in the Board of the Company. Out of them, 7 were Non-Executive Nominee Directors, 2 were Non Executive Independent Directors and 1 was Executive Director, i.e. Managing Director who is on deputation from Central Bank of India. Four Non-Executive Directors were Nominees of Central Bank of India and three Directors were Nominees of each Promoter Institution viz. SUUTI, HUDCO & NHB.

All the Directors are persons of eminence having vast and rich experience in the field of Banking & Finance, Housing, Law, Management and other relevant fields. The composition of Directors is in conformity with the Companies Act, 2013 and Articles of Association of the Company. The composition of Directors during the financial year ended 31<sup>st</sup> March 2022 is mentioned below:

Sr No.	Name of Directors	Category of Directors	No. of other Directorships (including Body Corporates)	No. of shares held in the Company	Committee Memberships in the Company		Committee membership in other Companies	
					As Member	As Chairman	As Member	As chairman
1.	Shri Alok Srivastava	Non- Executive Director from Central Bank of India, acting as Chairman of the Company	1		-	-	-	-
2.	Shri Anil Girotra	Non Executive Independent Director (Reappointed w.e.f. 27/08/2019 as independent Director in terms of provisions of section 149 of the Act in 28 <sup>th</sup> AGM)	-		-	7	-	-
3.	Shri Bibhas Kumar Srivastav	Non Executive Independent Director (Appointed w.e.f. 13/08/2018 as independent Director in terms of provisions of section 149 of the Act in 27 <sup>th</sup> AGM)	-		7	2	-	-
4.	Shri Vijay Vasant Murar	Non-Executive Director from CBI (Appointed w.e.f 10/07/2019)	4	20*	5			
5.	Shri Vishal Goyal	Non-Executive Director from NHB	-		3			
6.	Shri Navnath Rundekar	Non-Executive Director from SUUTI	-		1			

7.	Shri Y. Anil Kumar	Non-Executive Director from CBI	-	30*	2			
8.	Shri Mukul Narayan Dandige	Non-Executive Director from CBI (Appointed w.e.f. 05/09/2020)	-	20*	2			
9.	Shri K. K. Chauhan	Non-Executive Director from (HUDCO)	-	-	1			
10.	Shri Kushal Pal	Managing Director	-	30*	6			

**\*Holding on behalf of Central Bank of India**

- The Non-Executive Independent Directors of the Company do not have any pecuniary relationship or transaction with the Company which could materially interfere with exercise of independent judgment.

**b) RESPONSIBILITIES OF THE BOARD:**

The Board of Directors of the Company represents the shareholders interest in the long run and provides guidance for the management of the Company in progressive direction on behalf of the shareholders of the Company.

The Board has a formal schedule of matters reserved for its consideration and decision, apart from those legally required e.g. at every Board Meeting quarterly performance is reviewed, actions on recovery of over dues are recommended, availability of financial resources are assessed, compromise proposals are discussed, strategy for better performance of the Company are framed, discussed and reporting to shareholders is approved. The Board also discharges the duties and responsibilities of the Company as required under various statutes that are applicable to the Company.

Each member of the Board invariably attends the Board Meeting unless preoccupied with some urgent matters. Hence, decisions of the Board are in true sense plural, transparent and duly accounted for. The members of the Board ensure that other responsibilities do not have any material impact on their responsibility as Directors of the Company.

Moreover the Directors are ensuring that they do their duties in accordance with the provisions of section 166 of the Act, which prescribes as follows:

- A Director of a company shall act in accordance with the Articles of Association (AOA) of the company.
- A Director of the company shall act in good faith in order to promote the objects of the company the benefit of its members as a whole and in the best interest of the company, its employees, the shareholders, the community and for the protection of environment.
- A Director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- A Director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- A Director of a company shall not achieve or attempt to achieve any undue gain or advantages either to himself or to his relatives , partners, or associate and if such Directors is found guilty of making any undue gain ,he shall be liable to pay an amount equal to that gain to the company.
- A director of a company shall not assign his office and any assignment so made shall be void.

During the year 2021-22, Six meeting were held on 19<sup>th</sup> May 2021, 05<sup>th</sup> July 2021, 01<sup>st</sup> September 2021, 09<sup>th</sup> September 2021, 16<sup>th</sup> December 2021 and 25<sup>th</sup> January 2022 . The number of meetings attended by the Directors is mentioned below:-

S.NO	Name of Director	Board Meeting held during tenure	No. of Meetings Attended	Last AGM Attended or not	Sitting Fees Paid (Rs.)
1.	Shri Anil Girotra	6	6	Yes	1,20,000
2.	Shri Bibhas Kumar Srivastav	6	6	Yes	1,20,000
3.	Shri Alok Srivastava	6	6	Yes	-
4.	Shri Vijay Vasant Murar	6	5	Yes	-
5.	Shri Vishal Goyal	4	3	Yes	-

6.	Shri Navnath Rundekar	6	4	No	-
7.	Shri Y Anil Kumar	3	3	Yes	-
8.	Shri Mukul Narayan Dandige	6	6	Yes	-
9.	Shri Kushal Pal	4	4	Yes	-
10.	Shri K. K. Chauhan	3	3	No	-
11.	Shri Amrit Kumar <sup>1</sup>	2	2	No	-
12.	Shri Kulasekhara Chakravarthy <sup>2</sup>	1	1	No	-
13.	Shri L V S Babu <sup>3</sup>	2	2	No	-
14.	Shri Shishram Tundwal <sup>4</sup>	2	2	No	-

- <sup>1</sup> Shri Amrit Kumar has ceased to be director w.e.f. 02/08/2021 as he has superannuated from the services of Central Bank of India.
- <sup>2</sup> Shri Kulasekhara Chakravarthy resigned from the Board with effect 05<sup>th</sup> July, 2021 as NHB has withdrawn the nomination in favour of Sh. Kulasekhara Chakravarthy.
- <sup>3</sup> Shri L V S Babu has ceased to be director with effect from 23/08/2021.
- <sup>4</sup> Shri Shishram Tundwal Resigned from the Board with effect from 05<sup>th</sup> July, 2021.

#### c) AUDIT COMMITTEE:

The Company has an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 as on March 31<sup>st</sup> 2022. The Audit Committee consists of 2 Non-Executive Independent Directors; 1 Non-Executive Director. The Members of the Audit Committee as on March 31, 2022 are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav and Shri Y Anil Kumar.

The scope and functions of the Committee inter-alia includes review of financial reporting systems, review of the internal audit system, internal/statutory audit reports and review of risk management policies of the company with the management, approval of related party transactions etc. Role of the Audit Committee includes discussion and reviewing with the Internal Auditors any significant findings on any internal investigation by the internal auditors into matters of suspected fraud and irregularity. The Company Secretary acts as the Secretary to the Audit Committee. The recommendations of the Audit Committee were considered/accepted and implemented by the Board.

During 2021-22, four Audit Committee meetings were held i.e. on 15<sup>th</sup> May 2021, 03<sup>rd</sup> September, 2021; and 10<sup>th</sup> December 2021; 21<sup>st</sup> January 2022 to consider quarterly financial statements apart from other items.

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra	Independent Director	4	4	80,000
2.	Shri Bibhas Kumar Srivastav	Independent Director	4	4	80,000
3.	Shri Y Anil Kumar	Nominee Director	3	3	-
4.	*Shri Amrit Kumar	Nominee Director	1	1	-

\*Shri Amrit Kumar has ceased to be director w.e.f. 02/08/2021 as he has superannuated from the services of Central Bank of India and Shri Y. Anil Kumar was appointed as Nominee Director from Central Bank of India w.e.f. 01/09/2021.

**d) ASSET & LIABILITY COMMITTEE (ALCO):**

As on March 31, 2022, the ALCO of the Company comprises of Shri Kushal Pal, Managing Director; Shri Sachin Sudhakar, General Manager, Shri Ashish Kumar Shrivastava, Company Secretary and Suyogya Chandra Mehta, Chief Financial officer. ALCO Meetings are convened with an objective to review the asset liability match & mismatches and to decide interest rates on loans and deposits. The meetings are held at least once every month and recommendations are given to correct mismatches, if required, as observed in the ALM statements

During the year, the committee met 12 times i.e. on 14<sup>th</sup> April 2021, 12<sup>th</sup> May 2021, 10<sup>th</sup> June 2021, 17<sup>th</sup> July 2021, 12<sup>th</sup> August 2021, 28<sup>th</sup> September 2021 , 12<sup>th</sup> October 2021, 11<sup>th</sup> November 2021 , 04<sup>th</sup> December 2021, 18<sup>th</sup> January 2022 ,16<sup>th</sup> February 2022 and 08<sup>th</sup> March 2022.

**e) CREDIT MANAGEMENT COMMITTEE:**

Your Company has constituted Credit Management Committee with the following objectives:

- to oversee the credit and lending strategies of the Company in accordance with the objectives of the Company
- to oversee the credit risk management of the Company including reviewing internal credit policies, and
- to review the quality and performance of the Company's credit portfolio. The Committee shall also be responsible for any other matters as delegated to it by the Board.

As on March 31, 2022, the Committee comprises of 5 members with 2 Non-executive Independent Directors, 2 Non-Executive Directors and one Executive Director. The Members of the Committee are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav; Shri Mukul Dandige; Shri Vijay Vasant Murar; Shri Kushal Pal. Meeting was held during the year on 25th August 2021.

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	1	1	20,000
2.	Shri Bibhas Kumar Srivastav	Independent Director	1	1	20,000
3.	Shri Kushal Pal	Managing Director	1	1	-
4.	Shri Vijay Vasant Murar	Nominee Director	1	1	-
5.	Shri Mukul Dandige	Nominee Director	1	1	-

**f) HR COMMITTEE:**

The Company has constituted HR Committee to assist the Board in smooth & quick disposal of HR issues of the Company relating to Human Resource Management, Compensation and such other related activities.

The Committee from time to time reviews and recommends to the Board HR policies, organizational structure, annual plans, remuneration proposals, recruitment, succession and development plans and also provides support in handling the nomination and compensation proposals for the Board.

As on 31<sup>st</sup> March 2022, the committee consists of 7 Members with 2 Non – Executive independent Directors, 4 Non- Executive directors and one executive director. The Members of the Committee are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav; Shri Navnath Rundekar; Shri Vishal Goyal; Shri K.K. Chauhan; Shri Vijay Vasant Murar; Shri Kushal Pal. During the year, the committee met on 25<sup>th</sup> August 2021, 02<sup>nd</sup> March 2022 and 14<sup>th</sup> March 2022. The Following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	3	3	20,000

2.	Shri Bibhas Kumar Srivastav	Independent Director	3	3	20,000
3.	Shri Navnath Rundekar	Nominee Director	3	3	-
4.	Shri Vijay Vasant Murar	Nominee Director	3	3	-
5.	Shri Vishal Goyal	Nominee Director	3	2	-
6.	Shri K. K. Chauhan	Nominee Directors	2	0	-
7.	Shri Kushal Pal	Managing Director	3	3	-

**g) NOMINATION & REMUNERATION COMMITTEE:**

The Company had constituted Remuneration Committee in terms of provisions of Schedule XIII of the Companies Act, 1956. The Committee was renamed as Nomination & Remuneration Committee and reconstituted in terms of the provisions of section 178 of the Companies Act, 2013. As on 31<sup>st</sup> March, 2022 the Committee comprises of three members with 2 Non-Executive Independent Directors and 1 Non-Executive Director. The Committee met two times during the year i.e. on 05<sup>th</sup> July 2021 and 23<sup>rd</sup> August 2021. The following members were present:

S. No	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	2	2	40,000
2.	Shri Bibhas Kumar Srivastav	Independent Director	2	2	40,000
3.	Shri Vishal Goyal	Nomine Director	2	2	-

During the year the Committee considered & recommended to the Board the payment of variable pay, increment in the salary, considered the Evaluation reports of the independent directors on performance

of the directors and board as a whole. according to the Companies act 2013, role of the committee is to consider and recommend to the Board the appointment/ reappointment of Managing Director/ Executive Directors in addition to review of their performance and recommending to the Board Remuneration for the said Directors and also for the key Managerial personnel and other senior management Positions as the case may be.

#### **h) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

Our Company has constituted CSR Committee in terms of provisions of section 135 of the Companies Act, 2013. The Committee shall assist the Board in fulfilling its duty towards the issues of social responsibility including diversity, human rights, philanthropy and sustainability and in framing the Company's policies, practices and progress with respect to such issues.

The role of the CSR Committee is as follows:

- Formulation and review of CSR Policy indicating the activities to be undertaken by the Company towards CSR initiatives;
- Approval of the amount of expenditure to be incurred on the CSR activities;
- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/ programmers/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities.
- Monitor and implement the Policy from time to time
- Annually report to the Board, the status of the CSR activities and contributions made by the Company
- Any other requirements mandated under the Act and Rules issued thereto.

As on 31st March 2022, the Committee comprises of five members with 2 Non-Executive Independent Directors and 2 Non-Executive Directors and one Executive Director. The Committee met once during the year i.e. on 14<sup>th</sup> March 2022. The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	1	1	20,000
2.	Shri Bibhas Kumar Srivastav	Independent Director	1	1	20,000
3.	Shri Vijay Vasant Murar	Nominee Director	1	1	-
4.	Shri Vishal Goyal	Nominee Director	1	1	-
5.	Shri Kushal Pal	Nominee Director	1	1	-

**i) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company has constituted Stakeholders Relationship Committee as per the provisions of section 178(6) of the Companies Act, 2013 since there are more than 1000 deposit holders as on March 31<sup>st</sup> 2022. The Committee consists of three members chaired by Shri Bibhas Kumar Srivastav, Independent Director, Shri Vijay Vasant Murar, Non-Executive Director and Shri Kushal Pal, Managing Director.

The Committee was constituted in order to oversee and redress the complaints of the deposit holders related to payment of interests, repayment of maturity amount, non-receipt of deposit receipts and other related issues. The Committee met once during the year on 28<sup>th</sup> March 2022.

**j) RISK MANAGEMENT COMMITTEE:**

Company constituted Risk Management Committee to oversee management of various risks to which the Company is exposed to. The Committee met thrice during the year i.e. on 29<sup>th</sup> June 2021; 22<sup>nd</sup> September 2021; and 22<sup>nd</sup> December 2021; 28<sup>th</sup> March 2022.

The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1	Shri Anil Girotra, Chairman	Independent Director	4	4	80,000
2	Shri Bibhas Kumar Srivastav	Independent Director	4	4	80,000
3	Shri Vijay Vasat Murar	Nominee Director	4	4	-
4	Shri Mukul Narayan Dandigee	Nominee Director	4	2	-
5	*Shri Shisharm Tundwal	Managing Director	1	1	-
6	*Shri Kushal pal	Managing Director	3	3	-

\*Shri Shishram Tundwal, Managing Director resigned from the Board with effect from 05<sup>th</sup> July, 2021 and Shri Kushal Pal has appointed as Managing Director of the Company w.e.f. 05<sup>th</sup> July 2021.

**k) RECOVERY COMMITTEE:**

During the year, the Recovery Committee of Board was constituted for sanctioning of OTS proposal. The recovery Committee shall comprise of Managing Director and two Independent Directors, one Nominee Director from Central Bank of India. During the year, the Committee met two times i.e. on 29<sup>th</sup> June 2021; 30<sup>th</sup> December 2022.

The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1	Shri Anil Girotra, Chairman	Independent Director	2	2	40,000
2.	Shri Bibhas Kumar Srivastav	Independent Director	2	2	40,000
3.	*Shri Amrit Kumar	Nominee Director	1	1	-
4.	Shri Y. Anil Kumar	Nominee Director	1	1	
5	*Shri Shisharm Tundwal	Managing Director	1	1	-
6.	*Shri Kushal pal	Managing Director	1	1	-

\*Shri Amrit Kumar has ceased to be director w.e.f. 02/08/2021 as he has superannuated from the services of Central Bank of India and Shri Y. Anil Kumar was appointed as Nominee Director from Central Bank of India w.e.f. 01/09/2021.

\*Shri Shishram Tundwal, Managing Director resigned from the Board with effect from 05<sup>th</sup> July, 2021 and Shri Kushal Pal has appointed as Managing Director of the Company w.e.f. 05<sup>th</sup> July 2021.

**GENERAL BODY MEETINGS:**

Particulars of venue, date and time of the General Meetings held during the previous three years and the details of Special Resolution passed in the respective meetings are given below:

**ANNUAL GENERAL MEETING:**

Financial Year	Particulars	Date & Time	Venue	Special Resolution
2020-21	30 <sup>th</sup> AGM	24 <sup>th</sup> September 2021	Registered Office, Bhopal	-To approve borrowing limits of the company
2019-20	29 <sup>th</sup> AGM	30 <sup>th</sup> September 2020	Registered Office, Bhopal	- To approve borrowing limits of the company. -To alteration of Memorandum of Association of the Company. - To alteration of Articles of Association of the Company.
2018-19	28 <sup>th</sup> AGM	27 <sup>th</sup> August 2019	Registered Office, Bhopal	-Reappointment of independent Director -Alteration of Articles of Association of the Company -To approve the Borrowing limit of the Company

**EXTRA-ORDINARY GENERAL MEETINGS:**

Financial Year	Particulars	Date & Time	Venue	Special Resolution Passed
2020-21	Nil	Nil	Nil	Nil
2019-20	Nil	Nil	Nil	Nil
2018-19	Nil	Nil	Nil	Nil

**Disclosures:**

a) None of the transactions with any of the related parties were in conflict with the interests of the Company. Details of related party transactions as per Accounting Standard – 18 are included in Notes to the Accounts.

b) There were no instances of non-compliance of any matter related to capital markets during the last three years.

- c) The Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.
- d) The Company has laid down procedures regarding key risk assessment and risk mitigation mechanisms wherever it is required.
- e) The Non-Executive Independent Directors of the Company are paid only sitting fees for attending meetings of the Board and Committees.
- f) Your Company has no subsidiaries and as such the requirement relating to certain compliances as prescribed are not applicable.
- g) The Board of Directors of your Company is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the Going Concern concept in preparing its financial statements.
- h) There are no adverse remarks on the financial statements for the financial year 2021-22 of the company

**Share Capital & Shareholding pattern of the Company as on March 31, 2022:**

The shareholding pattern of the Company as on March 31, 2022 is given below:

Name of the Shareholder	No. of shares of Rs.10 each	Amount (Rs. in Cr.)	Percentage (%)
Central Bank of India	16100000	16.10	64.40
National Housing Bank	4000000	4.00	16.00
SUUTI	3200000	3.20	12.80
Housing & Urban Development Corporation Ltd	1700000	1.70	6.80
<b>TOTAL</b>	<b>2,50,00,000</b>	<b>25.00</b>	<b>100.00</b>

The Authorized share capital of the Company is Rs. 50 Crores and paid up capital is Rs. 25 Crores as stated above.

**Scrutiny by National Housing Bank:**

NHB, being the Regulator of HFCs, conducts periodical review of the Company's operations and gives report for rectification of any shortcoming, thereby ensuring transparency, accountability and adherence to standards.

**Review and Monitoring by Central Bank of India:**

Senior Management staff of the Company is on deputation from Central Bank of India, which holds majority of the shares of the Company. Central Bank of India is also one of the principal lenders to the Company for its fund based requirements. It reviews and monitors the operations of the Company by getting Monthly Progress Reports and placing the quarterly review of the Company in its Board meetings. Corporate Governance Review/ Management Audit are conducted once in a two year by audit team of Central Bank of India.

**For and on Behalf of the Board**

Place: Mumbai  
Date: 22/08/2022

Sd/-  
Alok Srivastava  
Chairman  
DIN 05123610

Sd/-  
Kushal Pal  
Managing Director  
DIN 09225722

Annexure - IV

## NOMINATION AND REMUNERATION POLICY

The Board of Directors of Cent Bank Home Finance Ltd (“the Company”) renamed and reconstituted the “Remuneration Committee” as “Nomination and Remuneration Committee” at its 105th Meeting held on August 05, 2014 with immediate effect, consisting of three (3) Non-Executive Directors and three (3) independent Directors.

### 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Managerial Personnel, Independent Director, Key Managerial Personnel and Senior Management.
- b) To recommend to the Board on Remuneration payable to the Managerial Personnel, Key Managerial Personnel and Senior Management.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- d) To develop a succession plan for the Board and to regularly review the plan;

### 2. APPLICABILITY

This Policy shall not be applicable to Managerial Personnel who are on deputation from Promoter Institution(s) i.e. Central Bank of India as a whole. They shall be guided as per the Service Manual of their Institution to the extent not inconsistent with the Act.

### 3. DEFINITIONS

- a) **Act** means the Companies Act, 2013 and Rules framed there under and as amended from time to time.
- b) **Board** means Board of Directors of the Company.
- c) **Key Managerial Personnel** for the purpose of this policy means only
  - Chief Financial Officer;
  - Company Secretary

d) **Managerial Personnel** means Managing Director, Whole Time Director(s), Executive Director(s) or Manager appointed by the Company pursuant to provisions of section 196 of the Act.

e) **Senior Management** means personnel of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### 4. ROLE OF COMMITTEE

The Committee shall:

- Identify persons who are qualified to become Managerial personnel, Independent Director (IDs) and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Managerial personnel, KMP and Senior Management Personnel.
- Annual review of the performance of Managerial Personnel

#### 5. POLICY FOR APPOINTMENT AND REMOVAL OF MANAGERIAL PERSONNEL, IDS, KMP AND SENIOR MANAGEMENT

##### (i) **Appointment criteria and qualifications**

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Independent Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any Managerial Personnel who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**(ii) Term / Tenure**

**Managing Director/Whole-time Director/Executive Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director or a Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term

**Independent Director**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not during the aforesaid period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- Independent Directors shall be issued an appointment letters in the format enclosed as **Annexure-I** and they shall abide by the code of conduct as specified under Schedule IV of the Companies Act, 2013, which is enclosed as **Annexure-II**.

**(iii) Evaluation**

The Committee shall carry out evaluation of performance of Managerial Personnel at regular intervals on annual basis.

**(iv) Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Independent Directors subject to the provisions and compliance of the said Act, rules and regulations.

**(v) Retirement**

The Managerial Personnel, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Personnel, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company as per the applicable provisions of Act and prevailing policy of the Company.

## 6. POLICY RELATING TO THE REMUNERATION FOR MANAGERIAL PERSONNEL

### (i) General:

The remuneration/compensation/commission etc. to the Managerial Personnel, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.

The Committee while determining the remuneration shall ensure the following

- The level of composition of remuneration is reasonable and sufficient to attract, retain and motivate Managerial Personnel of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Managerial Personnel, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives of the Company.

### (ii) Remuneration to Managerial Personnel, KMP and Senior Management Personnel:

#### a) **Fixed pay:**

The Managerial Personnel, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, medical expenses, club fees etc. shall be decided and approved by the Board/ the Chairman on the recommendation of the Committee and then approved by the shareholders and Central Government, wherever required.

#### b) **Variable pay:**

The Managerial Personnel, KMP and Senior Management will also be eligible for Variable Compensation linked to performance as per the terms of their appointment. Payment modalities for Variable Compensation shall be decided by the Board on the recommendations of the Committee after submission of performance report. The Variable Compensation will be paid per annum unless otherwise decided by the Board.

#### c) **Minimum Remuneration for Managerial Personnel:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of

Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**d) Provisions for excess remuneration:**

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**(iii) Remuneration to Non- Executive / Independent Director:**

**a) Sitting Fees:**

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**b) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**7. MEMBERSHIP**

- a) The Committee shall consist of a minimum 3 non-executive directors out of which not less than one half shall be independent directors
- b) The quorum for the meeting shall be 1/3<sup>rd</sup> of total strength or 2 members whichever is higher
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**8. CHAIRPERSON**

- a) Chairperson of the Committee shall be Non-Executive Director
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **9. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

## **10. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Annexure-V

**Corporate Social Responsibility (CSR)**

**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]**

**1. A Brief Outline of CSR Policy, including overview of projects and programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or program**

Company's CSR Policy is available on the Web link:

[https://cbhfl.com/pdf/CSR%20Policy\\_CBHFL\\_as%20on%2031%2003%202021.pdf](https://cbhfl.com/pdf/CSR%20Policy_CBHFL_as%20on%2031%2003%202021.pdf)

**The Board in its 105<sup>th</sup> Board Meeting held on August 5<sup>th</sup>, 2014 adopted CSR Policy of the Company in terms of the provisions of Section 135 of the Companies Act, 2013.**

a) The Company endeavors to contribute to CSR activities as specified under Schedule VII of the Companies Act, 2013. A corpus with an amount at least 2% of the Average Net Profits\* of the Company made during the 3 (Three) immediately preceding financial years will be made for this purpose as per the provisions of the Act and rules made there under.

• Average Net Profits means- Net Profit calculated in terms of section 198 of the Companies Act, 2013 for the last three financial years.

b) As a part of CSR program the Company plans to focus on the following activities:

- i) Community Development Projects as enumerated in CSR POLICY;
- ii) Contribution to the Prime Minister's National Relief Fund or other fund set-up by the Central Government or the State-Governments for the socio-economic developments and relief and funds for the welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.
- iii) Contribution to the Armed forces veterans, war widows and their dependents.
- iv) Contribution to Eradicating hunger, poverty and malnutrition, promoting, preventive health care and sanitation and making available safe drinking water.
- v) Contribution to Health and family welfare.

**2. Composition of the CSR Committee:**

The CSR Committee comprises of 5 members with 2 Independent Directors, 2 Non-Executive Directors and 1 Executive Director. The following are the Committee Members as on 31<sup>st</sup> March, 2022:

1.	Shri Anil Girotra- Independent Director	Chairman
2.	Shri Bibhas Kumar Srivastav- Independent Director	Member
3.	Shri Vijay Vasant Murar- Non Executive Director	Member
4.	Shri Vishal Goyal - Non Executive Director	Member
5.	Shri Kushal Pal- Managing Director	Member

**3. Average net profit of the company for last three immediately preceding financial years:**

Net profits for the last three years have been calculated in terms of the provisions of section 198 of the Companies Act, 2013. The Avg. Net profits of the Company for the last three financial years are:

(in Rs.)

Particulars	2020-21	2019-20	2018-19
Net profit under section 198	25,21,47,013	25,49,81,676	25,05,04,590
Avg. Net Profit	25,25,44,426		
Prescribed CSR Expenditure (2%)	50,50,889		

**3. Details of CSR spent during the financial year:**

- (a) Prescribed CSR Expenditure
- (i) For the financial year 2021-22 :- Rs. 50,50,889
- (b) Total CSR expenses incurred/spent during the year :-Rs. 50,50,889
- (c) Amount unspent, if any 0

- (d) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency*
01	Contribution to Army Central Welfare Fund	Welfare of Children/ war widows of our soldiers and their kith & Kin, Dependent sand needy Ex- Servicemen.	Contribution to Central Welfare Fund for Children/war widows and disabled soldiers and their wards.	Rs. 2,11,769	Rs.2,11,769	Rs.2,11,769	Direct on 25.03.2022
02	Contribution to Cama & Albless Hospital. Mumbai.	The hospital is having all necessary diagnostic and therapeutic facilities under one roof.	Contribution to Cama & Albless Hospital for Purchasing of Ambulance for benefit for Covid 19 Patients And Society.	Rs.15,80,000	Rs.15,80,000	Rs.15,80,000	Direct on 21.03.2022
03	Contribution to Police Hospital, Mumbai.	The hospital is having all necessary diagnostic and therapeutic facilities under one roof.	Contribution to Railway Police Hospital, Mumbai. For purchasing Advance Life Support Ambulance for	Rs.32,59,120	Rs.32,59,120	Rs.32,59,120	Direct on 21.03.2022

			the benefits of Covid-19, Cardiac patients and Society				
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4. The CSR committee and the Board will review the implementation and monitoring of CSR Policy at periodical intervals and shall ensure that it is in compliance and in accordance with CSR objectives and Policy of the Company.

**For and on Behalf of the Board**

Place: Mumbai  
 Date: 22/08/2022

Sd/-  
**Anil Girotra**  
 Chairman of CSR Committee  
 (Independent Director)  
 DIN 02221989

Sd/-  
**Kushal Pal**  
 Managing Director  
 DIN 09225722

Annexure - VI

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, All transactions held with related parties were on arm's length basis:

1. Details of contracts or arrangement or transaction not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2022 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

LOANS AVAILED FROM RELATED PARTIES				
Name(s) of the related party and nature of	Nature of contracts/ Arrangement / Transaction	Duration of the contracts/ Arrangement / Transaction	Salient terms of the contracts or arrangement or transaction including the	Amount of loan as on 31.03.2022
Central bank of India, Holding Company	OD facility Renewal on 16.06.2021	Renewal of Rs. 100 Cr for 1 Year.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/MCLR	72,23,00,170.00
Central Bank of India, Holding Company	Term Loan facility Sanctioned on 01.08.2015	Term loan repayable in 28 qly installments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/ MCLR	17,80,69,053.00
Central Bank of India, Holding Company	Term Loan facility Sanctioned on 31.12.2016	Term loan repayable in 60 monthly installments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/MCLR	27,33,49,298.00

Central Bank of India, Holding Company	Term Loan facility Sanctioned on 04.08.2017	Term loan repayable in 60 monthly installments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/MCLR	41,21,40,104.00
Central Bank of India, Holding Company	Term Loan facility Sanctioned on 06.11.2018	Term loan repayable in 60 monthly installments	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base	56,00,61,767.52
Central Bank of India, Holding Company	Term Loan facility Sanctioned on 29.11.2019	Term loan repayable in 60 monthly installments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/ MCLR+0.50%	76,17,52,867.63
Central Bank of India, Holding Company	Term Loan Sanctioned on 16.05.2020	Term loan repayable in 18 monthly Installments after moratorium period of 6 month Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/MCLR	87,45,480.00
<b>REMUNERATION PAID/PAYABLE TO MANAGING DIRECTOR</b>				
Name(s) of the Related Party And nature of relationship	Nature of Contracts/ Arrangement /Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any:	Amount paid during the year
Mr. shishram Tundwal	Appointment as Managing Director of the Company	From 10/07/2019 to 04/07/2021	As per the Central Bank of India (officers) Services Regulation	5,74,547.00
Mr. Kushal Pal	Appointment as Managing Director of the Company	From 05/07/2021	As per the Central Bank of India (officers) Services Regulation	19,36,326.00

**REIMBURSEMENT OF SALARY & PERQUISITES OF STAFF ON DEPUTATION FROM CENTRAL BANK OF INDIA, HOLDING COMPANY**

Name(s) of the Related Party And nature of	Nature of Contracts/ Arrangement/Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any:	Amount paid During the year
Central Bank of India, Holding Company	Reimbursement of salaries & perquisites of staff of holding company on deputation to the company	As long as company remains subsidiary of Central Bank of India	Staff will be on the rolls of Central Bank of India and will be under service conditions of the Bank. Bank may withdraw their staff at any point of time and replace with others.	48,84,259.00

**PREMISES MAINTENANCE CHARGES PAID/PAYABLE TO CENTRAL BANK OF INDIA, HOLDING COMPANY**

Name(s) of the related party and nature of	Nature of contracts/ Arrangement/ Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any	Amount paid During the year
Central Bank of India, Holding Company	Sub-letting part of its premises to the Registered Office of the Company at <b>Bhopal</b>	Agreement made on 21.06.1999	Bank shall recover maintenance charges at a rate of Rs.1,20,000 p.m. excluding electricity charges for an area of 3500 Sq. ft. till 05.11.2021 + Rs. 27,500 p.m. excluding electricity charges for an area of 750 sq.ft, which is payable on Quarterly basis is still continuing.	Rs.11,68,400.00
Central Bank of India, Holding Company	Sub-letting part of its premises to the Corporate Office of the Company at <b>Mumbai</b>	Premises under use from 09.08.2021, however consent letter was signed on 14.10.2021	Bank shall recover maintenance charges of Rs.1,50,000 (+ GST @ 18%) per month for an area of 1700 sq. ft, which is payable on Monthly basis.	Rs.13,29,823.00

Central Bank of India, Holding Company	Sub-letting part of its premises to the Branch Office of the Company at Belapur, <b>Mumbai</b>	Agreement made on 10.04.1997	Bank shall recover maintenance charges at a rate of Rs.5000 p.m. excluding electricity charges for an area of 700 Sq. ft, which is payable on Quarterly basis	Rs.60,000.00
Central Bank of India, Holding Company	Sub-letting part of its premises to the Branch Office of the Company at <b>Pune</b>	Agreement made on 14.01.1999, renewed on 04.09.2014	Bank shall recover maintenance charges at a rate of Rs.60,259 p.m. (+ GST @ 18%) excluding electricity charges for an area of 728 Sq. ft, which is payable on Quarterly basis	Rs. 7,88,188.00

For and on Behalf of the Board

Place: Mumbai  
Date: 22/08/2022

Sd/-  
Alok Srivastava  
Chairman  
DIN 05123610

Sd/-  
Kushal Pal  
Managing Director  
DIN 09225722

Annexure - VII

**RELATED PARTY TRANSACTION POLICY**

Cent Bank Home Finance Limited recognizes that related party transactions present a potential or actual risk of conflicts of interest (or the perception thereof) and therefore the Company has adopted this policy, under which all Related Party Transactions will be subject to approval or ratification in accordance with the procedures set forth in this policy.

1) Definitions:

2) Related Party: [section 2(76)]

With reference to company, Related Party would mean and include the following:

- A director or his relative;
- Key Managerial Personnel or their relative;
- A firm in which a director / manager or his relative is a partner;
- A private company in which a director or manager is a director or holds along with his relatives, more than 2% of its paid-up share capital;
- A person on whose advice, directions or instruction (except given in professional capacity) a director or manager is accustomed to act;
- A holding / subsidiary or associate company, subsidiary's subsidiary and such person as would be prescribed.

i) Relative: [section 2(77)]

For the purpose of this policy and pursuant to Rule 4 of the Companies (Specification of Definitions, Details) Rules, 2014 a person shall be deemed to be the relative of another if he or she is related to another in the following manner, namely:

- i) They are members of a Hindu Undivided Family
- ii) They are husband and wife; or
- iii) One person is related to the other as
  - a) Father (including step father);
  - b) Mother (including step mother);
  - c) Son (including step-son);
  - d) Son's wife;
  - e) Daughter;
  - f) Daughter's husband;
  - g) Brother (including step-brother);
  - h) Sister (including step-sister).

ii) Key Managerial Personnel: [section 2(51)]

In relation to a company, Key Managerial Personnel means the following:

- The Chief Executive Officer or the Managing Director or the Manager;
- The Company Secretary;
- The Whole-time director;
- The Chief Financial Officer;
- and such other officer as may be prescribed.

3) Related Party Transactions

As per the provisions of Section 188 of the Companies Act, the following transactions are liable to be treated as Related Party Transactions:

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying, property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agent for purchase or sale of goods, materials, services or property;
- Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
- Underwriting the subscription of any securities or derivatives thereof, of the company;

Provided that nothing in this section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

4) Procedures:

- The Audit Committee of the Board of the Company will review the relevant facts and circumstances of each Related Party Transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the Related Party's interest in the transaction, take into account the conflicts of interest and either approve or disapprove the Related Party Transaction.
- Any Related Party Transaction that would be entered into and would continue only if the Audit Committee has approved or ratified such transaction in accordance with the guidelines set forth in this policy.
- If advance approval of a Related Party Transaction requiring the Audit Committee's approval, is not practicable, then the transaction may be preliminarily entered into by management subject to ratification of the transaction by the Audit Committee at the Audit Committee's next regularly scheduled meeting; provided that if ratification will not be done, management will make all reasonable efforts to cancel or annul such transaction.
- Management will present to the Audit Committee each proposed Related Party Transaction,

including all relevant facts and circumstances, and will update the Audit Committee as to any material changes to an approved or ratified Related Party Transaction and will provide a status report annually at a regularly scheduled meeting of the Audit Committee, of all then current Related Party Transactions.

- No director shall participate in approval of a Related Party Transaction for which he or she is a Related Party.

Approval of Shareholders in certain transactions

Except with the prior approval of Shareholders by a resolution, company shall not enter into aforesaid related party transaction or transactions, if they meet with below criteria which is subject to the provisions of the Act and Rules made there under –

- (i) Sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten percent of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
- (ii) Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten per cent. of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
- (iii) Leasing of property of any kind exceeding ten percent of the net worth of the company or ten percent. of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;
- (iv) Availing or rendering of any services, directly or through appointment of agent, exceeding ten per cent. of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188;
- (v) In case it is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of subsection (1) of section 188; or
- (vi) In case it is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

#### 5) Pre-Approved Transactions:

The Audit Committee has reviewed and pre-approved each of the following types of Related Party Transactions, which will be deemed to be approved or ratified, as applicable under this policy:

a) Managerial Remuneration

- To Managing Director of the Company if the remuneration is required to be reported/circulated to the shareholders pursuant to requirement of the Companies Act, 2013 and such remuneration has been approved, or recommended to the Company's Board of Directors for approval, by Nomination and Remuneration Committee of the Board of Directors of the Company; or
- To Key Managerial Personnel if the remuneration is required to be reported / circulated to the shareholders pursuant to requirement of the Companies Act, 2013 and such remuneration has been approved, or recommended to the Company's Board of Directors for approval, by Nomination and Remuneration Committee of the Board of Directors of the Company.

b) Transactions that are in the Company's ordinary course of business such as the following:

Borrowing or Raising of funds in the nature of deposits, NCD, Bonds (Tier I or II, subordinate etc) including Term loans, OD facilities & other credit facilities for business of the company from the promoter(s) & their Associate Companies (including Body Corporates), repayment / payment of interest or principal towards secured or unsecured loans, deposits. Issue of equity shares, PTC and payment of interest or other return on such subscription

- c) Transactions that are in the nature of payment of rent, dividend, reimbursement of municipal taxes, reimbursement of electricity expenses, reimbursement of gratuity for staff on deputation from promoter(s) including payment for staff training, conference and towards renovation and repairs either to promoter or subsidiary or associate.
- d) Transactions that are in the nature of payment/reimbursement of rent, municipal taxes, electricity expenses with respect to premises of Promoters occupied by the branches/Head Office of the Company.

Disclosure:

All Related Party Transactions are to be disclosed in the Company's applicable returns/report as required by the Companies Act, 2013. Furthermore, any material Related Party Transactions will be disclosed to the Board of Directors.

Other Agreements:

Management will assure that all Related Party Transactions are not in violation of and are approved in accordance with any requirements of the Company's financing or other material agreements.

Annexure-VIII

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March 2022

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I . REGISTRATION AND OTHER DETAILS

(i)	CIN	U65922MP1991PLC006427
(ii)	Registration Date	07/05/1991
(iii)	Name of the company:	Cent Bank Home Finance Limited
(iv)	Category/Sub-Category of the company	Public Company/Company having Share Capital
(v)	Address of the Registered office and contact details	Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462011 Tel No:- 0755-4019303; 0755-2766118/2766119 Email-Id: <a href="mailto:cs@cbhfl.com">cs@cbhfl.com</a>
(vi)	Whether listed company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:-	<b>Kfin Technologies Private Limited</b> Selenium Tower B, Plot No. 31 to 32, Financial District, Nana Kramguda, Serilingampally, Hyderabad Rangareddi TG -500032 Tel.: 040-2331040; Fax: 040-2331040

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main product/services	NIC Code of the product/services	% to total turnover of the company
1	Housing Finance/Mortgage Loans	65923	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Central Bank of India Central Office Chandermukhi, Nariman Point, Mumbai – 400021	Not Applicable	Holding	64.40%	2(46)

## IV. SHARE HOLDING PATTERN (Equity Share capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of shareholders	No. of shares held at the Beginning of the year				No. of the Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total share	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Bank/FI	25000000	-	25000000	100%	25000000	-	25000000	100%	Nil
(f) Any other.	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(1)</b>	25000000	-	25000000	100%	25000000	-	25000000	100%	Nil
<b>(2) Foreign</b>									

a)NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d)Bank/FL	--	-	-	-	-	-	-	-	-
e) Any Others.	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter (A)=(A)(1)+(A)(2)</b>	25000000	-	25000000	100%	25000000	-	25000000	100%	Nil

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/FL	-	-	-	-	-	-	-	-	-
c) Central Govt	--	-	-	-	-	-	-	-	-
d) State Govt(s)	--	--	--	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	--	-	-	-	-	-	-	-	-

<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C) Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	25000000	-	<b>25000000</b>	<b>100%</b>	25000000	-	<b>25000000</b>	<b>100%</b>	<b>Nil</b>

**ii) Shareholding of Promoters**

S. No.	Shareholders' Name	Shareholdings at the beginning of the year			Shareholding at the end of the year			% changes In shareholding during the year
		No of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Central Bank of India	16100000	64.40	Nil	16100000	64.40	Nil	Nil
2	National Housing Bank	4000000	16.00	Nil	4000000	16.00	Nil	Nil
3	SUUTI	3200000	12.80	Nil	3200000	12.80	Nil	Nil
4	HUDCO	1700000	6.80	Nil	1700000	6.80	Nil	Nil
	<b>Total</b>	<b>25000000</b>	<b>100.00</b>	<b>Nil</b>	<b>25000000</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>

**(iii) Changes in Promoters shareholding (Please specify if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year <b>(NO Change)</b>	
	No of shares	% of the total shares of the company	No of shares	% of the total shares of the company

At the beginning of the year	25000000	100.00	25000000	100.00
Data wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ Transfer/bonus/ Sweat equity etc.)	Nil	-	Nil	-
At the end of the year	25000000	100.00	25000000	100.00

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of the total shares of the company	No of shares	% of the total shares of the company
At the beginning of the year	<b>NIL</b>			
Data wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ Transfer/bonus/ Sweat equity etc.)				
At the end of the year(or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of the total shares of the company	No of shares	% of the total shares of the company
<b>Shri Mukul Dandige &amp; Central Bank of India</b>				
At the beginning of the year	20	0.00	20	0.00
Data wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e. g. Allotment/ Transfer/bonus/ Sweat equity etc.)	0	0.00	0	0.00
At the end of the year(or on the date of separation, if separated during the year)	20	0.00	20	0.00
<b>Shri Vijay Vasant Murar &amp; Central Bank of India</b>				
At the beginning of the year	20	0.00	20	0.00
Data wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ Transfer/bonus/ Sweat equity etc.)	0	0.00	0	0.00
At the end of the year(or on the date of separation, if separated during the year )	20	0.00	20	0.00
<b>Shri Kushal Pal &amp; Central Bank of India</b>				
At the beginning of the year	0	0.00	0	0.00
Data wise Increase/Decrease in	30	0.00	30	0.00

Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ Transfer/bonus/ Sweat equity etc)				
At the end of the year(or on the date of separation, if separated during the year)	30	0.00	30	0.00
<b>Shri Y. Anil Kumar &amp; Central Bank of India</b>				
At the beginning of the year	0	0.00	0	0.00
Data wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ Transfer/bonus/ Sweat equity etc.)	30	0.00	30	0.00
At the end of the year(or on the date of separation, if separated during the year)	30	0.00	30	0.00

## V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans Excluding deposits	Deposits (unsecured)	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,48,63,06,794	-	4,12,24,58,969	<b>9,60,87,65,763</b>
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
<b>Change in Indebtedness during the financial year</b>				
• Addition	69,00,00,000.00	-	3,17,63,01,014	<b>4,11,91,80,864</b>
• Reduction	2,09,27,82,823		2,10,12,43,224	<b>4,44,69,05,897</b>
<b>Net Changes</b>	<b>(1,40,27,82,823)</b>	<b>-</b>	<b>1,07,50,57,790</b>	<b>(32,77,25,033)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,08,35,23,971	-	5,19,75,16,759	<b>9,28,10,40,730</b>
ii) Interest due but not paid				
iii) Interest accrued but not due				

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, ~~Whole Time Directors and/or Manager:~~

S. No.	Particulars of Remuneration	Name of MD:- Shri Shisharm Tundwal (From :- 01/04/2021 to 04/07/2021)	Name of MD:- Shri Kushal Pal (From :- 05/07/2021 to 31/03/2022)	Total
1	Gross Salary (a)Salary as per provisions contained in section 17(1) of The income – tax Act,1961 (b)Value of perquisite u/s 17(2) Income - tax Act,1961 (c)Profit in lieu of salary under Section 17(3) Income - tax act 1961	Rs.5,73,347/-	Rs.19,36,326/-	Rs. 25,09,673/-
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - As % of profit - Others (Variable compensation)	Nil	Nil	Nil
5	Others, please specify	Rs. 1,200/-	Nil	Nil
	Total(A)	Rs.5,74,547/-	Rs.19,36,326/-	Rs. 25,10,873/-
	Ceiling as per the Act	5% of the Net Profits	5% of the Net Profits	

- The above remuneration is below 5% of Net Profit as per Section-198 of the Companies Act, 2013.

**B. Remuneration to other Directors:**

Particulars of Remuneration	Name of Directors		Total Amount
	Shri Anil Girotra	Shri Bibhas Kumar Srivastav	
1. Independent Directors			
• Fee for attending board/committee meetings	Rs.5,80,000/-	Rs.6,20,000/-	Rs. 12,00,000/-
• Commission	-	-	-
• Others, please specify	-	-	-
Total(1)	Rs.5,80,000/-	Rs.6,20,000/-	Rs. 12,00,000/-
2. Other Non-Executives Directors			
• Fee for attending board/committee meeting	Nil	Nil	Nil
• Commission	-	-	-
• Others, please specify	-	-	-
Total (2)	-	-	-
Total (B)=(1+2)	Rs.5,80,000/-	Rs.6,20,000/-	Rs. 12,00,000/-
Total Managerial Remuneration	Rs. 37,10,873/-		
Overall Ceiling as per the act	11% of the Net Profits		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

S. No.	Particulars of Remuneration					Total
		CEO	Company Secretary		CFO	
			Mr. Manish Payal (From :- 1/04/2021 to 27/09/2022)	Mr. Ashish Kumar Shrivastava (From :- 07/10/2021 to 31/03/2022)	Mr. Suyogya Chandra Mehta (From :- 23/09/2021 to 31/03/2022)	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under Section17(3) Income-tax Act,1969		Rs.5,99,622/-	Rs.5,02,648/-	Rs.7,13,426/-	Rs.18,15,696/-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - As % of profit - Other, specify...	-	Nil	Nil	Nil	-
5.	Others, please specify	-	-	-	-	-
	Total	-	Rs.5,99,622/-	Rs. 5,02,648/-	Rs. 7,13,426/-	RS. 18,15,696/-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act/other Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>i) COMPANY</b>					
Penalty of Rs. 5000 for non-compliance of para 2 of Master Circular- Fair Practice Code & Para 29 of the HFC (NHB) Direction, 2010 in the Year 2021-22		It relates to NHB observed that there were 24 loan accounts with outstanding amount of Rs. 3.77 Crores, where cheques were issued before 31-03-2020 but were not cleared. These cheques were later cleared for the Financial Year 2019-20 with a considerable delay.	Rs. 5000	National Housing Bank	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
<b>ii) DIRECTOR</b>					
Penalty	<b>Nil</b>				
Punishment					
Compounding					
Penalty					-
Punishment					-
Compounding					-

**For and on Behalf of the Board**

**Place: Mumbai**  
**Date: 22/08/2022**

Sd/-  
**Alok Srivastava**  
**Chairman**  
**DIN 05123610**

Sd/-  
**Kushal Pal**  
**Managing Director**  
**DIN 09225722**

Annexure- IX

Management Discussion & Analysis Report

**Industry structure and Indian Economy:**

Housing Finance Companies (“HFCs”), along with Banks and Non-Banking Financial Companies (“NBFCs”) are foremost pillars for financial services in India. They play a pivotal role in reaching out to the unserved market and thereby increasing the scope of formal lending environment, and at the same time, bringing the advantages of formalization of financial ecosystem of the country.

HFCs play a significant role in the Indian financial system by competing and complementing with banks. They specialized in providing finance to home buyers/self-home constructions, they also provide loan against property (“LAP”) by helping individuals/businesses which want to monetize their real estate assets. Even banks found it hard to match the kind of penetration that HFCs make in the market.

The Indian economy staged a solid comeback from the pandemic-induced disruptions. However, the second wave overwhelmed the country’s healthcare infrastructure and prompted the re-imposition of lockdowns. The government focused rightly on accelerating the vaccination drive to leave behind the negative impact of the pandemic and also ensured that any future wave should not impact as deadly as the second wave.

The re-opening and subsequent ease of economic activities brought the recovery on track in the second quarter, with various sectors showing a steady growth to pre-pandemic levels. But rising inflation in the second half due to supply side challenges like increased commodity, crude and food prices, logistics challenges, however, kept the RBI on its toes. Although RBI refrained from raising policy rates throughout FY 2022, its statements turned increasingly aggressive, signaling that inflation and growth have swapped places in its priority hierarchy in the last Monetary Policy Committee meeting of FY 2022. Having said that, various matrix including GST collection, e-way bill generation, foreign trade indicated that the Indian economy was on track to exit the financial year with high-single-digit growth (Economic Survey 2022), after shrinking by 6.9% in FY 2021.

As per various surveys, reverse migration has further supported an increase in housing demand in tier II/III cities. This is validated by the strong recovery seen in Real Estate sector in FY22. Also, as per experts, the demand dynamics of the Indian real estate have undergone a change during pandemic. Buyers are demanding homes which offer more liveable space. The residential property now doubles up as an office corner, virtual workouts as well as a place for online schooling.

Meanwhile, in line with the economic activities, credit growth picked up in FY 2022 with retail loans showing the sharpest growth.

## **Housing for All**

### **Tax incentives**

The government has used tax regulations to promote the housing sector, including:

- (i) Tax incentives for annual interest payments of up to Rs. 3.5 lakh on housing loan.
- (ii) The amount paid as repayment of principal amount of home loan taken for the construction or purchase of a new house property by an individual/HUF is allowed as tax deduction under section 80C of the Income Tax Act.
- (iii) Further initiatives such as Real Estate(Regulation and Development) Act, 2016, 100% tax exemption to developers on profit from building affordable housing and other tax exemptions are expected to give a further push to the segment growth.
- (iv) GST on affordable & non affordable housing has been reduced to 1% and 5%.

### **The major opportunities in the HFC sector comprise of the following:**

- Rapid urbanization and increase in purchasing power of public in general gives Housing sector a real boost.
- Government vision “Housing for All by 2022” giving a new momentum to Housing Finance Sector.
- Product-process innovation, digitalization, easy processing of housing loans giving a new dimension to the Housing Sector.

### **Key Challenges for HFCs**

Some of the major challenges are as under:

- RBI increased the Repo rate twice in last three months resulting into higher lending rates offered by financial institutions for all categories of loans and even further increase is possible in remaining part of the financial year. Such increase has already impacted the lending rates in the housing finance sector and it is further going to increase as and when RBI will take further upward actions.
- Entering into an era of rate war: Now-a-days the finance companies have entered into an era of rate war. Many players have started examining the possibility of reducing their interest rates in order to remain competitive in the market place and attract the customers. The ability to get long term funds at cheap rates is an important competitive advantage;
- Demand for home finance might be impacted if there are more ‘pure investors’ purchasing homes rather than ‘genuine home-buyers’;
- Lower asset appreciation and less liquid markets in smaller towns/rural areas can lead to difficulty in recovering Non Performing Assets;
- Timely completion of projects without cost escalations is a key concern facing borrowers and financiers alike;

- Risk of default: Since the HFCs are running short of funds, any default by the customers will have the direct impact on the lending capacity of the companies as the funds remain blocked during the period. HFCs are not in a position to absorb such shocks due to the paucity of funds. However, HFCs have historically had much lower default rates when compared to the banks and other finance companies.

### **Segment-wise or product-wise performance**

The main objects of your Company, inter alia, are to carry out the business of providing long term finance to individuals, companies, corporations, societies or associations of persons for purchase/construction/repair and renovation of new/ existing flats/ houses for residential purposes and provide Loans against property and loan for purchase of commercial property. CBHFL is one of the few deposit accepting HFCs in India.

During the year, Company has opted for change in product mix and offering higher yielding products such as Post Pension Program, Income Estimation Programme, Low LTV etc.

### **Outlook**

The continuously increasing population is driving the demand for houses worldwide. Further, the outbreak of the COVID-19 pandemic has changed the demographics of demand for housing and has enhanced the importance of clean living. While the demand for houses is increasing, the supply of houses at affordable rates does not keep pace. The purchase of houses by individuals all over the world is funded largely by housing finance, also known as mortgage lending. In terms of development, mortgage markets have an extremely diversified profile in different economies. Further, challenges in housing finance markets are more region-specific rather than generic and hence, different measures are needed for the growth of housing finance markets in different areas. Financing products are also moving from plain traditional mortgages to innovative financing solutions.

India is a growing economy and has an irregular distribution of wealth. The penetration of housing finance in the country is extremely low compared to other developing and developed economies. Although, the real estate market is dominated by real estate, the supply of housing at affordable rates still remains a challenge. In fact, as one moves down the income-groups pyramid, the gap between demand and supply of housing widens. The problem seems even more acute once we realise that the population pyramid depicts yawning shortage at the lower segments. The only solution one can perceive is affordable housing, but how to achieve the same is still a question that does not have straight answer.

Affordable housing finance companies' (AHFCs) loan book is likely to expand by 17-20 per cent in the current financial year, supported by the government's higher focus on housing and a favourable tax regime, says a report. As on December 31, 2021, the total loan book of AHFCs stood at Rs 66,221 Crores and constituted about 6 per cent of the overall housing finance companies (HFCs) loan book.

As a result, the AHFCs reported a 14 per cent (year-on-year) growth as on December 31, 2021. Overall, while the growth has moderated over the long-term average, it continues to remain higher than the overall housing finance industry average.

The second wave of the Covid-19 pandemic exerted pressure on the asset quality indicators of AHFCs and delinquencies, especially in the softer buckets (0-30, 30-60 and 60-90 days past due) shot up significantly.

### **Risk and Concerns:**

The Company has a well-defined risk governance structure which includes periodic review and close monitoring to enable building a sustainable business that takes care of the interests of all stakeholders. Comprehensive annual risk review exercises go towards continually updating the risk management policy. The Company's Chief Risk Officer (CRO) oversees the Company's risk management structure.

The Company's Credit Committee works to identify and mitigate credit risks to the Company by formulating policies on limits on large credit exposures, asset concentrations, standards for loan collateral, loan review mechanism, pricing of loans etc. A strong credit management process helps in containing the portfolio quality of the company. Key elements of the Credit Committee include a structured and standardized credit approval process supported by a strong system, effective training programs, legal and technical due diligence, monitoring and robust credit risk management strategy at a senior management level.

The Company also has a system for evaluating Grievance Redressal Mechanism and undertaking complete Root Cause Analysis (RCA) to ensure recurring grievances are avoided in future leading to improved customer service standards. On June 11, 2021, the RBI extended the provisions of the risk based internal audit (RBIA) framework to HFCs, which are required to implement the framework by June 30, 2022. The Company is in the process of implementing this framework.

### **Internal Control System and their adequacy**

Internal control is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. A broad concept, internal control involves everything that controls risks to an organization. It plays an important role in detecting and preventing and protecting the organization's resources, both physical and intangible. In this regard the Board has formed Audit Committee to strengthen its internal control system. Internal Audit Department of the Company inspects the branches at least once in 12 months as per this policy and reports discrepancies, if any to the Audit Committee of the Board, at regular intervals.

### **Discussion on financial performance with respect to operational performance.**

During the year, even with competitive rate of interest in housing finance industry, your Company managed to achieve total revenue of Rs. 123.00 Crores for the financial year ended 2021-22 against Rs. 127 Crores in the previous year.

Despite numerous challenges, Your Company's profit before tax for the year ended 31st March 2022 stood at Rs 27.86 Crores as against Rs 19.65 Crores in the previous year. Your Company's profit for the year (after adjustments related to previous year) stood at Rs 20.11 Crores as against Rs 14.67 Crores in the previous year.

The NPA which stood at Rs 59.00 Crores as on 31st March 2022 compared to Rs 62.01 Crores in the previous year ended 31<sup>st</sup> March 2021. However company is relentlessly working on reduction of NPA. It is expected that it shall be reduced in the near future.

#### BALANCE SHEET MOVEMENT:

The Summary of the Company's balance sheet as on 31<sup>st</sup> March, 2022, is as under: (Rs. in Cr.)

Particulars	Mar-22	Mar-21
<b>Sources of Funds</b>		
<b>(A) Owned Funds</b>	<b>162.08</b>	<b>141.97</b>
- Equity Capital	25.00	25.00
- Reserves & Surplus	130.18	110.07
- Share Premium	6.90	6.90
<b>(B) Deferred Tax</b>	<b>6.07</b>	<b>6.41</b>
<b>(C) Borrowed Funds</b>	<b>1,000.33</b>	<b>1000.89</b>
- Term Loan & OD from Banks	335.39	332.62
- Refinance from NHB	145.19	226.03
- Deposits	519.75	412.24
Non-convertible debentures	-	30.00
<b>(D) Current Liabilities &amp; Provisions</b>	<b>53.49</b>	<b>37.51</b>
- Other Current Liabilities	15.44	7.40
- Provision for Standard Assets & NPA	38.05	30.11
<b>TOTAL [A+B+C+D] Liabilities</b>	<b>1,212.15</b>	<b>1186.78</b>
<b>Application of Funds</b>		
<b>(A) Investments</b>	<b>42.63</b>	<b>47.24</b>
- Securities	29.23	27.24
- Bank deposits	13.40	20.00
<b>(B) Loans Net of Unrealized Interest</b>	<b>1,159.68</b>	<b>1,129.93</b>
<b>(C) Fixed Assets</b>	<b>0.31</b>	<b>0.42</b>
<b>(D) Current Assets</b>	<b>9.53</b>	<b>9.19</b>
- Cash & Bank balances	2.36	1.89
- Others	7.17	7.30
<b>TOTAL [A+B+C+D] Assets</b>	<b>1,212.15</b>	<b>1,186.78</b>

Net owned fund of the Company as on 31.03.2022 and 31.03.2021 is Rs.157.35 Crores and Rs.138.35 Crores respectively.

#### **AUTHORISED SHARE CAPITAL**

During the financial year under review the Authorized Share Capital of the Company stands at Rs. 50 Crores comprising of 50000000 equity shares of Rs. 10 each aggregating Rs. 50 Crores out of which paid-up Share capital is Rs. 25 Crores comprising of 25000000 equity shares of Rs.10 each.

There was no change in the Share Capital during the financial year under review.

#### **RESERVES AND SURPLUS**

The growth in reserves was achieved through strong profitability despite a challenging business environment. Reserves and Surplus as at March 31, 2022 for your Company increased by 20.11 Crores to Rs. 137.08 Crores as against Rs. 116.97 Crores in the previous financial year. Your Company has transferred Rs. 5.19 Crores to Special Reserve and Statutory reserve u/s 29C of National Housing Bank Act and an amount of Rs.1.79 Crores to General Reserve. Net owned fund of the Company as on 31.03.2022 and 31.03.2021 is Rs. 157.35 Crores and Rs. 138.18 Crores respectively.

#### **DIVIDEND**

Considering the plans of expansion and business growth of the Company in the near future and maintain liquidity after impact of COVID- 19, no dividend is recommended to be distributed pertaining for the year ended 31<sup>st</sup> March 2022.

#### **CAPITAL ADEQUACY**

During the Financial Year 2021-22, Net worth of the company stood at 157.63 Cr. as against 138.35 Cr. for the Financial Year 2020-21. The Capital Adequacy Ratio of your company is at 23.50 % as against the norm of 15 percent stipulated by the National Housing Bank (NHB).

#### **BORROWINGS**

##### **Term Loans from Banks:**

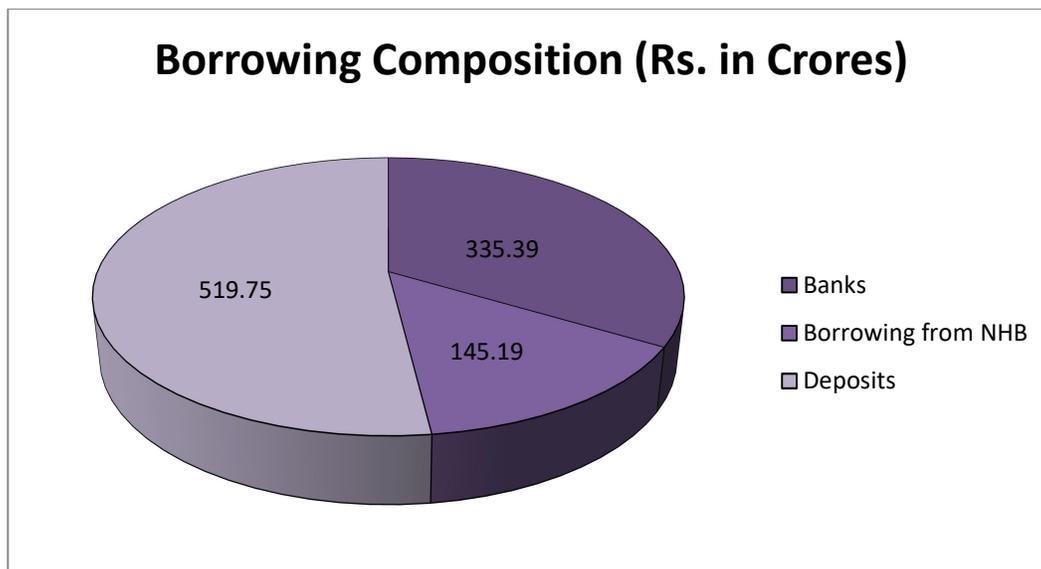
During the financial year 2021-22, your Company has availed term loan and having outstanding amount of Rs. 335.39 Crores in comparison of the previous year Rs. 332.62 Crores from Banks. The said loans are secured by pari-passu charge created on the Company's present and future receivables including book debts in favour of lenders.

**Refinance From NHB:**

In the Financial Year 2021-22, your Company has availed refinance and having outstanding amount of Rs. 145.19 Crores in comparison to the previous outstanding of Rs.226.03 Crores from the National Housing Bank.

**Public (fixed) deposits:**

The Company took several initiatives during the year to extend its reach by expanding network and connecting with customers. As on 31.03.2022, the total deposits of your Company are Rs.519.75 Crores (which includes from public of Rs. 366.28 Crores and institutional deposits of Rs. 153.47 Crores) as compared to Rs. 412.24 Crores (which includes Public deposits of Rs. 308.27 Crores and institutional deposits of Rs. 103.97 Crores) at the end of the previous year. There has been a reclassification of part of *Public Deposits* to the tune of Rs. 90.67 Crores to *Institutional Deposits* after considering the relevant RBI guidelines & definition of Public Deposit & its inclusion & exclusions which were previously not taken care of.



**FIXED ASSETS**

The Company's investments in tangible assets represents cost of computers, office equipments, furniture & fixtures and vehicles. During the financial year under review your Company's gross block decreased by 8.6% over the previous year.

## INVESTMENTS

Your Company continues to maintain an adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets; and the need to cover financial and business risks.

As on March 31, 2022 the investment portfolio stood at Rs. 42.63 Crores as against Rs. 47.24 Crores in the previous year.

Housing Finance Companies (HFCs) are required to maintain Statutory Liquidity Ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 13% of public deposits. As on March 31, 2022 your Company has invested Rs. 29.24 Crores in approved securities and Rs. 13.40 Crores in bank deposits.

## PROFIT AND LOSS STATEMENT:

(Rs. In Crores)

Particulars	Mar-22	Mar-21
<b>Income from Operations</b>		
Interest Income	118.06	125.52
Other Income	4.94	2.26
<b>Total Income</b>	<b>123.00</b>	<b>127.78</b>
<b>Expenses</b>		
Finance Costs	68.92	86.22
Employee Benefits Expenses	9.44	8.09
Depreciation	0.13	0.20
Other Expenses	8.71	8.04
<b>Total Expenses</b>	<b>87.20</b>	<b>102.55</b>
<b>OPERATING PROFIT</b>	<b>35.80</b>	<b>25.23</b>
Provisions for NPA & others	3.02	7.10
Provision for Standard Assets	4.92	-1.52
<b>PROFIT BEFORE TAX</b>	<b>27.86</b>	<b>19.65</b>
Adjustments related to previous years	-0.06	0.01
Tax Expenses/Provision for Tax	7.81	4.97
<b>PROFIT AFTER TAX</b>	<b>20.11</b>	<b>14.67</b>

## INCOME FROM OPERATIONS

Your Company's income from operations during the FY 2021-22 was Rs. 123.00 Cr. as against Rs. 127.78 Cr. for the FY 2020-21.

## INTEREST AND FINANCE COST

Your Company's interest & finance expenses was decreased by 20.07% from Rs.86.23 Crores in the financial year 2020-21 to Rs. 68.92 Crores for the financial year ended March 31, 2022.

## EMPLOYEES REMUNERATION & BENEFITS

Employee costs Increased by 16.69% from 8.09 Crores for the financial year ended March 31, 2021 to Rs. 9.44 Crores for the financial year ended March 31, 2022.

## OTHER EXPENSES

Other expenses increased by 8.33% from Rs.8.04 Crores for the financial year ended March 31, 2021 to Rs. 8.71 Crores for the financial year ended March 31, 2022.

## DEPRECIATION & AMORTISATION

Depreciation charged on fixed assets was Rs. 0.13 Crores in the financial year 2021-22 as against to Rs. 0.20 Crores during the financial year 2020-21.

## PROVISION

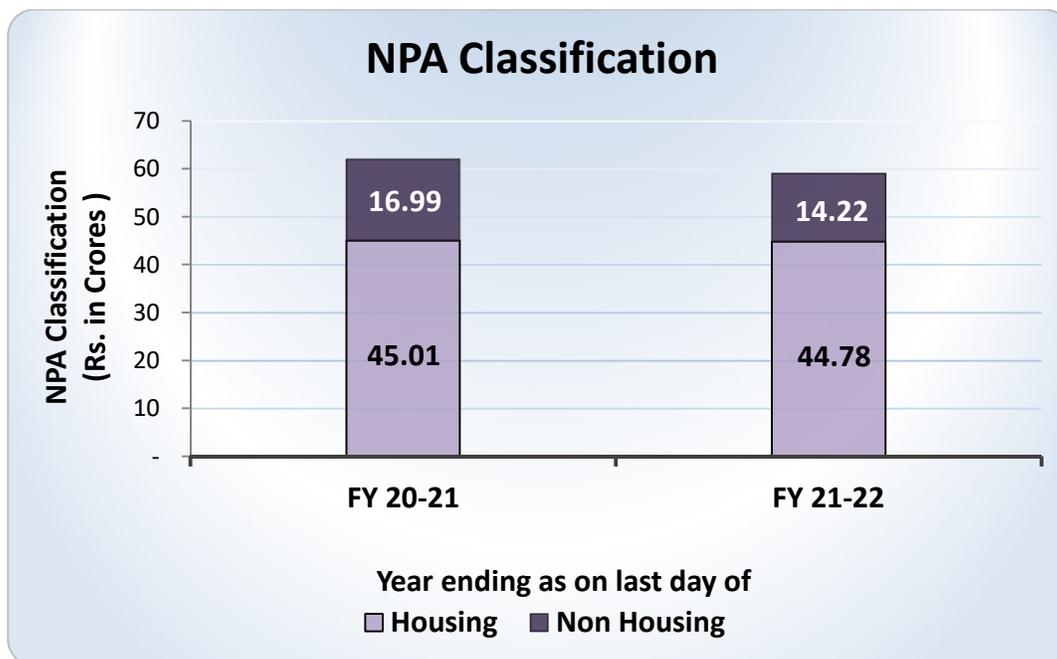
Your Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. Your Company has made provision amounting to Rs. 29.31 Crores for NPA a/c and Rs.8.74 Crores for Standard assets for the Financial Year 2021-22 and Rs. 26.29 Crores for NPA a/c and Rs.3.82 Crores for Standard assets for the Financial Year 2020-21.

## NET PROFIT

During the year 2021-22, your Company has made net profit of Rs.20.11 Crores in the financial year ended March 31, 2022 as against Rs.14.67 Crores for the financial year ended March 31, 2021.

## Non-Performing Assets

Your Company is implementing each and every available option to recover its dues from non-performing accounts. The gross NPA stood at Rs. 59.00 Crores as on 31<sup>st</sup> March 2022 as against Rs. 62.01 Crores for the previous financial year ended 31<sup>st</sup> March, 2021. With due provisions the net NPA stood at Rs. 29.69 Crores as on 31<sup>st</sup> March 2022 as against Rs. 35.71 Crores as on 31<sup>st</sup> March 2021.



**NPA Ratios:**

Particulars	31st March 2022	31st March 2021
% of Gross NPA to Gross Advances	5.09%	5.49%
% of Net NPA to Net Advance	2.56%	3.24%

**Material Developments in Human Resources**

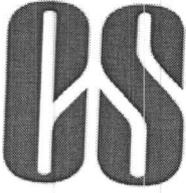
Human resources are the people who make up the workforce of an organisation. The human resource department (HR department) of our Company performs human resource management, overseeing various aspects of employment, such as compliance with labour law and employment standards, administration of employee benefits, and the aspects of recruitment and training. Main focus of your Company is to give a conducive atmosphere to every employee, providing them proper training at periodic intervals.

Company has tie up with Man Power outsourcing agency in order to attract capable talent. The Company also has its own recruitment policy approved by the Board and has its own interview committee to select the potential aspirants. The recruitment process of the Company is transparent providing equal opportunity to everyone.

As on March 31, 2022, the Company had 82 on roll and 72 off roll employees.

### **Vigilance Oversight**

Being a Public Sector Company, the affairs of operations and activities are under oversight of Central Vigilance Commission through the Chief Vigilance Officer of Central Bank of India.



**PIYUSH MANTRI & ASSOCIATES**

(Company Secretaries)

FF-44, 1st Floor, Aakriti Business Centre,

BawadiaKalan, Bhopal-462039

Ph : 0755-4927182, 9425606652

Email : cspmassociates@gmail.com

**Form MR-3**

**Secretarial Audit Report**

For the Financial Year Ended 31<sup>st</sup> March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Board of Directors**  
**Cent Bank Home Finance Limited**  
**Bhopal**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cent Bank Home Finance Limited (CIN U65922MP1991PLC006427)** (hereinafter called '**the Company**') during the financial year from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Cent Bank Home Finance Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (**the Audit Period**), generally complied with the statutory provisions listed hereunder (subject to note annexed hereto) and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, and other records maintained by the Company and the Forms, returns, records, disclosures and information filed or disseminated during the period ended on March 31, 2022 according to the applicable provisions/clauses of:

1. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



We are informed that during the year under review, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, records or file any Forms/returns thereunder :-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.)
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998)
- f. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder
- g. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

Based on nature of activities of the Company, the following specific Acts/Regulation/ Rules are applicable to the Company, which has been duly complied with :

- a. National Housing Bank Act, 1987 and the directions issued thereunder from time to time
- b. Master Directions – Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021 and other guidelines, Notifications and Circulars issued for Housing Finance Companies.
- c. Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Amendment) Act, 2012 as applicable.
- d. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI)
- e. Central Registry of Securitisation Assets Reconstruction and Security Interest (CERSAI).



I have examined records and documents produced to me pertaining to compliances of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) on test check basis and stated that the Company has generally complied with all regulations under SARFAESI and has maintained adequate system and procedure at head office level to ensure the compliances in this regard.

I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. As informed by the Company and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to it.

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them, rules, regulations and guidelines.

**I have also examined compliance with the applicable clauses of the following:**

- a. Secretarial Standards I and II issued by The Institute of Company Secretaries of India, with respect to Board and General Meeting
- b. Memorandum and Articles of Association of Company

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. stated above.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



***We further report that, The Chief Financial Officer of the Company appointed u/s 203 of the Companies Act, 2013 resigned on 19/02/2021 and the Board of Directors had taken timely initiative to fill the vacancy and letter of appointment issued to the selected candidate on 29/06/2021 for joining. Owing to the ongoing Covid-19 pandemic, the company faced the challenge of joining of new CFO which later on joined w.e.f. 23<sup>rd</sup> Sept. 2021 only.***

- As per the Information provided by the management, adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting
- All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under reviews.
- The Company has obtained all necessary approvals under the various provisions of the Act; and as per the record, the Company filed all Forms, Returns, Documents and resolutions as were required to be filed with Registrar of Companies and other authorities.
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers except penalty of Rs. 5000/- imposed by NHB on account of non-compliance of the Para 2 of Master Circular- Fair Practice Code & and Para 29 of HFC' (NHB) Directions, 2010.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

**I further report** that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further Report** that during the audit period, the following events /actions having major bearing on the Company's affairs were occurred in pursuance of the above referred laws, Rules, Regulations and Guidelines:



- To limit the borrowing of the Company to twelve times of its net owned funds pursuant to section 180(1) of Companies Act, 2013 and the conditions stipulated under Para 27.2 of chapter VII of Master Directions – Non Banking Financial Company (Reserve Bank ) Direction 2021& NHB notification no. “DOR.FIN.HFC.CC.No.120/03.10.136/2020-21”,dated: 17/03/2021” by passing Special Resolution in AGM.
- To appoint Shri Kushal Pal as Managing Director of the Company.
- To shift the Corporate Office of the Company from Bhopal to Mumbai w.e.f 8<sup>th</sup> November 2021. The approval of Board of Directors also accorded pursuant to Section 128 of the Companies Act, 2013 for keeping and maintaining its Books of Accounts at Corporate Office, Mumbai.

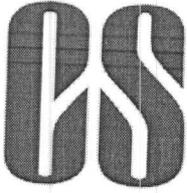
Place : Bhopal  
Date : 05/07/2022



**Piyusha Mantri & Associates  
Company Secretaries**

*Piyusha*  
**CS Piyusha Mantri  
ACS 16462 CP11798**

**UDIN: A016462D000564251**



**PIYUSHA MANTRI & ASSOCIATES**

(Company Secretaries)

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**Annexure to Secretarial Audit Report**

To,  
**The Board of Directors**  
**Cent Bank Home Finance Limited**  
**Bhopal**

My Secretarial report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Bhopal

Date : 05/07/2022



**Piyusha Mantri & Associates**  
**Company Secretaries**

*Piyusha*  
**CS Piyusha Mantri**  
**ACS 16462 CP11798**

**UDIN: A016462D000564251**



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF CENT BANK HOME FINANCE LIMITED**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of **CENT BANK HOME FINANCE LIMITED** (“the company”) which comprises the balance sheet as at March 31, 2022, the statement of profit and loss and the statement of Cash Flows for the year then ended, and Notes to Standalone financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2022, the statement of Profit and loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (“SA”s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the Standalone financial statements:

- (a) Note 25 (14) in the Standalone financial statements which indicate that the company has maintained Deferred Tax Liability on Special Reserves to the tune of Rs. 1,463.68 Lakhs (Previous year Rs. 1,316.05 Lakhs) in pursuance with NHB guidelines NHB(ND)/DRS/Policy Circular 65/20 14-15 through P/L Appropriation.
- (b) Note 25 (22) in the Standalone financial statements which indicate that the company’s current Liabilities exceeded its current assets as at the Balance sheet date. These conditions, along with other matters set forth in Note 25 (22) read with Note-

**Branches**  
New Delhi    Bilaspur    Indore    Nagpur    Mumbai    Ranchi    Jabalpur    Faridabad





25[(35)(5.5)] indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a Going concern. However, the Standalone financial statements of the company have been prepared on a going concern basis for the reasons stated in the said Notes.

- (c) We draw attention to Note 25[33(a)] in the Standalone Financial statements, which describes the economic and social consequences the entity is facing as a result of COVID-19 which is impacting consumer demand, financial markets, and repayments.

**Our opinion is not modified in respect of these matters.**

### Key Audit Matters

Key Audit Matters are those matters that in our professional judgment were of most significance in our audit of the Standalone Financial Statements of the Current Period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditors' Response
1.	Classification of Advances and Identification and provisioning for non-performing Advances in accordance with the NHB guidelines Advances include loans repayable on demand and Term loans.  (Refer note-5,10,13,16, 25(12) and 25[35(7.5)] to the Standalone financial statement)	Our audit approach towards advances with reference to the IRAC norms and other related circulars / directives issued by NHB and also internal policies and procedures of the Company includes the testing of the following:  - The accuracy of the data input in the system for income recognition, classification into performing and non-performing Advances and provisioning in accordance with the IRAC Norms.
2.	Advances governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the NHB from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA). The Company classifies these Advances based on IRAC norms. The Company accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solutions (CBS) which also identifies whether the advances are performing or non-performing. However, after this, the company uses Excel Sheet to Change Classification and to apply Provisioning norms manually.	Existence and effectiveness of monitoring mechanisms such as Internal Audit, Management Audit and Audit by the Regulatory as per the policies and procedures of the Company; We have examined the efficiency of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Company and NHB Inspection.  In carrying out substantive procedures, we have examined advances on sample basis, including review of valuation reports of independent valuer's provided by the Company's management.





<p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>In the event of any improper application of the prudential norms or consideration of the incorrect value of the security, as the valuation of the security involves high degree of estimation and judgment, the carrying value of the advances could be materially misstated either individually or collectively and in view of the significance of the amount of advances in the Standalone financial statements i.e., 95.67% of total assets the classification of the advances and provisioning thereon has been considered as key audit matter in our audit.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgment involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances.</p>	<p>Reliance is also placed on Internal Audit Reports of the Branches.</p> <p>We have also relied on the Certificate IT System Service Provider with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs and provisioning in respect thereof.</p>
<p>3. Assessment of Provisions and Contingent liabilities in respect of certain litigations of Direct Taxes.:</p> <p>There is high level of judgment required in estimating the level of provisioning. The Company's assessment is supported by the facts of matter, their own judgment, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported profit and the Balance Sheet.</p>	<p>Our audit approach involved: -</p> <ul style="list-style-type: none"><li>a) Understanding the current status of the litigations/tax assessments;</li><li>b) Examining Consultants Opinion;</li><li>c) Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice; and</li><li>d) Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under</li></ul>





We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgments/ interpretation of law involved.

consideration, the likely outcome and consequent potential outflows on those issues.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### Responsibility of Management and those charged with Governance for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in section 134(5) of the companies Act 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the company in accordance with the accounting principles Generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also include maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding of the Assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies ; making judgments and estimates that are reasonable and prudent; design , implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentations of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





The Board of Directors is also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors' use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the Housing Finance Companies- **Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 vide RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 February 17, 2021** [Previous Year - Para No 3A & 3B of Auditors Report (National Housing Bank) Directions 2016 issued by the National Housing Bank vide Notification No NHB.HFC.AR-DIR.I/MD & CEO/2016 Dated 3-2-2017 ], we give in the "Annexure -B" statement on the matters specified in **paragraphs 70 and 71.**
3. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - c) The report on the accounts of the branch offices, as required by clause (c) of sub-section (8) of section 143 of the Act, is not applicable for the year under report, since Company has appointed us a Sole Statutory Auditor of the Company, to audit the company's books of account including the branch accounts, and accordingly requirement of dealing with the report of Branch Auditors, in preparing our report does not arise.
  - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - e) In our opinion, the afore said financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) The provisions of section 164(2) in respect of disqualifications of directors of the Companies Act, 2013 are not applicable to the Company being Government Company in the terms of notification no. G.S.R. 463(E) dated 05 June, 2015 issued by Ministry of Corporate Affairs.
  - g) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.





(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's report) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 25 (15) to the financial statements;
- b) The Company has not entered into any long-term contract including derivative contract which may have any material foreseeable losses hence there is no need to create any provision, required under the applicable law or accounting standards, - Refer Note 25(29) to the financial statements;
- c) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 25(5)(a) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 25(5)(b) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis- statement.
- e) As stated in Note 25(16)(a) to the financial statements, the Board of Directors of the Company have not proposed dividend for the current financial year (Previous year- Nil).

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act as amended, we report that the reporting requirements are not applicable in terms of Notification No Notification GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs.



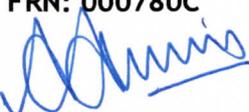


**B R I S K A & Associates**  
Chartered Accountants

Continuation Sheet

4. Our views on Directions under section 143(5) of the Companies Act 2013 by C & AG are enclosed as "Annexure "D".

For B R I S K A & ASSOCIATES  
(Formerly L. K. Maheshwari & Co)  
CHARTERED ACCOUNTANTS  
FRN: 000780C

  
CA AMIT CHITWAR  
(Partner)  
M.No:407118



Date: 02/05/2022  
PLACE: BHOPAL  
UDIN: 22407118AIIUKM5918



**Annexure A to the Independent Auditors' Report**

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report that:

(i)

a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets hence no question of maintenance of proper records showing full particulars including quantitative details and situation of Intangible asset arises.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The Company does not have any immovable properties. Accordingly, clause 3(i)(c) of the Order is not applicable.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is in the business of providing primarily Housing Finance Services and consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii) of the Order in respect of Inventory is not applicable to the company.

(b) (i) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year.

(ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the periodical returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us read with applicable norms (including exemptions or relaxations) of NHB/RBI and on the basis of our examination of the records of the Company, the company has made investments in, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.





According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year.

We further report that;

(a) The Company is in the business of providing primarily Housing Finance Services whose principal business is to give loans and advance and consequently reporting of details under Clause 3 (iii) (a) (A) and Clause 3 (iii) (a) (B) of the order is not applicable.

(b) According to the information and explanations given to us read with applicable norms (including exemptions or relaxations) of NHB/RBI and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company read with applicable norms (including exemptions or relaxations) of NHB/RBI, in our opinion, in the case of loans and advances in the nature of loans given, the repayment or receipts have been regular except in case of Overdue or NPA(Non- Performing Assets) or restructured loans and/or advances which have been disclosed in the financial statement as per the applicable norms.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company read with applicable norms (including exemptions or relaxations) of NHB/RBI, there is overdue amount of Rs. 5,900.16 [irregularities/overdue are detailed in the Note-13, Note-16 ,Note No-25(12), Note No-25(13) and Note 25(35)(7.1 & 7.5)] of the financial statements] for more than ninety days in respect of loans and advances in the nature of loans given. The Company is in the business of providing primarily Housing Finance Services whose principal business is to give loans and advance and consequently such overdue has been identified as per the applicable norms (including exemptions or relaxations) of NHB/RBI which are issued time to time.

(e)The Company is in the business of providing primarily Housing Finance Services whose principal business is to give loans and advance and consequently reporting of details under Clause 3 (iii) (e) of the order is not applicable.

(f) According to the information and explanations given to us read with applicable norms (including exemptions or relaxations) of NHB/RBI and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- (iv) In According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.





(v)

- a) The Company is in the business of providing primarily Housing Finance Services whose principal business is to give loans and/or advance and/or also accepting deposits as per the terms and conditions of the license issued to the company. Accordingly, the Company has accepted deposits from public in accordance with the directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 (as Amended as per Direction 2021 issued by RBI) with regard to deposits accepted from the public and the rules framed thereunder; and the provision of Section 73 to 76 and other relevant provision of the Companies Act, 2013, and the rules framed there under.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no order has been passed by the Company Law Board or the National Company Law Tribunal or Reserve Bank of India or by any other court or tribunal with regard to such deposits.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013, in respect of the business of the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

(vii)

- (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as mentioned below:





**Name of the Statute: Income Tax Act, 1961**

S. No.	Period to which the amount relates (Financial Year)	Amount in dispute (Rs. In Lakh)	Forum where dispute is pending
1.	2009-2010	30.63	CIT (Appeal) under the Income Tax Act
2.	2013-2014	186.35	CIT (Appeal) under the Income Tax Act
3.	2015-2016	399.72	CIT (Appeal) under the Income Tax Act
	2015-2016	166.46	CIT (Appeal) under the Income Tax Act
4.	2016-2017	2.43	CIT (Appeal) under the Income Tax Act
5	2017-2018	1.00	CIT (Appeal) under the Income Tax Act
6.	2019-2020	302.51	AO under the Income Tax Act

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix)

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not defaulted in repayment of dues to financial institutions, banks and Government or debenture holders.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations given to us, we report that term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not hold any investment in any subsidiary, associate or joint venture (as defined in the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not hold any investment in any subsidiary, associate or joint venture (as defined in the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x)

- a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) .Accordingly, clause 3(x)(a) of the Order is not applicable.





- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi)
- a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company and hence, the requirement of clause 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanation given to us, transactions during the year with related parties were approved by the Audit Committee and are in compliance with Section 177 of the Companies Act, 2013 where applicable and since the said transactions were in the ordinary course of business of the Company and were at arm's length basis, the provisions of Section 188 are not applicable, and the details have been disclosed in the Financial Statements, as required by the applicable Accounting Standards.
- (xiv) Subject to our comment mentioned in the Opinion Paragraphs of Annexure-C "Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub section 3 of section 143 of Companies Act, 2013", we report that
- a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports for the year under audit to the extent received by us, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi)
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

However, the Company being a Housing Finance Company, is registered with National Housing Bank vide Registration No. 01.0004.02 by which NHB has granted status of Housing Finance Company (HFC) to the Company on 31.07.2001.





- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) According to the information and explanations given to us, there has been no resignation of statutory auditor in the company during the period of audit. Hence reporting under 3(xviii) of the order is not required.
- (xix) Subject to our comment on the matter mentioned in the Point No (b) of "Emphasis of Matter" Paragraphs, we further state that on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xxi) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For **B R I S K A & ASSOCIATES**  
(Formerly L. K. Maheshwari & Co)  
**CHARTERED ACCOUNTANTS**  
FRN: 000780C

**CA AMIT CHITWAR**  
(Partner)  
M.No:407118



Date: 02/05/2022  
PLACE: BHOPAL  
UDIN: 22407118AIIUKM5918



**Annexure B to the Independent Auditors' Report**

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" of our Audit Report of even date with reference to Directions notified vide RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 February 17, 2021 hereinafter referred as "the directions" in this annexure and be read with NHB Directions 2016 to the extent applicable)

**Matters referred in Para 70.1 of the directions**

- i. The company is registered with NHB vide registration certification No.01.0004.02 dated 31.07.2001. Further, we hereby certify that the Company is meeting the required Principal Business criteria requirement as laid down under Paragraphs 4.1.17 of the directions.
- ii. The Company is meeting the required Net Owned Fund (NOF) requirement as prescribed under section 29 A of National Housing Bank Act, 1987. The company does not have paid up preference shares which are compulsorily convertible into equity that are required to be included in the calculation of NOF.
- iii. The company has complied with the provisions of Section 29C of National Housing Bank Act, 1987 with regard to the requirement of the reserve fund.
- iv. The total borrowings of the company i.e., deposits inclusive of public deposits, the aggregate amount of which together with the amounts, if any, held by it which are referred in clauses (iii) to (vii) of sub-section (bb) of Section 45 I of the Reserve Bank of India Act, 1934 as also loans or other assistance from the NHB, are within the limits prescribed in the said direction at Para No 27.2.
- v. The company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified as specified in these directions.
- vi. The capital adequacy ratio as disclosed in the half-yearly statutory return, submitted to the NHB, as per the directions issued by NHB in this regard, has been correctly determined and such ratio is in compliance with the prescribed minimum capital to risk weighted asset ratio (CRAR);
- vii. The company has furnished the half-yearly statutory return within the stipulated period to the NHB, as specified in the directions issued by NHB.
- viii. The company has furnished within the stipulated period the quarterly statutory return on Statutory Liquid Assets to the NHB, as specified in the directions issued by NHB;
- ix. During the financial year, w.e.f 2<sup>nd</sup> December 2021 the company has converted SPOKE Office located in Rohtak (Haryana) into the Branch Office.

Further, the company has opened 3 offices (SPOKE Locations) located in Ambala (Punjab), Pithampur (Madhya Pradesh) and Vasai(Maharashtra) during the financial year . Furthermore, the company has closed SPOKE office located in Ujjain (Madhya Pradesh).

The requirements contained in the directions with regard to the opening and closing of offices /branches are complied with.

- x. In our opinion and according to the information and explanations given to us, the





company has not lent /advanced money against Own Shares (paragraph 18), listed shares (paragraph 3.1.3) and against collateral of Gold (paragraph 3.1.4). Therefore, company the provisions contained in Paragraph 3.1.3, Paragraph 3.1.4 and Paragraph 18 of these directions are not applicable to the company.

- xi. The Board of Directors of the company has not passed a resolution for non-acceptance of any public deposits.
- xii. The company has accepted public deposits (including renewal of existing public deposits) during the relevant period/ year.

**Matters referred in Para 70.2 of the directions**

- i. The public deposits accepted by the company together with other borrowings indicated below viz.
  - a. from public by issue of unsecured non-convertible debentures/bonds;
  - b. from its shareholders; and
  - c. which are not excluded from the definition of 'public deposit; as per Paragraph 4.1.30 of these directions, are within the limits admissible to the company as per the provisions these directions.
- ii. The public deposits held by the company are not in excess of the quantum of such deposits permissible to it under the provisions of these directions which are required to be regularized in the manner provided in the said Directions. Therefore, the provisions contained in these directions relating to the regularization of excess deposit are not applicable to the company.
- iii. Before accepting/holding "Public Deposits" ,the company has obtained minimum investment grade credit rating for deposits i.e., "FA- "with Outlook STABLE (Previous Year "FA- "with Outlook STABLE) which has been assigned by the approved credit rating agency i.e., CRISIL.
- iv. With reference to the preceding Para, we Further report that;
  - (a) the company has not obtained said credit rating for each fixed deposit scheme(s) separately. However, said credit rating has been obtained for fixed deposit in totality for all schemes and such credit rating was valid during the year.
  - (b) according to the information and explanation given to us, the credit rating agency (CRISIL) has evaluated the total fixed deposit programme of the company. Accordingly, the aggregate number of outstanding deposits during the year under different fixed deposit schemes has not exceeded the limit total amount evaluated by such credit rating agency.
- v. The company has not defaulted during the year in paying to its depositor the interest and/or principal amounts of deposits after such interest and/or principal became due.
- vi. The company has complied with the liquid assets requirement as prescribed by the National Housing Bank in exercise of powers under section 29B of the National Housing Bank Act, 1987 and the requirements as specified in paragraphs 40 and 42 of these directions.
- vii. The company has not violated any provisions contained under restriction on acceptance of public deposits, period of public deposits, Joint public deposit, particulars to be specified in application form soliciting public deposits, ceiling on the rate of interest and brokerage and interest on overdue public deposits, renewal of public deposits before maturity as





**B R I S K A & Associates**  
Chartered Accountants

Continuation Sheet

provided in these directions.

For B R I S K A & ASSOCIATES  
(Formerly L. K. Maheshwari & Co)  
CHARTERED ACCOUNTANTS  
FRN: 000780C

CA AMIT CHITWAR  
(Partner)  
M.No:407118



Date: 02/05/2022  
PLACE: BHOPAL  
UDIN: 22407118AIIUKM5918



**Annexure C to the Independent Auditors' Report**

(Referred to in paragraph 3(A)(g) under "Report on Other Legal and Regulatory Requirements" section of our Audit Report of even date)

**Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub section 3 of section 143 of Companies Act, 2013**

We have audited the internal financial controls over financial reporting of **CENT BANK HOME FINANCE LIMITED**, as at **31<sup>st</sup> March 2022** in conjunction with our audit of financial statements of the Company for the year ended on that date.

**Management's Responsibility for the Financial Statements**

Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, And the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends upon the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, all material respects, an adequate internal financial system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal financial control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, **subject to the following material weaknesses have been identified as at March 31, 2022:**

- i. (a) The Internal audit policy provides that the internal auditor is required to visit once in every 12 months (for Low/Medium Risk Branches) and in every 6 months (for High Risk Branches). However, we observed that the audit visits by the Internal Audit team could cover the audit for only 3/5<sup>th</sup> of the total transactions made during the current financial year and internal audit reports were received to the extent of this period.
- (b) The Concurrent audit policy provides that the concurrent auditor is required to visit once in every month and submission of the report is done quarterly to the Head Office accordingly. However, we observed that the audit visits by the Concurrent Audit team could cover the audit for only 3/4<sup>th</sup> of the total transactions made during the current financial year and concurrent audit reports were received to the extent of this period.





Henceforth, it is observed that said element of Internal Financial Control i.e., Internal Audit and Concurrent Audit System is not working effectively and requires improvement.

- ii. Insurance of property mortgaged has been implemented w.e.f. 17-04-2018. That is, up until, 16-04-2018 there was no policy of the company as regards insurance. In our opinion, insurance of all the properties mortgaged till 16-04-2018 should be done to avoid any loss on account of damage to property because of natural calamities, disasters or other reasons.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31st, 2022 financial statements of the Company, and these material weaknesses do not affect our opinion on the financial statements of the Company.

**For B R I S K A & ASSOCIATES**  
(Formerly L. K. Maheshwari & Co)  
**CHARTERED ACCOUNTANTS**  
FRN: 000780C

**CA AMIT CHITWAR**  
(Partner)  
M.No:407118



**Date: 02/05/2022**  
**PLACE: BHOPAL**  
**UDIN: 22407118AIIUKM5918**



**Annexure D to the Independent Auditors' Report**

(Annexure referred to in paragraph "4" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Cent Bank Home Finance Limited [CBHFL] on the Financial Statements for the year ended 31st March, 2022)

Directions (i.e., Annexure-I) indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Cent Bank Home Finance Limited [CBHFL] for the year 2021-2022 issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

Sr. No.	AREAS TO BE EXAMINED	REPLY FOR THE AREAS EXAMINED
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If, yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>The Company has the system in place to process all the accounting transactions through IT systems with some exceptions as mentioned below which is maintained and controlled through <b>excel Sheets</b> for calculation etc.:</p> <ol style="list-style-type: none"><li>1. Interest on Borrowings/debentures and Interest Income On investments.</li><li>2. Depreciation on Fixed Assets and Amortization on Investments.</li><li>3. Calculation of Provisioning on NPAs [Non-Performing Assets] and on Standard Assets including Identification of Additional NPAs.</li><li>4. Consolidation of Trial balance of Branches and head-Office and Preparation of Financial Statements.</li><li>5. Quantification of amount of Compromise, Waiver and OTS amount.</li><li>6. Quantification of Monthly deductions from salary of Employees viz Interest on Advances etc.</li></ol> <p>Once the calculations are finalized then final vouchers are passed through IT Systems.</p> <p>Apart from above, Loan documentation including various input details of Borrower master is entered in LOS [Loan Origination System] which is Integrated to CBS Software.</p> <p>During the course of verification on test check basis of these excel sheet, we have not come across any major calculation mistakes or mistakes identified were rectified.</p> <p>As informed to us company's Vendor [M/s <b>Intellect Design Arena</b>] is using cloud- b a s e d AMAZON WEB SERVER for maintaining the CBS in which accounting entries/ vouchers are routed through.</p>





**B R I S K A & Associates**  
Chartered Accountants

Continuation Sheet

2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc. made by a lender to the company's inability to repay the loan? If yes, the financial impact may be stated.	During the Financial Year 2021-2022, no cases of restructuring of an existing loan or cases of waiver/write off of debts/ loans/interest etc. made by a lender to the company has been observed.
3.	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	On the basis of selective audit procedures, we have observed that the funds received/ receivable for specific schemes [PMAY/NHB refinance Schemes] from Central/State agencies were properly accounted for /utilized as per its term and conditions.
4.	Whether the security controls for digital payment products and services are in compliance with the directions of RBI for Digital Payment Security Controls Dated 18 February 2021.	On the basis of our verification, explanation and information given to us, the company is not providing any digital products or services. Hence this direction is not applicable.
5.	RBI provided a window (vide circular dated 6 august 2020) under the prudential framework to implement a resolution plan to borrowers having stress on account of Covid 19, as per which existing loans can be restructured without downgrading the asset classification. Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI circular?	According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year no restructuring has been made in respect of the loan accounts with reference to said Circular dated 06-08-2020. Hence, this direction is not applicable.  However, during the year 321 no of borrower loan cases having outstanding of Rs. 5,764.07 Lakhs had been restructured in terms of RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021on which additional provision of Rs. 5,48.84 Lakhs (Net of reversal of provision made during the year)in accordance with the said Circular had been made. Prescribed disclosure has been mentioned in the Point No 25(35)(7.1)of the Notes to the accounts.

For B R I S K A & ASSOCIATES  
(Formerly L. K. Maheshwari & Co)  
CHARTERED ACCOUNTANTS  
FRN: 000780C -

  
CA AMIT CHITWAR  
(Partner)  
M.No:407118



Date: 02/05/2022  
PLACE: BHOPAL  
UDIN: 22407118AIIUKM5918



**AUDITORS CERTIFICATE**

(As per section 116 of chapter XV of NBFC - HFC (Reserve Bank) Directions, 2021)

In respect of the Financial Statement for the financial year 2021-22 of **the Cent Bank Home Finance Limited** (Corporate Identification Number U65922MP1991PLC006427 having its registered office address at Central Bank Of India Building, 9 Arera Hills, Mother Teresa Road, Bhopal- 462011 hereinafter referred as "the Company"), we certify that

- (i) the full amount of liabilities to the depositors of the company including interest payable thereon are properly reflected in the balance sheet and
- (ii) the company is in a position to meet the amount of such liabilities to the depositors.

The above certificate be read together with our observations/comments in the Independent Auditors auditor's report dated 02-05-2022. Further, in order to certify the ability of the position of the company to meet the liabilities (depositors of the company including interest payable), we have relied upon the certificate and the explanation issued by the management of the company.

This certificate has been issued on the basis of examination of the relevant documents, certificates and declarations given to us by the management of the company on which we have relied upon.

For **B R I S K A & ASSOCIATES**  
(Formerly L. K. Maheshwari & Co)  
**CHARTERED ACCOUNTANTS**  
FRN: 000780C

  
CA **AMIT CHITWAR**  
(Partner)  
M.No:407118



Date: 02/05/2022  
PLACE: BHOPAL  
UDIN: 22407118AIIUKM5918

**CENT BANK HOME FINANCE LIMITED**  
**Balance Sheet as at 31st March, 2022**

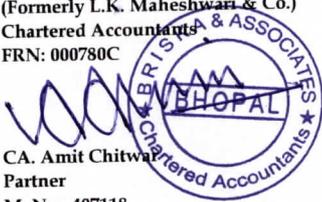
Particulars	Note No.	Figures as at the end of	Figures as at the end of
		31/03/2022	31/03/2021
		Rs. In Lakhs	Rs. In Lakhs
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	2,500.00	2,500.00
(b) Reserves and surplus	3	13,707.64	11,696.72
		<b>16,207.64</b>	<b>14,196.72</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	57,880.22	55,399.87
(b) Deferred tax liabilities	3a	607.40	641.48
(c) Long-term provisions	5	3,656.34	3,045.07
		<b>62,143.96</b>	<b>59,086.42</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	31,100.86	30,686.98
(b) Trade payables	7	-	-
(i) total outstanding dues of MSME		107.04	269.45
(ii) total outstanding dues of creditors other than MSME		11,052.33	14,002.40
(c) Current maturities of long term borrowings	8	404.41	375.63
(d) Other current liabilities	9	199.24	60.37
(e) Short-term provisions	10	42,863.88	45,394.83
		<b>42,863.88</b>	<b>45,394.83</b>
<b>TOTAL</b>		<b>1,21,215.48</b>	<b>1,18,677.97</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment and Intangible assets			
(i) Property, Plant & Equipment	11	30.60	42.29
(b) Non-current investments	12	3,173.77	4,224.19
(c) Long-term loans and advances	13	97,251.31	1,02,616.66
(d) Other Non-current assets	14	330.80	296.63
		<b>1,00,786.48</b>	<b>1,07,179.77</b>
<b>2 Current assets</b>			
(a) Cash and cash equivalents	15	1,325.75	689.19
(b) Short-term loans and advances	16	18,717.16	10,447.47
(c) Other current assets	17	386.09	361.54
		<b>20,429.00</b>	<b>11,498.20</b>
<b>TOTAL</b>		<b>1,21,215.48</b>	<b>1,18,677.97</b>
Significant Accounting Policies	1		
Notes to accounts and disclosure	25		
Schedule forming part of the financials statements			

As per our report of even date

For **B R I S K A & ASSOCIATES**  
(Formerly L.K. Maheshwari & Co.)  
Chartered Accountants  
FRN: 000780C

CA. Amit Chitwan  
Partner  
M. No.: 407118

Place: Bhopal  
Date: 02/05/2022  
UDIN: 22407119AIIUKM5918



For Cent Bank Home Finance Limited

Kushal Pal  
Managing Director  
DIN: 09225722

Ashish Kumar Shrivastava  
Company Secretary



Alok Srivastava  
Chairman  
DIN: 05123610

S. C. Mehta  
Chief Financial Officer

**CENT BANK HOME FINANCE LIMITED**  
**Statement of Profit and Loss for the year ended 31 March, 2022**

	Particulars	Note No.	Figures for the year ended 31/03/2022	Figures for the year ended 31/03/2021
			Rs. In Lakhs	Rs. In Lakhs
<b>A</b>	<b>INCOME</b>			
1	Revenue from operations	18	12282.02	12734.94
2	Other income	19	17.99	44.02
<b>3</b>	<b>Total Income (1+2)</b>		<b>12300.01</b>	<b>12778.96</b>
<b>B</b>	<b>Expenses</b>			
4	(a) Employee benefits expense	20	943.58	809.45
5	(b) Finance costs	21	6892.50	8622.67
6	(c) Depreciation and amortisation expense	11a	13.50	19.74
7	(d) Other expenses	22	870.67	804.06
8	(e) Provision for Standard Assets (including Covid19 Restructuring Scheme Provision - refer Note No 5)	23	491.78	(153.45)
9	(f) Provisions for Non-Performing & Doubtful Debts		302.27	711.19
<b>10</b>	<b>Total expenses (4+5+6+7+8+9)</b>		<b>9514.30</b>	<b>10813.66</b>
<b>C</b>	<b>Profit before tax and extraordinary items (3-10)</b>		<b>2785.71</b>	<b>1965.30</b>
<b>D</b>	<b>Extraordinary items</b>			
	Add:- Extraordinary Item	24		1.45
	Less:-Prior period adjustments [Expense / (Income)]		(6.15)	
<b>E</b>	<b>Profit / (Loss) before tax (C-D)</b>		<b>2791.86</b>	<b>1963.85</b>
<b>F</b>	<b>Tax expense:</b>			
	(a) Current year tax expense		770.97	539.43
	(b) Provision for tax of previous years		44.05	363.47
	(c) Deferred tax Liabilities/ (Assets) of current year other than d below		(181.71)	(84.61)
	(d) Deferred tax liability on special reserves of current Year		147.63	(321.41)
			<b>780.94</b>	<b>496.88</b>
<b>G</b>	<b>Profit from continuing operations (E-F)</b>		<b>2010.92</b>	<b>1466.97</b>
<b>H</b>	<b>Profit for the year</b>		<b>2010.92</b>	<b>1466.97</b>
<b>I</b>	<b>Earnings per share (of Rs.10/- each):</b>			
	(a) Basic		8.04	5.87
	(b) Diluted		8.04	5.87
<b>J</b>	<b>Notes to accounts and disclosure</b>	25		

As per our report of even date.

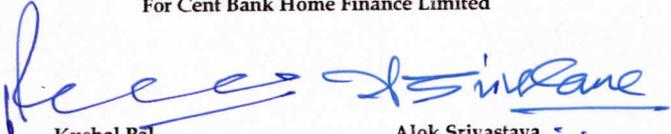
For **B R I S K A & ASSOCIATES**  
(Formerly L.K. Maheshwari & Co.)  
Chartered Accountants  
FRN 000780C

  
CA. Amit Chitwar  
Partner  
M. No.: 407118

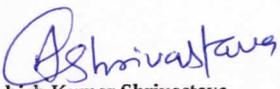


Place: Bhopal  
Date: 02/05/2022  
UDIN: 22407118A11UKM5912

For Cent Bank Home Finance Limited

  
Kushal Pal  
Managing Director  
DIN: 09225722

Alok Srivastava  
Chairman  
DIN: 03267955

  
Ashish Kumar Shrivastava  
Company Secretary

  
S. C. Mehta  
Chief Financial Officer



**Cent Bank Home Finance Limited**  
**Cash Flow Statement for the year ended 31st March, 2022**  
**Registered Office:-# 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal**

Particulars		Figures for the year ended 31/03/2022		Figures for the year ended 31/03/2021	
		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
<b>A. Cash flow from operating activities</b>					
Net Profit / (Loss) before extraordinary items and tax			2785.71		1965.30
<b>Adjustments for:</b>					
Depreciation and amortisation	(+)	13.50		19.74	
Provision for NPA and other	(+)	302.27		711.19	
Provision for Standard Asset	(+)	491.78		(153.45)	
Bad debts written off	(+)				
Loss on sale of fixed assets	(+)	3.61		0.12	
Loss on redemption of Investment	(+)			0.41	
Prior period Adj.	(+)	6.15		(1.45)	
Operating profit / (loss) before working capital changes			3603.02		2541.62
<b>Changes in working capital:</b>					
<b>Adjustments for (increase) / decrease in operating assets:</b>					
Inventories				7577.53	
Short-term loans and advances		(8761.47)		2363.11	
Long-term loans and advances		5063.08		185.14	
Other current assets		(24.56)		82.94	
Other non-current assets		(34.17)			
<b>Adjustments for increase / (decrease) in operating liabilities:</b>					
Deferred Tax Liabilities		(34.07)		(406.02)	
Other current liabilities		(133.64)		(160.88)	
Short-term provisions		138.87			
Long-term provisions		611.27			
			(3174.69)		9641.82
Cash flow from extraordinary items					
Cash generated from operations			428.33		12183.44
Net income tax (paid)			(780.95)		(496.88)
<b>Net cash flow from / (used in) operating activities (A)</b>			<b>(352.62)</b>		<b>11686.56</b>



**Cash Flow Statement for the year ended 31 March, 2022 (Contd.)**  
**Cent Bank Home Finance Limited**  
**Registered Office:-# 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal**

Particulars	Figures for the year ended 31/03/2022		Figures for the year ended 31/03/2021	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(6.62)		(3.95)	
Proceeds from sale of fixed assets	1.21		0.69	
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents				
- Placed	(590.00)		(500.00)	
- Matured				
Current investments not considered as Cash and cash equivalents				
- Purchased			(500.15)	
- Proceeds from sale	1,050.42			
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>455.01</b>		<b>(3.41)</b>



**Cash Flow Statement for the year ended 31 March, 2022 (Contd.)**  
**Cent Bank Home Finance Limited**  
Registered Office:-# 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars	Figures for the year ended 31/03/2022		Figures for the year ended 31/03/2021	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
<b>C. Cash flow from financing activities</b>				
Payment of CSR fund				
Appropriation of DTL on Special reserves from Reserves and Provision of Income Tax of previous years				
Proceeds (+)/Repayment (-) of long-term borrowings	(469.72)		(5,551.44)	
Proceeds from other short-term borrowings	413.89		(6,219.52)	
Repayment of other short-term borrowings				
Dividends paid				
Tax on dividend				
<b>Net cash flow from/ (used in) financing activities (C)</b>		(55.83)		(11,770.96)
<b>Net increase/ (decrease) in Cash and cash equivalents (A+B+C)</b>		46.56		(87.81)
Cash and cash equivalents at the beginning of the year		189.19		277.00
Cash and cash equivalents at the end of the year *		235.75		189.19
See accompanying notes forming part of the financial statements				

As per our report of even date

For **B R I S K A & ASSOCIATES**  
(Formerly L.K. Maheshwari & Co.)  
Chartered Accountants  
FRN: 000780C

CA. Amit Chitwar  
Partner  
M. No.: 407118



Place: Bhopal  
Date: 02/05/2022  
UDIN: 22407118 AIIUVM5918

For Cent Bank Home Finance Limited

*Kushal Pal*  
Kushal Pal  
Managing Director  
DIN: 09225722

*Alok Srivastava*  
Alok Srivastava  
Chairman  
DIN: 03267955

*Ashish Kumar Shrivastava*  
Ashish Kumar Shrivastava  
Company Secretary

*S. C. Mehta*  
S. C. Mehta  
Chief Financial Officer



**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 2 Share capital**

Particulars	Figures as at the end of 31/03/2022		Figures as at the end of 31/03/2021	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
(a) <u>Authorised</u> Equity shares of Rs.10/- each	5,00,00,000	5,000	5,00,00,000	5,000
(b) <u>Issued</u> Equity shares of Rs.10/- each	2,50,00,000	2,500	2,50,00,000	2,500
(c) <u>Subscribed and fully paid up</u> Equity shares of Rs.10/- each	2,50,00,000	2,500	2,50,00,000	2,500
<b>Total</b>	<b>2,50,00,000</b>	<b>2,500</b>	<b>2,50,00,000</b>	<b>2,500</b>

**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 2 Share capital (contd.)**

**Notes:**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares								
Year ended 31 March, 2022								
- Number of shares	2,50,00,000	-	-	-	-	-	-	2,50,00,000
- Amount (Rs. In Lakhs)	2,500	-	-	-	-	-	-	2,500
Year ended 31 March, 2021								
- Number of shares	2,50,00,000	-	-	-	-	-	-	2,50,00,000
- Amount (Rs. In Lakhs)	2,500	-	-	-	-	-	-	2,500

Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:



Particulars	Equity shares	Equity shares with differential voting rights	Compulsorily convertible preference shares	Optionally convertible preference shares	Redeemable preference shares
	Number of shares				
<b>As at 31 March, 2022</b>					
Central Bank of India, the holding company the ultimate holding company	1,61,00,000	0	0	0	0
Subsidiaries of the holding company	0	0	0	0	0
Associates of the holding company	0	0	0	0	0
Subsidiaries of the ultimate holding company	0	0	0	0	0
Associates of the ultimate holding company	0	0	0	0	0
<b>As at 31 March, 2021</b>					
Central Bank of India, the holding company the ultimate holding company	1,61,00,000	0	0	0	0
Subsidiaries of the holding company					
Associates of the holding company					
Subsidiaries of the ultimate holding company					
Associates of the ultimate holding company					
* Shares held by the ultimate holding company, their subsidiaries and associates, except the holding company "CBI" are NIL.					
(iv) Details of shares held by each shareholder holding more than 5% shares:					
Class of shares / Name of shareholder	As at 31 March, 2022		As at 31 March, 2021		% change during the year
	Number of shares held	% holding in that class of shares *	Number of shares held	% holding in that class of shares *	
Equity shares					
Central Bank Of India	1,61,00,000	64.40%	1,61,00,000	64.40%	-
National Housing Bank	40,00,000	16.00%	40,00,000	16.00%	-
Specified undertaking of Unit Trust of India (SUUTI)	32,00,000	12.80%	32,00,000	12.80%	-
Housing & Urban Development Corporation	17,00,000	6.80%	17,00,000	6.80%	-



**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 3 Reserves and surplus**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Securities Premium	690.00	690.00
Closing balance	690.00	690.00
(b) General reserve		
Opening balance	1,073.72	948.51
Add: Transferred from Statement of Profit and Loss	179.08	125.21
Closing balance	1,252.80	1,073.72
(c) Special Reserve (Special Reserve created in terms of Section 36(1)(viii) of IT Act, 1961 and as per Section 29 C of NHB Act.)		
Opening balance	5,296.62	4,935.49
Add: Additions / transfers during the year	518.55	361.13
Closing balance	5,815.17	5,296.62
(d) Additional Reserve (Created under section 29C of NHB Act 1987)		
Opening balance	300.00	300.00
Add: Additions / transfers during the year	-	-
Closing balance	300.00	300.00
(e) Surplus in Statement of Profit and Loss		
Opening balance	4,336.38	3,355.75
Add: Profit for the year	2,010.92	1,466.97
Amounts transferred from:		
General reserve	-	-
Other reserves (give details)	-	-
Less: Appropriations		
a) Proposed Dividend	-	-
b) Tax on dividend	-	-
c) Provision for Income Tax of previous years	-	-
d) Appropriation of DTL on Specials Reserves as per NHB guidelines	-	-
e) Amount spent on CSR activity	-	-
Transferred to:		
General reserve	179.08	125.21
Special Reserve	518.55	361.13
Additional reserve u/s 29C of NHB Act	-	-
Closing balance	5,649.67	4,336.38
<b>Closing Balance</b>	<b>Total</b>	
	<b>13,707.64</b>	<b>11,696.72</b>
Note: Deferred Tax Liability created as per NHB guidelines vide circular no.NHB(ND)/DRS/Policy Circular no.65/2014 -15 dated August 22, 2014.		
Dividend per share (of Rs.10/- each):	(Rs)	(Rs)
Dividend per Share	-	-



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 3a Deferred Tax Liabilities**

Particulars	Figures as at the end of 31/03/2022		Figures as at the end of 31/03/2021	
	Rs. In Lakhs Amount		Rs. In Lakhs Amount	
<b>Deferred Tax Asset (A)</b>				
Provision for NPA & Standard Assets	957.71		757.85	
Leave Encashment	9.51		5.24	
Depreciation	0.86	968.08	2.37	765.46
<b>Deferred Tax Liability (Net) (B)</b>				
Special Reserve	1,463.68		1,316.05	
Unamortized Cost	111.80		90.89	
Depreciation	-	1,575.46	-	1,406.94
<b>(B)-(A)= DTL</b>		<b>607.40</b>		<b>641.48</b>

Note: Deferred Tax Liability created as per NHB guidelines vide circular no.NHB(ND)/DRS/Policy Circular No. 65/2014-15 dated August 22, 2014.



**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 4 Long-term borrowings**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Term loans		
From banks		
Secured (Note No. 1)	29,782.90	36,830.44
Unsecured	-	-
(b) Deposits (Note No. 2)		
Secured	-	-
Unsecured (Note No. 3)	28,097.32	18,569.43
<b>Total</b>	<b>57,880.22</b>	<b>55,399.87</b>

Note No. 1:- These are secured by assigning book debts as security against these loans.

Note No. 2:- With respect to Deposits, the company has created a floating charge as per the directions of NHB on the assets invested by the company under section (1) & (2) of Section 29B of the NHB Act, 1987.

Note No. 3:- The FD Maturities of next 12 months are considered as current maturities and shown under Note No. 6 "Short-Term Borrowings."



## (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Particulars			
	Figures as at the end of 31/03/2022		Figures as at the end of 31/03/2021	
	Secured	Unsecured	Secured	Unsecured
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
<b>Term loans from banks:</b>				
Refinance from National Housing Bank	11,569.17	-	12,314.93	-
Central Bank of India	14,713.73	-	22,019.51	-
HDFC Bank	3,500.00	-	2,496.00	-
<b>Total - Term loans from banks</b>	<b>29,782.90</b>	<b>-</b>	<b>36,830.44</b>	<b>-</b>
<b>Deposits:</b>				
Deposits	-	28,097.32	-	18,569.43
Inter-corporate deposits	-	-	-	-
<b>Total - Deposits</b>	<b>-</b>	<b>28,097.32</b>	<b>-</b>	<b>18,569.43</b>

Below are the details of all loans/Refinance outstanding.

Name of Institution /(Security for loan)	Facility No.	Amt sanctioned	Amt. outstanding as on 31.03.2022	Short Term	Long Term	Rate of interest %	Repayment terms
		Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs		
<b>NHB Refinance</b>							
<b>Specific Charge over book debts of company</b>							
26.06.2015	100004317	598.00	160.50	46.50	114.00	6.87%	40 Qtlv Inst
30.11.2015	100004373	150.00	40.55	11.55	29.00	6.87%	40 Qtlv Inst
26.06.2015	100004318	2,391.00	717.00	186.00	531.00	6.87%	40 Qtlv Inst
30.11.2015	100004374	2,850.00	1,022.50	219.30	803.20	6.87%	40 Qtlv Inst
07.06.2016	100004485	1,729.00	354.50	133.50	221.00	6.12%	28 Qtlv Inst
19.06.2017	100004613	3,500.00	1,701.80	269.40	1,432.40	5.11%	60 Qtlv Inst
11.01.2019	100004837	950.00	527.72	105.57	422.15	4.93%	28 Qtlv Inst
11.01.2019	100004825	5,040.00	2,432.96	560.01	1,872.95	4.93%	28 Qtlv Inst
11.01.2019	100004821	1,300.00	1,031.35	66.12	965.23	7.65%	60 Qtlv Inst
11.01.2019	100004822	800.00	514.36	40.68	473.68	7.65%	60 Qtlv Inst
11.01.2019	100004819	3,010.00	1,955.62	153.06	1,802.56	7.65%	60 Qtlv Inst
11.01.2019	100004823	1,000.00	757.39	50.88	706.51	7.75%	60 Qtlv Inst
30.06.2020	100005098	3,300.00	202.80	180.00	22.80	6.50%	20 Qtlv Inst
15.06.2021	100005330	2,400.00	600.00	600.00	-	5.25%	4 Qtlv Inst
29.03.2022	100005497	700.00	700.00	87.84	612.16	6.55%	39 Qtlv Inst
29.03.2022	100005499	1,800.00	1,800.00	239.48	1,560.52	2.94%	26 Qtlv Inst
		<b>31,518.00</b>	<b>14,519.05</b>	<b>2,949.88</b>	<b>11,569.17</b>		
<b>Central Bank of India</b>							
<b>Specific Charge over book debts of company</b>							
31.03.2016	3529989467	10,000.00	1,780.69	1,428.00	352.69	7.10%	28 Qtlv Inst
02.01.2017	3586418826	10,000.00	2,733.49	1,428.00	1,305.49	7.10%	60 Mthly Inst
05.08.2017	3669628762	10,000.00	4,121.40	1,428.00	2,693.40	8.00%	60 Mthly Inst
06.11.2018	3715277776	10,000.00	5,600.62	1,428.00	4,172.62	8.00%	60 Mthly Inst
30.03.2020	3803428580	10,000.00	7,617.53	1,428.00	6,189.53	8.65%	60 Mthly Inst
22.06.2020	3829231447	1,000.00	87.45	87.45	-	7.00%	24 Mthly Inst
		<b>51,000.00</b>	<b>21,941.18</b>	<b>7,227.45</b>	<b>14,713.73</b>		
<b>HDFC Bank</b>							
<b>Specific Charge over book debts of company</b>							
16.03.2021	240LN06210750001	2,000.00	1,666.67	333.33	1,333.33	7.25%	72 Mthly Inst
16.03.2021	240LN06210750002	1,000.00	833.33	166.67	666.67	7.25%	72 Mthly Inst
16.03.2021	240LN06213210005	2,000.00	1,875.00	375.00	1,500.00	7.25%	72 Mthly Inst
		<b>5,000.00</b>	<b>4,375.00</b>	<b>875.00</b>	<b>3,500.00</b>		
<b>Grand Total</b>			<b>40,835.23</b>	<b>11,052.33</b>	<b>29,782.90</b>		
<b>Less: Current liabilities (repayment in next 12 months)</b>			<b>11,052.33</b>				
Refinance from National Housing Bank			2,949.88				
Central Bank of India			7,227.45				
HDFC Bank			875.00				
<b>Total Non Current liabilities</b>			<b>29,782.90</b>				

Note: Company has not defaulted in repayment of term loan installments and payment of deposits.



**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 5 Long-term provisions**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Provision for Bad & Doubtful Debts (NPA)	2,930.97	2,628.70
(b) Contingent Provision against Standard Assets	725.37	345.40
(c) 5% Provision on Standard assets (Overdue accouts on which moratorium period permitted)	-	-
(D) Provision for Sarfaesi Charges	-	70.97
<b>Total</b>	<b>3,656.34</b>	<b>3,045.07</b>

a) Provision for Bad & Doubtful debts has been done as per the prudential norms of National Housing Bank/RBI.

b) Provision on standard assets has been made as per the National Housing Bank/RBI norms  
Housing Sector: Provision on Accounts Prior to August 2017 will be done @ 0.40%, From August 2017,  
it will be 0.25%

Non Housing Sector: LAP- 0.40%, Commercial Property- 1% and Project Loan- 0.75%

c) Special Provision of 5% on Standard Account was made in FY 2019-20 due to Covid-19 on which moratorium period permitted as per RBI Circular No. RBI/2019-20/220 dated 17th April 2020 which was reversed during the FY 2020-21.

d) Additional provision of 10% is made on restructured accounts under "Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Business" in Pursuance to RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May5, 2021.



**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 6 Short-term borrowings**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Loans repayable on demand		
From banks		
Secured (Note No. 1)	7,223.00	1,001.59
(b) Deposits (Note No. 2)		
Unsecured	23,877.86	22,655.16
(c) Non Convertible Debentures	-	3,000.00
(d) Term Loans (Current)	-	4,030.23
<b>Total</b>	<b>31,100.86</b>	<b>30,686.98</b>

**Notes:**

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
		Rs. In Lakhs	Rs. In Lakhs
Loans repayable on demand from banks:(Note No. 1)			
Central Bank of India	Book Debts assigned	7,223.00	1,001.59
Total - from banks			

Note No. 1:- Short term borrowings is overdraft facility (Limit of Rs.100 crores bearing ROI @base rate granted by Central Bank of India).

Note No. 2:- With respect to Deposits, the company has created a floating charge as per the directions of NHB on the assets invested by the company under section (1) & (2) of Section 29B of the NHB Act, 1987. (Current Maturities of Deposits due in next 12 Months considered as Current Liability)



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 7 Trade Payables**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(i) total outstanding dues of MSME	-	-
(ii) total outstanding dues of creditors other than MSME	107.04	269.45
<b>Total</b>	<b>107.04</b>	<b>269.45</b>

Note :- Dues to micro small and medium enterprises and other than micro small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management .



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 8 Other current maturities of long term borrowings**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Current maturities of long-term debt (Refer Note No. 1 below)	11,052.33	14,002.40
<b>Total</b>	<b>11,052.33</b>	<b>14,002.40</b>

Note:	As at 31.03.2022 Rs. In Lakhs	As at 31.03.2021 Rs. In Lakhs
(a) Term loans		
From banks		
Secured	11,052.33	14,002.40
Unsecured	-	-
<b>Total</b>	<b>11,052.33</b>	<b>14,002.40</b>

Note no. 1:-Current maturities of long term debt relates to long term loans mentioned in "Note 4 Long Term Borrowing". Details of security & guarantee is mentioned in aforesaid note.



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 9 Other current liabilities**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(b) Unpaid matured deposits and interest accrued thereon	109.06	118.57
(c) Other payables		
(i) Contractually reimbursable expenses	-	1.01
(ii) Advances from customers	-	-
(iii) Bank balance	-	-
(iv) Others	295.35	256.05
(includes provision for salary, CERSAI payable, Earnest money deposits other misc payables.		
<b>Total</b>	<b>404.41</b>	<b>375.63</b>



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 10 Short-term provisions**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Provision - Others:		
(i) Provision for proposed equity dividend	-	-
(ii) Provision for tax on proposed dividends	-	-
(iii) Provision on Standard asset as per NHB norms	148.62	36.81
(iv) Provision for dimunation in Investments	-	-
(v) Provision for other employee benefits#	50.62	23.56
(vi) CSR expenses provided for	-	-
<b>Total</b>	<b>199.24</b>	<b>60.37</b>

# Leave encashment for employees had been calculated on the basis of leave entitlement till the end of current financial year.



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 11 Property, Plant & Equipments**

	Gross block				Accumulated depreciation and impairment						
	Balance as at 1 April, 2021		Balance as at 31 March, 2022		Balance as at 1 April, 2021	Depreciation Rate	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2022	Balance as at 31 March, 2022 (Net Block)	Balance as at 31 March, 2021 (Net Block)
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs							
Tangible assets											
(a) Furniture and Fixtures	110.60	0.43	21.31	89.73	91.07	9.50%	3.46	17.35	77.18	12.54	19.53
(b) Vehicles	11.66	-	0.02	11.64	8.51	11.88%	1.38	0.02	9.87	1.77	3.15
(c) Office Equipments	35.97	3.42	2.37	37.03	27.70	19.00%	2.57	2.31	27.96	9.07	8.27
(d) Computer	129.88	2.76	7.65	124.99	118.54	31.67%	6.09	6.86	117.77	7.22	11.34
<b>Total</b>	<b>288.11</b>	<b>6.62</b>	<b>31.34</b>	<b>263.39</b>	<b>245.82</b>		<b>13.50</b>	<b>26.54</b>	<b>232.78</b>	<b>30.60</b>	<b>42.29</b>
<b>Previous year 20-21</b>	<b>284.88</b>	<b>3.95</b>	<b>0.73</b>	<b>288.10</b>	<b>226.81</b>		<b>19.74</b>	<b>0.73</b>	<b>245.82</b>	<b>42.29</b>	<b>58.07</b>

Note no. :- The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 11a Property, Plant & Equipments (Contd.)**

B.	Depreciation and amortisation relating to continuing operations:		
	Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
		Rs. In Lakhs	Rs. In Lakhs
	Depreciation and amortisation for the year on tangible assets as per Note 11	13.50	19.74
	Depreciation and amortisation relating to continuing operations	13.50	19.74



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 12 Non-current investments**

Particulars	Figures as at the end of 31/03/2022			Figures as at the end of 31/03/2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
(a) (i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
<b>Total - Trade (A)</b>	-	-	-	-	-	-
Particulars	Figures as at the end of 31/03/2022			Figures as at the end of 31/03/2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
(b) Investment in government or trust securities						
(i) government securities*	2,923.77	-	2,923.77	2,724.19	-	2,724.19
(ii) trust securities	-	-	-	-	-	-
Particulars	Figures as at the end of 31/03/2022			Figures as at the end of 31/03/2021		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
(c) Other non-current investments (specify nature)	-	250.00	250.00	-	1,500.00	1,500.00
Aggregate amount of unquoted investments	2,923.77	-	2,923.77	2,724.19	-	2,724.19
	2,923.77	250.00	3,173.77	2,724.19	1,500.00	4,224.19

**Note 1: Bank Deposits which are maturing after 12 months are considered as Non-Current Investment**

Particulars	Figures as at the end of 31/03/2022		Figures as at the end of 31/03/2021	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Deposits With Central Bank Of India		250.00		1,500.00
<b>Total</b>		250.00		1,500.00

**Note 2: Investments are in the nature of long term investments, in Government securities and Bonds of Central Bank of India and are stated at cost.**

S.No.	Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021	Figures as at the end of 31/03/2022
		Rs. In Lakhs (Book Value)	Rs. In Lakhs (Book Value)	Rs. In Lakhs (Market Value)
1	8.28% GS 2027 @ Rs. 100/- each (ISIN: IN0020070069)	118.51	118.51	137.75
2	8.28% GS 2027 @ Rs. 100/- each (ISIN: IN0020070069)	194.83	194.83	216.93
3	8.30% GS 2042 @ Rs. 100/- each (ISIN: IN0020120062)	246.28	246.28	263.13
4	8.28% GS 2027 @ Rs. 100/- each (ISIN: IN0020070069)	505.25	505.25	542.32
5	8.15% GS 2026 @ Rs. 100/- each (ISIN: IN0020140060)	100.20	100.20	107.55
6	8.24% GS 2033 @ Rs. 100/- each (ISIN: IN0020140052)	505.95	505.95	549.25
7	8.24% GS 2033 @ Rs. 100/- each (ISIN: IN0020140052)	253.10	253.10	274.63
8	7.88% GS 2030 @ Rs. 100/- each (ISIN: IN0020150028)	500.88	500.88	531.75
9	7.88% GS 2030 @ Rs. 100/- each (ISIN: IN0020150028)	200.35	200.35	212.70
10	7.61% GS 2030 @ Rs. 100/- each (ISIN: IN0020160019)	100.14	100.14	104.61
11	6.82% MAHARASHTRA SDL GS 2032 @ Rs. 100/- each (ISIN: IN2220210016)	200.00	-	195.84
	Less : Amortization on Premium on Government Securities	(1.72)	(1.30)	-
	<b>Grand Total</b>	<b>2,923.77</b>	<b>2,724.19</b>	<b>3,136.46</b>

**Note 3: The investments which are maturing within 12 months are considered as Current Investment**



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 13 Long-term loans and advances**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Other (Sarfaesi charges recoverable)	-	70.97
<b>(b) HOUSING LOANS &amp; NON-HOUSING LOANS</b>		
Secured by tangible assets, considered good	91,351.15	96,345.57
Substandard	1,023.97	1,871.30
Doubtful & Loss	4,876.19	4,328.82
Total (b)	<b>97,251.31</b>	<b>1,02,545.69</b>
Less: Provision for loans and advances	3,656.34	2,974.10
Total (c)	<b>93,594.97</b>	<b>99,571.59</b>
<b>Total (a+b)</b>	<b>97,251.31</b>	<b>1,02,616.66</b>

Long Term loans and advances includes Housing loan, Top-up loan, Mortgage loan, Loan Against property, Project loan & loan for purchase of commercial property given to the borrowers and which includes the principal amount as well as interest charged reduced by EMI paid to the date. EMI Amount receivable within 12 months from the date has been classified in short term loans and advances.



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 14 Other non-current assets**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Unamortised expenses: Loan acquisition cost		
(i) Unamortized Loan acquisition cost	275.39	406.22
Add: Expenses during the year	132.66	38.12
Less: Amortized during the year	128.97	168.95
Closing Balance	<b>279.08</b>	<b>275.39</b>
Less: To be Amortized during next year, (Current Portion)	<b>97.80</b>	<b>126.01</b>
Balance Non Current (A)	<b>181.28</b>	<b>149.38</b>
(b) Unamortised expenses: Brokerage on borrowings		
(i) Unamortized Brokerage on borrowings	85.70	63.96
Add: Expenses during the year	144.37	59.04
Less: Amortized during the year	64.96	37.30
Closing Balance	<b>165.11</b>	<b>85.70</b>
Less: To be Amortized during next year (Current Portion)	<b>76.68</b>	<b>45.11</b>
Balance Non Current (B)	<b>88.43</b>	<b>40.59</b>
(c) Security Deposits (C)	51.54	43.35
(d) Refund due from Revenue Authorities (D)	9.55	63.31
<b>TOTAL (A+B+C+D)</b>	<b>330.80</b>	<b>296.63</b>



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 15 Cash and cash equivalents**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Cash on hand	13.10	26.11
(b) Cheques in Hand		
(c) Balances with banks		
(i) In current accounts	222.65	163.08
(ii) In deposit accounts (Refer Note (i) & (ii) below)	1,090.00	500.00
<b>Total</b>	<b>1,325.75</b>	<b>689.19</b>
(i) The whole amount denotes cash & cash equivalents as per AS-3 cash flow statements		
	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
<b>(ii) Bank deposit classification</b>	Rs. In Lakhs	Rs. In Lakhs
<b>Maturity Period</b>		
With in 3 Months	-	-
Less than 12 Months	1,090.00	500.00
<b>Total</b>	<b>1,090.00</b>	<b>500.00</b>



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 16 Short-term loans and advances**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Loans and advances		
Secured, considered good (A)	18,717.16	10,447.47
Less: Provision for doubtful loans and advances/standard	148.62	36.81
	18,568.54	10,410.66
(B)		
<b>Total (A+C+D)</b>	<b>18,717.16</b>	<b>10,447.47</b>

Note: Amount shown in balance sheet is without provision. Provision have been shown in short term provision .  
Rs. 18,717.16 Lakhs (PY Rs. 10,447.47 Lakhs) is taken under short term loan & advances and Rs. 148.62 Lakhs (PY Rs. 36.81 Lakhs) taken to short term provision.



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 17 Other current assets**

Particulars	Figures as at the end of 31/03/2022	Figures as at the end of 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Accruals		
(i) Interest accrued on deposits	14.35	13.94
(ii) Interest accrued on investments	44.31	38.72
(b) Others		
(i) Unamortized loan acquisition cost	97.80	126.01
(ii) Unamortized Brokerage on Borrowings	76.68	45.11
(iii) Others (Includes SARFAESI Charges Recoverable, CERSAI charges recoverable & misc receivable also)	125.30	120.25
(iv) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, Advance rent etc.)	27.65	17.51
<b>Grand Total</b>	<b>386.09</b>	<b>361.54</b>



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 18 Revenue from operations**

	Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest income on individual loans & project loans	11,476.94	12,094.16
(b)	Interest on Bank deposits and Investment	329.40	457.44
(c)	Other operating revenues		
	Interest on demand loan, vehicle loans, personal loan, fees & other charges	475.68	183.34
		12,282.02	12,734.94
	<b>Total</b>	<b>12,282.02</b>	<b>12,734.94</b>
<b># Details of revenue from operations:</b>			
	Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
		Rs. In Lakhs	Rs. In Lakhs
(i)	Interest Income comprises:		
	Individual Loans	11,476.94	12,094.16
	Corporate bodies/builders	-	-
	<b>Total</b>	<b>11,476.94</b>	<b>12,094.16</b>
(ii)	Other operating revenues comprise:		
	Processing, Administration fees and other charges	472.44	182.82
	Interest on demand loan against fixed deposit	3.24	0.52
	Interest on Vehicle loan	-	-
	Interest on personal loan	-	-
	<b>Total - Other operating revenues</b>	<b>475.68</b>	<b>183.34</b>



**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 19 Other income**

	Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
		Rs. In Lakhs	Rs. In Lakhs
(a)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	17.99	44.02
	<b>Total</b>	17.99	44.02

Note	Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
		Rs. In Lakhs	Rs. In Lakhs
(i)	Other non-operating income comprises:		
	Profit on sale of fixed assets	-	0.12
	Miscellaneous income	-	4.26
	Recovery in Write off Accounts	17.99	39.64
	<b>Total - Other non-operating income</b>	17.99	44.02



**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 20 Employee benefit expense**

Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
Salaries and wages *	887.99	763.52
Contributions to provident and other funds	39.33	35.10
Staff welfare expenses	16.26	10.83
<b>Total</b>	<b>943.58</b>	<b>809.45</b>

\* Salary & wages includes salaries of Cent Bank as well as Central Bank employees on deputation to the company.



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 21 Finance Costs**

Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
(a) Interest expense on Borrowings #	6,887.32	8,495.86
(b) Other borrowing costs (Bank Charges)	5.18	126.81
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)		
<b>Total</b>	<b>6,892.50</b>	<b>8,622.67</b>

# Interest expenses includes interest on term loan from Central Bank of India, HDFC Bank, NHB Refinance, Debentures & Interest on deposits.



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 22 Other expenses**

Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
Power and fuel/electricity expenses	18.53	18.82
Rent including lease rentals	145.00	139.19
Repairs and maintenance - Buildings	13.48	19.87
Repairs and maintenance - Others	13.74	8.09
Insurance	0.40	0.24
Communication	17.31	16.46
Travelling and conveyance	43.31	14.51
Printing and stationery	10.63	7.97
Office Expenses	30.50	23.00
Penalty on Statutory Payments	0.13	3.45
Advertisement & Publicity	20.87	1.91
Legal and professional	123.74	95.94
Payments to auditors (Refer Note (i) below)	9.16	10.71
Internal audit expenses/stock audit fees	2.45	14.07
CSR Expenditure	50.51	41.74
CSS Implementation and support charges	108.00	106.34
RCU/FI verification Expenses	8.41	6.05
Directors Sitting fees	13.08	9.81
Recovery & Legal Charges	29.44	-
Loss on sale of Fixed Assets	3.61	-
Miscellaneous expenses	14.25	59.64
Brokerage	65.15	37.30
DSA Commission (amount amortized)	128.97	168.95
<b>Sub -Total</b>	<b>870.67</b>	<b>804.06</b>
Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	Rs. In Lakhs	Rs. In Lakhs
(i) Payments to the Auditors comprises :-		
<b>(A) Fees to Statutory Auditor</b>		
For statutory audit	4.36	4.36
For Certification	3.16	4.71
<b>Total (A)</b>	<b>7.52</b>	<b>9.07</b>
<b>(B) Fees to Other Auditors</b>		
For tax audit	1.64	1.64
<b>Total (B)</b>	<b>1.64</b>	<b>1.64</b>
<b>Grand Total (A) + (B)</b>	<b>9.16</b>	<b>10.71</b>



**Cent Bank Home Finance Limited**  
Notes forming part of the financial statements

**Note 23 Provision for Standard Assets**

Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
Provision on standard assets as per NHB norms	491.78	(153.45)
Reversal of provision for NPA	-	0.00
<b>Total</b>	<b>491.78</b>	<b>(153.45)</b>

(a) In the Year 2021-22 Provision/Reversal of Provision on Standard Assets has been made as per the NHB/RBI Norms

(b) Housing Sector: Provision for Accounts Prior to August 2017 will be done @0.40%, from August 2017, it will be 0.25%

(c) Non Housing Sector: LAP-40%, Commercial Property-1% and Project Loan- 0.75%

**Note 24 Extra Ordinary Items**

Particulars	For the year ended 31/03/2022	For the year ended 31/03/2021
	Rs. In Lakhs	Rs. In Lakhs
	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



## Significant Accounting Policies forming part of the Financial Statements:-

### Note 1

#### CORPORATE INFORMATION

The Company was incorporated on May 07, 1991 as “Apna Ghar Vitta Nigam Limited” and subsequently changed its name as “Cent Bank Home Finance Limited” and obtained its fresh certificate of incorporation on 19<sup>th</sup> June, 1992. Company commenced its business on June 18, 1991 and obtained the certificate of registration from the National Housing Bank (NHB) as required under Section 29A of the NHB Act, 1987 on July 31, 2001. The Company is a Subsidiary of Central Bank of India jointly promoted by National Housing Bank, HUDCO and SUUTI. The main objects of the Company, inter alia are to carry out the business of providing long term finance to individuals, companies, corporations, societies or associations of persons for purchase/construction/repair and renovation of new/ existing flats/ houses for residential purposes and provide loans against property and loan for purchase of Commercial property. The Company is currently operating with 18 branches and 2 representative offices.

#### 1. General system and method of accounting:

The Financial Statements of the Company have been prepared and presented as per the Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on accrual basis. The Company has prepared its Financial Statements to comply with the all material aspects of the Accounting Standards notified under section 133 of the Companies Act 2013, The National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions, 2010,

Accounting policies adopted in preparation of financial statements are consistent with those followed in previous year.

Amounts in the financial statements are presented in “Rs Lakhs” except as otherwise stated.

#### 2. Use of Estimates

The preparation of the financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. Example of such estimates includes provision for non-performing loans, provision for employee benefit plans and provision for income taxes.



### 3. Revenue Recognition

Revenue has been recognized as per the prudential norms laid down by National Housing Bank (NHB).

- a. Interest on Loans-Interest income is recognized on accrual basis except in case of Non-Performing Assets (NPA) where interest is accounted on realization. In loans, the repayment is received by way of Equated Monthly Installments (EMIs) comprising of principal and interest. Interest is calculated on the outstanding balance at the beginning of the month. EMI commences once the moratorium is completed. Pending commencement of EMI, pre-EMI monthly interest is recovered. Recovery in case of NPA is appropriated first towards interest portion of overdue EMIs and thereafter towards principal portion of overdue EMIs.
- b. Fees and Other Charges - Income from fee and other charges, viz. log in fee, Penal Interest on Overdue, Pre-payment charges, etc, are recognized on receipt basis.
- c. Income from Investment - Interest on Bank Deposits/ Bonds/ Govt. Securities are accounted on accrual basis. Dividend Income is accounted for in the year in which it is received.
- d. Other Income - Interest on tax refunds and other income are accounted for on receipt basis.

### 4. AS 10 - Property, Plant and Equipment:

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Costs include all expenses incidental to the acquisition of the fixed assets.

### 5. Depreciation

Depreciation is calculated on the basis of the useful life of the asset as prescribed under Schedule II of the Companies Act, 2013. Company is using Straight Line Method to provided depreciation on its Fixed Assets.

### 6. Investments

According to the Accounting Standard (AS-13) on "Accounting on Investment" issued by the Institute of Chartered Accountants of India and the guidelines issued by the National Housing Bank, Investments are either classified as Current and Non-Current Investments. Current Investment is carried at lower of cost and market value and long term investments are carried at cost.

The gain/loss on account of discount/premium on Long Term Investments made in debentures/bonds and government securities are recognized over the life of the security on a pro-rata basis.



## 7. Employee Benefits

As per Accounting Standard- 15 “Employee Benefits”, Gratuity amount has been set aside on actuarial basis and invested in Group Gratuity Scheme administered by the Life Insurance Corporation of India. Company’s contribution in respect of Employees’ Provident Fund is made to Employees’ Provident Fund Scheme of EPFO and is charged to the Statement of Profit & Loss.

As per HR Policy, an Employee is entitled to encash 100% leaves till date and therefore the same is determined on the basis of un-availed leave and Ten Month Average Salary .Therefore the Leave Encashment liability is treated as Short term Liability under the head “Current Liabilities” and provided for on Accrual basis s per said formula.

## 8. AS -19 “Leases”: Operating Lease

The Company has agreement with Polaris Financial Technology limited (service provider) for centralized solution on application service provider model. The service provider provides software & license to use. The contract is for 5 years and cancelable with 90 days notice period. Yearly charges debited to profit and loss account as per consistent Policy followed over the years.

Apart from above, Office premises taken are renewable at the option of company. Monthly charges are debited to profit and loss account as per consistent Policy followed over the years.

## 9. AS 20 “Earnings Per Share”

The Basic and Diluted Earnings per Share have been calculated by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

## 10. Income Tax

Income taxes are accounted for in accordance with Accounting Standard (AS-22) - “Accounting for taxes on income”, notified under the Companies (Accounting Standards) Amendment Rules, 2011. Income Tax comprises of both of current and deferred tax.

Current Tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

The Tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.



Company makes the Provision for Standard, Sub Standard, Doubtful & Loss Assets as per Prevailing guidelines of RBI/NHB. However Company Claims Account Written off only as deduction while calculating income Tax as per consistent Policy followed over the years.

The Company has proven track record of Profits and creates the deferred tax assets on provision for Standard, Sub standard, Doubtful and Loss Assets account as per consistent Practice followed over the period. The same shall be reversed in the year of collection/written off of accounts.

#### **11. AS 29 -Provisions, Contingent Liabilities and Contingent Assets:**

##### **Provisions for Contingencies**

Provision on loans has been arrived at in accordance with National Housing Bank guidelines and directives. Advances to borrowers are classified into Performing and Non Performing based on overdue of Principal/Interest. Non Performing Assets (NPAs) are further categorized as Sub-Standard, Doubtful and Loss Assets.

##### **Contingent Liability policy**

The Company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available upto the date on which the financial statements are prepared. A provision is recognized when a company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are determined based on management estimates of amounts required to settle the obligation at the balance sheet date and adjusted to reflect the current management estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements as contingent liability.

In Case of remote possibility, neither provision nor disclosure is made in the financial statements. The Company does not account for or disclose contingent assets, if any.



The Following table describes the nature of contingent liabilities of the Company.

S.No	Contingent Liability	Brief Description
1	Claims against the Company, not acknowledged as debt	This item represents certain demands made in certain tax and legal matters against the Company in the normal course of business. In Accordance with the Company Accounting Policy and Accounting Standard 29, the Company has reviewed and classified these items as possible obligations based on legal opinion /judicial precedents/ assessment by the Company
2	Other Contingent Liabilities	Other items for which the Company is contingently liable primarily include the estimate amount of contracts remaining to be executed on Capital Account and not provided for

**12. Loan Origination/Acquisition Cost and Brokerage of Deposit mobilization:** - All Direct Cost incurred for the loan origination (Direct selling agent's commission) are amortized in 5 years, and in 3 years in case of Brokerage paid for fixed deposit mobilization.

### 13. Unclaimed Deposits

Deposits, which have become due but not been presented for payment or renewal, are transferred to unclaimed deposits. Interest for the period from last maturity date till the date of renewal of unclaimed deposits is accounted for during the year of its renewal.

### 14. Floating Provision

Company will create floating provision only against Bad & Doubtful Debts and amount of provision will be approved by the Board from time to time.

### 15. Cash Flow Statement

Cash flows are reported using the indirect method as prescribed under AS-3, whereby profit/loss before extraordinary items and tax is adjusted for the effects of transaction of non cash nature or deferrals or accruals of past and future cash receipts and payments. The cash flows from operating, investing and financing activities for the Company are segregated based on the available information.

### 16. Prior Period Adjustments

As per AS-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" the company is following the practice of making adjustments for prior period items through expenses/ income of previous year in the current year except few minor items.



## 17. Related Party Disclosure

As required by Accounting Standard (AS)-18 "Related party disclosure" the manner of disclosures required by paragraphs 23 and 26 of AS 18 The company has disclosed in financial statements of transactions with certain categories of related parties. In particular, attention is focused on transactions with the directors or similar key management personnel of an enterprise, especially their remuneration and borrowings, because of the fiduciary nature of their relationship with the enterprise.

## 18. Segment Reporting

As per AS 17 "Segment Reporting", A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments. Factors that should be considered in identifying geographical segments include:

- (a) similarity of economic and political conditions;
- (b) relationships between operations in different geographical areas;
- (c) proximity of operations;
- (d) special risks associated with operations in a particular area;
- (e) exchange control regulations; and
- (f) the underlying currency risks.

As per our report of even date  
For B R I S K A & Associates  
(Formerly L K Maheshwari & Co)  
Chartered Accountants  
FRN 000780C

CA Amit Chitwar  
Partner

M.No.407118

Place: Bhopal

Date: 02/05/2022

UDIN: 22407118A2 I UKM 5918



Alok Srivastava  
Chairman  
DIN:05123610

Kushal Pal  
Managing Director  
DIN: 09225722

S. C. Mehta  
Chief Financial Officer

Ashish Kumar Shrivastava  
Company Secretary



Notes to accounts & Disclosure as per NHB

Note 25

- 1) Amount relating to Intangible Assets, Capital work in progress, intangible assets under development, inventory and trade receivable are NIL in the current financial year (Previous Year- Nil). Therefore, same are not disclosed in the Financial Statement & Note of Accounts for the current financial year.
- 2) The company is not declared wilful defaulter by any bank or financial institution or other lender during the current Financial Year(Previous Year- Nil).
- 3) No transaction has been carried out with Companies struck off under section 248 or Section 560 of Companies Act 2013(Previous Year- Nil).
- 4) No charge is pending to be registered with Registrar of Companies (ROC).However, one charge with HDFC bank of Rs. 25 Crore(Previous Year- NIL) is pending for satisfaction with ROC during the current Financial Year.

5) ADDITIONAL REGULATORY INFORMATION :

Ratios for the Financial Year 21-22

Serial	Ratios	Numerator	Denominator	FY 21-22 (A)	FY 20-21 (B)	% Variance ((A-B)/B)
a.	Current Ratio in times	Current assets	Current liabilities	0.48	0.25	92%
b.	Debt-Equity Ratio (In times)	Debt (borrowings)	Shareholders' equity	6.17	7.05	-12%
c.	Debt Service Coverage Ratio (in times)	Earnings for Debt Service (Profit after tax+Depreciation+finance cost+Profit on sale of property,plant and equipment)	Debt Service (Interest and lease payments + Principal repayments)	1.15	0.59	95%
d.	Return on Equity Ratio (in %)	Net Profit for the year	Average shareholders equity	80.44%	58.68%	37%



e.	Net capital turnover ratio**	Revenue from operations	Working Capital (current assets - current liabilities)	-55%	-38%	45%
f.	Net profit ratio (in %)	Net Profit for the year	Revenue from operations	16.37%	12%	36%
g.	Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Net worth + borrowings + lease liabilities)	8.33%	9.26%	-10%
h.	Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	8.25%	8.30%	-1%
i.	Inventory Turnover Ratio	Not Applicable			NA	NA
j.	Trade Receivable Turnover Ratio	Not Applicable			NA	NA
k.	Trade payables turnover ratio	Not Applicable			NA	NA

**OTHERS:**

Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- 6) No scheme of arrangement has been approved by competent authority in terms of section 232 to 237 of Companies Act 2013.
- 7) The Company has utilised the money raised by way of term loan for the purpose for which they were raised.
- 8) The company has not received or lent any funds from foreign entity during the current financial year(Previous Year- Nil).
- 9) There were no transactions relating to previously unrecorded income that have been disclosed or surrendered as income during the year in the tax assessment under the Income Tax Act 1961(Previous Year- Nil).
- 10) Company has not traded or invested in Crypto Currency or virtual currency during the current Financial Year(Previous Year- Nil)..
- 11) Loans and instalments due from borrowers shown under Loans and Advances are secured wholly by Equitable Mortgage of Property or Registered Mortgage or NOI (Notice of Intimation to SRO) as the case may be, Pledge of shares, other Securities, assignment of Life Insurance Policies, undertaking to create security, Bank guarantee/ corporate guarantees/ personal guarantees. There exist certain loans and advances where the creation of security /charge, obtainment of insurance policies, and obtainment/execution of prescribed documents are pending with the competent authority/officer. The management of company is making vigorous efforts to comply with the prescribed requirements in accordance with the applicable norms.
- 12) Advances are classified as performing and non-performing assets in accordance with guidelines on prudential norms issued by National Housing Bank (NHB). Provisions on standard assets, sub-standard assets, doubtful assets and loss assets have been made as per NHB Directions 2010 as amended from time to time.

	For the year ended 31-03-2022		For the year ended 31-03-2021	
	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs
<b>HOUSING LOAN:</b>	-	-		
<b>To Individuals</b>	-	-		
Standard Assets	79473.00	560.07	81,723.88	277.61
Sub-Standard Assets	826.29	123.94	1,349.25	202.39
Doubtful Assets	3,328.73	1,746.78	2,863.18	1,356.54
Loss Assets	323.38	323.38	288.68	288.68
<b>To Non-Individuals</b>				
Standard Assets	-	-		
Sub-Standard Assets	-	-		
Doubtful Assets	-	-		
Loss Assets	-	-		
Floating provision	-	-		
<b>Total (A)</b>	<b>83,951.40</b>	<b>2,754.17</b>	<b>86,224.99</b>	<b>2,125.22</b>



	For the year ended 31-03-2022		For the year ended 31-03-2021	
	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs
<b>NON-HOUSING LOAN:</b>				
To Individuals	-	-		
Standard Assets	30479.01	313.45	25,062.30	104.57
Sub-Standard Assets	197.68	29.65	522.05	78.31
Doubtful Assets	1,212.13	695.27	1,159.19	685.01
Loss Assets	11.95	11.95	17.77	17.77
Demand Loan(Standard)	116.30	0.47	6.86	0.03
<b>To Non-Individuals</b>				
Standard Assets	-	-	-	-
Sub-Standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision	-	-	-	-
<b>Total (B)</b>	<b>32,017.07</b>	<b>1050.80</b>	<b>26,768.17</b>	<b>885.69</b>
<b>TOTAL (A+B)</b>	<b>115968.47</b>	<b>3804.96</b>	<b>1,12,993.16</b>	<b>3,010.91</b>

- a) The above NPA Balances are net of unrealized interest of Rs. 512.95 Lakh (PY:496.92 Lakh).
- b) The Above provision for Standard Assets includes provision on restructured Loans and advances (Net of Reversal made during the year)of Rs. 5,48,83,608/- (Previous Year- Nil) under “Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Business” in Pursuance to RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May5, 2021.
- c) Further, there is a reversal of provision regarding restructured accounts. However, in this purpose, the company has determined the “residual debt” means the demand due/payable in the respective loan accounts originated during the period from 01-04-2021 to 31-03-2022. As per RBI/2017-18/131 DBR.No.BP.BC.101/21.04.048/2017-18 dated “The residual debt of the borrower entity, in this context, means the aggregate debt (fund based as well as non-fund based) envisaged to be held by all the lenders as per the proposed RP”.

13) Interest on Non-Performing Assets is recognized on realization basis as per the NHB/RBI Guidelines. Accordingly, the total interest de-recognized as at the Balance Sheet date is summarized as under: -

	As at 31-03-2022 (Rs in Lakhs)	As at 31-03-2021 (Rs in Lakhs)
Cumulative Derecognised Interest at the beginning of the year	496.93	246.23
Add: -Interest Derecognised during the year (Net of Recovery): -	-	
- Sub Standard Assets (Net)	(164.80)	157.42
- Doubtful/Loss Assets	180.82	93.28
<b>Total Interest Derecognized</b>	<b>512.95</b>	<b>496.93</b>



14) During the current year company has continued to create Deferred Tax liability on Special Reserves maintained by Housing Finance Companies under Section 36(1)(viii) of the Income Tax Act towards compliance of the guidelines issued by NHB vide circular no.NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014. As per the circular and DTA/DTL on other items we have appropriated as follows:

(Rs. in Lakhs)

		As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
A	Deferred Tax Asset [DTA]	Amount	Amount	Amount	Amount
	Provision on Standard Assets & NPA's	957.71	-	757.85	
	Others	9.51		5.24	
	Depreciation	0.86		2.37	
	<b>Total (A)</b>		<b>968.08</b>		<b>765.46</b>
B	Deferred Tax Liability [DTL]				
	Special Reserve				
	• Opening Amt	1316.05		1,637.46	
	• Transfer during the year				
	• From Surplus	-		-	
	• From P&L	147.63		(321.41)	
					<b>1,316.05</b>
		<b>1463.68</b>			
	Others	111.80	-	90.89	
	<b>Total (B)</b>		<b>1575.48</b>		<b>1,406.94</b>
C	(B)-(A)		<b>607.40</b>		<b>641.48</b>

**Note:** - The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate and has recognized the provision for income tax and re-measured the net deferred tax assets/liabilities at concessional rate.

#### 15) Contingent Liabilities and Commitments

\*Detail provided below

The proceeding against these demands is pending with Income Tax authorities, and hence these are not provided in the books of account,



S. No.	A.Y.	Under Section	Amount Outstanding (Rs. In Lakh)	Remark/Reason as per Company management and/or Lawyers Confirmation	Case Pending with Authority
1.	2010-11	143(3)	30.63	The demand is incorrect and it comes under the classification of apparent error from the department. Rectification has been filed.	CIT (Appeal)
2.	2014-15	143(3) r.w.s 263	186.35	Addition was made on account of recovery out of Provision for Bad and Doubtful debts. Addition is incorrect as company have not been reportedly claiming Provision for Bad and Doubtful debts in earlier years.  Company has filed appeal against the order. Company has fairly good chances of succeeding in appeal. Hence no provision is needed in our view.	CIT (Appeal)
3.	2016-17	147	399.72	The addition made by the Income Tax Deptt. is not correct as it was made unlawfully and in arbitrary manner ignoring evidences filed by the company. Company has filed appeal against the order.	CIT (Appeal)
	2016-17	115 O	166.46	Total Demand is incorrect as DDT of Rs. 76,34,118/- has already been paid on 14.09.2016 as per Challan.	CIT (Appeal)
4.	2017-18	270A	2.43	Penalty was levied for excess claim of Special Reserve. Mistake was human error.  Company has filed appeal against the order. Company has fairly good chances of succeeding in appeal..	CIT (Appeal)
5	2018-19	143 (3)	1.00	Intimation Under Section 143(1) Dated 15.11.2019 and Demand was raised Due to Disallowance Under Section 36 for Employee Contribution to ESI. Payment was Disallowed During the Year 2017-18 Due to Delay in Payment to Concerned Authorities. Sum received from Employee is Rs.1,82,609, Due Date of Payment was 15.04.2018 and Actual Date of Payment was 17.04. 2018. The Payment made to Concerned Authorities before the Due Date of filing of Return.	CIT (Appeal)
6.	2020-2021	143 (1a)	302.51	All the additions made u/s. 143(1) are incorrect. Company has filed appeal against the order. We have fairly good chances of succeeding in appeal. Hence no provision is needed in our view.	CIT (Appeal)
<b>Total (Demand + Interest)</b>			<b>1,089.10</b>		



**16) Reporting Under Accounting Standard AS-18- Related Party Disclosures**

Details of Related Party:

(a) Holding Company: Central Bank of India

The related Party Transaction with holding company is furnished below:

(Rs. in Lakhs)

Description	2021-22	2020-21
Interest on overdraft	135.23	48.41
Interest on Term Loan	1,896.34	2,563.78
Term Loan balance (Note: -1)	21,941.19	28,760.51
Overdraft Sanctioned	10,000.00	10,000.00
Dividend (Note: -2)	00.00	00.00
Repair and Maintenance (Rent)	33.46	25.96
Salary of staff on Deputation	48.84	46.92

**Note 1:** -Term loan balance includes outstanding balance out of sanctioned term loans of Rs 510Cr.

**Note 2:** - No Dividend has been declared in the FY 2020-21 and FY 2021-22.

(b) Key Managerial Personnel

- (i) ShriKushal Pal, Managing Director
- (ii) Shri ShishramTundwal, Ex-Managing Director\*
- (iii) Shri Manish Singh Payal, Ex-Company Secretary\*\*
- (iv) Shri Ashish Shrivastava, Company Secretary\*\*\*
- (v) ShriSuyogya Chandra Mehta, Chief Financial Officer\*\*\*\*

\*Managing Director Shri ShishramTundwal has been relived from the Company on 05/07/2021.

\*\*Company Secretary Shri Manish Singh Payal has been relived from the Company on 27/09/2021.

\*\*\*Company Secretary Shri Ashish Kumar Shrivastava has been appointed with effect from 07.10.2021.

\*\*\*\*Chief Financial Officer ShriSuyogya Chandra Mehta has been appointed with effect from 23.09.2021.

The related Party Transaction with Key Managerial Personnel is furnished below:

(Rs. in Lakhs)

Description	2021-22	2020-21
Salary and Allowances, cont. to PF etc of Key Managerial Personnel	43.26	43.93



17) Reporting Under Accounting Standard AS-20- Earning Per share (EPS). The Basic and diluted Earnings per share have been calculated based on the profit after tax and the average number of shares during the year. Information in respect of Earning per Share (EPS), pursuant to AS-20 is as under:

	As on 31-03-2022	As on 31-03-2021
a) Profit/Loss after Tax (Rs In Lakhs.)	2010.92	1,466.97
b) No. of shares (In Nos.)	2,50,00,000	2,50,00,000
c) Weighted Average number of equity shares for Basic EPS	2,50,00,000	2,50,00,000
d) Basic EPS Per Share-Rs.	8.04	5.87
e) Diluted Per Share-Rs.	8.04	5.87

18) Reporting Under Accounting Standard AS-17 Segment Reporting:

The Company's main business is to provide loans for the purchase or construction of residential houses. Hence, there are no separate reportable segments as per Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India and notified under Companies (Accounting Standards) Rules, 2006.

19) Company has during the year provided for Non-Performing Assets as per the prudential norms of National Housing Bank. Reporting under accounting standard AS-29.

(Rs. in Lakhs)

(a) Movement of provision	As on 31-03-2022	As on 31-03-2021
Opening Provisions on Bad & Doubtful Debts	2,628.70	1,917.51
Less: Reversal due to accounts written-off	-	-
Add: Addition on account of fresh slippage (net of reduction/up gradation due to recovery)	302.27	711.19
Closing Provision on Bad & Doubtful Debts	2930.97	2,628.70

(Rs in Lakhs)

(b) Net of amount written-off (Details)	As on 31-03-2022	As on 31-03-2021
Bad Debts Written-off	0.00	0.00
Reversal due to accounts written-off	-	-
Addition due to Slippage/ Reversal on account of recovery (net-off)	302.27	711.19
Total	302.27	711.19
Reversal of Provision Net of amount written off	-	-

20) As per the information available with the Company, there are no amounts payable to any "suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006.



21) Provision and Contingencies

(Rs in Lakhs)

Break up of 'Provision and Contingencies' shown under the head Expenditure in Profit and Loss Account	As on 31-03-2022	As on 31-03-2021
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax-Current tax	770.97	539.43
3. Provision made towards Income tax- Tax of Earlier Years	44.05	363.47
4. Provision made towards Income tax- Deferred Tax [Net Deferred Tax -(Assets)/Liabilities]	34.08	406.02
5. Provision towards NPA	302.27	711.19
6. Provision for Standard Assets (including Covid19 Restructuring Scheme Provision )	491.78	(153.45)
7. Other Provision and Contingencies (with details given elsewhere)	102.22	334.53
8. Provision For made towards deferred Tax	(34.08)	(406.02)

22) Current liabilities includes short term borrowings which consist of deposits going to be matured within a year, whereas current assets include instalments receivable from the loans granted to individual/non-individual borrowers within a year. The loans granted to borrowers are generally long-term loans having tenor of 15-20 years. An HFC can accept deposits for a maximum period of 10 years. Average maturity of deposits ranges between 2-3 years. Thus, the mismatch is always there. Company is having sufficient credit line available in case of any adverse situation.

23) In respect of employees directly recruited by the company, contribution to Provident Fund is made at the prescribed rate. Provident Fund liability of staff on deputation from Central Bank of India is met by Central Bank of India.

24) Reporting Under Accounting Standard AS-15- Retirement benefits:

- i. The Company makes its share of contributions to the Employees' Provident Fund organization as per defined contribution plan. The Company has no further obligation apart from its contribution. Such contributions are recognized as expenditure in the Profit & Loss account.
- ii. The Provision of leave encashment liability is calculated on the balance-privilege leave of the employees as on 31-03-22. The same has been provided for the year ended 31-03-2022. The Company has policy of accumulate maximum 90 days privilege leaves and Employees are entitled to encash the leaves during the Period of Service or at Retirement. As per HR Policy, an Employee is entitled to encash 100% leaves till date, therefore the Leave Encashment liability is treated as Short-term Liability under the head "Current Liabilities".
- iii. For the staff deputed from Central Bank of India the gratuity liability and leave encashment considering Short term obligation are met/to be met by Central Bank of India. In respect of the eligible retirement/terminal benefits like gratuity, pension and encashment of leave, the same is provided for by Central Bank of India.



- iv. Gratuity: - In accordance with the payment of Gratuity Act 1972, the Company provides for Gratuity covering eligible employees. To fund its liability the Company has taken two policies with Life Insurance Corporation of India to cover the accumulated gratuity liability of its employees and the premium paid on this policy has been charged to Profit & Loss account. Disclosure as per Para 119 and 120 of the AS-15: -

The following table sets out the funded status of the Gratuity and the amount recognized in Financial Statements as on 31-03-2022.

**1. Actuarial Assumptions**

Particular	Policy - 1 301000291	Policy - 2 108307
Discounted Rate	7.00%	7.00%
Salary Escalation	8.00%	8.00%

**2. Table Showing changes in present value of Obligation as on 31-03-2022**

Particular	Policy - 1 301000291	Policy - 2 108307
Present value of obligations as at beginning of year	27,01,669.00	51,96,321.00
Interest cost	1,89,117.00	3,63,742.00
Current Service Cost	3,48,109.00	2,31,005.00
Benefits Paid	-1,73,111.00	-
Actuarial (gain)/ loss on obligations	5,18,716.00	-10,03,676.00
Present value of obligations as at end of year	35,84,500.00	47,87,392.00

**3. Table showing changes in the fair value of plan assets as on 31-03-2022**

Particular	Policy - 1 301000291	Policy - 2 108307
Fair value of plan assets at beginning of year	30,16,856.39	50,42,845.52
Expected return on plan assets	2,63,604.60	3,70,649.10
Contributions	10,89,076.55	0.44
Benefits Paid	-1,73,111.00	NIL
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	41,96,426.56	54,13,495.13

**4. Table showing fair value of plan assets**

Particular	Policy - 1 301000291	Policy - 2 108307
Fair value of plan assets at beginning of year	30,16,856.39	50,42,845.52
Actual return on plan assets	2,63,604.62	3,70,649.17
Contributions	10,89,076.55	0.44
Benefits Paid	-1,73,111.00	NIL
Fair value of plan assets at the end of year	41,96,426.56	54,13,495.13
Funded status	6,11,926.56	6,26,103.13
Excess of Actual over estimated return on plan assets	NIL	NIL

**5. Actuarial Gain/Loss recognized as on 31-03-2022**

Particular	Policy - 1 301000291	Policy - 2 108307
Actuarial (gain)/ loss on obligations	-5,18,716.00	10,03,676.00
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	5,18,716.00	-10,03,676.00
Actuarial (gain)/ loss recognized in the year	5,18,716.00	-10,03,676.00



6. The amounts to be recognized in the balance sheet and statements of profit and loss

Particular	Policy - 1 301000291	Policy - 2 108307
Present value of obligations as at the end of year	35,84,500.00	47,87,392.00
Fair value of plan assets as at the end of the year	41,96,426.56	54,13,495.13
Funded status	6,11,926.56	6,26,103.13
Net asset/(liability) recognized in balance sheet	6,11,926.56	6,26,103.13

7. Expenses Recognized in statement of Profit and loss

Particular	Policy - 1 301000291	Policy - 2 108307
Current Service cost	3,48,109.00	2,31,005.00
Interest Cost	1,89,117.00	3,63,742.00
Expected return on plan assets	-2,63,604.62	-3,70,649.17
Net Actuarial (gain)/ loss recognized in the year	5,18,716.00	10,03,676.00

Note: The above information relating to gratuity has been incorporated from the report received from Life Insurance Corporation of India.

The Company has taken one more Policy no. 301002389 during current Financial Year from Life Insurance Corporation of India to cover gratuity liability of its employees. Total amount paid in new policy is Rs. 1.57 Lakh. Till the finalisation of Accounts, reports from LIC regarding the policy has not been received, hence disclosure could not be made.

The following table sets out the funded status of the Gratuity and the amount recognized in Financial Statements as on 31-03-2021.

1. Actuarial Assumptions

Particulars Number:	Policy 1 301000291	Policy 2 108307
Discounted Rate	7.00%	7.00%
Salary Escalation	8.00%	10.00%

2. Membership Data

Particulars	Policy 1 301000291	Policy 2 108307
Number of members	59	10
Average Age	33.56	50.60
Average Month Salary Rs	20,141.59	31,673.53
Average Past Service	3.86	21.00

3. Valuation Method

Particulars	Policy 1 301000291	Policy 2 108307
Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method



#### 4. Actuarial Assumption

Particulars	Policy 1 301000291	Policy 2 108307
Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal Rate	1% to 3% Depending on Age	1% to 3% Depending on Age

#### 5. Results of Valuation

Particulars	Policy 1 301000291	Policy 2 108307
PV of Past Service Benefits -Rs	27,01,669.00	51,96,321.00
Current Service Cost -Rs	5,63,909.00	1,93,631.00
Total Service Gratuity -Rs	1,97,94,522.00	55,55,984.00
Accrued Gratuity-Rs	31,75,820.00	38,30,010.00

#### 6. Contribution

Particulars	Policy 1 301000291	Policy 2 108307
Fund Value as on Renewal Date -Rs	30,16,856.39	50,42,845.00
Additional Contribution	0.00	0.00
Current Service Cost-Rs	5,63,909.00	1,93,631.00

25) As per NHB refinance guidelines, the Company is required to submit half-yearly certificate as on 30<sup>th</sup> September and 31<sup>st</sup> March disclosing therein the difference between hypothecated book debts and NHB refinance outstanding. The adverse balance as on 31-03-2022 is Rs 137.00lakhs (Previous Year:Rs.90.42 lakhs).

26) During the year the Company has not created floating provision on Bad & Doubtful Debts.

#### 27) Previous Year Figures

The figures of the previous year are reworked to meet the requirements of Schedule III. These figures are rearranged, regrouped and reclassified where considered necessary to provide a true and fair view.

#### 28) Corporate Social Responsibility

During the year the Company has spent Rs.50,50,889/-(Previous year: Rs.41,73,668/-) towards Corporate Social Responsibility under section 135 of Companies Act,2013 and rules thereon.

Disclosure with regard to CSR activities as under

(Rs.In Lakh)

		As on 31-03-2022	As on 31-03-2021
A	Amount required to be spent by the company during the year (Rs in Lakhs)	Rs.50.51	Rs. 41.73
B	amount of expenditure incurred	Rs.50.51	Rs. 41.73
C	shortfall at the end of the year,	NIL	NIL
D	total of previous years shortfall	NIL	NIL
E	reason for shortfall,	NIL	NIL
F	nature of CSR activities,	Health Care	
G	details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NIL	NIL
H	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NIL	NIL



29) We have not entered into any long-term contract including derivative contract which may have any material foreseeable losses.

**30) Company does not grant any loan or advance:**

- a) Against bullion / primary gold and gold coins; and
- b) For purchase of gold in any form including primary gold, gold bullion, gold Jewelry, gold coins, units of Exchange traded Funds (ETF) and units of gold mutual fund.

31) As per the consistent Practice and policy, the process of Quantification of Incentive/Bonus of Regular Employees/CBHFL staff is decided by the Board of Directors after taking into consideration various parameters of KRA and profitability of the company. Therefore, such quantification is uncertain and is being provided for after decision in the Board meeting.

32) There are current and old unadjusted entries outstanding in Security deposits and Sundry Debtors pending identification /adjustment and reconciliation/adjustment of which is in progress on an ongoing basis. The bank is taking continuous steps to review /adjust the outstanding. In respect of these balances wherein appropriate adjustments are pending due to certain reasons the impact on the remaining accounts will be insignificant.

33)

(a) In assessing the recoverability of receivables and certain investments, the Company has considered internal and external information up to the date of approval of these financial results including credit reports and economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions. The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of credit risk which is subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. Taking into consideration the impact arising from the COVID-19 pandemic on the economic environment, the Company has, during the year, continued to undertake a risk assessment of its credit exposures and reversed interest including moratorium interest in respect of NPAs, to reflect deterioration in the macroeconomic outlook. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

(b) As per sanction terms, Loan from Central Bank of India is for onward lending, for meeting mismatch liquidity mismatch and for payment of liabilities. Further, in respect of credit facilities obtained from HDFC, it is to be used for onward lending.

(c) The Public Deposits includes unpaid and unclaimed deposits.

(d) Interest on overdue deposit: Deposit will automatically expire on maturity. In case, the renewal is sought for a portion of overdue deposit the company as per policy may at its



discretion allow Interest for the overdue period on that portion of deposit which is proposed to be renewed.

**34) Disclosure as required by Accounting Standard - 19, 'Leases', issued by the Institute of Chartered Accountants of India:**

The Company has taken office premises under operating lease / leave and licence basis. These are generally cancellable by giving prior notice and for tenure of two to three years and are renewable by mutual consent on mutually agreeable terms. Lease payments are recognized in the Profit and Loss Account under 'Rent Rates and Taxes' in Note 20. This expense represents the sum of monthly rental payment incurred and accounted for as an expense towards the services availed in the respective month which is payable by the Company on Monthly basis. These Monthly payments correspond to the services utilized in the respective month which represent systematic basis of recognition.

The future minimum lease payments under cancellable operating lease: -

S. No	Particulars	Year Ended Year Ended March 31, 2022(Rs Lakh)	Year Ended Year Ended March 31, 2021(Rs. Lakh)
1.	Within One year	16.13	159.06
2.	After One Year But not more than five Years	121.93	464.83
3.	More than five years	145.65	0.00
	<b>Total</b>	<b>283.72</b>	<b>623.89</b>

**PAYMENTS TO POLARIS FINANCIAL TECHNOLOGY LIMITED**

Company has considered payment made to Intellect, Application service in consideration of his services for maintaining, upgrading the CBS software used by the Company as lease.

The future minimum lease payments under cancellable operating lease;

S. No	Particulars	Year Ended Year Ended March 31, 2022 (Rs in Lakhs)	Year Ended Year Ended March 31, 2021 (Rs in Lakhs)
1.	Within One year	69.68*	106.34
2.	After One Year But not more than five Years	-	226.42
3.	More than five years	0.00	0.00
	<b>Total</b>	<b>69.68</b>	<b>332.76</b>

\*The amount is till the period of expiry of the service agreement i.e., November 2022, subject to renewal of the agreement.

In the Case Polaris Financial Technology limited, the term "Yearly charges" (Point No-8 of Note-1) represents the sum of monthly charges incurred and accounted for as an expense towards the services availed in the respective month which is billed on the Company on Monthly basis. These Monthly bills correspond to the services utilized in the respective month which represent systematic basis of recognition.



### 35) Disclosures required by National Housing Bank

#### 1. Capital (Accounts)

##### Capital to Risk Assets Ratio (CRAR)

Particulars	As at 31-03-2022	As at 31-03-2021
i) CRAR (%)	23.50%	21.93%
ii) CRAR-Tier I Capital	22.27%	21.34%
iii) CRAR-Tier II Capital	01.23%	0.59%
iv) Amount of Subordinate debt raised as Tier-II Capital (Rs. In Lakhs)	0.00	0.00
v) Amount raised by issue of Perpetual Debt Instruments	0.00	0.00

#### 2. Reserve Fund u/s 29C of NHB Act, 1987

As per Section 29 C of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1) (vii) of Income Tax Act, 1961 is considered to be an eligible transfer. Accordingly, the Company has transferred Rs. 518.55 Lakh (PY:Rs. 361.13 Lakh) to Special Reserve U/s 36(1)(VIII) of Income Tax Act, 1961 during the year

(Rs in Lakhs)

Statement as per NHB circular No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated 9 <sup>th</sup> February, 2017		
Particulars	Amount	Amount
<b>Balance at the beginning of the year</b>	<b>2021-22</b>	<b>2020-21</b>
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	300.00	300.00
b) Amount of special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987.	5296.62	4,935.49
<b>c) Total</b>	<b>5596.62</b>	<b>5,235.49</b>
<b>Addition/Appropriation/ Withdrawal during the year</b>		
<b>Add: a) Amount transferred u/s 29C of the NHB Act, 1987</b>	<b>-</b>	<b>-</b>
b) Amount of special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	518.55	361.13
<b>Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987</b>	<b>-</b>	<b>-</b>
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	300.00	300.00
b) Amount of special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	5815.17	5,296.62
<b>c) Total</b>	<b>6115.17</b>	<b>5,596.62</b>



### 3. Investment

(Rs in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
Value of Investments	2,923.77	2,724.19
i) Gross value of Investments	2,923.77	2,724.19
a) In India	2,923.77	2,724.19
b) Outside India	0.00	0.00
ii) Provision for Depreciation	0.00	0.00
a) In India	0.00	0.00
b) Outside India	0.00	0.00
iii) Net value of Investments	2,923.77	2,724.19
a) In India	2,923.77	2,724.19
b) Outside India	0.00	0.00
<b>Movement of provision held towards depreciation on Investment</b>	<b>Nil</b>	<b>Nil</b>
i) Opening Balance	Nil	Nil
ii) Add: Provisions made during the year	Nil	Nil
iii) Less: Write-off/ Written-back of excess provisions during the year	Nil	Nil
iv) Closing Balance	Nil	Nil

**Note1:** -Investments are exclusive of Bank Deposits amounting of Rs.1340 lakhs (PY:2,000 Lakhs) held for SLR purpose.

**Note 2:** -Investments Held to Maturity (Long Term Investment) are adjusted with amortised premium (Net of Discount, If any)

#### 4) Derivatives

- i) Forward Rate Agreement (FRA)/Interest Rate Swap (IRS)- Nil
- ii) Exchange Traded Interest Rate (IR) derivative- Nil
- iii) Disclosure on Risk exposure in derivatives
  - a) Qualitative Disclosure-Nil
  - b) Quantitative Disclosures-Nil

#### 4.1 Forward Rate Agreement (FRA)/Interest Rate Swap (IRS)

(Rs. InLakhs)

Particulars	2021-22	2020-21
(i) The notional principal of swap agreements	NIL	
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii) Collateral required by the HFC upon entering into swaps		
(iv) Concentration of credit risk arising from the Swaps \$		
(v) The fair value of the swap book @		

**Note:** Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed

\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies

@ If the swaps are linked to specific assets, liabilities or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the Balance Sheet date



#### 4.2 Exchange Traded Interest Rate (IR) Derivative

(Rs in Lakhs)

Particulars	Amount
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	
(a)	NIL
(b)	
(c)	
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31 <sup>st</sup> March 2022 (instrument-wise)	
(a)	NIL
(b)	
(c)	
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
(a)	NIL
(b)	
(c)	
(iv) Mark-to-Market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
(a)	NIL
(b)	
(c)	

#### 4.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure-Not Applicable

B. Quantitative Disclosure

(Rs in Lakhs)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	NIL	NIL
(ii) Marked to Market Positions [1]	NIL	NIL
(a) Assets (+)		
(b) Liability (-)		
(iii) Credit Exposures [2]	NIL	NIL
(iv) Unhedged Exposures	NIL	NIL



4.4 Group Structure-Not Applicable

5.1 Securitisation

(Rs in Lakhs)

Particulars		No./Amount
1.	No of SPVs sponsored by the HFC for securitization transactions*	
2.	Total amount of securitized assets as per books of the SPVs sponsored	NIL
3.	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	NIL
(I)	Off-balance sheet exposures towards Credit Enhancements	
	a)	NIL
	b)	
(II)	On-balance sheet exposures towards Credit Enhancements	
	a)	NIL
	b)	
4.	Amount of exposures to securitization transactions other than MRR	
(I)	Off-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	i)	NIL
	ii)	
	b) Exposure to third party securitisations	
	i)	NIL
	ii)	
(II)	On-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	
	i)	NIL
	ii)	
	b) Exposure to third party securitisations	
	i)	NIL
	ii)	

\*Only the SPVs relating to outstanding securitization transaction may be reported here



**5.2 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction**

(Rs in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
(i) No. of accounts	Nil	
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value		

**5.3 Details of Assignment transactions undertaken by HFCs**

(Rs in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
(i) No. of accounts	Nil	
(ii) Aggregate value (net of provisions) of accounts assigned		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value		

**5.4 Details of non-performing financial assets purchased/sold**

**A. Details of Non-performing financial assets purchased:**

(Rs in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
(a) No. of accounts purchased during the year	Nil	
(b) Aggregate outstanding		
(a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding		

**B. Details of Non-performing Financial Assets sold:**

(Rs in Lakhs)

Particulars	As at 31-03-2022	As at 31-03-2021
1. No. accounts sold	Nil	
2. Aggregate outstanding		
3. Aggregate consideration received		



### 5.5 Assets Liabilities Management (Maturity pattern of certain items assets and liabilities)

(Rs. In Lakhs)

Particulars	1 to 7 Days	8 to 14 Days	15 Days to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months to 1 year	Over 1 Year to 3 years	Over 3 to 5 years	Over 5 years	Total
<b>Liabilities</b>											
Deposits	410	500	541	677	1954	7,154	12,642	16,753	10,210	1,134	51,975
Borrowings from Bank	0	0	605	580	1,506	2,908	5,453	17,423	9,160	10,423	48,058
Market Borrowing	0	0	0	0	0	0	0	0	0	0	0
Foreign Currency Liability	0	0	0	0	0	0	0	0	0	0	0
<b>Assets</b>											0
Advances	350	430	780	1,560	1,665	4,470	9,462	35,445	39,435	22,371	1,15,968
Investments	0	0	0	0	0	240	850	250	0	2,924	4,264
Foreign Currency Assets	0	0	0	0	0	0	0	0	0	0	0
Surplus/ (Deficit)	-60	-70	-366	303	-1,795	-5,352	-7,783	1,519	20,065	13,738	20,199
<b>Note</b>	The deficit shall be met out by the credit facilities obtained by the Company.										

\*Including investments made in deposits with banks.

There is deficit in cash flow due to all deposits maturing mentioned in outflow. However, as per past trend, it is evident that 70% of deposits gets renewed on due date and due to foreclosure of advances cash inflow is also evidenced. Hence, outflow will be at lower level. Further, in addition to above, the company has sufficient balance in overdraft limit as it has committed credit lines from CBI to meet the excess liabilities, if any. The Company also has Government Investments of Rs. 29.23Crores & FD of Rs. 13.40 Crores for SLR maintenance purpose.



## 5.6 Exposure

### 5.6.1 Exposure to Real Estate Sector

(Rs in Lakhs)

S.No	Category	As at 31.03.2022	As at 31.03.2021
A	Direct Exposure		
i)	Residential Mortgages (including loan against residential property)	0.00	0.00
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,15,571.75	1,12,384.17
	Out of which Individuals Housing Loans up to Rs.15 lakhs	40,958.48	44,708.29
ii)	<u>Commercial Real Estate</u> Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc). Exposure shall also include non-fund based (NFB) limits	793.38	1,092.73
iii)	Investment in Mortgage-Backed Securities (MBS) and other securitized exposures-	-	0.00
	• Residential	0.00	0.00
	• Commercial Real Estate	0.00	0.00
B	Indirect Exposure		
	Fund Based and non-Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00

### 5.6.2 Exposure to Capital Market

(Rs in Lakhs)

S. No	Particulars	As at 31-03-2022	As at 31-03-2021
(i)	Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in Corporate debt	Nil	Nil
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e., where the primary security other than shares	Nil	Nil



	/ convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances		
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	<b>Total Exposure to Capital Market</b>	<b>Nil</b>	<b>Nil</b>

### 5.6.3 Exposure to Group companies engaged in real estate business: -

S. No	Description	Amount	% of owned fund
i)	Exposure to any single entity in a group engaged in real estate business	NIL	NIL
ii)	Exposure to all entities in a group engaged in real estate business	NIL	NIL

5.7 Details of Financing of parent company products-Nil

5.8 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC-Nil

5.9 Unsecured Advances-Nil

## 6 Miscellaneous

Registration obtained from other Financial Sector Regulators: Nil

### 6.2 Disclosure of Penalties imposed by NHB and Other Regulators:

**NHB  
CURRENT YEAR**

- NIL

**PREVIOUS YEAR**

- During the Financial Year 2020-2021, NHB imposed Penalty of Rs.5,000/- for non-compliance of para 5.4 of the HFC Corporate Governance (NHB)



### 6.3 Related Party Transactions:

a) Details of all material transaction with related parties: -

The related Party Transaction with holding company is furnished below:

(Rs in Lakhs)

Description	2021-22	2020-21
<b>Central Bank of India</b>		
Interest on Overdraft	135.22	48.41
Interest on Term Loan	1,896.35	2,563.78
Term Loan balance	21,941.19	28,760.51
Overdraft Sanctioned	10,000.00	10,000.00
Dividend	00.00	0.00
Repair and Maintenance (Rent)	33.46	25.96
Salary of staff on Deputation	48.84	46.92

### 6.4 Rating assigned by Credit Rating Agencies and Migration of Rating during the Year

Agency	Purpose	Rating
CRISIL	Debenture	CRISIL BBB+/ Stable
CRISIL	Long term Bank Facilities	CRISIL BBB+/ Stable
CRISIL	Deposit	FA-/stable
Brickwork	Long term Bank Facilities	BWR BBB+/ Stable (Reaffirmed)

There has been no migration of Ratings during the FY 2021-22.

### 6.5 Remuneration of Directors

Sitting Fees Paid to the non-executive directors is as follows:

(Rs in Lakhs)

Name	2021-22	2020-21
1. Shri Anil Girotra	5.80	3.42
2. Shri Bibhas Kumar Shrivastava	6.20	5.48
<b>Total</b>	<b>12.00</b>	<b>8.90</b>

Above figures are exclusive of GST.

### 6.6 Management

As part of the Directors' report or as an addition thereto, a Management Discussion and Analysis report would form part of the Annual Report to shareholders. This Management Discussion and Analysis would include discussion on the following matters within the limits set by the Company's competitive position:

1. Industry structure and developments
2. Opportunities and Threats
3. Segment-wise or product-wise performance
4. Outlook
5. Risks and Concerns
6. Internal control systems and their adequacy
7. Discussion on financial performance with respect to operation.
8. Material developments in Human Resources/Industrial Relations front, including number of people employed.



## 6.7 Net Profit or Loss for the period, prior period items and changes in accounting policies

6.7.1 Prior Period Item: Prior Period item having total amount of Rs.6,15,333. (PY: - Rs.1,45,355/-)

## 6.8 Revenue Recognition

During the year there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

## 6.9 Accounting Standard 21- Consolidated Financial Statements (CFS)-Not Applicable

## 7. Additional Disclosures:

### 7.1 Provisions and Contingencies

(Rs in Lakhs)

Break up of 'Provision and Contingencies' shown under the head Expenditure in Profit and Loss Account	As on 31-03-2022	As on 31-03-2021
1 Provisions for depreciation on Investment	-	-
2 Provision made towards Income tax	770.97	539.43
3 Provision towards NPA (with details in Note No :1)	302.27	711.19
4 Provision for Standard Assets (with details in Note No :1)		
a) Teaser Loan	Nil	Nil
b) CRE-RH	Nil	Nil
c) CRE	6.84	7.24
d) Housing Loan to Individual	198.65	277.26
e) Other Loans	119.66	97.71
<b>Total</b>	<b>325.15</b>	<b>382.21</b>
5 Provision for Standard Assets charged in P&L A/c	491.78	(46.18)
5A.Provision on Standard assets	(57.06)	-
5B.Provision on Standard assets restructured Accounts Under Resolution Framework 2.0 Date 21/05/2021.##	548.84	
6 Special Provision for overdue Account#	-	(214.85)
7 Other Provision and Contingencies (with details in Note No :2)	-	334.53
8 Provision For made towards deferred Tax	-	(406.02)

#Special Provision of 5% on Standard Accounts has been made due to Covid-19 on which moratorium period Permitted as per RBI Circular no: RBI/2019-20/220 dated 17th April 2020 in the FY 19-20 and FY 20-21 Each and same was reversed in FY 20-21.



## Details of resolution plan implemented under Resolution Framework 2.0 Date 21/05/2021;  
resolution of COVID 19 related stress of Individual and small business:

(Rs. in Lakh)

Sr. No.	Description	Individual Borrowers		Small Business
		Personal Loan	Business Loan	
(A)	Number of request received for invoking resolution process under part-A	330	Nil	Nil
(B)	No. Of Accounts where resolution plan has been implemented under this window	321	Nil	Nil
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	5,764.07	Nil	Nil
(D)	Of (C) aggregate amount of Debt that was converted into other securities	Nil	Nil	Nil
(E)	Additional funding sanctioned, if any, including between invocation of plan and implementation	Nil	Nil	Nil
(F)	Increase in provision on account of the implementation of the resolution plan (Net of Reversal made during the year)	548.84	Nil	Nil

Note No.: -1 Detail of provision towards NPA and Standard Assets: -

(Rs in Lakhs)

Break up of Loan and Advances and Provision thereon (As on)	Housing		Non-Housing	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Standard Assets</b>				
a) Total Outstanding Amount	79,473.00	81,723.88	30,479.01	25,062.30
b) Provisions Made	560.07	277.61	313.45	104.57
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	826.29	1,349.25	197.68	522.05
b) Provisions Made	123.94	202.39	29.65	78.31
<b>Doubtful-1 Category-I</b>				
a) Total Outstanding Amount	1,043.66	1,443.92	297.27	521.85
b) Provisions Made	286.43	431.46	74.49	140.47
<b>Doubtful Assets- Category-II</b>				
a) Total Outstanding Amount	1,507.60	901.13	508.36	157.90
b) Provisions Made	682.88	406.95	214.28	65.10
<b>Doubtful Assets - Category-III</b>				
a) Total Outstanding Amount	777.47	518.13	406.50	479.44
b) Provisions Made	777.47	518.13	406.50	479.44
<b>Loss Assets</b>				
a) Total Outstanding Amount	323.38	288.68	11.95	17.77
b) Provisions Made	323.38	288.68	11.95	17.77
<b>Demand Loan</b>				

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a) Total Outstanding Amount		0.00	116.30	6.86
b) Provisions Made		0.00	0.47	0.03
<b>Total</b>				
a) Total Outstanding Amount	83,951.40	86,224.99	32017.07	26,768.17
b) Provisions Made	2,754.17	2,125.22	1050.79	885.69

**Note:**

1. For Standard Asset: The total outstanding amount mean principal+ accrued interest+ other charges pertaining to loans without netting off.
2. For NPA: The total outstanding amount means principal.
3. For Sub-standard, period upto 1 year from the date of NPA classification.
4. The category of Doubtful Assets will be as under:

Period after the expiry of sub-standard category	Category
Up to one Year	Category-I
One to three Years	Category-II
More than three years	Category-III

5. The Standard Assets Provision includes provision on resolution plan implemented under Resolution Framework 2.0 Date 21/05/2021; resolution of COVID 19 related stress of Individual and small business.

**Note No.: - 2 Other Provision and Contingencies (Rs.in lakhs)**

Particulars	31.03.2022	31.03.2021
Maturity of Debentures	0.00	183.07
DSA commission	58.48	4.71
Electricity Expenses	0.98	0.66
HO Expenses	20.28	59.88
LEGAL Expenses	7.96	1.62
FI/RCU/CPU	2.48	0.38
VALUATION	10.30	3.47
Interest	-	27.33
Others	2.01	53.41
<b>Total</b>	<b>102.49</b>	<b>334.53</b>

**7.3 Draw Down from Reserves-NIL**

**7.4 Concentration of Public Deposits, Advances, Exposures and NPAs**

**i) Concentration of Public Deposit:**

(Rs in Lakhs)

Particulars	As on 31-03-2022	As on 31-03-2021
Total Public Deposits of twenty largest depositors	5001.91	13,328.83
Percentage of Total Public Deposits of the HFC	9.63%	32.48%



ii) Concentration of Loans and Advances: (Rs in Lakhs)

Particulars	As on 31-03-2022	As on 31-03-2021
Total Loans and Advances to twenty largest borrowers	1885.37	1,981.11
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	1.62%	1.74%

iii) Concentration of all Exposures (Including off-balance sheet exposure)  
(Rs in Lakhs)

Particulars	As on 31-03-2022	As on 31-03-2021
Total Exposure to Twenty largest borrowers/ Customers	5001.91	2,111.74
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/ customers	5.44%	1.50%

iv) Concentration of NPAs

(Rs in Lakhs)

Particulars	As on 31-03-2022	As on 31-03-2021
Total Exposure to top ten NPA accounts	697.30	732.17

v) Sector-wise NPAs:

Percentage of NPAs to total Advances in that Sector

S. No	Sector	As on 31-03-2022	As on 31-03-2021
<b>A</b>	<b>Housing Loans</b>		
1.	Individuals	5.33%	5.21%
2.	Builders/Project loan		
3.	Corporates		
4.	Others (Specify)		
<b>B</b>	<b>Non-Housing Loans:</b>		
1.	Individuals	4.44%	6.83%
2.	Builders/Project loan		
3.	Corporates	-	-
4.	Others (Specify)	-	-



## 7.5 Movement of NPAs

(Rs in Lakhs)

	Movement of NPA	As on 31-03-2022	As on 31-03-2021
(I)	Net NPAs to Net Advance (%)	2.56%	3.16%
(II)	Movement of NPAs (Gross)		
A	Opening Balance	6200.12	4746.04
B	Additions during the year	1099.26	2395.58
C	Reductions during the year	1399.22	941.50
D	Closing balance	5900.16	6200.12
(III)	Movement of Net NPAs		
A	Opening Balance	3571.42	2828.53
B	Additions during the year	915.14	1316.43
C	Reductions during the year	1517.38	573.54
D	Closing balance (net of URI)	2969.18	3571.42
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
A	Opening Balance	2628.70	1917.51
B&C	Net Additions/Reductions during the year	302.27	711.19
D	Closing balance	2930.97	2628.70

Note: Gross NPA and Net NPA showing net of URI Balances in both the FY 2021-22 and 2020 21

## 7.6 Overseas Assets

(Rs in Lakhs)

Particulars	As on 31-03-2022	As on 31-03-2021
NIL		

## 7.7 Off- balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored		
Domestic	Overseas	
NIL		



8. Detail of complaints received: -

Particulars	(In Nos)	
	31-03-2022	31-03-2021
Number of Complaints at the beginning of the year	0	0
Number of Complaints received during the year	50	13
Number of Complaints redressed during the year	50	13
Number of Complaints pending at the end of the year	0	0

\*Note: As on date 1 No (Previous Year 6 Nos) pending complaints are reflected in the NHB Grids portal. All these complaints are appropriately addressed and since no further correspondence has been made by the Complainant so far, we may treat them as closed.

As per our report of even date  
For B R I S K A & Associates  
(Formerly L K Maheshwari&Co.)  
Chartered Accountants  
FRN: 000780C



CA Amit Chitwar  
Partner

M.No.: 407118

Place: Bhopal

Date: 02/05/2022

UDIN: 22407118AIIU KMS918



For Cent Bank Home Finance Limited



Alok Srivastava  
Chairman  
DIN:05123610



Kushal Pal  
Managing Director  
DIN: 09225722



S C Mehta  
Chief Financial Officer



Ashish Kumar Shrivastava  
Company Secretary



Annex III			
Schedule forming part of the Financial Statements for the year ended 31st March, 2022			
(Rs In Lakhs)			
Particulars		Amount outstanding	Amount overdue
Liabilities side			
1	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a)	Debentures : Secured		
	: Unsecured (other than falling within the meaning of public deposits*)	-	-
(b)	Deferred Credits	-	-
(c)	Term Loans	26,117.05	-
(d)	Inter-corporate loans and borrowing	21,941.18	-
(e)	Commercial Paper	-	-
(f)	Public Deposits*	52,084.24	-
(g)	Other Loans (specify nature)	-	-
	* Please see Note 1 below		
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a)	In the form of Unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other (Public deposits)	52,084.24	-
	* Please see Note 1 below		
Assets side		Amount outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a)	Secured		1,12,163.51
(b)	Unsecured		-
	Note:- in order to match with figures at point nu 6 the said figures are shown as net off provisions		
4	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i)	Lease assets including lease rentals under sundry debtors		
(a)	Financial lease		
(b)	Operating lease		
(ii)	Stock on hire including hire charges under sundry debtors		
(a)	Assets on hire		
(b)	Repossessed Assets		
(iii)	Other loans counting towards asset financing activities		
(a)	Loans where assets have been repossessed		
(b)	Loans other than (a) above		



<b>5 Break-up of Investments</b>		
<b>Current Investments</b>		
1	<b>Quoted</b>	
(i)	Shares	
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others (please specify)	-
2	<b>Unquoted</b>	
(i)	Shares	
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others ( Deposits with bank classified as Cash and Cash equivalents in Note-10 of Balance sheet)	1,090.00
<b>Long Term investments</b>		
1	<b>Quoted</b>	
(i)	Share	
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	2,923.77
(v)	Others (please specify)	-
2	<b>Unquoted</b>	
(i)	Shares	
	(a) Equity	-
	(b) Preference	-
(ii)	Debentures and Bonds	-
(iii)	Units of mutual funds	-
(iv)	Government Securities	-
(v)	Others (Public Deposits)	250.00

**6 Borrower group-wise classification of assets financed as in (3) and (4) above:**

(Please see Note 2 below)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1 <b>Related Parties **</b>			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2 Other than related parties	1,12,163.51	-	1,12,163.51
<b>Total</b>	<b>1,12,163.51</b>	<b>-</b>	<b>1,12,163.51</b>

**7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

(Please see Note 3 below)

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1 <b>Related Parties **</b>	
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties(Note 1)		2,923.77



2 Other than related parties(Note 2)		
Total	-	2,923.77
Note 1:-Securites held with Central government of India are considered as related party transactions		
Note 2:-Excluding term deposits with Holding Company that is Central Bank Of India.		
** As per notified Accounting Standard (Please see Note 3)		



8 Other information		
Particulars		Amount
(i)	Gross Non-Performing Assets	
(a)	Related parties	-
(b)	Other than related parties	5,900.16
(ii)	Net Non-Performing Assets	
(a)	Related parties	-
(b)	Other than related parties	2,969.18
(iii)	Assets acquired in satisfaction of debt	-

Notes:

- As defined in Paragraph 4.1.30 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

As per our report of even date

**For B R I S K A & ASSOCIATES**  
**(Formerly L K Maheshwari & Co.)**  
**Chartered Accountants**  
**FRN 000780C**

**CA. Amit Chitwar**  
**Partner**  
**M. No.407118**

Place : Bhopal  
Date : 02/05/2022  
UDIN: 22409118AIIU0MS918



  
**Kushal Pal**  
**Managing Director**  
**DIN: 09225722**

  
**Alok Srivastava**  
**Chairman**  
**DIN: 05123610**

  
**Ashish Kumar Shrivastava**  
**Company Secretary**

  
**S. C. Mehta**  
**Chief Financial Officer**



