



# Annual Report 2020-21

**CENT BANK HOME FINANCE LIMITED**  
Subsidiary of Central Bank of India

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## DIRECTOR'S REPORT

**Dear Members,**

The Board of Directors of your Company takes pleasure in presenting 30<sup>th</sup> Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2021.

### INDUSTRY OUTLOOK

Housing Finance companies [HFCs] have been impacted by COVID-19 by way of operational disruptions, subdued collections, and requirement of creating additional provisions to meet the post-COVID uncertainties. However, the Housing industry has been showing healthy improvement in last two quarters on the back of increased traction in this segment because of increased popularity of residential realty and strong policy support from the Government in aftermath of Coronavirus pandemic. Various relief measures announced by the government for the revival of the real estate industry has infused a degree of vigour in the reeling sector, with both demand and supply gradually recovering.

The affordable Housing Segment i.e. housing units priced up to Rs 45 lakhs continues to dominate the market. The residential segment has suffered a down cycle in previous few years due to rise in input costs and dearth of funding after IL&FS and NBFC crisis. The residential segment may witness a strong growth in sales due to historic low home loan interest rates, pent up demand, fence sitters coming back to the market, increase in household saving rate due to lockdown and incentives extended by developers and some state governments.

Towards its headline mission of 'Housing for All by 2022', the Government, in Budget for FY 2021-22, announced a slew of measures to boost the housing sector. Under the Credit Linked Subsidy Scheme [CLSS], a component of Pradhan Mantri Awas Yojana [PMAY], the Government extended the benefit of additional tax deduction of interest up to ₹ 1.5 lakhs on home loans availed for purchase / construction of affordable houses till March 31, 2022. To further boost the supply of affordable housing projects in the country, tax holiday for affordable housing projects has been extended till March 31, 2022. Under its PMAY Urban Scheme, the Government announced an additional outlay of ₹ 18,000 Crores, over and above the ₹ 8,000 Crores initially announced, to complete real estate projects in the affordable housing segment. Under this scheme, more than 1.12 Crores homes have been sanctioned with over 48 lakhs units already completed

A majority of the developers continued to be under pressure from unavailability of construction workers as well as liquidity crunch due to sluggish sales. Also, difficulty to raise capital in the current times has restrained many developers to launch new projects and focus on completing their existing inventories. The growth of industry lies in key factors such as low home loan rates. Low stamp duty re-evaluation of circle rates and increasing tax deduction limit for interest on home loans.



Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011  
Telephone No.0755-4019303, 4019309

CIN:-U65922MP1991PLC006427

The next 4-5 years are likely to see flat real-estate prices, especially in the larger cities. Demand is set to be overwhelmingly driven by end-users, especially if low-interest rates continue to prevail. The affordability index has improved making the purchase proposition even more attractive for end-users. The pandemic has opened the floodgates for remote working opportunities. It has also compelled large organisations to examine the de-centralization of operations for risk mitigation. Both these developments augur well for demand in smaller towns.

Larger lenders are likely to continue increasing market share by leveraging their interest rate edge because of surplus liquidity. They will relatively greater focus on ramping up secured assets. Risk appetite is likely to stay moderate. There is significant opportunity in ramping balance-sheet by focusing on salaried borrowers using price advantage.

Smaller HFCs are set to benefit from the relative demand increase in tier 2 and 3 towns. Smaller HFCs are likely to solve their liquidity challenges using a combination of co-lending & securitisation. The stage is set for each of these initiatives and calibrated execution will define success.

The potential of housing industry outweighs any turbulence that Housing finance Company may face in short term. The housing industry is poised for robust growth once there is a slight turnaround in consumer sentiment. The sheer breadth of the industry will ensure profitable growth segments exist for players across categories depending on their strategic intent. This, in turn, will provide the much-needed buoyancy for economic growth.

### **New Regulatory Framework**

In August 2019, the RBI took over the powers to regulate HFCs from the NHB. However, the NHB continues to carry out the function of supervision of HFCs. In October 2020, the RBI issued changes in the regulatory framework for HFCs in supersession of the corresponding regulations by the NHB. The new framework introduced certain regulatory changes for HFCs such as the principal business criteria for housing finance, definition of housing finance, requirement of minimum percentage of total assets required towards housing finance and housing finance for affordable cost, considering the lower cost of funds from banks and greater reach of the NBFCs/ HFCs. 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. Individuals, minimum net owned fund requirements, guidelines on liquidity risk management framework and liquidity coverage ratio, amongst others. In November 2020, the RBI issued guidelines around co-lending by Banks and NBFCs (including HFCs) to priority sector in order to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an economical rate.

### **Regulatory Forbearances & Schemes due to COVID-19**

The spread of COVID-19 pandemic and the consequent lockdowns across the country led to large scale economic disruption across sectors and industries. In order to alleviate financial burden on borrowers and to help businesses get back on their foot, the government and the RBI announced a slew of regulatory forbearances and schemes during the year – some of the key being:

1) Moratorium: The RBI on March 27, 2020 announced a COVID-19 regulatory package wherein it allowed eligible borrowers - whose accounts were standard as at February 29, 2020, to avail moratorium for term loan installments falling due between March 1, 2020 and May 31, 2020. In May 2020, the moratorium was further extended for 3 months i.e. up to August 31, 2020. During the moratorium, a standstill was imposed on asset classification norms to mitigate the impact on credit quality. The asset classification standstill order was later vacated on March 23, 2021 by the Honourable Supreme Court of India.

2) Resolution Framework: In August 2020, the RBI announced a Resolution Framework, whereby it allowed a one-time restructuring of loans experiencing COVID-19 related stress, without classifying them as NPA. Borrowers classified as standard but not in default for more than 30 days as at March 1, 2020 were eligible to avail the benefits under the resolution framework.

3) Waiver of interest on interest: In October 2020, the government announced ex-gratia payment of the difference between compound interest and simple interest on loans up to ₹ 2 Crores, during the six-month moratorium period from 1st March to 30th August 2020, for certain eligible categories of loans such as MSME loans, education loans, housing loans etc. All eligible borrowers, which were standard as at February 29, 2020, whether or not they had availed the moratorium, were eligible to receive the difference between compound interest and simple interest on their loans. Following the Honourable Supreme Court's judgement dated March 23, 2021, RBI in April 2021 instructed lenders to refund/ adjust interest on interest charged to all borrowers during the moratorium period, irrespective of whether the moratorium had been availed or not.

## 2) PERFORMANCE

Your Company's strategy for the financial year 2020-21 was to strengthen the productivity through the existing capacity and not to expand to new geography. Company has taken a conscious decision to improve the asset quality and upgrade IT Platform. Company through its existing branches succeeded in gaining customer satisfaction and business. During the year of severe competition in housing finance industry, your Company managed to achieve total revenue of **Rs. 127.79** Crore as against **Rs.142.09** Crore in the previous year.

Despite challenges, your Company's profit before tax for the year ended 31<sup>st</sup> March 2021 stood at **Rs.19.64** Crore as against **Rs. 15.35** Crore in the previous year. Your Company's profit for the year (after adjustments related to previous year) stood at **Rs.14.67** Crore as against **Rs 10.23** Crore in the previous year.

Further, your Company is relentlessly working on reduction of NPAs which stood at **Rs. 62.01** Crore 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 **2020-21** is summarized here below:

(Rs. in Crore)

	Particulars	For the year ended	
		March 31, 2021	March 31,2020
A)	Gross Income	<b>127.79</b>	<b>142.09</b>
B)	Total Expenses	102.56	116.37
C)	Operating Profit (A-B)	<b>25.23</b>	<b>25.72</b>
D)	Write off & Provisions	<b>5.58</b>	<b>10.15</b>
E)	Extraordinary Items +	-	-
F)	Adjustment related to previous year	0.01	0.22
G)	<b>Profit before tax (C-D-E-F)</b>	<b>19.64</b>	<b>15.35</b>
H)	Tax Expenses	4.97	5.12
I)	Profit for the year (G-H)	<b>14.67</b>	<b>10.23</b>
J)	<b>Profits brought forward from previous year</b>	33.56	28.75
K)	<b>Profits Available for Appropriation (I+J)</b>	<b>48.23</b>	<b>38.98</b>
	<b>Appropriations</b>		
	Transfer to Special Reserve (as per IT Act)	3.61	4.09
	Transfer to Additional Reserve (as per NHB Act)	-	0.00
	Transfer to CSR Reserve Fund	-	-
	Transfer to General Reserve	1.25	1.33
	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	43.37	33.56
	<b>Total</b>	<b>48.23</b>	<b>38.98</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.

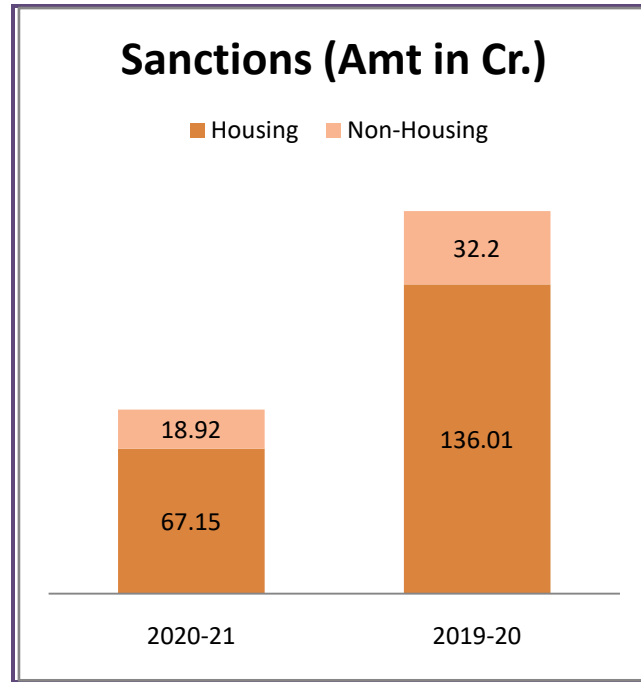
**b) Lending Operations:**

**i) Sanctions**

During the year 2020-21, your Company has sanctioned loans amounting to **Rs. 86.07** crore as compared to total sanctions of **Rs. 168.21** Crore during the previous year ended March 31, 2020.

- Out of above, Housing Loans account for **Rs. 67.15** crore as compared to **Rs. 136.01** crore in the corresponding financial year ended March 31, 2020.

- Non-Housing Loan accounts for **Rs. 18.92** crore as compared to **Rs. 32.20** crore in the corresponding financial year ended March 31, 2020.



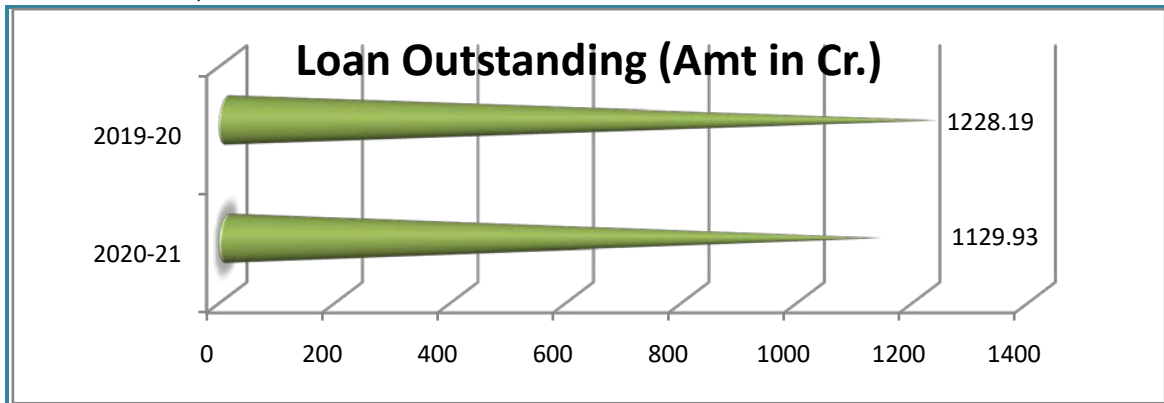
**ii) Disbursements**

During the year 2020-21, your Company has disbursed loans amounting to **Rs. 80.93** crore as compared to disbursement of **Rs. 162.53** Crore in previous financial year ended March 31, 2020.

- Out of above Housing Loans account for **Rs.63.74** crore as compared to **Rs. 129.50** crore disbursements in corresponding financial year ended March 31, 2020.
- Non-Housing loans account for **Rs.17.19** Crore as compared to **Rs. 33.03** crore in previous financial year ended March 31, 2020.

**c) Loan Outstanding\***

Total Advances stood at **Rs.1129.93** Cr as on March 31, 2021 as against **Rs. 1228.19** Cr as on March 31, 2020.



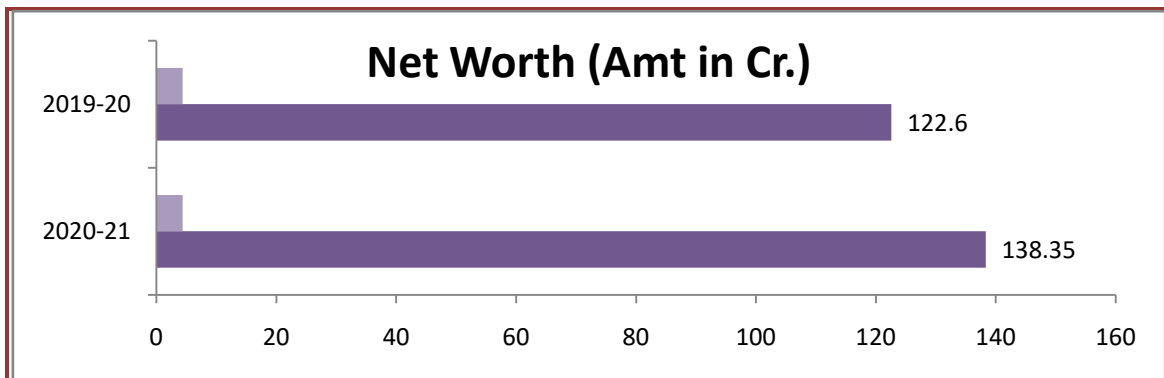
**\*Above Amount of Loan Outstanding is Net of Unrealised Interest of Rs.4.96 Crores as on 31<sup>st</sup> March, 2021 and Rs.2.46 Crores as on 31<sup>st</sup> March, 2020 respectively.**

**d) Profit and Net Owned Funds**

During the year 2020-21, your Company has made Profit before Tax of **Rs.19.64** crore as compared to **Rs.15.35** Crore in 2019-20 and Profit after Tax (PAT) of **Rs.14.67** crore as against PAT of **Rs. 10.23** crore in the previous year.

The total owned fund of your Company stood at **Rs. 138.35** Crore as on March 31, 2021 as against **Rs. 122.60** crore in 2019-20.

The Capital Adequacy Ratio of your company is at **21.93%** as against the minimum requirement of **13 %** as stipulated by the National Housing Bank (NHB). Earnings per Share (EPS) stood at **Rs. 5.87** as on March 31, 2021.



#### e) Future Outlook

During the current financial year, it is expected that after recovering from the impact of the global economic slowdown which has been spread across all the industries. Company will bounce back and shall resume its journey of progress towards the goal set by the Board.

Your Directors are very confident that your Company would continue to exhibit good performance in the current year with its efforts to optimally utilize all the resources available at its disposal and achieve the targeted result.

During the current year, the Company to mobilize sufficient funds through infusion of funds via Tier I capital and otherwise so as to maintain good liquidity condition leading to increased loan disbursement.

During F.Y.2021-22, 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.
- Brand building measures to improve general awareness and the image of the Company.
- Strengthening of recovery mechanism to recover NPA a/cs and recycle blocked funds to generate more income.
- Company will make recovery in prudentially written off accounts of earlier years which will directly boost the income.

### 3) FINANCIAL RESOURCES

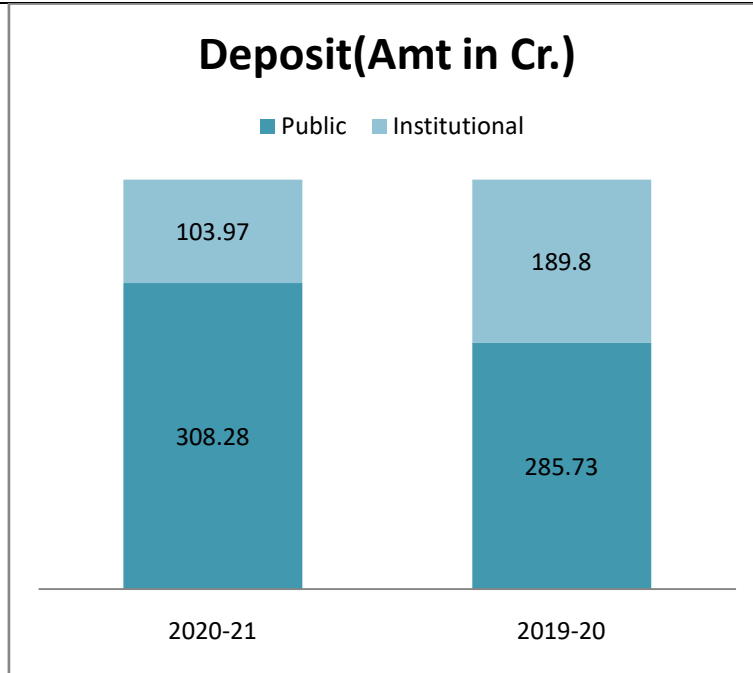
#### i) Deposits

As on March 31<sup>st</sup> 2021, the total deposits of your Company are **Rs.412.25** crore (which includes public deposit of **Rs. 308.28\*** crore and institutional deposits of **Rs.103.97** Crore) as compared to **Rs. 475.53** crore (which includes public deposits of **Rs. 285.73** crore and institutional deposits of **Rs.189.80** Crore) at the end of the previous year.

The deposit scheme of your Company has been rated “**FA-/Stable**” by the rating agency CRISIL.

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.





\*Public Deposit also includes Rs 5.65 cr. of unclaimed deposits.

#### 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> 2021 is **Rs.297.63** Crore as against **Rs. 358.44** crore as on March 31<sup>st</sup> 2020.

Your Company has availed term loan from HDFC Bank. The outstanding balance of the term loans availed from HDFC Bank as on 31.03.2021 is **Rs.35** crore as against **Rs. 27.50** crore as on 31.03.2020.

Your Company has availed term loan from Bank of Baroda. The outstanding balance of the term loans availed from Bank of Baroda as on 31.03.2021 is **Rs. Nil** as against **Rs.17.02** crore as on 31.03.2020.

The total outstanding balance as of 31.03.2021 under the head 'borrowings from Banks' are at **Rs.332.62** crore as against **Rs. 402.96** crore during the previous financial year.

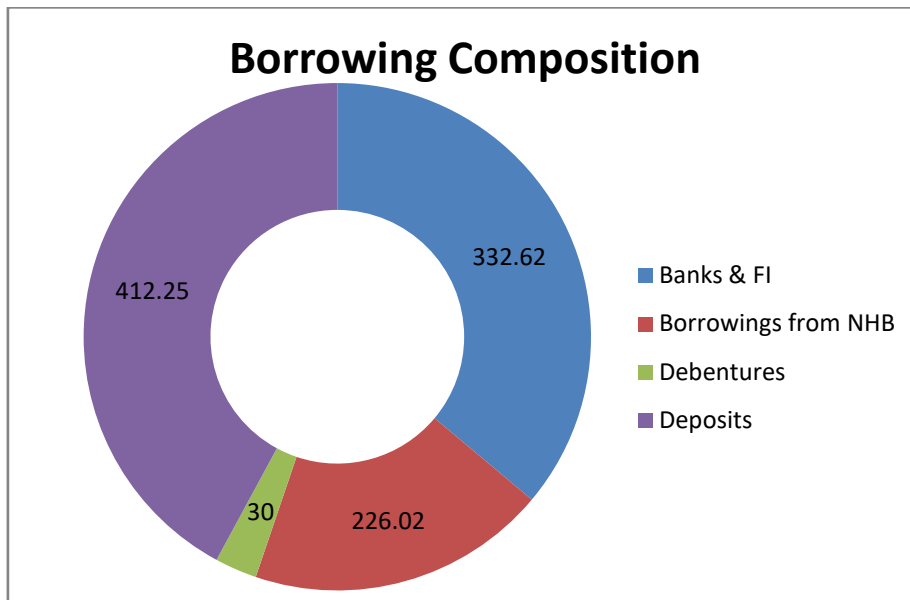
#### iii) Refinance from National Housing Bank

In the Financial Year 2020-21, The amount of refinance outstanding as of 31.03.2021 from the National Housing Bank was **Rs.226.02** crore as against **Rs 213.39** crores during the previous financial year.

#### 4) UNSECURED NON CONVERTIBLE DEBENTURES

During the year 2015-16, the Company raised Unsecured NCD amounting to Rs. 30.00 cr. through private placement basis. The debentures are currently rated as CARE BBB+; Stable [Triple B Plus; Outlook: Stable].

The Company redeemed the Debenture on the Maturity Date i.e. 20.08.2021.



#### 6) SHARE CAPITAL

The authorized & Paid-up capital of the Company as on 31.03.2021 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 2021, 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:

Mention the address

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

**7) INVESTMENT**

The Company has maintained its Statutory Liquidity Ratio (SLR) as per NHB guidelines. The Company has invested **Rs.27.24** crore in approved securities & maintained deposits of **Rs. 20.00 Crore** as on 31<sup>st</sup> March 2021 with Scheduled Banks.

**8) UNCLAIMED DEPOSITS**

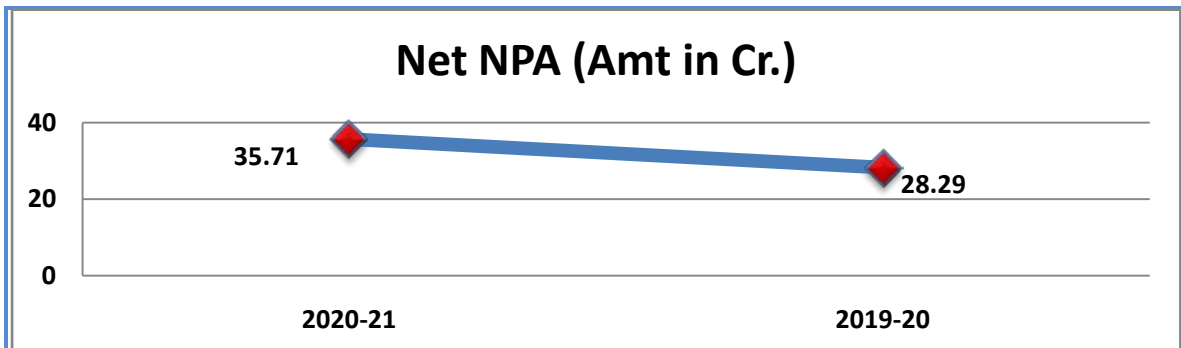
As on 31<sup>st</sup> March 2021, 407 public deposit accounts amounting to **Rs.5.65 Cr** have remained unclaimed. The depositors have been advised about the maturity of their deposits with a request either to renew or withdraw the same.

During the year under review, no 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, since the deposits identified for transfer were renewed in the financial year.

**9) 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.62.01** crore as against **Rs. 47.46** Crore for the previous financial year ended 31<sup>st</sup>March 2020.

With due provisions the net NPA stood at **Rs.35.71** Crore as on 31<sup>st</sup> March 2021 as against **Rs. 28.29** Crore as on 31<sup>st</sup> March 2020.



## 10) BRANCH NETWORK

As on date your Company is operating in 9 states through a network of 18 branches and two representative offices.

## 11) 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 2020-21.

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 2020-21 by the Comptroller and auditor General of India, no comments were issued by C&AG and they were satisfied with preparation of Financial Statement.

## 12) DIRECTORS

In terms of Article 99 of the Articles of Association of your Company and the provisions of the Companies Act, 2013, Shri Vijay Vasant Murar and Shri Mukul Dandige, 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 Director	Date of Cessation W.e.f.
1.	Shri N.S.Ganesh	12.05.2020
2.	Smt. Revathi Thiagarajan	01.04.2020
3.	Shri P.J.Kumar	04.09.2020
4.	Shri Bajrang Singh Shekhawat	23.10.2020

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.

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

Your Company received declarations from the Independent Director, viz Shri. Anil Girotra & Shri Bibhas Kumar Srivastav for the financial year 2020-21 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.

### 13) 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.

### 14) CHANGE IN KMP

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

1.	Shri Ashish Mittal	Chief Financial Officer	Date of appointment 09.06.2020	Date of Cessation 19.02.2021
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### 15) NUMBER OF MEETINGS OF THE BOARD

During the year the Board met four times, i.e. on 9<sup>th</sup> June 2020; 5<sup>th</sup> September 2020; 7<sup>th</sup> December 2020; 30<sup>th</sup> March 2021. 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.

### 16) 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 2021 the Committee comprised of 3 members:

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

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.

## 17) 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 2021 the Committee comprised of 3 members:

1	Shri Anil Girotra- Independent Director	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director	Member
4	Shri Kulasekhara Chakravarthy- 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**

## 18) 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 2021 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 Kulasekhara Chakravarthy- Non Executive Director	Member
5	Shri Shishram Tundwal- 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 2020-21, Company contributed CSR fund amounting to Rs. 41,73,668/- for the following institutions:-

Name of the institutes/NGO	Amount of contribution made
Army Central Welfare Fund	26,73,668/-
Jawaharlal Nehru Cancer Hospital & Research Centre	15,00,000/-
Total	41,73,668/-

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 Jawaharlal Nehru Cancer Hospital & Research Center was made for supporting the hospital for its noble cause of providing the quality health care facilities as required by the patients of the economically weaker sections of the society and victims of the Bhopal Gas Tragedy.

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.

#### **19) 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 2020-21, 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 2020- 2021 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.

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

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

#### **21) 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**.

**22) 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**.

**23) 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.

**24) 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.



## **25) REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT**

During the year, there was no complaint reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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.

## **26) FRAUD REPORTED DURING THE YEAR**

During the Current financial Year 2020-21 No fraud was detected by the Company.

## **27) 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-II**. The Board of Directors regularly reviews the management reports on statutory and regulatory compliances.

## **28) 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, 2021, the Company had 73 employees on rolls and 73 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.

### 29) 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.

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

Your Company performs internal audit of the branches on the basis of volume of loans sanctioned during the period and/or Audit Rating of last audit. Branches are classified as 'High Risk', 'Medium Risk', 'Low Risk', based on the Internal Audit Observation. Further, Branches where new sanctions in a quarter are more than 30 cases (based on 'Sanction Report' generated from CBS at month-end), internal audit would be at quarterly intervals, not exceeding four audits during Financial Year. In all other cases, audit will be done at least twice a financial year (FY). In exceptional circumstances, frequency of audit of a branch can be more than the maximum stated above for the cogent reason recorded and approved by Managing Director.

### 31) 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 crore, where cheques were issued before 31-03-2020 but were not cleared. These cheques were later cleared with a considerable delay **for the Financial Year 2019-20**, vide letter dated 02.08.2021.

NHB has imposed a penalty of Rs. 5000 on account of non compliance of Para 5.4 of HFC- Master Corporate Governance (NHB) Direction, 2016 in the Year 2020-21. It relates to non disclosure of NPA movement in the balance sheet in the specified format **for the Financial Year 2018-19**, vide letter dated 26.06.2020.

NHB has imposed a penalty of Rs. 5000 on account of non compliance of Master Circular- HFC Auditor's Report (NHB) Direction, 2016 in the Year 2019-20. It relates to not furnishing a separate auditor's report as per the direction **for the Financial Year 2016-17**, vide letter dated 06.06.2021.

### 32) 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.

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

34) 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 2020-21. 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 2020-21.

**For and On Behalf of the Board**

Sd/-

Sd/-

Place : Bhopal  
Date : 09/09/2021

**Alok Srivastava**  
Chairman  
DIN 05123610

**Kushal Pal**  
Managing Director  
DIN 09225722

**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 23(4) in the Standalone financial statements which indicate that the company has maintained Deferred Tax Liability on Special Reserves to the tune of Rs 1,316.05 Lakhs (Previous year 1,637.46 Lakhs) in pursuance with NHB guidelines NHB(ND)/DRS/Policy Circular 65/20 14-15through 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 23 (12) 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 23(12) 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 a 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 preclosures 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. 90 Cr from Central Bank of India and preclosures 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 23[25(b)] 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, personnel available for work.</p>	<p>This disease has hit the globe economically and socially. WHO also acknowledged the draconian effect of t 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. The temporary cash impairment on account of moratorium is met out by the refinance assistance from NHB. Further Company has adequate liquidity to address near future obligation</p>

<p>d) The aggregate number of deposits under various schemes has not been mentioned in the report issued by the Credit rating agency (CRISIL). In absence of the non-mentioning of the quantum of public deposit as assessed by the credit rating agency, we are unable to comment on this para of the direction.</p> <p>e) The Company has not obtained said credit rating for each fixed deposits cheme(s) separately. However, said credit rating has been obtained for fixed deposit in totality for all schemes and the such credit rating is within the validity.</p>	<p>The deposits of the Company are rated by CRISIL from last many years. Due to some discrepancies the quantum of Fixed Deposits was not mentioned in the Rating Instrument. However on request of the Company, Ratings Agency has now issued the instrument indicating the total exposure of RS. 450 Crores of Fixed Deposits.</p> <p>The total FD program of the Company has been rated. The instrument shall be revised and the total exposure will be divided into public and non public scheme.</p>
<p>i. We observed that Internal Audit reports of 18 Branches for the period from 01-11-2020 to 31-03-2021 have not been received till the finalization of statutory audit for the financial year 2020-2021. Therefore, 1/3rd transactions remain un-audited by the Internal Auditors. Henceforth, it is observed that said element of Internal Financial Control i.e., Internal Audit System is not working effectively.</p>	<p>The Audit which were planned to be conducted during the first quarter of the F.Y 2021-22 pertaining to the period from 1.11.2020 to 31.03.2021 could not be conducted, due to sudden rise in the COVID cases across the country. However as on date Audit of all branches for the referred has been done.</p>
<p>ii. Insurance of property mortgaged has been implemented w.e.f. 17-04-2018. That is, uptil,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>Company shall endeavor to obtain insurance of the properties mortgaged before 16.04.2018.</p>

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 2021

The preparation of financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor 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 19 May 2021.

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 2021 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 Auditor and is limited primarily to inquiries of the Statutory Auditor 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



(Rina Akoijam)  
Director General of Audit  
(Industry & Corporate Affairs)  
New Delhi

Place: New Delhi

Date: 26.08.2021

कार्यालय प्रधान निदेशक लेखापरीक्षा,  
उद्योग एवं कारपोरेट 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(290)/Cent Bank/ HFL/2021-22/ 161  
दिनांक: 26/08/2021

सेवा में

प्रबन्ध निदेशक,  
सेन्ट बैंक होम फाइनेन्स लिमिटेड,  
द्वितीय तल, सेंट्रल बैंक बिल्डिंग,  
9 अरेना हिल, मदर टेरेसा रोड,  
भोपाल, मध्यप्रदेश - 462011

विषय:

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2021 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 2021 को समाप्त वर्ष के लिए सेन्ट बैंक होम फाइनेन्स लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेपित है।

भवदीया

( रिना अकोइजम )  
महानिदेशक लेखा परीक्षा  
(उद्योग एवं कॉर्पोरेट कार्य)  
नई दिल्ली

संलग्नक:- यथोपरि



Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011  
Telephone No.0755-4019303, 4019309

CIN:-U65922MP1991PLC006427

## ANNEXURE-III

### **REPORT OF DIRECTORS ON CORPORATE GOVERNANCE FOR 2020-21**

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, 2021, 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 CBI. 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 2021 is mentioned below:



S. 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 C.B.I, acting as Chairman of the Company w.e.f. 7/12/2020 in place of Sh. B.S. Shekhawat	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)	-	-	-	6	-	-
3.	Shri Bibhas Kumar Srivastav	Non Executive Independent Director (Appointed w.e.f. 13/08/2018 as independent Director in terms of	-	-	8	1	-	-

		provisions of section 149 of the Act in 27 <sup>th</sup> AGM)						
4.	Shri Vijay Vasant Murar	Non Executive Director from CBI (Appointed w.e.f 10/07/2019 in place of Shri B.K. Singal)	2	20*	5	-	-	-
5.	Shri Kulasekhara Chakravarthy	Non Executive Director from NHB (Appointed w.e.f 13/08/2018 in place of Shri Vineet Singhal)	1	-	3	-	-	-
6.	Shri Navnath Rundekar	Non Executive Director from SUUTI (Appointed w.e.f 10/07/2019 in place of Ms. Vasantha Govindan)	-	-	1	-	-	-
7.	Shri Amrit Kumar	Non Executive Director from CBI (Appointed w.e.f 05/09/2020 in place of Shri P.J.Kumar)	-	30*	1	-	-	-
8.	Shri Mukul Narayan Dandige	Non Executive Director from CBI (Appointed w.e.f. 05/09/2020)	-	20*	2	-	-	-
9.	Shri L.V.S. Babu	Non Executive Director from HUDCO	-	-	1	-	-	-

		(Appointed w.e.f 30/03/2021 in place of N.S.Ganesh)						
10.	Smt. Revathi Thiagarajan	Non Executive Director from CBI (Cessation w.e.f 01/04/2020)	1	-	1	-	-	-
11.	Shri Shishram Tundwal	Managing Director	-	30*	5	-	-	-

**\*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 overdues 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 for the benefit of its members as a whole, and in the best interests 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 advantage either to himself or to his relatives, partners, or associates and if such Director 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 2020-21, four meetings were held on 09<sup>th</sup> June, 2020; 5<sup>th</sup> September, 2020; 07<sup>th</sup> December, 2020; 30<sup>th</sup> March, 2021. 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 Fee Paid (Rs.)
1.	Shri Anil Girotra	4	4	Yes	80,000
2.	Shri Bibhas Kumar Srivastav	4	4	Yes	80,000
3.	Shri Kulasekhara Chakravarthy	4	4	No	-
4.	Shri Vijay Vasant Murar	4	4	No	-
5.	Shri Navnath Rundekar	4	4	No	-
6.	Shri Mukul Dandige	3	2	Yes	-
7.	Shri Amrit Kumar	3	3	Yes	-
8.	Shri Shishram Tundwal	4	4	Yes	-
9.	Shri P. J. Kumar	1	1	No	-
10.	Shri B.S.Shekhawat	2	2	Yes	-
11.	Shri Venkata Srinivasa Sudhakar Babu	1	1	No	-
12.	Alok Srivastava	2	2	No	-

\*Smt. Revathi Thiagarajan resigned from the Board with effect 01<sup>st</sup> April, 2020 due to her superannuated from the services of Central Bank of India. Shri N.S. Ganesh resigned from the Board

with effect from 12<sup>th</sup> May,2020 due to withdrawal of nomination. Nomination in favour of Shri B.S. Shekhawat was withdrawal on 23<sup>th</sup> Oct,2020 owing to his superannuation from the services of Central Bank of India.

**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>, 2021 the Audit Committee consists of 2 Non-Executive Independent Directors; 1 Non-Executive Director. The Members of the Audit Committee as on March 31, 2021 are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav; Shri Amrit 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 2020-21, four Audit Committee meetings were held i.e. on 08<sup>th</sup> June, 2020; 04<sup>th</sup> Sept, 2020; and 05<sup>th</sup> December 2020; 24<sup>th</sup> March 2021 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 Amrit Kumar	Nominee Director	2	2	-
4.	Shri P.J.Kumar	Nominee Director	2	1	-

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

As on March 31, 2021, the ALCO of the Company comprises of Shri Shishram Tundwal, Managing Director; Shri Sachin Sudhakar, General Manager, and Shri Manish Singh Payal, Company Secretary. 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 15 times i.e. on 20<sup>rd</sup> April 2020, 11<sup>th</sup> May 2020, 19<sup>th</sup> June 2020, 13<sup>th</sup> July 2020, 05<sup>th</sup> August 2020, 25<sup>th</sup> August 2020, 11<sup>st</sup> September 2020, 21<sup>st</sup> October 2020, 03<sup>rd</sup>

November 2020, 23<sup>rd</sup> November 2020, 16<sup>th</sup> December 2020, 08<sup>th</sup> January 2021, 18<sup>th</sup> February 2021, 12<sup>th</sup> March 2021.

**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, 2021, 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 P.J.Kumar; Shri Vijay Vasant Murar and Shri Shishram Tundwal; Shri Mukul Dandige. Meeting was held during the year on 08<sup>th</sup> June, 2020; 04<sup>th</sup> September 2020.

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 P.J.Kumar	Nominee Director	2	1	-
4.	Shri Shishram Tundwal	Managing Director	2	2	-
5.	Shri Vijay Vasant Murar	Nominee Director	1	1	-
6.	Shri Mukul Dandige	Nominee Director	0	0	-

**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 March 31<sup>st</sup> 2021, the Committee consists of 6 Members with 2 Non-Executive Independent Directors, Three Non-Executive Directors and one Executive Director.

During the year, the Committee met on 04<sup>th</sup> September 2020. 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 Navnath Rundekar	Nominee Director	1	1	-
4.	Shri Kulasekhara Chakravarthy	Nominee Director	1	0	-
5.	Shri Shishram Tundwal	Managing Director	1	1	-

**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, 2021 the Committee comprises of three members with 2 Non-Executive Independent Directors and 1 Non-Executive Directors. The Committee met four times during the year i.e. on 08<sup>th</sup> June 2020; 04<sup>th</sup> September 2020; 05<sup>th</sup> December 2020; 24<sup>th</sup> March 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	4	4	80000
2.	Shri Bibhas Kumar Srivastav	Independent Director	4	4	80000
3.	Shri Kulasekhara Chakravarthy	Nominee Director	4	4	-

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 the 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 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 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/ programmes/ 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 31<sup>st</sup> March 2021, 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 09<sup>th</sup> March 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	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 Kulasekhara Chakravarthy	Nominee Director	1	1	-
5.	Shri Shishram Tundwal	Managing 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>,



2021. The Committee consists of three members chaired by Shri Bibhas Kumar Srivastav Independent Director, Shri Vijay Vasant Murar, Non-Executive Director and 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 09<sup>th</sup> March 2021.

**j) RISK MANAGEMENT COMMITTEE:**

During the year, 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 16<sup>th</sup> July 2020; and 29<sup>th</sup> December 2020; 30<sup>th</sup> March 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	3	3	60000
2.	Shri Bibhas Kumar Srivastav	Independent Director	3	3	60000
3.	Shri Vijay Vasat Murar	Nominee Director	2	2	-
4.	Smt. Mukul Narayan Dandigee	Nominee Director	2	1	-
5.	Shri P.J.Kumar	Nominee Director	1	1	-
6.	Shri Shishram Tundwal	Managing Director	3	3	-

**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:

o **ANNUAL GENERAL MEETING:**

Financial Year	Particulars	Date & Time	Venue	Special Resolution
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
2017-18	27 <sup>th</sup> AGM	24 <sup>th</sup> September 2018	Registered Office, Bhopal	-Alteration of Articles of Association of the Company - To increase Borrowing Limits of the Company

**EXTRA-ORDINARY GENERAL MEETINGS:**

Financial Year	Particulars	Date & Time	Venue	Special Resolution Passed
2019-20	Nil	Nil	Nil	Nil
2018-19	Nil	Nil	Nil	Nil
2017-18	Nil	Nil	Nil	Nil

**Disclosures:**

- 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.
- There were no instances of non-compliance of any matter related to capital markets during the last three years.
- The Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.
- The Company has laid down procedures regarding key risk assessment and risk mitigation mechanisms wherever it is required.
- The Non-Executive Independent Directors of the Company are paid only sitting fees for attending meetings of the Board and Committees.
- Your Company has no subsidiaries and as such the requirement relating to certain compliances as prescribed are not applicable.
- 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.
- There are no adverse remarks on the financial statements for the financial year 2019-20 of the Company.

**Share Capital & Shareholding pattern of the Company as on March 31, 2021:**

The shareholding pattern of the Company as on March 31, 2021 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 Crore and paid up capital is Rs. 25 Crore 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 annually by audit team of Central Bank of India.

**For and on Behalf of the board**

Sd/-

Sd/-

**Place: Bhopal**

**Date: 9.09.21**

**Alok Srivastava**

**Chairman**

**DIN 05123610**

**Kushal Pal**

**Managing Director**

**DIN 09225722**

## 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 105<sup>th</sup> 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.

.....XXXXX.....



**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 Weblink:

**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, 2021:

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 Kulasekhara Chakravarthy- Non Executive Director	Member
5.	Shri Shishram Tundwal- 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	2019-20	2018-19	2017-18
Net profit under section 198	15,34,51,078	22,51,92,490	24,74,06,614
Avg.Net Profit	20,86,83,394		
Prescribed CSR Expenditure (2%)	41,73,668		

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

(a) Prescribed CSR Expenditure

(i) For the financial year 2020-21

:- Rs. 41,73,668

(b) Total CSR expenses incurred/spent during the year

:-Rs. 41,73,668

(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 programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto 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, Dependents and needy Ex-Servicemen.	Contribution to Central Welfare Fund for Children/war widows and disabled soldiers and their wards.	Rs. 26,73,668	Rs. 26,73,668	Rs. 26,73,668	Direct on 30.03.2021
02	Contribution to Jawaharlal Nehru Cancer Hospital & Research Centre	The hospital is having all necessary diagnostic and therapeutic facilities under one roof.	Contribution to Jawaharlal Nehru Cancer Hospital & Research Centre for providing the cancer cure and care facilities.	Rs.15,00,000	Rs.15,00,000	Rs.15,00,000	Direct on 30.03.2021



Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011  
Telephone No.0755-4019303, 4019309

CIN:-U65922MP1991PLC006427

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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.

Sd/-

Sd/-

Place : Bhopal  
Date : 09/09/2021

**Anil Girotra**  
Independent Director  
DIN:02221989

**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, 2021 which were not at arm's length basis.

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

<b>LOANS AVAILED FROM RELATED PARTIES</b>				
<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ Arrangement/ Transaction</b>	<b>Duration of the contracts/ Arrangement/ Transaction</b>	<b>Salient terms of the contracts or arrangement or transaction including the value, if any:</b>	<b>Amount of loan as on 31.03.2021</b>
Central bank of India, Holding Company	OD facility Renewal on 29.11.2019	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	56078331.30
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	320991997.77
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	380588018.87
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	519322249.00
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	667334968.82

		Rs. 100 Cr.	rate/MCLR	
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+0.25%	904712741.00
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 months 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.	83184468
<b>REMUNERATION PAID/PAYABLE TO MANAGING DIRECTOR</b>				
<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ Arrangement/ Transaction</b>	<b>Duration of the contracts/ Arrangement/ Transaction</b>	<b>Salient terms of the contracts or arrangement or transaction including the value, if any:</b>	<b>Amount paid during the year</b>
Mr. Shishram Tundwal	Appointment as Managing Director of the Company	5 years with effect from 10/07/2019	As per the Central Bank of India (Officers') Service Regulations	20,13,353
<b>REIMBURSEMENT OF SALARY &amp; PERQUISITES OF STAFF ON DEPUTATION FROM CENTRAL BANK OF INDIA, HOLDING COMPANY</b>				
<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ Arrangement/ Transaction</b>	<b>Duration of the contracts/ Arrangement/ Transaction</b>	<b>Salient terms of the contracts or arrangement or transaction including the value, if any:</b>	<b>Amount paid During the year</b>
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.	36,43,460

<b>PREMISES MAINTENANCE CHARGES PAID/PAYABLE TO CENTRAL BANK OF INDIA, HOLDING COMPANY</b>				
<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ Arrangement/ Transaction</b>	<b>Duration of the contracts/ Arrangement/ Transaction</b>	<b>Salient terms of the contracts or arrangement or transaction including the value, if any:</b>	<b>Amount paid During the year</b>
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.1.45 per month excluding electricity charges for an area of 3500 Sq.ft + 750 sq.ft, which is payable on Quarterly basis.	Rs.17,48,400
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 PM excluding electricity charges for an area of 700 Sq.ft, which is payable on Quarterly basis.	Rs.60,000
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	Bank shall recover maintenance charges at a rate of Rs.60259 PM excluding electricity charges for an area of 728 Sq.ft, which is payable on Quarterly basis.	Rs. 7,23,108

**For and On Behalf of the Board**

Sd/-

Sd/-

**Place : Bhopal**  
**Date : 09/09/2021**

**Alok Srivastava**  
**Chairman**  
**DIN 05123610**

**Kushal Pal**  
**Managing Director**  
**DIN 09225722**

**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:

i) 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.

ii) 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).

iii) 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.

## 2) 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.

## 3) 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.

#### 4) 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.

\*Amended by Board in its 125th Meeting after consideration of Agenda No. 125/27.

**Annexure-VIII**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March 2020

**[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; Email-Id:-
(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 shares	
<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 funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
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	-	25000000	100%	25000000	-	25000000	100%	Nil

**ii) Shareholding of Promoters**

S. No.	Shareholders' Name	Shareholdings at the beginning of the year			Shareholding at the end of the year			%changes In share holding 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 Share holding 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>25000000</b>	<b>100.00</b>	<b>25000000</b>	<b>100.00</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)	Nil	-	Nil	-
At the end of the year	<b>25000000</b>	<b>100.00</b>	<b>25000000</b>	<b>100.00</b>

**(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
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	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	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)	20	0.00	20	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 Amrit 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	30	0.00	30	0.00



during the year)				
<b>Shri Shishram Tundwal &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
<b>Shri V.V.Murar &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)	20	0.00	20	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

## 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	6,16,35,08,704	30,00,00,000	4,69,99,38,469	<b>11,16,34,47,173</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	95,30,00,000 1,53,00,43,123	-	2,69,66,95,394	<b>3,64,96,95,394 4,80,42,18,017</b>

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• Reduction			3,27,41,74,894	
<b>Net Changes</b>	(57,70,43,123)	-	(57,74,79,500)	<b>(1,15,45,22,623)</b>
<b>Indebtedness at the end of the financial year</b>				
i)Principal Amount	55,86,45,581.46	30,00,00,000	412,24,58,969	10,00,89,24,550
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 Shishram Tundwal (F.Y 2020-21)
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,1961	Rs.20,13,353/-
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - As % of profit - Others (Variable compensation)	Nil
5.	Others, please specify	Nil
	Total(A)	Rs.20,13,353/-
	Ceiling as per the Act	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.4,20,000/-	Rs.4,60,000/-	Rs.8,80,000/-
• Commission	-	-	-
• Others, please specify	-	-	-
Total(1)	Rs.4,20,000/-	Rs.4,60,000/-	Rs.8,80,000/-
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.4,20,000/-	Rs.4,60,000/-	Rs.8,80,000/-
Total Managerial Remuneration	Rs.28,93,353/-		
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				
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	Rs.9,99,810/-	Rs.14,16,666/- (to April' 20 to Feb'21)	Rs.24,16,476 /-
	(b)Value of perquisites u/s 17(2) Income-tax Act,1961		Nil	Nil	Nil
	(c) Profits in lieu of salary under Section17(3) Income-tax Act,1961				

2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Other, specify...	-	Nil	-	Nil
5.	Others, please specify	-	-	-	-
	Total	-	Rs.9,99,810/-	Rs.14,16,666/-	Rs.24,16,476 /-

**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>A) COMPANY</b>					
i) 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 crore, where cheques were issued before 31-03-2020 but were not cleared. These cheques were later cleared with a considerable delay for the Financial Year 2019-20, vide letter dated 02.08.2021.	Rs. 5000	National Housing Bank	NIL
ii) Penalty of Rs. 5000 for non compliance of para 5.4 of the HFC- Corporate Governance (NHB) Direction, 2016 in the Year 2020-21		It relates to non disclosure of NPA Movement in the Balance Sheet in a specified format and it observed by NHB auditor in the Regulatory Audit, for the year 2018-19, Vide letter dated 26.06.2020.	Rs. 5000	National Housing Bank	NIL
iii) Penalty of Rs. 5000 for non compliance of Master Circular – HFC		It relates to not furnishing a separate auditor's report in compliance with Master	Rs. 5000	National Housing Bank	NIL

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Auditor's Report (NHB) Direction, 2016 in the year 2019-20.		Circular- HFC Auditor's Report (NHB) Direction, 2016 for the year 2016-17, vide letter dated 06.06.2019.			
Punishment	NIL	NIL	NIL	NIL	NIL
<b>iv) DIRECTOR</b>					
Penalty	Nil				
Punishment					
Compounding					
Penalty					-
Punishment					-
Compounding					-

**For and On Behalf of the Board**

Sd/-

Sd/-

**Place : Bhopal**  
**Date : 09/09/2021**

**Alok Srivastava**  
**Chairman**  
**DIN 05123610**

**Kushal Pal**  
**Managing Director**  
**DIN 09225722**

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**Annexure-IX**

**Management Discussion & Analysis Report**

**Industry structure and development:**

With the rising urban population, it's obvious that housing prices are picking up. Although developers and architects are working round the clock, investing and inventing new ways of providing a solution to the upcoming challenges. This is largely for maximum unit count paired with minimum budget keeping in mind the technological and architectural advancements. The development and management of affordable housing can put home buying within the confines of low-income families. Affordable housing developers can anchor a sizeable number of state and central tax credit possibilities. Builders can equip for government relief or subsidies in the construction of new, or rehabilitation of existing infrastructures. Given the impact of Covid-19, let's delve into a few affordable housing trends to look forward to in the upcoming years.

Due to the covid-19 pandemic, people are looking for more livable spaces. There's a huge increase in demand for residents moving into ready to move in affordable units in suburban areas to gain more indoor and outdoor space attached to their property, and many are trying for sight unseen. With more interests taking place inside the home, houses need to now have space for living, entertainment, career/job work, working out, school and more.

Technology has always played a crucial role in real estate. But the Covid-19 pandemic is claiming to be a turning point for the authorization of technology within the sector. Innovations such as augmented/virtual reality, live virtual tours, online 3D and drone views, project webinars and online booking platforms are safeguarding the real estate sector from coming to stagnation during the adversity.

As the urban population is inclining towards suburbs, there is a drastic increase in diversity in the local areas. Millennials from various socio-economic backgrounds are looking for housing units to suit themselves according to their needs. Some looking for affordable spaces to call their own, some for peace of mind or getaways from the urban hustle, the affordable housing sector are becoming the tree for all their nests.

Interest rates are historically low and the RBI's firm assurance in maintaining the status quo has boosted demand in the market. This has pushed investors to proceed with their purchase decisions. The segment has remained the safest investment option and conducive government policies, lucrative offers with guaranteed higher and secured returns will attract investors to keep market sentiment buoyed throughout 2021. The trend of consolidation in real estate was in place and it will be considered by more players in the days to come.

### **Housing for All**

The Union Cabinet launched the “Housing for All by 2022” project on June 25, 2015, also known as the Pradhan Mantri Awas Yojana (“PMAY”), aimed at urban areas. Under PMAY-URBAN it is reported that Government has approved construction of 113.06 lacs Houses, out of which 85.65 lacs have been grounded for construction & over 51 lakh have been completed & delivered to the beneficiaries.

The key components of PMAY include:

- subsidy @ 6.5% per annum for economically weaker sections and lower income group for loans up to Rs.6 lakh (calculated at net present value);
- subsidy @ 4% and 3% respectively to Middle Income group as per the pre-defined criteria for loan amount upto Rs.9 lakh & Rs.12 lakh respectively (calculated at net present value)

Another major initiative of the Ministry of Rural Development is the launch of Pradhan Mantri Awaas Yojana- Gramin (PMAY-G)

### **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**

The advent of COVID-19 had again impacted the performance of the sector. Notwithstanding the slowdown induced by COVID pandemic and lockdown related measures due to which the construction and the real estate activities were impacted, the housing finance sector maintained a positive growth with outstanding individual housing loans of Banks. Investment activity in housing

sector also suffered a setback due to the pandemic. The confluence of COVID induced factors, such as inventory overhang in housing, tapering of incomes thereby affecting the EMI- servicing capacity, stress in the balance sheets of Non-Banking Finance Companies (NBFCs) and Housing Finance Companies (HFCs) adversely impacted the investment in dwellings units. In residential real estate, both sales and new launches contracted, primarily due to unprecedented disruptions in the in the economy caused by lockdown and sluggish consumer sentiment.

- 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.

A summary of Segment-wise performance is given as follows:

#### **Outlook**

Even though the pandemic drastically impacted the sector in 2020, better days are expected in 2021. Amid growing importance of home ownership among buyers and investors, the demand for residential real estate would be high in the coming year. The housing finance sector is positioned attractively in the coming years driven by strong demand, especially in the affordable housing sector. This is further reinforced by the fact that a number of A-rated builders in the country are moving towards affordable housing segment driven by the Tax SOPs offered by the government. On the other hand, the extension of the CLSS scheme by the Government of India for the affordable housing segment is expected to drive growth within the sector.



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The arrival of Corona virus vaccine, along with low interest rates and concessions on stamp duty, could lead to a revival in the housing market in 2021, if there is stability in the job market. Real estate developers, who were going through an extended period of slump in demand and constrained access to liquidity, got some relief in the second half as the real estate sector showed resurgence across the country and across all price segments supported by favourable factors such as vastly increased affordability, government duty cuts, attractive prices offered by developers, lucrative payment plans, low interest rates and favourable state and central government initiatives. This period witnessed the highest ever sales traction in projects of many leading real estate developers leading to improvement in their cash flows.

**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. The Internal audit department of the Company inspects the branches on quarterly basis and reports to Audit Committee of Board discrepancies, if any, 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. 127.79 crore against Rs. 142.09 crore in the previous year.

Despite numerous challenges, Your Company's profit before tax for the year ended 31st March 2021 stood at Rs 19.64 Crore as against Rs 15.35 Crore in the previous year. Your Company's profit for the year (after adjustments related to previous year) stood at Rs 14.67 Crore as against Rs 10.23 Crore in the previous year.

The pandemic has hit the world economy globally. Company also did not remain unaffected from it. The NPA which stood at Rs 62.01 Crore as on 31st March 2021 compared to Rs 47.46 Crore in the previous year ended 31st March 2020. 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 at March 31, 2021 is given below:

(Rs. in Crore)

Particulars	March 2020	March 2019
<b>EQUITY AND LIABILITIES</b>		
Share Capital	25.00	25.00
Reserves and Surplus	116.97	102.30
Long-Term Borrowings	554.00	609.51
Deferred Tax Liabilities (Net)	6.41	10.47
Long-Term Provisions	30.45	24.15
Short-Term Borrowings	306.87	369.06
Other Current Liabilities	146.47	148.40
Short-Term Provisions	0.60	0.99
<b>Total Liabilities</b>	<b>1186.77</b>	<b>1289.90</b>
<b>ASSETS</b>		
Fixed Assets	0.42	0.58
Non-Current Investments	42.24	37.24
Long-Term Loans and Advances	1027.23	1050.86

Other Non-Current Assets	1.90	2.73
Cash and cash equivalents	6.89	12.77
Short-Term Loans and Advances	104.65	180.43
Other Current Assets	3.44	5.29
<b>Total Assets</b>	<b>1186.77</b>	<b>1289.90</b>

\*\* Net owned fund of the Company as on 31.03.2021 and 31.03.2020 is Rs. 138.35 Crore and Rs. 122.60 Crore respectively.

#### **AUTHORISED SHARE CAPITAL**

During the financial year under review the Authorized Share Capital of the Company stands at Rs. 50 crore comprising of 50000000 equity shares of Rs. 10 each aggregating Rs. 50 crore out of which paid-up Share capital is Rs. 25 Crore 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, 2021 for your Company increased by 14.67 Crore to Rs. 116.97 crore as against Rs. 102.30 crore in the previous financial year. Your Company has transferred Rs. 3.61 crore to Special Reserve and Statutory reserve u/s 29C of National Housing Bank Act and an amount of Rs.1.25 cr. to General Reserve. Net owned fund of the Company as on 31.03.2021 and 31.03.2020 is Rs. 138.35 Crore and Rs. 122.60 Crore respectively.

#### **DIVIDEND**

Considering the plans of expansion in the near future and maintain liquidity after impact of COVID-19, No Dividend is recommended to be distributed pertaining for the year ended 31st March 2021.

#### **CAPITAL ADEQUACY**

During the Financial Year 2020-21 Net worth of the company stood at 138.35 Cr as against 122.60 Cr for the Financial Year 2019-20. The Capital Adequacy Ratio of your company is at 21.93 % as against the norm of 13 percent stipulated by the National Housing Bank (NHB).

#### **BORROWINGS**

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

During the financial year 2020-21, your Company has availed term loan and having outstanding amount of Rs. 332.62 Crore in comparison of the previous year Rs. 402.95 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 2020-21, your Company has availed refinance and having outstanding amount of Rs. 226.03 Crore in comparison to the previous outstanding of Rs. 213.39 from the National Housing Bank.

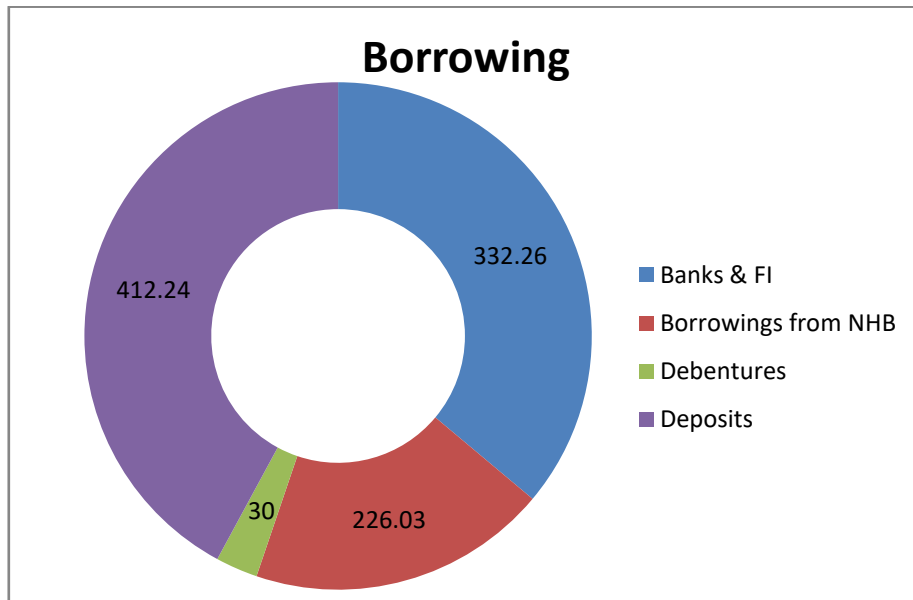
**Unsecured Non Convertible Debentures:**

During the year 2015-16, the Company raised Unsecured NCD amounting to Rs. 30.00 cr. through private placement basis. The debentures are currently rated as CARE BBB+; Stable [Single BBB positive; Outlook: Stable]

The Company redeem the Debenture on the maturity date i.e. 20.08.2021.

**Public (fixed) deposits:**

The Company took several initiatives during the year to extend its reach by expanding network and connecting with customers. As on 31.03.2021, the total deposits of your Company are Rs. 412.24 crore (which includes from public of Rs. 308.27 crore and institutional deposits of Rs. 103.97 Crore) as compared to Rs. 469.99 crore (which includes Public deposits of Rs. 280.19 crore and institutional deposits of Rs. 189.80 Crore) at the end of the previous year.



#### **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 increased by 1.13% 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, 2021 the investment portfolio stood at Rs. 47.24 crore as against Rs. 47.24 crore 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, 2021 your Company has invested Rs. 27.24 crore in approved securities and Rs. 20.00 crore in bank deposits.

#### **PROFIT AND LOSS STATEMENT:**

(Rs. in Crore)

<b>Particulars</b>	<b>March 2021</b>	<b>March 2020</b>
<b>INCOME</b>		
Revenue from Operations	127.35	141.85
Other Income	0.44	0.24
Total Revenue	127.79	142.09
<b>EXPENSES</b>		
Interest & Finance Cost	86.23	98.97
Employees Remuneration & Benefits	8.09	8.39
Administrative & Other Expenses	8.04	8.80
Depreciation & Amortization	0.20	.20
Provision for Standard Assets	(1.53)	1.75
Provisions for Doubtful Debts	7.11	8.40
Write Off	0.00	0.00

Total Expenses	108.14	126.52
Profit Before Tax, Provision and Exceptional Item	19.65	15.56
Exceptional items	0.01	0.22
Profit Before Tax and after Exceptional Item	19.64	15.35
Tax Expense (including Deferred Tax)	4.97	5.12
Profit For The Year	14.67	10.23

#### **INCOME FROM OPERATIONS**

Your Company's income from operations during the FY 2020-21 was Rs. 127.79 as against Rs. 142.09 Cr. for the FY 2019-20.

#### **INTEREST AND FINANCE COST**

Your Company's interest & finance expenses was decreased by 12.87% from Rs.98.97 Crore in the financial year 2019-20 to Rs. 86.23 Crore for the financial year ended March 31, 2021.

#### **EMPLOYEES REMUNERATION & BENEFITS**

Employee costs decreased by 3.58% from 8.39 Crore for the financial year ended March 31, 2020 to Rs. 8.09 Crore for the financial year ended March 31, 2021.

#### **OTHER EXPENSES**

The operating expenses decreased by 8.64% from Rs.8.80 Crore for the financial year ended March 31, 2020 to Rs. 8.04 Crore for the financial year ended March 31, 2021

#### **DEPRECIATION & AMORTISATION**

Depreciation charged on fixed assets was Rs. 0.20 Crore in the financial year 2020-21 vis-à-vis Rs. 0.20 Crore during the financial year 2019-20.

#### **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. 26.28 crores for NPA a/c and Rs.3.82 crores for Standard assets for the Financial Year 2020-21 and Rs. 19.17 crores for NPA a/c and Rs.5.35 crores for Standard assets for the Financial Year 2019-20.

#### **NET PROFIT**

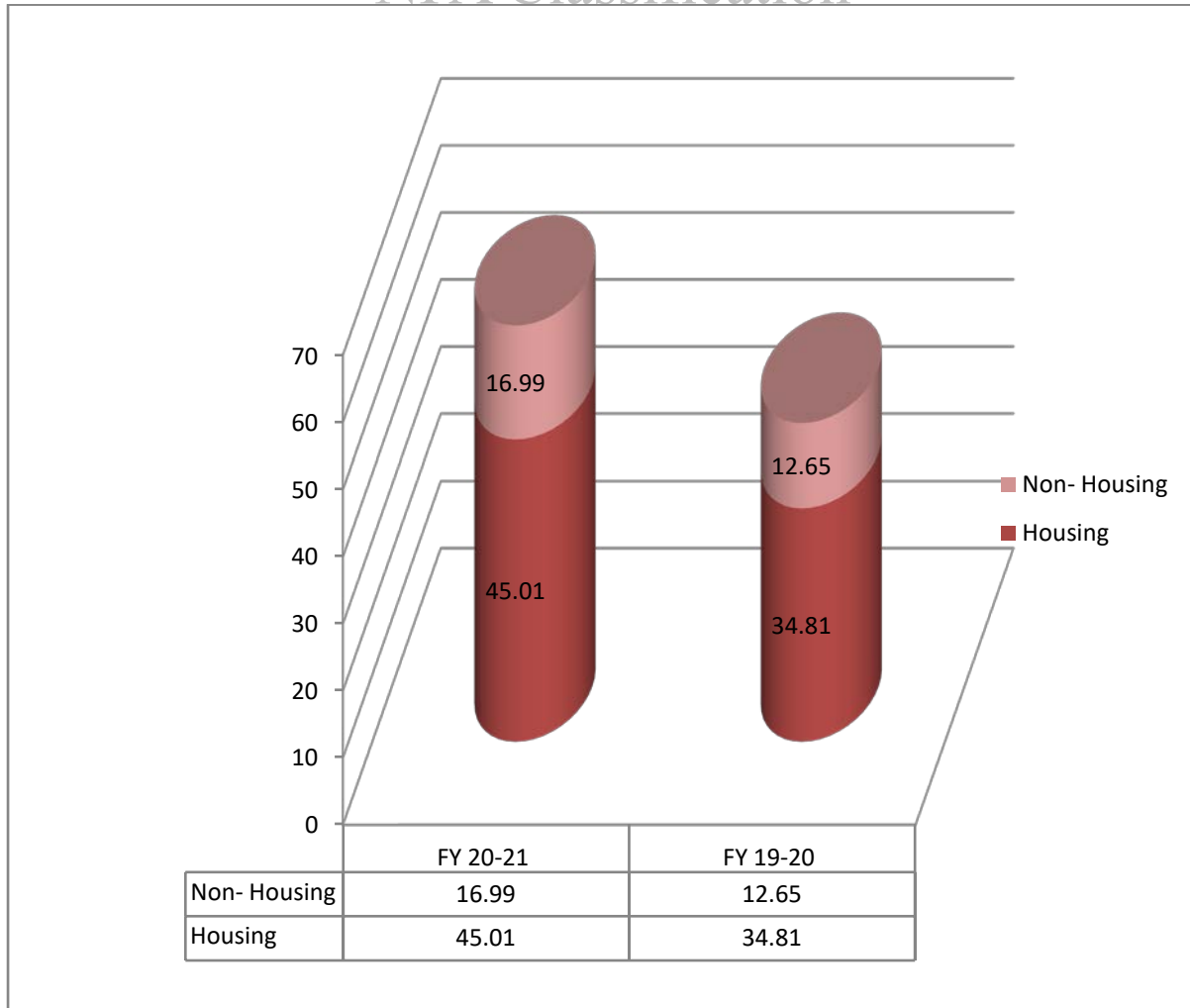
During the year 2020-21, your Company has made net profit of Rs.14.67 Crore in the financial year ended March 31, 2021 as against Rs.10.23 Crore for the financial year ended March 31, 2020.

**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. 62.01 Crore as on 31<sup>st</sup> March 2021 as against Rs. 47.46 Crore for the previous financial year ended 31<sup>st</sup> March, 2020.

With due provisions the net NPA stood at Rs. 35.71 Crore as on 31<sup>st</sup> March 2021 as against Rs. 28.29 Crore as on 31<sup>st</sup> March 2020.

## NPA Classification



**NPA Ratios:**

Particulars	31st March 2021	31st March 2020
% of Gross NPA to Gross Advances	5.49%	3.86%
% of Net NPA to Net Advance	3.24%	2.34%



Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011  
Telephone No.0755-4019303, 4019309

CIN: -U65922MP1991PLC006427

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### **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, 2021, the Company had 73 employees on roll and 73 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.





**PIYUSHA MANTRI & ASSOCIATES**  
(Company Secretaries)

FF-44, 1st Floor, Aakriti Business Centre,  
Bawadia Kalan, 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 2021

[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**'). 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 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, we hereby report that in my opinion, the Company has, during the period under review covering the financial year ended on March 31, 2021 (**the Audit Period**), generally complied with the statutory provisions listed hereunder 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, forms and returns filed and other records maintained by the Company for the period ended on March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder (**Not applicable**)
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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 –(**Not applicable** as there is no foreign investment in the company, the company has not made Foreign Direct Investment and not availed External Commercial Borrowings)



5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 -(Not applicable)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 -(Not applicable)
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable)
  - d. 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;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -(Not applicable) and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable)
6. Law specifically applicable to the industry to which Company belongs, as identified by the management, that is to say :
- a. National Housing Bank Act, 1987 including The Housing Finance Companies (NHB) Directions, 2010 and circulars, notifications and guidelines issued by National Housing Bank.
  - b. Guidelines for Asset Liability Management System in Housing Finance Companies;
  - c. Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016;
  - d. Housing Finance Companies - Auditor's Report (National Housing Bank) Directions, 2016;
  - e. Guidelines on Reporting and Monitoring of Frauds in Housing Finance Companies;
  - f. Information Technology Framework for HFCs – Guidelines;
  - g. Fair Practice Code for all HFCs.
  - h. Guidelines on Know Your Customer and Anti Money Laundering measures for HFC.
  - i. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
  - j. Indian Stamp Act, 1899 and State Stamp Act.



- k. Shops & Establishment Act applicable under various States.
- l. Sexual Harassment of Women at workplace (Prevention, prohibition and redressal ) Act, 2013
- m. Employee Provident Fund & Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, The Minimum Wages Act, 1948 and other Labour laws.
- n. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI)
- o. Central Registry of Securitisation Assets Reconstruction and Security Interest (CERSAI).

For the compliances of Labour Laws and General Laws , my examination and reporting is based on the documents, records and registers produced and shown to me along with the information and explanations produced by officers and management of the Company and to the best of my judgement and understanding on the applicability of different enactments upon the Company , in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliances with applicable General Laws and labour laws.

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 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.
- 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 the decisions in the board meetings were carried through by majority while there were no dissenting member's views and hence not captured and recorded as part of the minutes.
- 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 HFC-Corporate Governance (NHB) directions, 2016 which relates to disclosure of NPA movement in the financial statement in a specified format for the financial year 2018-19.
- 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 thirteen times of its net owned funds pursuant to section 180(1) of Companies Act, 2013 and the conditions stipulated under Para 3 of chapter II of HFC (NHB) directions 2010 & NHB notification no. "NHB.HFC.DIR.22/MD&CEO/2019" by passing Special Resolution in AGM.
- Alteration of Articles of Association of the Company in compliance of the Shareholders agreement entered between the company and NHB.
- Alteration of Memorandum of Association of the Company in compliance of the Para 32A of the NHB Direction, 2010 that the Company cannot enter into partnership business.

Place : Bhopal  
Date : 10/08/2021



Piyusha Mantri & Associates  
Company Secretaries

*Piyusha*  
CS Piyusha Mantri  
ACS 16462 CP11798  
UDIN: A016462C000763395



**PIYUSHA MANTRI & ASSOCIATES**  
(Company Secretaries)

FF-44, 1st Floor, Aakriti Business Centre,  
Bawadia Kalan, Bhopal-462039  
Ph : 0755-4927182, 9425606652  
Email : cspmassociates@gmail.com

**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 : 10/08/2021

Piyusha Mantri & Associates  
Company Secretaries



*Piyusha*  
CS Piyusha Mantri  
ACS 16462 CP 11798



**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, 2021, 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, 2021, 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 23 (4) in the Standalone financial statements which indicate that the company has maintained Deferred Tax Liability on Special Reserves to the tune of Rs 1,316.05 Lakhs (Previous year 1,637.46 Lakhs) in pursuance with NHB guidelines NHB(ND)/DRS/Policy Circular 65/20 14-15 through P/L Appropriation.
- (b) Note 23 (12) 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 23(12) 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.
- (c) We draw attention to Note 23[25(b)] 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.

Our opinion is not modified in respect of these matters.





# BRISKA & ASSOCIATES

(Formerly L K Maheshwari & Co)

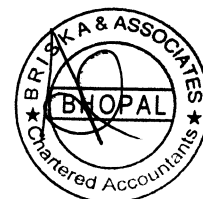
Chartered Accountants

## Key Audit Matters

Continuation Sheet

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.	<p>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.</p> <p>(Refer note-5,8,11,14, 23(2) and 23[27(7.5)] to the Standalone financial statement)</p>	<p>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:</p> <p>- 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.</p>
2.	<p>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.</p> <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</p>	<p>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;</p> <p>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.</p> <p>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> <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>





# BRISKA & ASSOCIATES

(Formerly L K Maheshwari & Co)

Chartered Accountants

Continuation Sheet

	<p>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., 94.61% 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/ judgement 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>	
3.	<p>Assessment of Provisions and Contingent liabilities in respect of certain litigations of Direct Taxes.:</p> <p>There is high level of judgement 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>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.</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 consideration, the likely outcome and consequent potential outflows on those issues.</li></ul>







## **B R I S K A & ASSOCIATES**

(Formerly L K Maheshwari & Co)

Chartered Accountants

Continuation Sheet

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 judgements 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone financial statements.





# BRISKA & ASSOCIATES

(Formerly L K Maheshwari & Co)

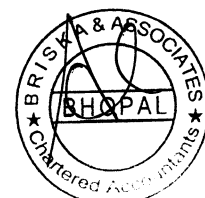
Chartered Accountants

Continuation Sheet

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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 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 & CEO12016 Dated 3-2-2017 ], we give in the "Annexure -B" statement on the matters specified in paragraphs 70 and 71.
3. 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.
  - h) 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:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 23 (5) to the financial statements;





## **B R I S K A & ASSOCIATES**

(Formerly L K Maheshwari & Co)


Chartered Accountants

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- ii. 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 23(19) to the financial statements;
- iii. The company is not required to transfer any amount to the Investor Education and Protection fund.

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

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

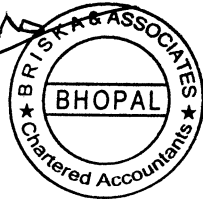
  
CA AMIT CHITWAR  
(Partner)

M.No: 407118

Date: 19-05-2021

PLACE: BHOPAL

UDIN: 21407118AAAAEA7296





# BRISKA & ASSOCIATES

(Formerly L K Maheshwari & Co)

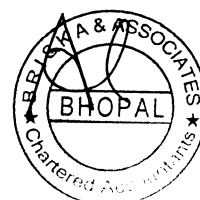
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## Annexure A to the Independent Auditors' Report

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 2021, we report that:

- (i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
  - b) The Property, Plant and Equipment are physically verified by the management according to a programme phased verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, the Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
  - c) As the company, does not have any immovable property hence no question of title deed arises.
- (ii) The Company is in the business of providing Housing Finance Services and consequently, does not hold any inventory. Accordingly, reporting under paragraph 3(ii) of the Order is not applicable to the company.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to any companies, firm, limited liability partnerships or other parties covered in the register required to be maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence, reporting under clauses (iii) (a), (b) and (c) is not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of Investments made or loans or guarantee or security provided to the parties covered under Section 186.
- (v) The Company has accepted deposits from public. In our opinion and according to the information and explanation given to us, the company, during the year, has complied 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. 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.
- (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) According to the information and explanations given to us and according to the records produced before us for verification:
  - a) the company has generally been regular in depositing with appropriate authorities, the undisputed statutory dues including Provident fund, Income tax, Wealth tax, GST and any Other material Statutory dues applicable to it;





# B R I S K A & ASSOCIATES

(Formerly L K Maheshwari & Co)

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Continuation Sheet

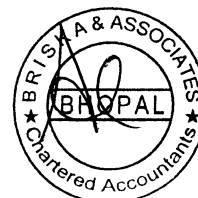
- b) no undisputed amounts payable in respect of Income Tax, Sales Tax/ Value Added Tax, Service Tax, GST and any other material statutory dues were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable;
- c) Clause 5 of notes 23 gives full disclosure regarding company's dispute with Income Tax Authorities.
- d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) In our opinion and as per the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks and Government or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- (ix) As per the information and explanation given to us the company has not raised any money by the way of Initial public offer or further public offer or from issue of fresh Debentures. According to the information and explanations given to us, during the year the Company has utilised the money raised by way of Term Loan for the purpose for which they were raised.
- (x) According to the information and explanation given to us and as represented by the management and based on our examination of the books and records of the Company and in accordance with the Generally Accepted Auditing Practices in India, **except as mentioned below no material fraud on or by the Company has been noticed or reported during the year;**

## Fraud on the Company

Year	No of Borrower Account	Sanction Amount (Rs.)	Outstanding Amount (Rs.)
Current Year	Nil	Nil	Nil
Previous Year	10	2,13,25,000/-	1,97,69,384/-

## Fraud by the Company - NIL (Previous Year -NIL)

- (xi) The provisions of Section 197 of the Companies Act, 2013 relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of MCA Notification no. G.S.R. 463 (E) dated 5th June 2015.
- (xii) In our opinion and according to the information and explanations 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 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) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) In our opinion and according to the information and explanations given to us the company has not entered into any non-cash transaction with directors or person connected with him.





# B R I S K A & ASSOCIATES

(Formerly L K Maheshwari & Co)

Chartered Accountants

Continuation Sheet

- (xvi) According to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. 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.

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: 19-05-2021

PLACE: BHOPAL

UDIN: 21407118AAAAEA7296





# BRISKA & ASSOCIATES

(Formerly L K Maheshwari & Co)  
Chartered Accountants

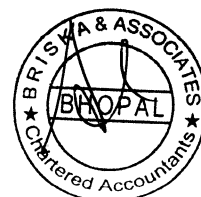
Continuation Sheet

## 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. The company has not opened any new branches /offices or has not closed of existing branches/offices during the year; therefore, question of compliance of the requirements contained in the direction, is not applicable during the current financial year.
- 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.





## B R I S K A & ASSOCIATES

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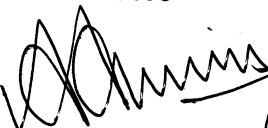
Chartered Accountants

Continuation Sheet

### 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 the 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 the 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 provided in these directions.

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

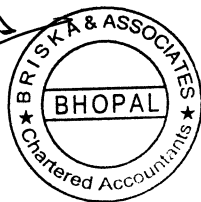
  
CA AMIT CHITWAR  
(Partner)

M.No: 407118

Date: 19-05-2021

PLACE: BHOPAL

UDIN: 21407118AAAAEA7296







## **B R I S K A & ASSOCIATES**

(Formerly L K Maheshwari & Co)

Chartered Accountants

Continuation Sheet

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

(Referred to in paragraph 3(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 2021 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 then internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an 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;





# B R I S K A & ASSOCIATES

(Formerly L K Maheshwari & Co)  
Chartered Accountants

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- (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 2021, 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, 2021:

- i. We observed that Internal Audit reports of 18 Branches for the period from 01-11-2020 to 31-03-2021 have not been received till the finalization of statutory audit for the financial year 2020-2021. Therefore, 1/3rd transactions remain un-audited by the Internal Auditors. Henceforth, it is observed that said element of Internal Financial Control i.e., Internal Audit System is not working effectively.
- 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 31<sup>st</sup>, 2021 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

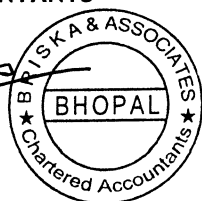
CA AMIT CHITWAR  
(Partner)

M.No: 407118

Date: 19-05-2021

PLACE: BHOPAL

UDIN: 21407118AAAAEA7296

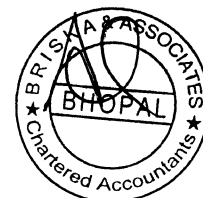


**ANNEXURE "D" TO THE INDEPENDENT AUDITORS' REPORT**

(Annexure referred to in paragraph "16" 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, 2021)

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 2020- 2021 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 excel Sheets 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 Intellect Design Arena] is using cloud-based AMAZON WEB SERVER for maintaining the CBS in which accounting entries/ vouchers are routed through.</p>





# B R I S K A & ASSOCIATES

(Formerly L K Maheshwari & Co)  
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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 2020-2021, 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?	In our opinion and according to the verification of information and explanations given to us, during the year no restructuring has been made in respect of the loan accounts. Hence, this direction is not applicable.

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



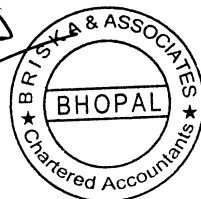
CA AMIT CHITWAR  
(Partner)

M.No: 407118

Date:19-05-2021

PLACE: BHOPAL

UDIN: 21407118AAAAEA7296




**CENT BANK HOME FINANCE LIMITED**  
**Balance Sheet as at 31 March, 2021**

Particulars	Note	As at 31 March, 2021 Rs. In Lakhs	As at 31 March, 2020 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	3	11,696.72	10,229.75
		<b>14,196.72</b>	<b>12,729.75</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	55,399.87	60,951.30
(b) Deferred tax liabilities	3a	641.48	1,047.50
(c) Long-term provisions	5	3,045.07	2,415.25
		<b>59,086.42</b>	<b>64,414.05</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	30,686.98	36,906.49
(b) Other current liabilities	7	14,647.48	14,840.31
(c) Short-term provisions	8	60.37	99.52
		<b>45,394.83</b>	<b>51,846.32</b>
<b>TOTAL</b>		<b>1,18,677.97</b>	<b>1,28,990.12</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible assets	9	42.29	58.07
(b) Non-current investments	10	4,224.19	3,724.05
(c) Long-term loans and advances	11	1,02,723.32	1,05,086.44
(d) Other Non-current assets	12	189.97	272.91
		<b>1,07,179.77</b>	<b>1,09,141.47</b>
<b>2 Current assets</b>			
(a) Cash and cash equivalents	13	689.19	1,277.00
(b) Short-term loans and advances	14	10,464.98	18,042.51
(c) Other current assets	15	344.03	529.14
		<b>11,498.20</b>	<b>19,848.65</b>
<b>TOTAL</b>		<b>1,18,677.97</b>	<b>1,28,990.12</b>
Significant Accounting Policies	1		
Notes to accounts and disclosure as per NHB/RBI	23 - 27		
Schedule forming part of the Financial Statements as per NHB Directions			

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



UDEN: 2140 7118 AAAAEA 7296

**For Cent Bank Home Finance Limited**

Alok Srivastava  
 Chairman  
 DIN: 05123610

Shishram Tundwal  
 Managing Director  
 DIN: 08505855

Manish Singh Payal  
 Company Secretary



**CENT BANK HOME FINANCE LIMITED**  
**Statement of Profit and Loss for the year ended 31 March, 2021**

	Particulars	Note No.	For the year ended	For the year ended
			31 March, 2021	31 March, 2020
			Rs. In Lakhs	Rs. In Lakhs
<b>A</b>	<b>INCOME</b>			
1	Revenue from operations	16	12,734.94	14,184.58
2	Other income	17	44.02	24.13
<b>3</b>	<b>Total revenue (1+2)</b>		<b>12,778.96</b>	<b>14,208.71</b>
<b>B</b>	<b>Expenses</b>			
4	(a) Employee benefits expense	18	809.45	839.32
5	(b) Finance costs	19	8,622.67	9,896.84
6	(c) Depreciation and amortisation expense	9	19.74	20.35
7	(d) Other expenses	20	804.06	880.43
8	(e) Provision for Standard Assets (including special provision on COVID19-refer note No 5)	21	-153.45	175.26
9	(f) Provisions for Non-Performing & Doubtful Debts		711.19	840.21
10	(g) Written off		0.00	0.00
<b>11</b>	<b>Total expenses (4+5+6+7+8+9+10)</b>		<b>10,813.66</b>	<b>12,652.41</b>
<b>C</b>	<b>Profit before tax and extraordinary items (3-11)</b>		<b>1,965.30</b>	<b>1,556.30</b>
<b>D</b>	<b>Extraordinary items</b>			
	Add:- Extraordinary Item	22	0.00	0.00
	Less:-Prior period adjustments		1.45	21.79
<b>E</b>	<b>Profit / (Loss) before tax (C-D)</b>		<b>1,963.85</b>	<b>1,534.51</b>
<b>F</b>	<b>Tax expense:</b>			
	(a) Current year tax expense		539.43	655.67
	(b) Provision for tax of previous years		363.47	59.55
	(c) Deferred tax Liabilities/ (Assets) of current year other than d below		-84.61	-322.53
	(d) Deferred tax liability on special reserves		-321.41	119.15
			<b>496.88</b>	<b>511.84</b>
<b>G</b>	<b>Profit from continuing operations (E-F)</b>		<b>1,466.97</b>	<b>1,022.67</b>
<b>H</b>	<b>Profit for the year</b>		<b>1,466.97</b>	<b>1,022.67</b>
<b>I</b>	<b>Earnings per share (of Rs.10/- each):</b>			
	(a) Basic		5.87	4.09
	(b) Diluted		5.87	4.09
<b>J</b>	<b>Notes to accounts and disclosure as per NHB/RBI</b>	<b>23 - 27</b>		

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 : 19/05/2021

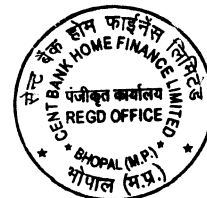
UDIN: 21407118 AAAA EA 7296

For Cent Bank Home Finance Limited

  
 Alok Srivastava  
 Chairman  
 DIN: 05123610

  
 Shishram Tundwal  
 Managing Director  
 DIN: 08505855

  
 Manish Singh Payal  
 Company Secretary

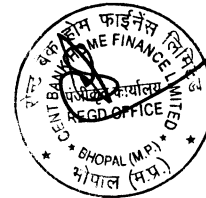
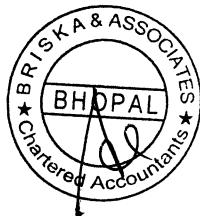


**Cash Flow Statement for the year ended 31 March, 2021**

Cent Bank Home Finance Limited

Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars		For the year ended 31 March, 2021		For the year ended 31 March, 2020	
		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			1,965.30		1,556.30
<i>Adjustments for:</i>					
Depreciation and amortisation	(+)	19.74		20.36	
Provision for NPA and other provisions	(+)	711.19		840.21	
Provision for Standard Asset (including special provision on COVID19- refer note No 5)	(+)	(153.45)		175.25	
Bad debts written off	(+)				
Profit on sale of fixed assets	(-)	0.12		0.16	
Amortization on Premium on Government Securities	(+)	0.41		1.06	
Prior period Adj.	(+)	(1.45)		(21.78)	
Operating profit / (loss) before working capital changes			2,541.62		2,571.24
<i>Changes in working capital:</i>					
<i>Adjustments for (increase) / decrease in operating assets:</i>					
Inventories					
Short-term loans and advances		7,577.53		2,995.17	
Long-term loans and advances		2,363.11		1,260.19	
Other current assets		185.14		(8.62)	
Other non-current assets		82.94		56.32	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>					
Deferred Tax Liabilities		(406.02)		(203.38)	
Other current liabilities		(160.88)		764.56	
Short-term provisions		-			
Long-term provisions					
			9,641.82		4,864.24
Cash flow from extraordinary items					
Cash generated from operations			12,183.44		7,435.48
Net income tax (paid)			(496.88)		(511.84)
<b>Net cash flow from / (used in) operating activities (A)</b>			<b>11,686.56</b>		<b>6,923.64</b>



**Cash Flow Statement for the year ended 31 March, 2021 (Contd.)**

Cent Bank Home Finance Limited

Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
	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	(3.95)		(16.87)	
Proceeds from sale of fixed assets	0.69		0.20	
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents				
- Placed	(500.00)		5,500.00	
- Matured				
Current investments not considered as Cash and cash equivalents				
- Purchased	(500.15)			
- Proceeds from sale			250.93	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(3.41)</b>		<b>5,734.26</b>





Cash Flow Statement for the year ended 31 March, 2021 (Contd.)

Cent Bank Home Finance Limited

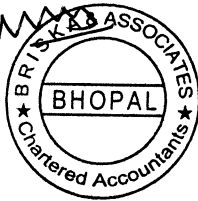
Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars	For the year ended		For the year ended	
	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	(5,551.43)		(18,307.47)	
Proceeds from other short-term borrowings	(6,219.51)		5,189.49	
Repayment of other short-term borrowings	-		-	
Dividends paid			(500.00)	
Tax on dividend			(2.77)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(11,770.94)</b>		<b>(13,620.75)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(87.79)</b>		<b>(962.85)</b>
Cash and cash equivalents at the beginning of the year		277.00		1239.85
<b>Cash and cash equivalents at the end of the year *</b>		<b>189.21</b>		<b>277.00</b>
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



*Alok Srivastava*

Alok Srivastava  
 Chairman  
 DIN: 05123610

For Cent Bank Home Finance Limited

*Shishram Tundwal*

Shishram Tundwal  
 Managing Director  
 DIN: 08505855

*Manish Singh Payal*

Manish Singh Payal  
 Company Secretary

Place : Bhopal  
 Date : 19/05/2021

UDEN: 31407118AAAAEA7296



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

**Note 2 Share capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
<b>(a) Authorised</b>				
Equity shares of Rs.10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
<b>(b) Issued</b>				
Equity shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
<b>(c) Subscribed and fully paid up</b>				
Equity shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
<b>Total</b>	<b>2,50,00,000</b>	<b>2,500.00</b>	<b>2,50,00,000</b>	<b>2,500.00</b>

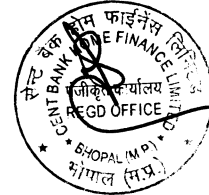
**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

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

Particulars								
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, 2021								
- Number of shares	2,50,00,000	0.00	0.00	0.00	0.00	0.00	0.00	2,50,00,000
- Amount (In Rs.)	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00
Year ended 31 March, 2020								
- Number of shares	2,50,00,000	0.00	0.00	0.00	0.00	0.00	0.00	2,50,00,000
- Amount (In Rs.)	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00

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, 2021</b>	<b>Nos.</b>				
Central Bank of India, the holding company	1,61,00,000	0.00	0.00	0.00	0.00
the ultimate holding company	0.00	0.00	0.00	0.00	0.00
Subsidiaries of the holding company	0.00	0.00	0.00	0.00	0.00
Associates of the holding company	0.00	0.00	0.00	0.00	0.00
Subsidiaries of the ultimate holding company	0.00	0.00	0.00	0.00	0.00
Associates of the ultimate holding company	0.00	0.00	0.00	0.00	0.00
<b>As at 31 March, 2020</b>					
Central Bank of India, the holding company	1,61,00,000	0.00	0.00	0.00	0.00
the ultimate holding company					
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, 2021		As at 31 March, 2020		
	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%	



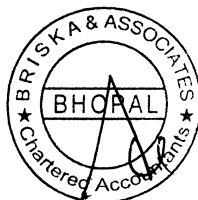
**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 3 Reserves**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Securities Premium Reserve	690.00	690.00
<b>Closing balance</b>	<b>690.00</b>	<b>690.00</b>
(b) General reserve		
Opening balance	948.51	815.47
Add: Transferred from Statement of Profit and Loss	125.21	133.04
Closing balance	<b>1,073.72</b>	<b>948.51</b>
(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	4,935.49	4,526.29
Add: Additions / transfers during the year	361.13	409.20
Closing balance	<b>5,296.62</b>	<b>4,935.49</b>
(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	<b>300.00</b>	<b>300.00</b>
(e) Surplus in Statement of Profit and Loss		
Opening balance	3,355.75	2,875.33
Add: Profit for the year	1,466.97	1,022.66
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	125.21	133.04
Special Reserve	361.13	409.20
Additional reserve u/s 29C of NHB Act	-	-
Closing balance	<b>4,336.38</b>	<b>3,355.75</b>
<b>Closing Balance</b>	<b>Total</b>	
	<b>11,696.72</b>	<b>10,229.75</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)
<b>Dividend per Share</b>	<b>0.00</b>	<b>0.00</b>

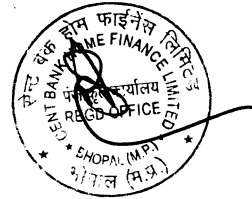


**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 3a Deferred Tax Liabilities**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
<b>Deferred Tax Asset (A)</b>	<b>Amount</b>		<b>Amount</b>	
Provision for NPA & Standard Assets	757.85	-	714.36	-
Leave Encashment	5.24	-	10.00	-
Depreciation	2.37	-	2.52	-
	-	765.46	-	726.88
	-	-	-	-
<b>Deferred Tax Liability (Net) (B)</b>				
Special Reserve	1,316.05	-	1,637.46	-
Unamortized Cost	90.89	-	136.92	-
Depreciation	-	1,406.94	-	1,774.38
<b>(A)-(B)= DTL</b>		<b>641.48</b>		<b>1,047.50</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**

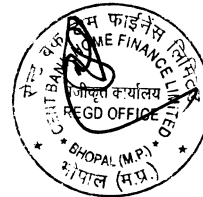
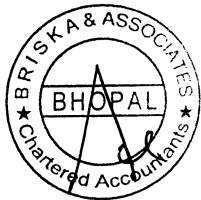
Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Non Convertible Debentures (Note No:-1)		
Unsecured	-	3,000.00
(b) Term loans		
From banks		
Secured (Note No:-2)	36,830.44	47,129.66
Unsecured	-	-
(c) Deposits (Note No:-3)		
Secured	-	-
Unsecured (Note No:-4)	18,569.43	10,821.64
<b>Total</b>	<b>55,399.87</b>	<b>60,951.30</b>

Note No 1:- Unsecured Unlisted Redeemable Non Convertible subordinated debentures aggregating to Rs.30 Crore outstanding as at 31st March 2021, and are subordinated to present and future indebtedness of the Company. It qualifies as Tier-II Capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at 20/08/2021 with ROI @10.75%.

Note No 2:- The repayment of term loans for the Next 12 Months are considered as current liabilities

Note No 3:- 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 4:-The FD Maturities of next 12 Months are considered as current maturities



**Particulars**

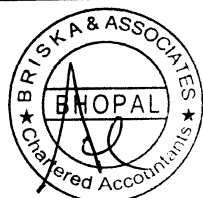
(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Secured	Unsecured	Secured	Unsecured
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Term loans from banks:				
Refinance from National Housing Bank	12,314.93	0.00	17,829.01	0.00
Central Bank of India	22,019.51	0.00	28,526.89	0.00
HDFC Bank	2,496.00	0.00	500.00	0.00
BoB	0.00	0.00	273.76	0.00
<b>Total - Term loans from banks</b>	<b>36,830.44</b>	<b>0.00</b>	<b>47,129.66</b>	<b>0.00</b>
Deposits:				
Deposits	-	18,569.43	-	10,821.64
<b>Total - Deposits</b>	<b>0.00</b>	<b>18,569.43</b>	<b>0.00</b>	<b>10,821.64</b>

Below are the details of all loans/Refinance outstanding.

Name of Institution / (Security for loan)	Amt sanctioned	Amt. outstanding as on 31st March 2021	Rate of interest %	Repayment terms
	Rs. In Lakhs	Rs. In Lakhs		
<b>NHB Refinance</b>				
<b>Specific Charge over book debts of company</b>				
	1,091.00	54.00	5.85	28 Qtrly Inst
	886.00	2.00	6.87	28 Qtrly Inst
	598.00	222.50	6.87	40 Qtrly Inst
	2,391.00	965.00	6.87	40 Qtrly Inst
	150.00	69.15	6.87	40 Qtrly Inst
	2,850.00	1,314.90	6.87	40 Qtrly Inst
	2,196.00	751.00	9.20	60 Qtrly Inst
	2,058.00	625.00	9.20	60 Qtrly Inst
	1,017.00	214.00	9.10	60 Qtrly Inst
	1,729.00	532.50	6.12	28 Qtrly Inst
	3,500.00	2,061.00	5.11	60 Qtrly Inst
	3,010.00	2,295.84	7.65	60 Qtrly Inst
	2,900.00	2,061.00	9.55	60 Qtrly Inst
	1,300.00	1,123.68	7.65	60 Qtrly Inst
	800.00	645.52	7.65	60 Qtrly Inst
	1,000.00	864.32	7.75	60 Qtrly Inst
	5,040.00	3,179.64	4.93	28 Qtrly Inst
	950.00	668.48	4.93	28 Qtrly Inst
	3,300.00	922.80	6.90	18 Qtrly Inst
	-	-	-	0
	<b>36,766.00</b>	<b>18,572.33</b>		
<b>Central Bank of India</b>				
<b>Specific Charge over book debts of company</b>				
	10,000.00	3,209.91	7.10	60 monthly Inst
	10,000.00	3,805.88	7.10	60 monthly Inst
	10,000.00	5,193.22	8.00	28 Qtrly Inst
	10,000.00	6,672.53	8.00	60 monthly Inst
	10,000.00	9,047.13	8.65	60 monthly Inst
	1,000.00	831.84	7.30	18 monthly Inst
	<b>51,000</b>	<b>28,760.51</b>		
<b>HDFC Bank</b>				
<b>Specific Charge over book debts of company</b>				
	2,500.00	250.00	8.35	20 Qtrly inst.
	2,500.00	250.00	8.35	20 Qtrly inst.
	2,000.00	2,000.00	7.25	72 monthly Inst
	1,000.00	1,000.00	7.25	72 monthly Inst
	-	-	-	-
	<b>8,000</b>	<b>3,500.00</b>		
<b>Grand Total</b>		<b>50,832.84</b>		
less: Current liabilities (repayment in next 12 months)		14,002.40		
<b>Total Non Current liabilities</b>		<b>36,830.44</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**

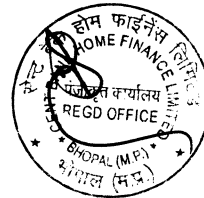
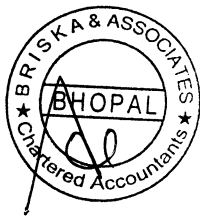
Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Provision for Bad & Doubtful Debts (NPA)	2,628.70	1,917.51
(b) Provision on Standard asset as per NHB norms	345.40	363.20
(c) 5% Provision on Standard assets (Overdue accouts on which moratorium period permitted)	-	107.27
(D) Provision for Sarfaesi Charges	70.97	27.27
<b>Total</b>	<b>3,045.07</b>	<b>2,415.25</b>

a) Provision for Bad & Doubtful Debts (NPA) has been done as per the prudential norms of National Housing Bank.

b) Provision on standard assets has been made as per the National Housing Bank 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%

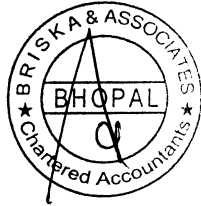
c) Special Provision of 5 % on Standard Accounts has been made due to Covid-19 on which moratorium period Permitted as per RBI Circular no: RBI/2019-20/220 dated 17th April 2020



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

**Note 6 Short-term borrowings**

	Particulars	As at 31 March, 2021	As at 31 March, 2020
		Rs. In Lakhs	Rs. In Lakhs
	(a) Loans repayable on demand From banks Secured (Note No:- 1)	1,001.59	174.98
	(b) Deposits (Note No:- 2) Unsecured	22,655.16	36,731.51
	(c) Non Convertible Debentures	3,000.00	
	(d) Term Loans (Current)	4,030.23	
	<b>Total</b>	<b>30,686.98</b>	<b>36,906.49</b>
<b>Notes:</b>			
(i) Details of security for the secured short-term borrowings:			
	Particulars	Nature of security	
	Loans repayable on demand from banks:(Note No:-1)		
	Central Bank of India	Book Debts assigned	
	Total - from banks		
			174.98
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 Other current liabilities**

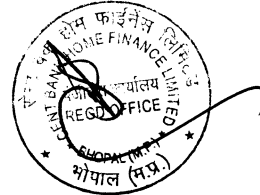
Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Current maturities of long-term debt (Refer Note No 1 below)	14,002.40	14,330.44
(b) Unpaid matured deposits and interest accrued thereon	118.57	100.52
(c) Other payables (Refer Note No 2 below)	-	-
(i) Contractually reimbursable expenses	1.01	4.04
(ii) Advances from customers	-	-
(iii) Bank balance	-	-
(iv) Others	525.50	405.31
(includes sundry creditors, provision for salary, CERSAI payable, Earnest money deposits other misc payables.	-	-
<b>Total</b>	<b>14,647.48</b>	<b>14,840.31</b>

Note No:1	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Term loans		
From banks		
Secured	14,002.40	14,330.44
Unsecured	-	-
<b>Total</b>	<b>14,002.40</b>	<b>14,330.44</b>

(b) Current maturities of long term debt relates to long term loans mentioned in note no-4, long term borrowing. Details of security & guarantee is mentioned in aforesaid loan.

Note No: 2 Other Payables due are Payables due to organizations other than Micro enterprise and small enterprise



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

**Note 8 Short-term provisions**

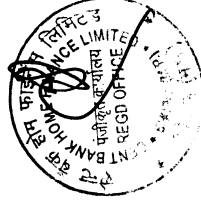
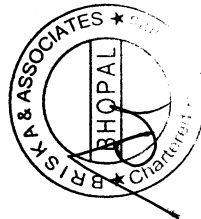
Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Provision - Others:		
(i) Provision for proposed equity dividend		
(ii) Provision for tax on proposed dividends		
(iii) Provision on Standard asset as per NHB norms	36.81	65.19
(iv) Provision for dimunation in Investments		
(v) Provision for other employee benefits#	23.56	34.33
(vi) CSR expenses provided for		-
<b>Total</b>	<b>60.37</b>	<b>99.52</b>
# a) Leave encashment for employee's had been calculated on the basis of leave entitlement during the year.		



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

Note 9 Property, Plant and Equipment

Tangible assets	Gross block										Accumulated depreciation and impairment					
	Balance as at 1 April, 2020	Additions	Disposals	Acquisitions through business combinations	Other adjustments	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation Rate	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2021	Balance as at 31 March, 2021 (Net Block)	Balance as at 31 March, 2020 (Net Block)			
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	%	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs			
(a) Furniture and Fixtures	109.91	0.69	-	-	-	110.60	87.00	9.50%	4.07	-	91.07	19.53	22.91			
(b) Vehicles	11.66	-	-	-	-	11.66	5.95	11.88%	2.57	-	8.51	3.15	5.71			
(c) Office equipment	33.61	2.36	-	-	-	35.97	26.32	19.00%	1.38	-	27.70	8.27	7.29			
(d) Computer	129.70	0.90	0.73	-	-	129.87	107.54	31.67%	11.72	0.73	118.54	11.34	22.16			
<b>Total for FY 2020-21</b>	<b>284.88</b>	<b>3.95</b>	<b>0.73</b>	<b>-</b>	<b>-</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>			
<b>Previous year (2019-20)</b>	<b>270.75</b>	<b>16.87</b>	<b>2.74</b>	<b>-</b>	<b>-</b>	<b>284.88</b>	<b>209.15</b>		<b>20.35</b>	<b>2.69</b>	<b>228.81</b>	<b>58.07</b>	<b>61.60</b>			

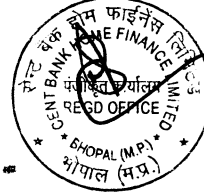
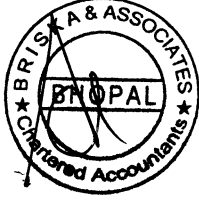


Cent Bank Home Finance Limited  
 Notes forming part of the financial statements

Note 9a Property, Plant and Equipment (contd.)

Particulars

B.	Depreciation and amortisation relating to continuing operations:	For the year ended 31 March, 2021 Rs. In Lakhs	For the year ended 31 March, 2020 Rs. In Lakhs
	Particulars		
	Depreciation and amortisation for the year on tangible assets as per Note 9	19.74	20.35
	Depreciation and amortisation relating to continuing operations	19.74	20.35



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

**Note 10 Non-current investments**

Particulars	As at 31 March, 2021			As at 31 March, 2020		
	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	As at 31 March, 2021			As at 31 March, 2020		
	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* (ii) trust securities	-	2,724.19	2,724.19	-	2,724.05	2,724.05
Particulars	As at 31 March, 2021			As at 31 March, 2020		
	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)	-	1,500.00	1,500.00	-	1,000.00	1,000.00
Aggregate amount of quoted investments	-	-	-	-	-	-
Aggregate amount of unquoted investments	-	2,724.19	2,724.19	-	2,724.05	2,724.05
	-	4,224.19	4,224.19	-	3,724.05	3,724.05

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

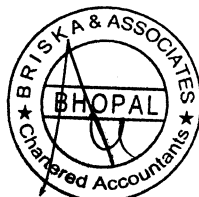
Particulars	31st March 2021	31st March 2020
Deposits With Central Bank Of India	1,500.00	-
Deposits With Jana Bank	-	1,000.00
<b>Total</b>	<b>1,500.00</b>	<b>1,000.00</b>

**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 adjust by Premium/Discount. There is no Diminuation in value of investment.**

**\*Note- The investment are considered for SLR Calculation**

S.No.	Particulars	31st March 2021	31st March 2020
		Rs. In Lakhs	Rs. In Lakhs
1	8.28% Central Govt. Securities 2027 @ Rs.100/- each (GOI 2027)	118.51	118.51
2	8.28% Central Govt. Securities 2027 @ Rs.100/- each (GOVT. STOCK 2027)	194.83	194.83
3	8.30% Central Govt. Securities 2042 @ Rs.100/- each (CENT GOVT) (GOIBONDS)	246.28	246.28
4	8.28% Central Govt. Securities 2027 @ Rs.100/- each (CENT GOVT) (GOIBONDS)	505.25	505.25
5	8.15% Central Govt. Securities 2026 @ Rs.100/- each (CENT GOVT) (GOIBONDS)	100.20	100.20
6	8.24% Central Govt. Securities 2033 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	505.95	505.95
7	8.24% Central Govt. Securities 2033 @ Rs.100/- each (CENT GOVT) (GOIBONDS)	253.10	253.10
8	7.88% Central Govt. Securities 2030 @ Rs.100/- each (CENT GOVT) (GOIBONDS)	500.88	500.88
9	7.88% Central Govt. Securities 2030 @ Rs.100/- each (CENT GOVT) (GOIBONDS)	200.35	200.35
10	7.61% Central Govt. Securities 2030 @ Rs.100/- each (CENT GOVT) (GOIBONDS)	100.14	100.14
	Less : Amortization on Premium on Government Securities	(1.30)	(1.44)
	<b>Grand Total</b>	<b>2,724.19</b>	<b>2,724.05</b>

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

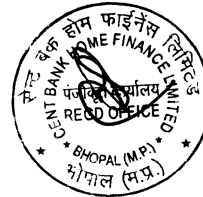


**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 11 Long-term loans and advances**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Security deposits		
Secured, considered good	43.35	36.90
(b) Loans and advances to employees	-	-
Less: Provision for doubtful loans and advances	-	-
(C ) Other (Sarfaesi charges recoverable)	70.97	95.19
(d) Refund due from Revenue Authorities	63.31	158.27
<b>(e) HOUSING LOANS &amp; NON-HOUSING LOANS</b>	-	-
Secured by tangible assets, considered good	96,345.57	1,00,050.03
Substandard	1,871.30	2,176.46
Doubtful & Loss	4,328.82	2,569.59
Total (e)	<b>1,02,545.69</b>	<b>1,04,796.08</b>
Less: Provision for loans and advances	<b>2,974.10</b>	<b>2,387.98</b>
Total (f)	<b>99,571.59</b>	<b>1,02,408.10</b>
<b>Total (a+b+c+d+e)</b>	<b>1,02,723.32</b>	<b>1,05,086.44</b>

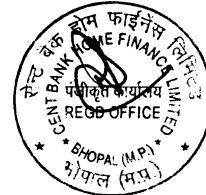
# Long Term loans and advances includes Housing loan, Top-up loan, Mortgage loan, Loan Against property, Project loan & loan for purchase of commercial property given to the borrowers and which includes the principal amount as well as interest charged reduced by EMI paid to the date. EMI Amount receivable 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 12 Other non-current assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Unamortised expenses: Loan acquisition cost		
(i) Unamortized Loan acquisition cost	406.22	509.47
Add: Expenses during the year	38.12	108.19
Less: Amortized during the year (Note No. 20)	168.95	211.44
Closing Balance	<b>275.39</b>	<b>406.22</b>
Less: To be Amortized during next year, '(Current Portion)	126.01	167.54
Balance Non Current	<b>149.38</b>	<b>238.68</b>
(b) Unamortised expenses: Brokerage on borrowings		
(i) Unamortized Brokerage on borrowings	63.96	40.82
Add: Expenses during the year	59.04	46.88
Less: Amortized during the year (Note No. 20)	37.30	23.74
Closing Balance	<b>85.70</b>	<b>63.96</b>
Less: To be Amortized during next year '(Current Portion)	45.11	29.73
Balance Non Current	<b>40.59</b>	<b>34.23</b>
<b>TOTAL</b>	<b>₹ 189.97</b>	<b>272.91</b>

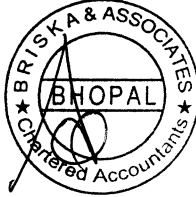


**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 13 Cash and cash equivalents**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Cash on hand	26.11	17.26
(b) Cheques in Hand	-	-
(c) Balances with banks	-	-
(i) In current accounts	163.08	259.74
(ii) In deposit accounts (Refer Note (i)# (ii)below)	500.00	1,000.00
<b>Total</b>	<b>689.19</b>	<b>1,277.00</b>
(i)# The whole amount denotes cash & cash equivalents as per AS-3 cash flow statements		
	As at 31 March, 2021	As at 31 March, 2020
<b>(ii) Bank deposit classification</b>	<b>Rs. In Lakhs</b>	<b>Rs. In Lakhs</b>
<b>Maturity Period</b>		
With in 3 Months	0.00	0.00
Less than 12 Months	500.00	1,000.00
<b>Total</b>	<b>500.00</b>	<b>1,000.00</b>

**Note:** The Bank deposit includes deposits made for SLR requirement





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

**Note 14 Short-term loans and advances**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Loans and advances		
Secured, considered good (A)	10,447.47	18,022.70
Less: Provision for doubtful loans and advances/standard (B)	36.81	65.19
	10,410.66	17,957.51
(C) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	-	-
Less: Provision on loans and advances (Standard) (C)	-	-
(D) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, Advance rent etc.)	17.51	19.81
<b>Total (A+C+D)</b>	<b>10,464.98</b>	<b>18,042.51</b>

Note: Amount shown in balance sheet is without provision. Provision have been shown in short term provision .  
 Rs 10,447.47 Lakhs (PY 18,022.70 Lakhs ) is taken under short term loan & advances and Rs 36.81 Lakhs (PY 65.19 Lakhs) taken to short term provision.

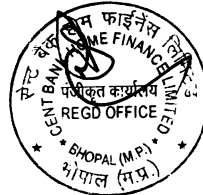
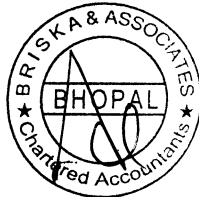


**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 15 Other current assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Accruals		
(i) Interest accrued on deposits	13.94	27.38
(ii) Interest accrued on investments	38.72	39.44
	-	-
	-	-
(b) Others		
(i) Unamortized loan acquisition cost	126.02	167.54
(ii) Unamortized Brokerage on Borrowings	45.11	29.73
(iii) Others (Includes SARFAESI Charges Recoverable, CERSAI charges recoverable & misc receivable also)	120.24	115.10
C Current Investment in Government Securities*	-	149.95
<b>Total</b>	<b>344.03</b>	<b>529.14</b>
<b>Grand Total</b>	<b>344.03</b>	<b>529.14</b>

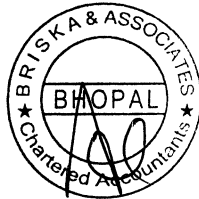
\* Note: Current investment are due for maturity during the Financial Year 2020-21



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

**Note 16 Revenue from operations**

	Particulars	For the year ended	For the year ended
		31 March, 2021	31 March, 2020
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest income on individual loans & project loans	12,094.16	13,003.51
(b)	Interest on Bank deposits and Investment	457.44	866.02
(c)	Other operating revenues		
	Interest on demand loans, vehicle loans, personal loan, fees & other charges	183.34	315.05
	<b>Total</b>	<b>12,734.94</b>	<b>14,184.58</b>
<b># Details of revenue from operations:</b>			
	Particulars	For the year ended	For the year ended 31
		31 March, 2021	March, 2020
		Rs. In Lakhs	Rs. In Lakhs
(i)	Interest Income comprises:		
	Individual Loans	12,094.16	12,999.22
	Corporate bodies/builders	-	4.29
	<b>Total</b>	<b>12,094.16</b>	<b>13,003.51</b>
(ii)	Other operating revenues comprise:	182.82	312.41
	Processing, Administration fees and other charges	0.52	2.64
	Interest on demand loan against fixed deposit	0.00	0.00
	Interest on Vehicle loan	0.00	0.00
	Interest on personal loan		
	<b>Total - Other operating revenues</b>	<b>183.34</b>	<b>315.05</b>



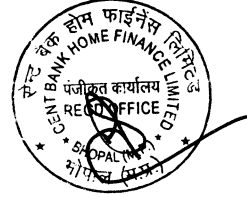
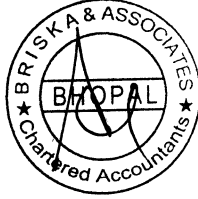
**Cent Bank Home Finance Limited**  
**Notes forming part of the financial statements**

**Note 17 Other income**

	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
		Rs. In Lakhs	Rs. In Lakhs
(a)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	44.02	24.13
(b)	SGST Collected	0.00	0.00
(c)	CGST Collected	0.00	0.00
	<b>Total</b>	<b>44.02</b>	<b>24.13</b>

Note No 1	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
		Rs. In Lakhs	Rs. In Lakhs
(i)	Other non-operating income comprises:		
	Profit on sale of fixed assets	0.12	0.16
	Miscellaneous income	4.26	8.32
	Recovery in Write off Accounts	39.64	15.65
	<b>Total - Other non-operating income</b>	<b>44.02</b>	<b>24.13</b>



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

**Note 18 Employee benefit expense**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
Salaries and wages	763.52	783.36
Contributions to provident and other funds	35.10	35.01
Staff welfare expenses	10.83	20.95
<b>Total</b>	<b>809.45</b>	<b>839.32</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 19 Finance Costs**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
(a) Interest expense on Borrowings #	8,495.86	9,796.86
(b) Other borrowing costs (Bank Charges)	126.81	99.98
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	0.00	0.00
<b>Total</b>	<b>8,622.67</b>	<b>9,896.84</b>

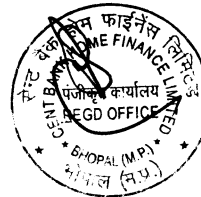
# Interest expenses includes interest on term loan from Central Bank of India, HDFC Bank, Bank of Baroda, NHB Refinance, Debentures & Interest on deposits



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

**Note 20 Other expenses**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
Power and fuel/electricity expenses	18.82	23.28
Rent including lease rentals	139.19	151.65
Repairs and maintenance - Buildings	19.87	17.96
Repairs and maintenance - Others	8.09	9.01
Insurance	0.24	0.31
Communication	16.46	16.44
Travelling and conveyance	14.51	56.32
Printing and stationery	7.97	10.01
Office Expenses*	23.00	29.00
Penalty on service tax	3.45	0.00
Advertisement & Publicity	1.91	5.36
Legal and professional	95.94	98.97
Payments to auditors (Refer Note (i) below)	10.71	9.02
Internal audit expenses/stock audit fees	14.07	0.35
CSR Expenditure	41.74	42.40
CSS Implementation and support charges	106.34	107.98
RCU/FI verification Expenses	6.05	20.44
Directors Sitting fees	9.81	8.61
Miscellaneous expenses #	59.64	38.14
Brokerage (amount amortized)	37.30	23.74
DSA Commission (amount amortized)	168.95	211.44
<b>Sub -Total</b>	<b>804.06</b>	<b>880.43</b>
Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	In Rs.	In Rs.
(i) Payments to the auditors comprises :-		
<b>(A) Fees Paid to Statutory Auditor</b>		
For statutory audit	4.36	3.54
For tax audit	0.00	0.00
For Certification	4.71	3.71
<b>Total(A)</b>	<b>9.07</b>	<b>7.25</b>
<b>(B) Fees Paid to Other Auditors</b>		
For tax audit	1.64	1.77
<b>Total(B)</b>	<b>1.64</b>	<b>1.77</b>
<b>Grand Total(A+B)</b>	<b>10.71</b>	<b>9.02</b>



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

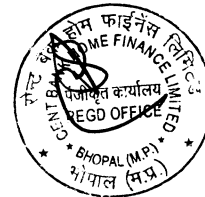
**Note 21. Provision for Standard Assets**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	Rs. In Lakhs	Rs. In Lakhs
Provision on standard assets as per NHB norms	(153.45)	175.26
<b>Total</b>	<b>(153.45)</b>	<b>175.26</b>

- (a) In the Year 2020-21 Provision/Reversal of Provision on standard assets has been made as per the NHB/RBI norms.
- (b) Housing Sector: Provision on Accounts Prior to August 2017 will be done @ 0.40% ,From August 2017, it will be 0.25%
- (c) Non Housing Sector: LAP- 0.40%, Commercial Property-1% and Project loan- 0.75%
- (d) In the Year 2019-20 and for the quarter ended 30th June 2020, Special Provision of 10% 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 which has been reversed/adjusted at the end of the year 2020-21

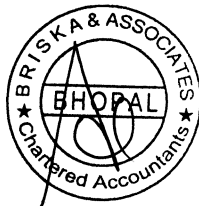
**Note 22. Extra Ordinary Items**

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
	In Rs.	In Rs.
	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





Annex III			
Schedule forming part of the Financial Statements for the year ended 31st March, 2021			
(Rs In Lakhs)			
Particulars		Amount	Amount
Liabilities side		outstanding	overdue
1	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a)	Debentures : Secured		
	: Unsecured	3,000.00	-
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	-	-
(c)	Term Loans	27,104.15	-
(d)	Inter-corporate loans and borrowing	28,760.51	-
(e)	Commercial Paper	-	-
(f)	Public Deposits*	41,343.16	-
(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)	41,343.16	-
	* 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		110,288.70
(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>			
<b>1 Quoted</b>			
(i)	Shares		
	(a) Equity		-
	(b) Preference		-
(ii)	Debentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (please specify)		-
<b>2 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)		500.00
<b>Long Term investments</b>			
<b>1 Quoted</b>			
(i)	Share		
	(a) Equity		-
	(b) Preference		-
(ii)	Debentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		2,724.19
(v)	Others (please specify)		-
<b>2 Unquoted</b>			
(i)	Shares		
	(a) Equity		-
	(b) Preference		-
(ii)	Debentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (Public Deposits)		1,500.00

**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
<b>1 Related Parties **</b>				
(a)	Subsidiaries			
(b)	Companies in the same group			
(c)	Other related parties			
<b>2 Other than related parties</b>		110,288.70	-	110,288.70
<b>Total</b>		<b>110,288.70</b>	<b>-</b>	<b>110,288.70</b>

**7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

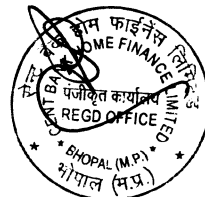
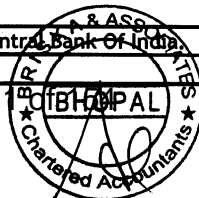
(Please see Note 3 below)

Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1 Related Parties **</b>			
(a)	Subsidiaries	-	-
(b)	Companies in the same group	-	-
(c)	Other related parties(Note 1)		2,724.19
<b>2 Other than related parties(Note 2)</b>			
<b>Total</b>		<b>-</b>	<b>2,724.19</b>

**Note 1:-**Securities 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			Amount
		Particulars	
(i)	Gross Non-Performing Assets		
	(a)	Related parties	
	(b)	Other than related parties	6,200.12
(ii)	Net Non-Performing Assets		
	(a)	Related parties	
	(b)	Other than related parties	3,571.39
(iii)	Assets acquired in satisfaction of debt		

**Notes:**

- 1 As defined in Paragraph 4.1.30 of these Directions.
- 2 Provisioning norms shall be applicable as prescribed in these Directions.
- 3 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**



**For Cent Bank Home Finance Limited**

**Alok Srivastava**  
**Chairman**  
**DIN: 05123610**

**Shishram Tundwal**  
**Managing Director**  
**DIN: 08505855**

**Manish Singh Payal**  
**Company Secretary**

Place : Bhopal  
Date : 19.05.2021

UDIN: 21407118AAAAEA7296



## 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:

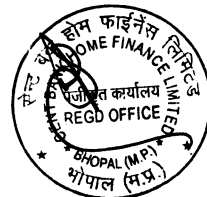
The Financial Statements of the Company have been prepared and presented as per the Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on accrual basis. The Company has prepared its Financial Statements to comply with the all material aspects of the Accounting 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”

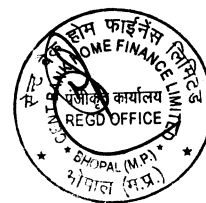
The Basic and Diluted Earnings per Share have been calculated by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

## 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

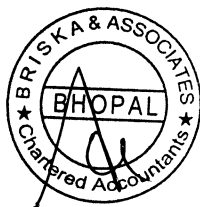
Provision on loans has been arrived at in accordance with National Housing Bank guidelines and directives. Advances to borrowers are classified into Performing and Non Performing based on overdue of Principal/Interest. Non Performing Assets (NPAs) are further categorized as Sub-Standard, Doubtful and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

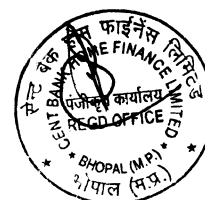
Company will create floating provision only against Bad & Doubtful Debts and amount of provision will be approved by the Board from time to time.

### 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:

- similarity of economic and political conditions;
- relationships between operations in different geographical areas;
- proximity of operations;
- special risks associated with operations in a particular area;
- exchange control regulations; and
- 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 008780C

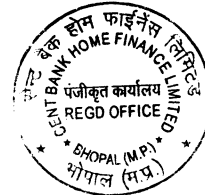
 

CA Amit Chitwar  
Partner  
M.No.407118  
Place: Bhopal  
Date: 19.05.2021

Alok Srivastava  
Chairman  
DIN:05123610

  
Shishram Tundwar  
Managing Director  
DIN:08505855

  
Manish Singh Payal  
Company Secretary



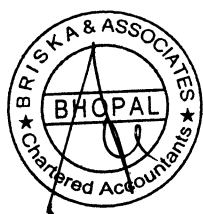
## Notes to accounts & Disclosure as per NHB/RBI

### Note 23

- Loans and installments due from borrowers shown under Loans and Advances are secured wholly by Equitable Mortgage of Property, Pledge of shares, other Securities, assignment of Life Insurance Policies, undertaking to create security, Bank guarantee/ corporate guarantees/ personal guarantees.
- 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.

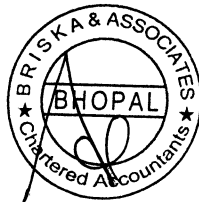
	For the year ended 31-03-2021		For the year ended 31-03-2020	
	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs
<b>HOUSING LOAN:</b>				
<b>To Individuals</b>				
Standard Assets	81,723.88	277.61	90,848.44	390.38
Sub-Standard Assets	1,349.25	202.39	1,614.51	242.18
Doubtful Assets	2,863.18	1,356.54	1,665.31	889.80
Loss Assets	288.68	288.68	201.27	201.27
<b>To Non-Individuals</b>				
Standard Assets				
Sub-Standard Assets				
Doubtful Assets				
Loss Assets				
Floating provision				
<b>Total (A)</b>	<b>86,224.99</b>	<b>2,125.22</b>	<b>94,329.53</b>	<b>1,723.63</b>

	For the year ended 31-03-2021		For the year ended 31-03-2020	
	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs
<b>NON-HOUSING LOAN:</b>				
<b>To Individuals</b>				
Standard Assets	25,062.30	104.57	27,182.23	145.11
Sub-Standard Assets				84.29
	522.05	78.31	561.94	
Doubtful Assets	1,159.19	685.01	686.73	483.68
Loss Assets	17.77	17.77	16.29	16.29
Demand Loan	6.86	0.03	42.06	0.17
<b>To Non-Individuals</b>				
Standard Assets			-	-
Sub-Standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision				
<b>Total (B)</b>	<b>26,768.17</b>	<b>885.69</b>	<b>28,489.25</b>	<b>729.54</b>
<b>TOTAL (A+B)</b>	<b>1,12,993.16</b>	<b>3,010.91</b>	<b>1,22,818.78</b>	<b>2453.17</b>



- a) The above NPA Balances are net of unrealized interest of Rs.4,96,92,279/-(PY: - 2,46,23,261/-)
- b) In the financial year FY 2019-20 and at the end of the Quarter ended on 30-06-2020, the Standard Assets Provision includes provision on Overdue Accounts @ 5% due to Covid-19. Such Provision has been adjusted/reversed at the end of the year 2020-21.
- c) In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 -Regulatory Package', the Company had granted moratorium up to six months on the payment of instalments which became due between 01 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.
- d) The Honourable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("Interim Order"), had directed banks and NBFCs that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, the Company did not classify any account which was not NPA as of August 31, 2020 as per the RBI IRAC norms, as NPA after August 31, 2020. Basis the said interim order, until 22<sup>nd</sup> March 2021, the Company did not classify any additional borrower account as NPA as per the Reserve Bank of India or other regulatory prescribed norms, after 31 August 2020 which were not NPA as of 31 August 2020, however, during such periods, the Company has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.
- e) The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small-Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated April 07, 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.
- 3) Interest on Non-Performing Assets is recognized on realization basis as per the NHB Guidelines. Accordingly, the total interest de-recognized as at the Balance Sheet date is summarized as under: -

	As at 31-03-2021 (Rs in Lakhs)	As at 31-03-2020 (Rs in Lakhs)
Cumulative Derecognised Interest at the beginning of the year	246.23	134.42
<b>Add: -Interest Derecognised during the year (Net of Recovery): -</b>		
- Sub Standard Assets (Net)	157.42	63.87
- Doubtful/Loss Assets	93.28	47.94
<b>Total Interest Derecognized</b>	<b>496.93</b>	<b>246.23</b>



- 4) 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)

A	Deferred Tax Asset [DTA]	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		Amount	Amount	Amount	Amount
	Provision on Standard Assets & NPA's	757.85		714.36	
	Others	5.24		10.00	
	Depreciation	2.37		2.52	
	<b>Total (A)</b>		<b>765.46</b>		<b>726.88</b>
	<b>B</b>				
	<b>Deferred Tax Liability [DTL]</b>				
	Special Reserve				
	• Opening Amt	1,637.46		1,518.31	
	Transfer during the year				
	• From Surplus	-		-	
	• From P&L	(321.41)		119.15	
			<b>1,316.05</b>		<b>1,637.46</b>
	Others		90.89		136.91
	<b>Total (B)</b>		<b>1,406.94</b>		<b>1,774.37</b>
<b>C</b>	<b>(B)-(A)</b>		<b>641.48</b>		<b>1,047.49</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.

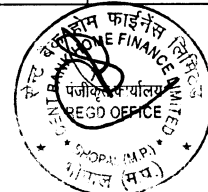
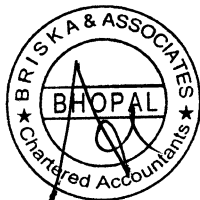
#### 5) Contingent Liabilities and Commitments

\*Detail provided below

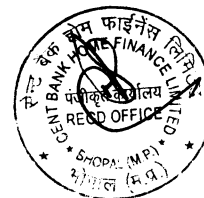
The proceeding against these demands is pending with Income Tax authorities, and hence these are not provided in the books of account,

(Rs in Lakhs)

S.No.	A.Y.(F.Y.)	Returned Income	Addition to the Income	Demand	Reason	Case Pending With Authority
1	2010-11 (2009-10)	559.38	38.22	14.18	The demand is incorrect and it comes under the classification of apparent error from the department. Rectification has been filed.	CIT(Appeals)



3	2016-17 (2015-16)	1142.95	191.69	14.70	Case was selected for Scrutiny Assessment u/s 143(3). An addition of Rs. 1,91,69,170/- was made to the returned income out of which Rs. 1,06,90,816/- is disputed on account of bad debt written off by the Company. Appeal before CIT (Appeals) has been filed against the Assessment Order u/s 143(3) on 18.12.2018 and is pending disposal.	CIT(Appeals)
4	2018-19 (2017-18)	2659.66		0.79	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.182609, 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(Appeals)
<b>Total</b>		<b>4,361.99</b>	<b>229.91</b>	<b>29.67</b>		



6) 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	2020-21	2019-20
Interest on overdraft	48.41	201.55
Interest on Term Loan	2,563.78	2,423.85
Term Loan balance (Note: -1)	28,760.51	35,668.90
Overdraft Sanctioned	10,000.00	10,000.00
Dividend (Note: -2)	00.00	322.00
Repair and Maintenance (Rent)	25.96	26.45
Salary of staff on Deputation	46.92	36.06

**Note 1:** -Term loan balance includes outstanding balance out of sanctioned term loans of Rs 500cr. In current year Rs 10Cr. (PY: -100 Cr) fresh Covid -19 Loan was availed.

**Note 2:** - No Dividend had been declared in the FY 2019-20 and FY 2020-21.

(b) Key Managerial Personnel

- (i) Shri Shishram Tundwal, Managing Director.
- (ii) Shri Manish Singh Payal, Company Secretary.
- (iii) Shri Ashish Mittal, Ex Chief Financial Officer \*

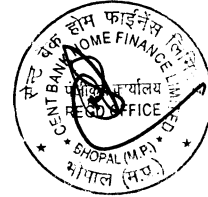
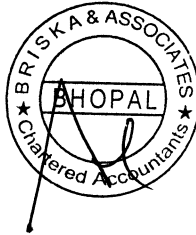
\*Ex -Chief Financial Officer Shri Ashish Mittal Resigned Dated 19.02.2021.

\*Chief Financial Officer Shri Ashish Mittal has been appointed with effect from 13.04.2020.

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

(Rs. in Lakhs)

Description	2020-21	2019-20
Salary and Allowances, cont. to PF etc of Key Managerial Personnel	43.93	55.27



- 7) 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 31-03-2021	As on 31-03-2020
a) Profit/Loss after Tax (Rs In Lakhs.)	1,466.97	1,022.67
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.	5.87	4.09
e) Diluted Per Share-Rs.	5.87	4.09

- 8) 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.

- 9) 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 31-03-2021	As on 31-03-2020
Opening Provisions on Bad & Doubtful Debts	1,917.51	1,077.30
Less: Reversal due to accounts written-off		
Add: Addition on account of fresh slippage (net of reduction/up gradation due to recovery)	711.19	840.21
Closing Provision on Bad & Doubtful Debts	2,628.70	1,917.51

(Rs in Lakhs)

(b) Net of amount written-off (Details)	As on 31-03-2021	As on 31-03-2020
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)	711.19	840.21
Total	711.19	840.21
Reversal of Provision Net of amount written off	-	-

- 10) 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.



11) Provision and Contingencies

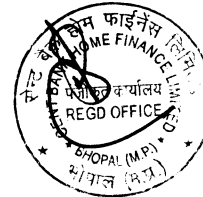
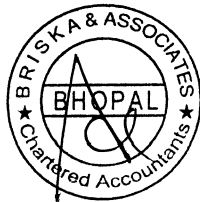
Break up of 'Provision and Contingencies' shown under the head Expenditure in Profit and Loss Account	(Rs in Lakhs)	
	As on 31-03-2021	As on 31-03-2020
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	539.43	655.66
3. Provision towards NPA	711.19	840.21
4. Provision for Standard Assets (with details mentioned in Point 7.1 of Additional Disclosures)	(153.45)	175.25
5. Other Provision and Contingencies (with details given elsewhere)	334.53	303.71
6. Provision For made towards deferred Tax	(406.02)	(203.38)

12) Current liabilities include short term borrowings which consists 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.

13) 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.

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

- 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.
- The Provision of leave encashment liability is calculated on the balance-privilege leave of the employees as on 31-03-21. The same has been provided for the year ended 31-03-2021. 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".
- 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 31-03-2021.

#### 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

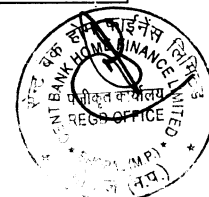
Particulars	Policy 1 301000291	Policy 2 108307
Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method

#### 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

The following table sets out the funded status of the Gratuity and the amount recognized in Financial Statements as on 31-03-2020.

### 1. Actuarial Assumptions

Particulars	Policy 1 301000291	Policy 2 108307
Discounted Rate	7.25%	7.25%
Salary Escalation	8.00%	8.00%

### 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

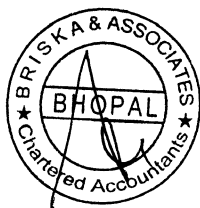
Particulars	Policy 1 301000291	Policy 2 108307
Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method

### 4. Actuarial Assumption

Particulars	Policy 1 301000291	Policy 2 108307
Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal Rate	1.00% to 3.00% Depending on Age	1.00% to 3.00% Depending on Age

### 5. Results of Valuation

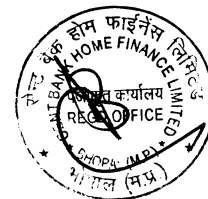
Particulars	Policy 1 301000291	Policy 2 108307
PV of Past Service Benefits (Rs)	25,41,120.00	40,32,381.00
Current Service Cost (Rs)	5,63,909.00	1,88,514.00
Total Service Gratuity (Rs)	1,97,94,522.00	55,55,984.00
Accrued Gratuity (Rs)	31,75,820.00	38,30,010.00



## 6. Contribution

Particulars	Policy 1 301000291	Policy 2 108307
Fund Value as on Renewal Date (Rs)	29,27,127.00	41,73,827.00
Additional Contribution	0.00	0.00
Current Service Cost (Rs)	5,63,909.00	1,88,514.00

- 15) 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 31-03-2021 is Rs.90.42 lakhs, (Previous Year - Rs. Nil).
- 16) During the year the Company has not created floating provision on Bad & Doubtful Debts.
- 17) **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.
- 18) **Corporate Social Responsibility**  
During the year the Company has spent Rs.41,73,668/- (Previous year: Rs.42,40,381/-) towards Corporate Social Responsibility under section 135 of Companies Act, 2013 and rules thereon.
- 19) We have not entered into any long-term contract including derivative contract which may have any material foreseeable losses.
- 20) **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.
- 21) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification / disclosure.
- 22) 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.
- 23) 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.

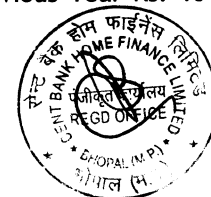
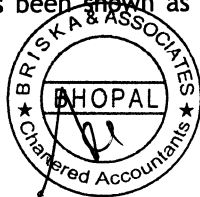


## 24) Change in Accounting Policy

In Pursuance to Requirement of "Accounting Standard-13- Accounting for Investment", during previous year 2020-21 the Company has adjusted Rs.40,760/- (Previous Year Rs.46,287.65) against the Interest on Investment on Account of Amortisation of Premium (Net of Discount) in respect of Government Securities (SLR Investment). Further, Rs. Nil (Previous Year-1,51,979.30) relating to said Amortisation has been Debited in the Prior Year Expenses. Due to this, previous Year Profit has been reduced by Rs.1,44,356.95(Net of Loss of Rs. 59,900/- Redemption made during previous financial year 2019-20).

## 25)

- (a) Miscellaneous expenses include Un-amortised Premium on redemption on investment of nil (PY: - 59,900/-) -. Such Amortisation, is included in the Amortisation of Rs. nil (PY: - 1,06,188.00) which has been mentioned in the Cash Flow Statement.
- (b) 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.
- (c) 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.
- (d) Surplus SLR Investment in Term deposit Receipt(s) (i.e., Investment made in Securities and Eligible Term Deposits Less Minimum Investment required as per SLR Norms) with reference to higher of values of Public deposits balance as on 31-12-2020(Rs. 324.31 crores) or 30-09-2020 (Rs. 281.28 crores) has been shown as Current Investments and remaining Investment has been shown as Non-Current Investment. However, liquidation of such excess SLR investment is subject to approval of the competent authority. Accordingly, Rs. 15 crores have been shown as Non-Current Investments (Previous Year Rs. 10 crores) and remaining Investment has been shown as Current Investment of Rs. 5 crores(Previous Year Rs. 10 crores).



(e) The Public Deposits includes unpaid and unclaimed deposits.

(f) 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.

**26) 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 / lease 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, 2021(Rs Lakh)	Year Ended Year Ended March 31, 2020(Rs. Lakh)
1.	Within One year	159.06	169.61
2.	After One Year But not more than five Years	464.83	623.89
3.	More than five years	0.00	0.00
	<b>Total</b>	<b>623.89</b>	<b>793.50</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, 2021 (Rs in Lakhs)	Year Ended Year Ended March 31, 2020 (Rs in Lakhs)
1.	Within One year	106.34	107.98
2.	After One Year But not more than five Years	226.42	332.76
3.	More than five years	0.00	0.00
	<b>Total</b>	<b>332.76</b>	<b>440.74</b>

In the Case Polaris Financial Technology limited, the term "Yearly charges" (Point No-9 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.



27) Disclosures required by NHB/RBI

1. Capital (Accounts)

Capital to Risk Assets Ratio (CRAR)

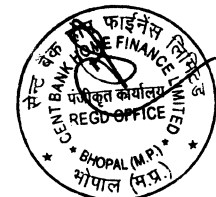
Particulars	As at 31-03-2021	As at 31-03-2020
i) CRAR (%)	21.93%	20.01%
ii) CRAR-Tier I Capital	21.34%	18.31%
iii) CRAR-Tier II Capital	0.59%	1.70%
iv) Amount of Subordinate debt raised as Tier-II Capital (Rs. In Lakhs)	0.00	600.00
v) Amount raised by issue of Perpetual Debt Instruments	0.00	0.00

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.365.07 Lakh (PY: - 409.20) 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 2020-21	Amount 2019-20
<b>Balance at the beginning of the year</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.	4,935.49	4,526.29
<b>c) Total</b>	<b>5,235.49</b>	<b>4,826.29</b>
<b>Addition/Appropriation/ Withdrawal during the year</b>		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987		-
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	361.13	409.20
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
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>		
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	5,296.62	4,935.49
<b>c) Total</b>	<b>5,596.62</b>	<b>5,235.49</b>



### 3. Investment

(Rs in Lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Value of Investments	2,724.19	2,874.00
i) Gross value of Investments	2,724.19	2,874.00
a) In India	2,724.19	2,874.00
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	2,724.19	2,874.00
a) In India	2,724.19	2,874.00
b) Outside India	0.00	0.00
Movement of provision held towards depreciation on Investment	Nil	Nil
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

Note 1: -Investments are exclusive of Bank Deposits amounting of Rs.: -2,000 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)

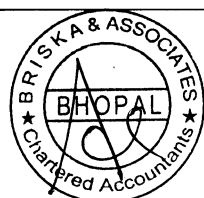
#### 4) Derivatives

- 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 in Lakhs)

Particulars	2020-21	2019-20
(i) The notional principal of swap agreements	NIL	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 @		
<b>Note:</b> 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 2021 (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

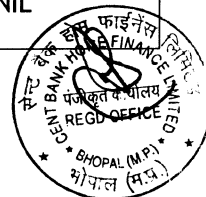
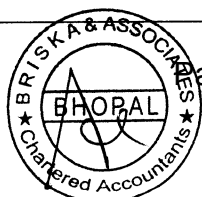
B. Quantitative Disclosure

			(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 31-03-2021	As at 31-03-2020
(i) No. of accounts		
(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		

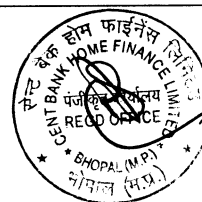
Nil

## 5.3 Details of Assignment transactions undertaken by HFCs

(Rs in Lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
(i) No. of accounts		
(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		

Nil



#### 5.4 Details of non-performing financial assets purchased/sold

##### A. Details of Non-performing financial assets purchased:

(Rs in Lakhs)

Particulars		As at 31-03-2021	As at 31-03-2020
(a) No. of accounts purchased during the year			
(b) Aggregate outstanding			
(a) Of these, number of accounts restructured during the year			Nil
(b) Aggregate outstanding			

##### B. Details of Non-performing Financial Assets sold:

(Rs in Lakhs)

Particulars		As at 31-03-2021	As at 31-03-2020
1. No. accounts sold			
2. Aggregate outstanding			Nil
3. Aggregate consideration received			

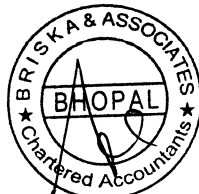
#### 5.5 Assets Liabilities Management (Maturity pattern of certain items assets and liabilities)

(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	595	1,613	1,657	778	991	7,658	9,363	13,406	4,286	877	41,224
Borrowings from Bank	-	-	4,174	2,804	2,933	3,050	9,073	15,753	11,491	6,586	55,864
Market Borrowing						3,000					3,000
Foreign Currency Liability											
<b>Assets</b>											
Advances	295	305	550	1,000	1,150	2,647	4,500	32,000	29,000	41,546	1,12,993
Investments	220	280	500	500		1,224	*2,000				4,724
Foreign Currency Assets											
Surplus/(Deficit)	(80)	(1,028)	(4,781)	(2,082)	(2,774)	(9,837)	(11,936)	(159)	13,223	34,083	17,629
<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 most 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 and has committed credit lines from CBI to meet the excess liabilities, if any. The Company has also Government Investments of Rs. 27.24 Crores out of which on determination of excess SLR investment and also obtaining permission from NHB the same may be utilised to make payment (Including Debenture of Rs.30 Crores)



## 5.6 Exposure

### 5.6.1 Exposure to Real Estate Sector

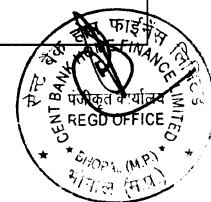
(Rs in Lakhs)

S.No	Category	As at 31-03-2021	As at 31-03-2020
A	Direct Exposure		
i)	Residential Mortgages (including loan against residential property)		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,12,384.17	1,22,206.3
	Out of which Individuals Housing Loans up to Rs.15 lakhs	44,708.29	50,304.18
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	1,092.73	816.65
iii)	Investment in Mortgage-Backed Securities (MBS) and other securitized exposures-		
	• 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 31-03-2021	As at 31-03-2020
(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

- During the Financial Year 2020-21, NHB imposed Penalty of Rs.5,000/- on account of non compliance of para 5.4 of the HFC- Corporate Governance (NHB) directions 2016 which relates to disclosure of NPA movement in the Balance Sheet in a Specified format, for the year 2018-19

##### PREVIOUS YEAR

- During the Financial Year 2019-20, NHB imposed Penalty of Rs.5,000/- on account of not furnishing a Separate auditor's report in compliance with Master Circular - HFC Auditor's Report (NHB) Directions, 2016 in the year 2016-17.

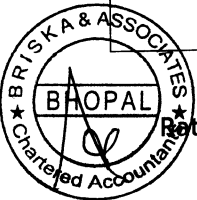
### 6.3 Related Party Transactions:

a) Details of all material transaction with related parties: -

The related Party Transaction with holding company is furnished below:

(Rs in Lakhs)

Description	2020-21	2019-20
Central Bank of India		
Interest on overdraft	48.41	201.55
Interest on Term Loan	2,563.78	2,423.85
Term Loan balance	28,760.51	35,668.90
Overdraft Sanctioned	10,000.00	10,000.00
Dividend	0.00	322.00
Repair and Maintenance (Rent)	25.96	26.45
Salary of staff on Deputation	46.92	36.06



Agency	Purpose	Rating
CARE	Debenture	CARE BBB+; Stable
CRISIL	Debenture	CRISIL BBB+/ Stable
CRISIL	Long term Bank Facilities	CRISIL BBB+/ Stable
CRISIL	Deposit	FA-/stable
Brick Work Ratings	Long term Bank Facilities	BWR BBB+/ Stable (Reaffirmed)

**Migration of rating during the Year:**

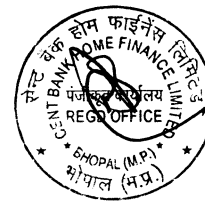
Instrument	Agency	2019-20	2020-21	Remarks
Debenture	CARE	CARE BBB+ (CWD)	CARE BBB+; Stable	Reaffirmed and removed from Credit watch with Developing Implications; Stable outlook assigned.
Debenture	CRISIL	CRISIL BBB+/ Stable	CRISIL BBB+/ Stable	CRISIL BBB+/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)
Long term bank Facilities	CRISIL	CRISIL BBB+/ Stable	CRISIL BBB+/ Stable	CRISIL BBB+/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)
Deposits	CRISIL	FA-/stable	FA-/stable	F A-/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)
Long term Bank Facilities	Brick Work Ratings	BWR BBB+/ Stable (assigned)	BWR BBB+/ Stable (Reaffirmed)	BWR BBB+/ Stable (Reaffirmed)

**6.5 Remuneration of Directors**

Sitting Fees Paid to the non-executive directors are as follows:

(Rs in Lakhs)

Name	31 March 2021	31 March 2020
1.Shri Anil Girotra	3.42	4.40
2.Shri Bibhas Kumar Shrivastava	5.48	4.20
<b>Total</b>	<b>8.90</b>	<b>8.60</b>



## 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.1,45,355. (PY: - Rs.21,78,530/-)

## 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 31-03-2021	As on 31-03-2020
1 Provisions for depreciation on Investment	-	-
2 Provision made towards Income tax	539.43	655.94
3 Provision towards NPA (with details in Note No :1)	711.19	840.21
4 Provision for Standard Assets (with details in Note No :1)	Nil	Nil
a) Teaser Loan	Nil	Nil
b) CRE-RH	7.24	5.40
c) CRE	277.26	316.41
d) Housing Loan to Individual	97.71	106.53
e) Other Loans		
<b>Total</b>	<b>382.21</b>	<b>428.34</b>
5 Provision for Standard Assets charged in P&L A/c	382.21	67.98
6 Special Provision for overdue Account##	(214.85)	107.27
7 Other Provision and Contingencies (with details in Note No :2)	334.53	303.71
8 Provision For made towards deferred Tax	(406.02)	(203.38)

As per RBI Circular Special Provision on overdue Accounts on Standard Assets due to Covid-19 @ 5%



Note No.: - 1 Detail of provision towards NPA and Standard Assets: -

(Rs in Lakhs)

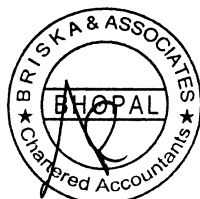
Break up of Loan and Advances and Provision thereon	Housing		Non-Housing	
	As on 31-03-2020	As on 31-03-2020	As on 31-03-2021	As on 31-03-2020
<b>Standard Assets</b>				
a) Total Outstanding Amount	81,723.88	90,848.44	25,062.30	27,182.23
b) Provisions Made	277.61	390.38	104.57	145.11
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	1,349.25	1,614.51	522.05	561.94
b) Provisions Made	202.39	242.18	78.31	84.29
<b>Doubtful-1 Category-I</b>				
a) Total Outstanding Amount	1,443.92	617.81	521.85	82.65
b) Provisions Made	431.46	176.77	140.47	20.66
<b>Doubtful Assets- Category-II</b>				
a) Total Outstanding Amount	901.13	558.76	157.90	237.24
b) Provisions Made	406.95	224.29	65.10	96.18
<b>Doubtful Assets - Category-III</b>				
a) Total Outstanding Amount	518.13	488.74	479.44	366.84
b) Provisions Made	518.13	488.74	479.44	366.84
<b>Loss Assets</b>				
a) Total Outstanding Amount	288.68	201.27	17.77	16.29
b) Provisions Made	288.68	201.27	17.77	16.29
<b>Demand Loan</b>				
a) Total Outstanding Amount	0.00	0.00	6.86	42.06
b) Provisions Made	0.00	0.00	0.03	0.17
<b>Total</b>				
a) Total Outstanding Amount	86,224.99	94,329.53	26,768.17	28,489.25
b) Provisions Made	2,125.22	1,723.63	885.69	729.54

**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 Overdue Accounts @ 5 % due to Covid-19 for the financial year 2019-20.



**Note No.: - 2 Other Provision and Contingencies ( Rs in lakhs)**

Particulars	31 March 2021	31 March 2020
Maturity of Debentures	183.07	197.38
DSA commission	4.71	14.51
Electricity Expenses	0.66	3.16
HO Expenses	59.88	75.54
LEGAL Expenses	1.62	3.70
FI/RCU/CPU	0.38	1.82
VALUATION	3.47	3.90
Interest	27.33	0.00
Others	53.41	3.70
<b>Total</b>	<b>334.53</b>	<b>303.71</b>

**7.2 Additional Disclosure: As per Reserve Bank of India Circular number RBI/2019-20/220-DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17,2020.**

(Rs in Lakhs)			
S.No.	Particulars	31 March 2021	31 March 2020
1.	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended (No of accounts 1367 as on 31-03-2020 out of which 100 accounts were closed during the current FY 2020-21, Note No: - 1)	17,452.19	18,185.91
2.	Respective amount where asset classification benefits is extended (Note No: - 2)	Nil	2,145.43
3.	Provision made during the year on the cases where asset classification benefit is extended (Note No: - 3)	107.27	107.27
4.	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	214.34	

Note No: - 1 Outstanding as on 31 March 2021 and 31 March 2020 respectively on account of all cases in SMA/ overdue categories where moratorium benefit was extended by the Company up to 31 August 2020.

Note No: - 2 There are NIL accounts where asset classification benefit is extended till 31 March 2021. Post the moratorium period, the movement of aging has been done as per IRAC norms.

Note No: - 3 The Company has made adequate provision as per IRAC norms (as per ECL model) for the year ended 31 March 2021. Further, the Company has created an additional general provision for regulatory submission in Q4 FY2019-2020 and Q1 FY 2020-2021 amounting to Rs 377.48 crores. The residual provisions had been written back/ adjusted by the Company in March 2021 as per the circular

Note No: - 4 For term loans borrowers, who avail of the moratorium, the residual tenure of the loan shall be increased by six months subject to the eligibility criteria and renewal of documentations wherever mandatory. Interest for the moratorium period shall be paid along with principal instalment for the residual tenure. In respect of accounts classified as standard, but overdue as on <Feb 29, 2020>, the moratorium period, wherever granted, shall be excluded from the number of Days Past-Due (DPD) for the purpose of asset classification under the IRAC norms. DPD/ageing will resume from the end of moratorium period with effect from status as on <Feb 29, 2020>. However, if moratorium is not granted, then current IRAC norms will be attracted for such overdues on or before <Feb 29, 2020>.





### 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 31-03-2021	As on 31-03-2020
Total Public Deposits of twenty largest depositors	13,328.83	13,307.21
Percentage of Total Public Deposits of the HFC	32.48%	47.49%

#### ii) Concentration of Loans and Advances: (Rs in Lakhs)

Particulars	As on 31-03-2021	As on 31-03-2020
Total Loans and Advances to twenty largest borrowers	1,981.11	2,008.62
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	1.74%	1.63%

#### iii) Concentration of all Exposures (Including off-balance sheet exposure)

(Rs in Lakhs)

Particulars	As on 31-03-2021	As on 31-03-2020
Total Exposure to Twenty largest borrowers/ Customers	2,111.74	2,186.75
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/ customers	1.50%	1.78%

#### iv) Concentration of NPAs

(Rs in Lakhs)

Particulars	As on 31-03-2021	As on 31-03-2020
Total Exposure to top ten NPA accounts	732.17	765.52

#### v) Sector-wise NPAs:

##### Percentage of NPAs to total Advances in that Sector

S. No	Sector	As on 31-03-2021	As on 31-03-2020
<b>A</b>	<b>Housing Loans</b>		
1.	Individuals	5.21%	3.74%
2.	Builders/Project loan		-
3.	Corporates		-
4.	Others (Specify)		
<b>B</b>	<b>Non-Housing Loans:</b>		
1.	Individuals	6.83%	4.61%
2.	Builders/Project loan		
3.	Corporates		-
4.	Others (Specify)		-



**7.5 Movement of NPAs**
**(Rs in Lakhs)**

	Movement of NPA	As on 31-03-2021	As on 31-03-2020
(I)	Net NPAs to Net Advance (%)	3.16%	2.29%
(II)	Movement of NPAs (Gross)		
A	Opening Balance	4746.04	2662.25
B	Additions during the year	2395.58	2516.09
C	Reductions during the year	941.50	432.30
D	Closing balance	6200.12	4746.04
(III)	Movement of Net NPAs		
A	Opening Balance	2828.53	1584.99
B	Additions during the year	1316.43	1371.29
C	Reductions during the year	573.54	127.75
D	Closing balance (net of URI)	3571.42	2828.53
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
A	Opening Balance	1917.51	1076.92
B&C	Net Additions/Reductions during the year	711.19	840.59
D	Closing balance	2628.70	1917.51

Note: Gross NPA and Net NPA showing net of URI Balances in both the FY 2020-21 and 2019-20

**7.6 Overseas Assets**
**(Rs in Lakhs)**

Particulars	As on 31-03-2021	As on 31-03-2020
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: -

(In Nos)

Particulars	31-03-2021	31-03-2020
Number of Complaints at the beginning of the year	0.00	0.00
Number of Complaints received during the year	13.00	18.00
Number of Complaints redressed during the year	13.00	18.00
Number of Complaints pending at the end of the year	0.00	0.00

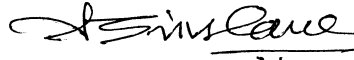
\*Note: As on date 1 No (Previous Year 6 Nos) pending complaints are reflected in the NHB Grids portal. All these complaints are appropriately addressed and since no further correspondence has been made by the Complainant so far, we may treat them as closed.

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

FOR CENT BANK HOME FINANCE LIMITED



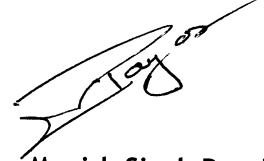
CA Amit Chitwar  
Partner  
M.No.407118  
Place: Bhopal  
Date: 19.05.2021



Alok Srivastava  
Chairman  
DIN:05123610



Shishram Tundwal  
Managing Director  
DIN: 0850585



Manish Singh Payal  
Company Secretary

