



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

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



# Annual Report 2022-23



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### CENT BANK HOME FINANCE LTD.

CIN: U65922MP1991PLC006427

**Regd. Office:** Central Bank of India Building,  
9, Arera Hills, Mother Teresa Road, Bhopal– 462011

Tel No: 0755-4019303; 0755-2766118/2766119

Website- [www.cbhfl.com](http://www.cbhfl.com) e-mail- [customercare@cbhfl.com](mailto:customercare@cbhfl.com); [cs@cbhfl.com](mailto:cs@cbhfl.com)

**Corporate Office:** Central Bank of India, Mumbai main office building,  
6<sup>th</sup> floor, Flora fountain, MG Road, Hutatma Chowk, Fort, Mumbai 400023.

Tel: 022-69519303; website- [www.cbhfl.com](http://www.cbhfl.com) e-mail- [customercare@cbhfl.com](mailto:customercare@cbhfl.com); [cs@cbhfl.com](mailto:cs@cbhfl.com)



**LIST OF SHAREHOLDERS AS ON 31.03.2023**

S. No	Name of Shareholders
1.	Central Bank of India
2.	National Housing Bank (NHB)
3.	Housing & Urban Development Corporation Limited (HUDCO)
4.	Specified undertaking of Unit Trust of India (SU-UTI)
5.	Shri Vasti Venkatesh & Central Bank of India
6.	Shri Y Anil Kumar & Central Bank of India
7.	Shri Mukul Narayan Dandige & Central Bank of India
8.	Shri Kushal Pal & Central Bank of India

### List of Directors as on 31<sup>st</sup> March 2023

S. No.	Full Name	DIN	Designation
1.	Shri Rajeev Puri	07330989	Chairman
2.	Shri Anil Girotra	02221989	Independent Director
3.	Shri Bibhas Kumar Srivastav	06533710	Independent Director
4.	Shri Mukul Narayan Dandige	08861846	Director (Nominee Central Bank of India )
5.	Shri Vasti Venkatesh	09782983	Director (Nominee Central Bank of India )
6.	Shri Y. Anil Kumar	09284938	Director (Nominee Central Bank of India )
7.	Shri Vishal Goyal	05120754	Director (Nominee National Housing Bank )
8.	Shri Navnath Rundekar	08472927	Director (Nominee Specified undertaking of Unit Trust of India)
9.	Shri K. K. Chauhan	00226460	Director (Nominee Housing & Urban Development Corporation Limited)
10	Shri Kushal Pal	09225722	Managing Director

## **LIST OF COMMITTEES AS ON 31<sup>ST</sup> MARCH 2023**

<b>S. No.</b>	<b>Name Of Committee</b>	<b>Committee Members</b>
1.	Audit Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Y. Anil Kumar
2.	Credit Management Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Mukul Narayan Dandige d) Shri Vasti Venkatesh e) Shri Kushal Pal
3.	HR Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Vasti Venkatesh d) Shri Vishal Goyal e) Shri K. K. Chauhan f) Shri Navnath Rundekar g) Shri Kushal Pal
4	CSR Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Vasti Venkatesh d) Shri Vishal Goyal e) Shri Kushal Pal
5	Risk Management Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Mukul Narayan Dandige d) Shri Vasti Venkatesh e) Shri Kushal Pal
6	Nomination & Remuneration Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Vishal Goyal
7	Stakeholders Relationship Committee	a) Shri Bibhas Kumar Srivastav, Chairman b) Shri Vasti Venkatesh c) Shri Kushal Pal
8	IT Strategy Committee	a) Shri Bibhas Kumar Srivastav, Chairman b) Shri Anil Girotra c) Shri Vasti Venkatesh d) Shri Kushal Pal e) Shri Varun Mathur (CIO) f) Shri Pankaj Kumar (CTO)



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9	Recovery Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Y. Anil Kumar d) Shri Kushal Pal
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## DIRECTOR'S REPORT

Dear Members,

The Board of Directors of your Company takes pleasure in presenting 32<sup>nd</sup> Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2023.

### **1. Industry Outlook**

In terms of development and maturity, the Indian financial sector has recently exhibited an encouraging trend. The amount of outstanding mortgage loans has increased by a healthy 16 per cent over the past 5 fiscal years. Rising disposable income, strong demand, and an increase in new competitors joining the market have been the main drivers of this trend.

Home finance sector is anticipated to grow further during the following five years. The sector will expand as a result of increased accessibility, greater openness, rising urbanisation and government incentives.

Housing demand has increased across the country as a result of changing lifestyles, societal perspectives, and expanding labour mobility. Future forecasts show that these patterns will persist. Moving into larger residences is more likely as income grows. Younger borrowers of housing loans, increased need for independent homes, government programs to provide cheap housing, and interest concessions under the Pradhan Mantri Awas Yojana should all contribute to rising housing financing demand.

By 2030, it is predicted that the real estate market will reach Rs. 82000 Crores. This represents a considerable increase over the 2022 real estate market value, which was pegged at Rs. 20,000 Crores. 13 percent of India's GDP is projected to be generated by the housing industry by 2025.

#### **Market insights:**

The housing finance market is expected to expand at a compound annual growth rate (CAGR) of 7% during the FY 2023– FY 2028 period. Increasing urbanization and affordable mortgage rates are the two key factors propelling the growth of the market. Millennials and young borrowers (below 36 years), with high disposable incomes and an increased need for urban accommodation, are potential consumers for home loans. They account for 27% of borrowers.

### Market Influencers:

Demand for housing is directly proportional to people's income and the affordability of homes. Government initiatives for affordable housing and interest subsidies under PMAY leads to higher demand for housing finance. Also, lifestyle changes, and increased labor mobility have resulted in higher demand for separate nuclear homes, especially from young people. Young borrowers who want housing loans usually need separate homes in metro cities, which is propelling the growth of the housing finance market. However, housing finance is a long-term investment that necessitates plenty of funds. One of the major issues affecting the housing finance sector is the unavailability of long-term capital for investments.

### New Regulatory Framework

- On May 9, 2022, RBI has issued Circular no. DoS. Co. PPG/SEC.3/11.01.005/2022-23 regarding Senior Management Personnel (SMP) and/or Non-Executive Directors (NEDs) –Reporting of Exit and Succession Planning.

As per said Circular, Regulated Entities (REs) shall report to the Reserve Bank or NHB as the case may be, on the exit of any SMP and/or an NED by way of resignation/removal/early retirement (such as tendering of resignation letter, management decision to terminate the services of any SMP, etc.) within two working days of such an occurrence as per details given in the said Circular.

Further, the Regulated Entities (REs) need to ensure implementation of a non-disruptive and seamless succession plan in these cases as part of business continuity within a period of three months from such occurrence.

- On August 12, 2022, RBI vide its notification no. RBI/2022-23/108 DOR.ORG.REC.65/21.04.158/2022-23 advised Regulated Entities (REs) that the ultimate responsibility for their outsourced activities vests with them and they are, therefore, responsible for the actions of their service providers including Recovery Agents.

RBI advised that REs shall strictly ensure that they or their agents do not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, persistently calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, etc.

- On September 2, 2022, RBI vide its notification no. RBI/2022-23/111DOR.CRE.REC.66/21.07.001/2022-23 has issued guidelines on Digital Lending which is also applicable to NBFCs including Housing Finance Companies.



As per these RBI guidelines, Regulated Entities (REs) shall ensure that the LSPs (Lending Service Providers) engaged by them and the DLAs-Digital Lending App (either of the RE or of the LSP engaged by RE) comply with the guidelines contained in said circular.

- On March 31, 2023, National Housing Bank (NHB) has intimated to HFCs in respect of proposal to include HFCs under the ambit of Reserve Bank-Integrated Ombudsman Scheme (RB-IOS), 2021 by Reserve Bank of India.

RBI has advised to HFCs to identify suitable Principal Nodal Officer in the rank of General Manager in a Public Sector Bank or equivalent as envisaged in the RB-IOS, 2021.

- On October 22, 2021, RBI vide its notification no. RBI/2021-22/112DOR.CRE.REC.60/03.10.001/2021-22 issued a Scale Based Regulation (SBR)-revised regulatory framework for NBFCs. These guidelines are also applicable to middle layer deposit taking NBFCs irrespective of asset size w.e.f. October 1, 2022.

As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirement, governance standards, prudential regulation, internal capital adequacy assessment process (ICAAP), appointment of Chief Compliance Officer, Core Banking Solution etc.

## 2) PERFORMANCE

Your Company's strategy for the financial year 2022-23 was to strengthen the productivity through the existing capacity and by expanding its branch/spoke locations. Company has taken a conscious decision to improve the asset quality and to upgrade its IT Platform to latest technology. Accordingly, during the year, Company is in the process of implementation of IT software which is expected to be concluded by the end of FY 2023-24. Company is having 24 branches and 6 spoke locations. Company also opened 5 new branches and 4 spoke locations during the year and succeeded in gaining customer satisfaction and new business. Your Company achieved total revenue of **Rs. 140.93** Crores as against **Rs.123.00** Crores in the previous year.

Your Company's profit before tax for the year ended 31<sup>st</sup> March 2023 stood at **Rs.35.85** Crores as against **Rs. 27.92** Crores in the previous year. Your Company's profit after tax for the year stood at **Rs.26.76** Crores as against **Rs. 20.11** Crores in the previous year.

Further, your Company is relentlessly working on reduction of NPAs which stood at **Rs. 50.36** Crores (post technical and prudential write off) and **Rs. 70.88** Crores before any such adjustment as on 31<sup>st</sup> March 2023 as against **Rs. 59.00** Crores as on 31<sup>st</sup> March 2022 before any adjustment, rigorous steps have been initiated to recover NPA and prevent fresh slippage.

**a) Financial Highlights**

The financial performance for the Fiscal Year **2022-23** is summarized here below:

(Rs. in Crores)

	Particulars	For the year ended	
		March 31, 2023	March 31, 2022
A)	Gross Income	<b>140.93</b>	<b>123.00</b>
B)	Total Expenses	99.04	87.20
C)	Operating Profit (A-B)	<b>41.89</b>	<b>35.80</b>
D)	Write off & Provisions	<b>6.18</b>	<b>7.94</b>
E)	Extraordinary Items +	-	-
F)	Adjustment related to previous year	(0.14)	(0.06)
G)	<b>Profit before tax (C-D-E-F)</b>	<b>35.85</b>	<b>27.92</b>
H)	Tax Expenses	9.09	7.81
I)	<b>Profit for the year (G-H)</b>	<b>26.76</b>	<b>20.11</b>
J)	<b>Profits brought forward from previous year</b>	56.50	43.37
K)	<b>Profits Available for Appropriation (I+J)</b>	<b>83.26</b>	<b>63.48</b>
	Transfer from General Reserve and other reserve	0.01	-
		<b>83.27</b>	<b>63.48</b>
	<b>Appropriations</b>		
	Transfer to Special Reserve (as per IT Act)	2.75	5.19
	Transfer to Additional Reserve (as per NHB Act)	-	-
	Transfer to CSR Reserve Fund	-	-
	Transfer to General Reserve	1.02	1.79
	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	79.50	56.50
	<b>Total</b>	<b>83.27</b>	<b>63.48</b>

*Figures in parentheses are in negative.*

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

**(b) Lending Operation**

**i) Sanctions**

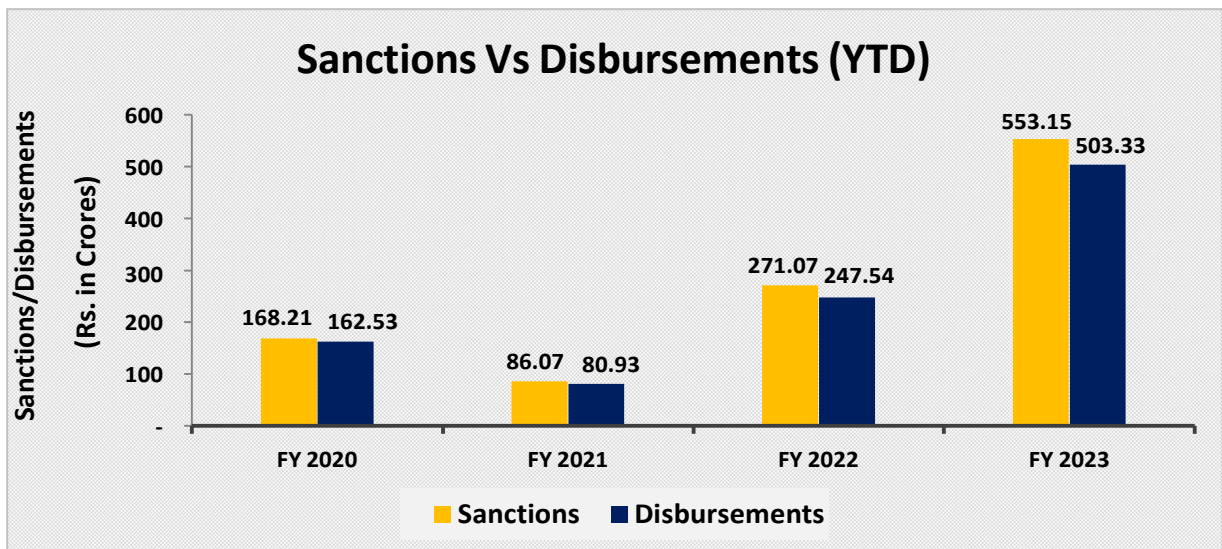
During the year 2022-23, your Company has sanctioned loans amounting to **Rs. 553.15** Crores as compared to total sanctions of **Rs. 271.07** Crores during the previous year ended March 31, 2022, with decent growth of 104%.

- Out of above, Housing Loans account for **Rs. 337.42** Crores as compared to **Rs. 171.95** Crores in the corresponding financial year ended March 31, 2022, resulting in an increase of 96%.
- Non-Housing Loan accounts for **Rs. 215.73** Crores as compared to **Rs. 99.12** Crores in the corresponding financial year ended March 31, 2022, resulting into a growth of 118%.

**ii) Disbursements**

During the year 2022-23, your Company has disbursed loans amounting to **Rs. 503.33** Crores as compared to disbursement of **Rs. 247.54** Crores in previous financial year ended March 31, 2022, registering a healthy growth of **103%**.

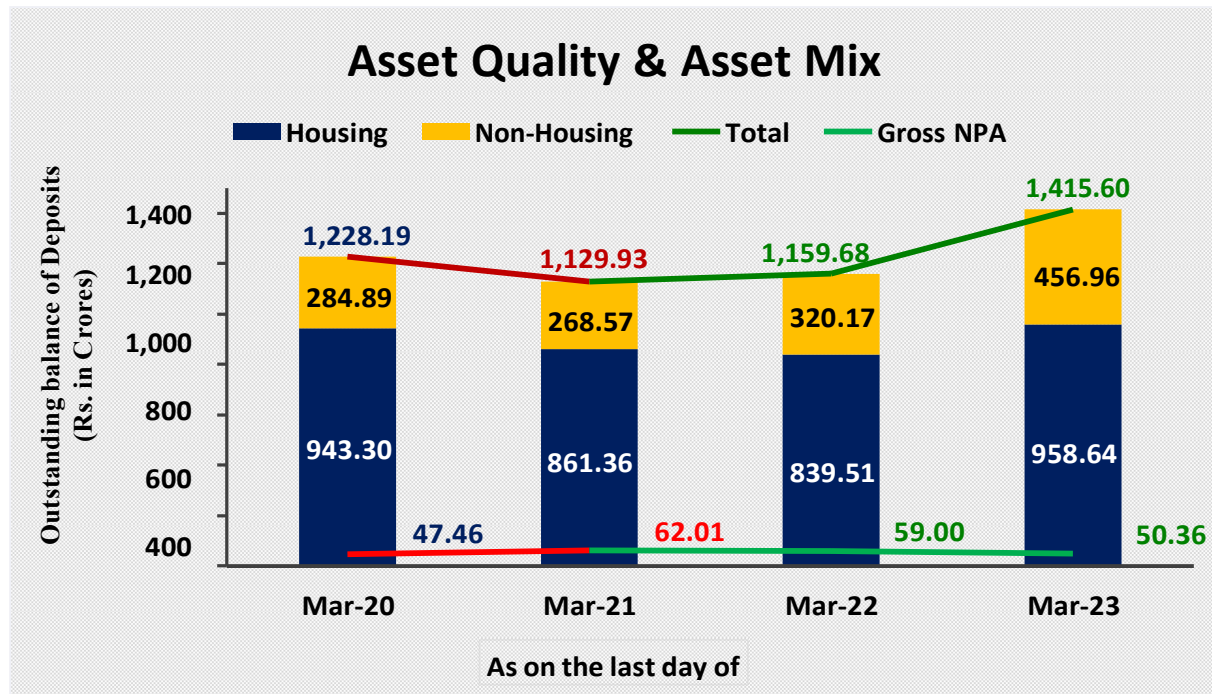
- Out of above, Housing Loans account for **Rs. 300.18** Crores as compared to **Rs. 151.43** Crores disbursements in previous financial year ended March 31, 2022, resulting in growth of 98%.
- Non-Housing loans account for **Rs. 203.15** Crores as compared to **Rs. 96.11** Crores in previous financial year ended March 31, 2022, resulting in a massive growth of 111%.





### c) Loan Outstanding

Total Loan & Advances stood at **Rs. 1415.60** Crores as on March 31, 2023 as against **Rs. 1,159.68** Crores as on March 31, 2022 with growth of **22.07%**.



### d) Profit and Net Owned Funds

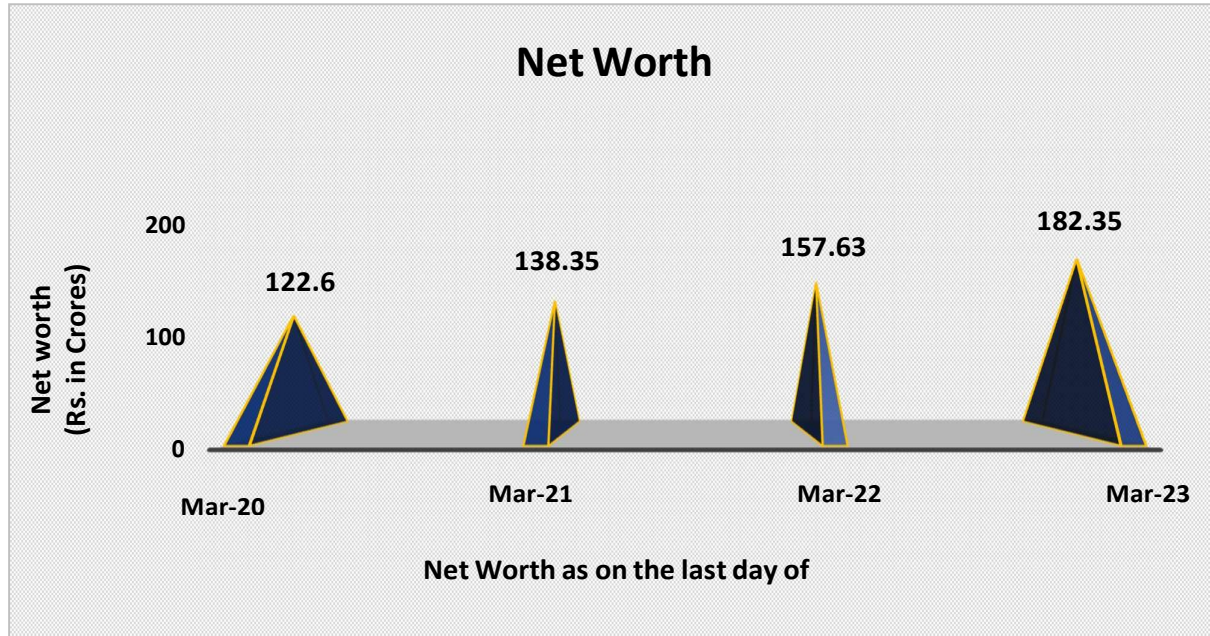
During the year 2022-23, your Company has made Profit before Tax of **Rs. 35.85** Crores as compared to **Rs. 27.92** Crores in 2021-22 and Profit after Tax (PAT) of **Rs. 26.76** Crores as against PAT of **Rs. 20.11** Crores in the previous year.

Net Owned Fund of your Company stood at **Rs. 181.56** Crores as on March 31, 2023 as against **Rs. 157.35** Crores in 2021-22.

The Capital Adequacy Ratio of your company is at **20.84%** as against the minimum requirement of **15%** as stipulated by the National Housing Bank (NHB). Earnings per Share (EPS) stood at **Rs. 10.70** as on March 31, 2023 as against **Rs. 8.04** as on March 31, 2022.

### e) Net Worth

As a result of consistent profits quarter on quarter, the Net worth of the Company stands at Rs. **182.35** Crores as on March 31, 2023 as against Rs. **157.63** Crores as on 31<sup>st</sup> March, 2022.



### f) Credit Rating

With improved financial performance of the Company, Company's credit rating has been improved from 'BBB+/Stable' from CRISIL and Brickwork to 'A-/Stable' from India Ratings & Research (Fitch Group) for its Bank Loan to the tune of Rs. 750 Crores and FD ratings remained at similar level of 'FA-/Stable' from CRISIL to 'A-/Stable' from India Ratings & Research (Fitch Group) for an another amount of Rs. 750 Crore. So, in total, the company's total rating is done for Rs. 1500 Crores.

### g) Future Outlook

#### Revamping IT system:

Company is focussing on advanced technologically driven delivery system, it will help our company to tap new market growth. Our focus is to switch over to digital platform and to use Tab based technology. It will reduce TAT, increase accuracy and will reduce chances of human error resulting into mitigating credit risk.

The Company has procured new IT systems having end to end Solutions from Loan Origination to Loan Management and Collections, which will play a vital role to scale up the Company's business.

The manual intervention in Credit underwriting will be minimal resulting into error free appraisal. It will improve the quality of appraisal as well as reduce the TAT (Turnaround time). Digital on boarding is also a part of new IT system that will help us in canvassing the new leads from this platform.

**Enhance Visibility:**

Company thrust on publicity so that Company can reach out to prospective customers and to do brand building and for this Company has started promotions. Company has given its advertisement on local trains in Mumbai and also started using digital portals like IndiaMart.com. Social media platforms like Facebook also being used to promote our products and enhance visibility. All these will help in canvassing new leads.

**Branches Network:**

At present, Company has its presence in 11 states via 24 branches and 6 spoke locations. Company has opened 5 new branches and 3 spoke locations during last financial year and will expand its network by opening of 5 new branches in FY 2023-24. The Company has expanded its presence in two more states i.e. Andhra Pradesh and Tamil Nadu during FY 2022-23.

**Network Building:**

Company started sourcing of loans through DSA in Oct 13. Since then 90% of leads are being sourced through DSAs and 10% are sourced through branch and DSTs. We have enrolled 7 corporate DSAs and have enrolled more than 60 DSAs this year, it will help us in increasing our network and business. They provide services at almost every centre. They will help us in garnering business of good quantity.

**Recruiting right talent:**

We have initiated process to recruit right talent to head branch that is not performing up to the desired level.

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

During FY 2023-24, the Company will continue to take following initiatives to improve its operational as well as financial performance and to take it to the next level:

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

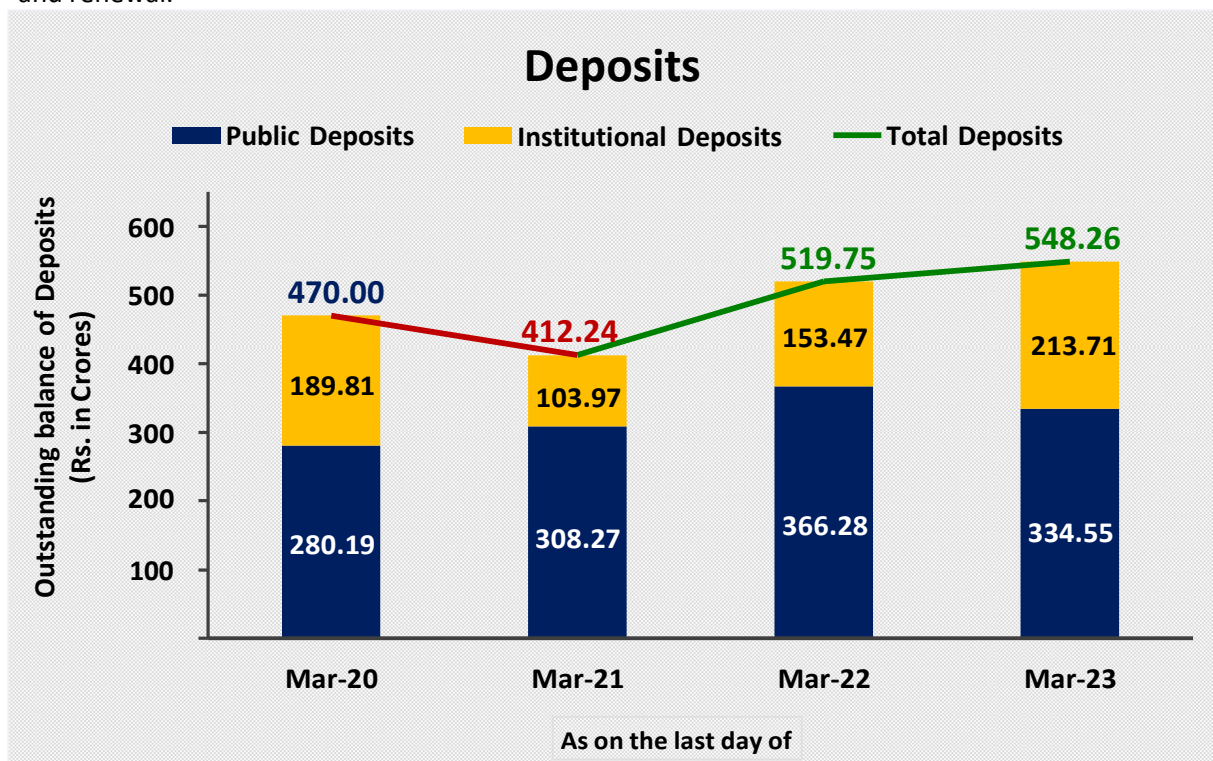


### 3) FINANCIAL RESOURCES

#### i) Deposits

As on March 31<sup>st</sup> 2023, the total deposits of your Company are **Rs. 548.26** crores (which includes public deposit of **Rs. 344.55** crores and institutional deposits of **Rs. 213.71** crores) as compared to **Rs. 519.75** crores (which includes public deposits of **Rs. 366.28** crores and institutional deposits of **Rs. 153.47** crores) at the end of the previous year.

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



#### ii) Borrowings from Banks

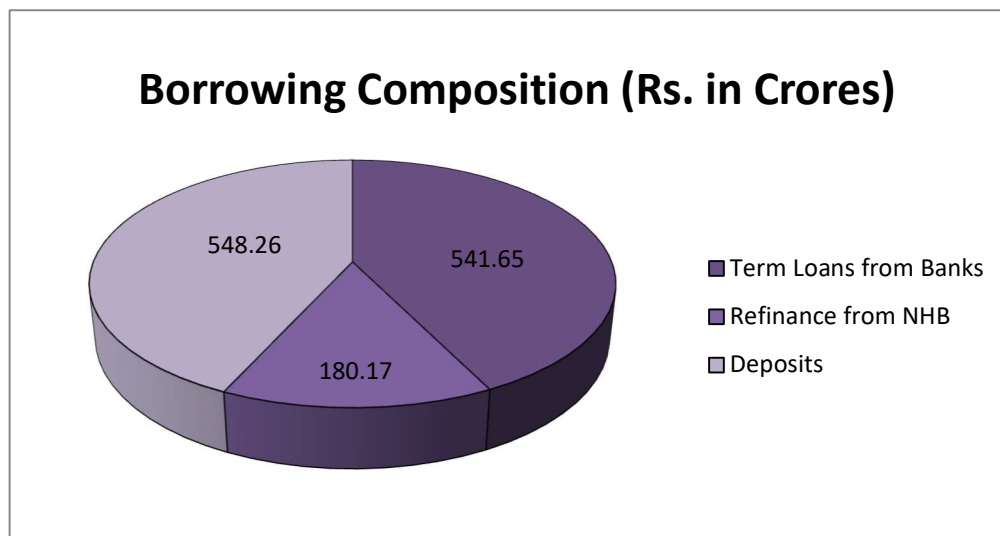
Your Company has availed Term Loan and Overdraft facility from Central Bank of India. The outstanding balance of the loan/facility as on March 31, 2023 is **Rs. 506.65** Crores as against **Rs. 291.64** Crores as on March 31, 2022.

Your Company has availed term loan from HDFC Bank. The outstanding balance of the term loans availed from HDFC Bank as on March 31, 2023 is **Rs. 35.00** Crores as against **Rs. 43.75** Crores as on March 31, 2022.

The total outstanding balance as of 31.03.2023 under the head 'borrowings from Banks' are at **Rs. 541.65 Crores** as against **Rs. 335.39 Crores** during the previous financial year.

**iii) Refinance From NHB:**

In the Financial Year 2022-23, your Company has availed refinance from National Housing Bank and having outstanding amount of **Rs. 180.17 Crores** in comparison to the previous outstanding of **Rs. 145.19 Crores** from the National Housing Bank.



**4) SHARE CAPITAL**

The authorized & Paid-up capital of the Company as on 31.03.2023 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 2023, share capital of the Company representing 2,50,00,000 equity shares were held in dematerialized form.

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

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

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

## 5) DIVIDEND

Considering the plans of expansion and business growth of the Company in the near future and maintain liquidity, no dividend is recommended to be distributed pertaining for the year ended 31<sup>st</sup> March 2023.

## 6) INVESTMENT

The Company has maintained its Statutory Liquidity Ratio (SLR) **13.80%** as per NHB guidelines which prescribes minimum 13% level. The Company has invested **Rs. 38.27 Cr.** in approved govt. securities & maintained deposits of **Rs. 10.10 Cr.** as on 31<sup>st</sup> March 2023 with Scheduled Banks.

## LIQUIDITY COVERAGE RATIO (LCR)

The Company has adequate liquidity buffer in terms of LCR, promoting resilience to manage liquidity disruption which may raise in the next 30 days. LCR was **127%** and HQLA position was **Rs. 30.74 Crores** as on 31<sup>st</sup> March 2023 to meet out the net fund outflow requirement for next 30 days.

## 7) UNCLAIMED DEPOSITS

As on 31<sup>st</sup> March 2023, **483** public deposit accounts amounting to **Rs. 12.12 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.

## 8) NON-PERFORMING ASSETS

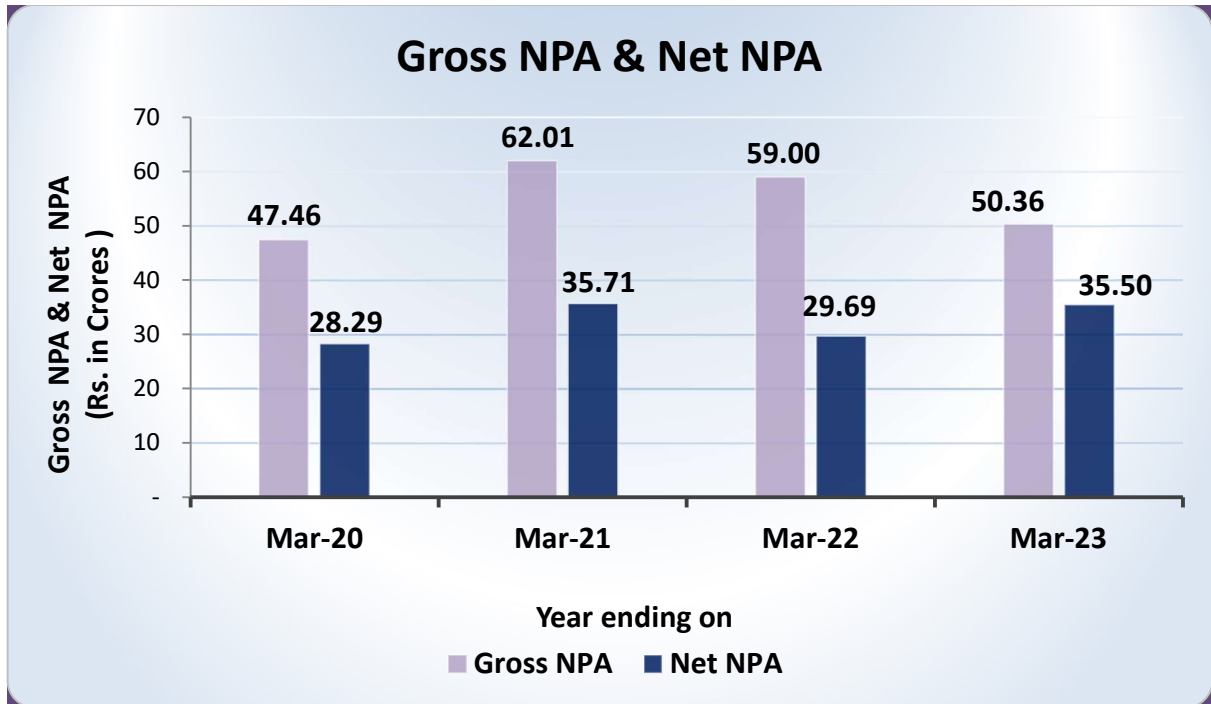
Your Company has been pursuing all the available options to recover its dues from non-performing accounts. Your Company has taken recourse under Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and Section 138 of Negotiable Instruments Act, 1881 and DRT for recovering the overdue and bringing down the NPA. The gross NPA stood at **Rs. 50.36 Crores** (post technical & prudential Write off) & **Rs. 70.88 Crores** before any such adjustment for the financial year 31<sup>st</sup> March 2023 as against **Rs. 59.00 Crores** for the previous financial year ended 31<sup>st</sup> March 2022 before any adjustment.

The net NPA stood at **Rs. 35.50 Crores** as on 31<sup>st</sup> March 2023 as against **Rs. 29.69 Crores** as on 31<sup>st</sup> March 2022.

Particulars	Amount as on last day of				
	Mar-23		Mar-22	Mar-21	Mar-20
	After	Before			
	Write-Off				
Gross NPA	50.36	70.88	59.00	62.01	47.46
<b>Gross NPA (%)</b>	<b>3.56</b>	<b>4.94</b>	<b>5.09</b>	<b>5.49</b>	<b>3.86</b>
NPA Provision	14.86	35.38	29.31	26.29	19.18
Net NPA	35.50	35.50	29.69	35.72	28.28
<b>Net NPA (%)</b>	<b>2.53</b>	<b>2.53</b>	<b>2.61*</b>	<b>3.24*</b>	<b>2.34*</b>
<b>Provision Coverage Ratio (%)</b>	<b>29.51</b>	<b>49.92</b>	<b>49.68</b>	<b>42.40</b>	<b>40.41</b>

\* Previously, it was shown as % to Gross Advance instead of Net Advance, now rectified.

During the year, Company has identified 130 accounts for Technical Write off of Rs. 16.59 Crores and Regular Write off of Rs. 3.93 Crores in which 100% provision was available. This action helped the Company in reducing the Gross NPA level.



## 9) BRANCH NETWORK

As on date your Company is operating in 11 states through a network of 24 Branches and 6 representative offices.

## 10) AUDITORS

In exercise of the powers conferred by Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) appointed M/s BRISKA & Associates (formerly L.K. Maheshwari & Co.) Chartered Accountants, having Firm Registration No. 000780C as the statutory auditors of the Company for the financial year 2022-23.

No adverse comment has been made by the Auditors on the Financial Statements of the Company. However, he emphasized 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. Comments from CAG Review of accounts for FY 2022-23 by the Comptroller and auditor General of India, no comments were issued by C&AG and they have mentioned that nothing significant has come to knowledge which would give rise to any comment upon or supplement to statutory auditors report under section 143(6)(b) of the Companies Act, 2013.

## 11) DIRECTORS

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

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

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

S. No	Name OF The Directors	Date of cessation w.e.f.
1.	Shri Alok Srivastava (DIN: 05123610)	30/11/2022
2.	Shri Vijay Vasant Murar (DIN: 08474945)	31/10/2022

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

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

S.no	Name of the Directors	Date of Appointment w.e.f.
1.	Shri Rajeev Puri (DIN: 07330989)	25/01/2023
2.	Shri Vasti Venkatesh (DIN: 09782983)	28/11/2022

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

Your Company received declarations from the Independent Directors viz Shri. Anil Girotra & Shri Bibhas Kumar Srivastav for the financial year 2022-23 as required under the provisions of section 149(6) of the Companies Act, 2013. Hence, your Directors are of the opinion that the Independent Directors are not disqualified to continue as Independent Directors on the Board of the Company.

### **12) EVALUATION**

Nomination & Remuneration Committee meeting evaluated the performance of Chairman, Managing Director, Non-Executive Directors and Board as a whole. The Nomination & Remuneration Committee carried the evaluation of each Director based on his/her contribution in the Board Meeting and other Committee Meetings.

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

During the year under review, there is no change happened amongst the KMPs.

### **14) NUMBER OF MEETINGS OF THE BOARD**

During the year the Board met seven times, i.e. on 02/05/2022, 07/06/2022, 27/07/2022, 27/10/2022, 28/11/2022, 25/01/2023 and 27/03/2023. For the number of meetings attended by the Directors and other details, please refer to “Report on Corporate Governance” appended as **Annexure-III** to this Report.

### **15) AUDIT COMMITTEE**

Your Company duly constituted Audit Committee in terms of the Section 177 of the Companies Act, 2013. As on 31<sup>st</sup> March 2023 the Committee comprised of 3 members:

<b>S. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1	Shri Anil Girotra- Independent Director (DIN: 02221989)	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director (DIN: 06533710)	Member
3	Shri Y. Anil Kumar (DIN: 09284938)	Member

### **VIGIL MECHANISM**

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



## 16) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted under Section 178 of the Companies Act, 2013. As on 31<sup>st</sup> March 2023 the Committee comprised of 3 members:

S. No.	Name of Member	Designation
1	Shri Anil Girotra- Independent Director (DIN: 02221989)	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director (DIN: 06533710)	Member
3	Shri Vishal Goyal - Non-Executive Director (DIN: 05120754)	Member

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

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

## 17) CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company duly constituted Corporate Social Responsibility (CSR) Committee in terms of the provisions of section 135 of the Companies Act, 2013. As on 31<sup>st</sup> March 2023 the Committee comprised of 5 members:

S. No.	Name of Member	Designation
1	Shri Anil Girotra- Independent Director (DIN: 02221989)	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director (DIN: 06533710)	Member
3	Shri Vasti Venkatesh- Non-Executive Director (DIN: 09782983)	Member
4	Shri Vishal Goyal - Non-Executive Director (DIN: 05120754)	Member
5	Shri Kushal Pal- Managing Director (DIN: 09225722)	Member

### CSR COMMITTEE AND ITS ROLE:

The Board shall constitute CSR committee from time to time in accordance with provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee shall play the following role in fulfilling the Company's CSR objectives:

- Formulation and review of this 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/ programs/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities.;
- Monitor and implement this 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.

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

During the Financial Year 2022-23, Company contributed CSR fund amounting to **Rs. 57,71,470/-** for the following institutions:

S. no.	Name of the Schools/ College/ Trusts/ Foundation	District and Pin code	State	Amount in Rs.
1.	Govt. B.C. College Girls Hostel, Gooty, Ananthapuramu	Anantapur, 515001	Andhra Pradesh	1,20,000
2.	Govt. Junior College, Pamidi, Ananthapuramu	Anantapur, 515775	Andhra Pradesh	1,20,000
3.	Govt. B. C. College Boys Hostel, Narpala, Ananthapuramu	Anantapur, 515425	Andhra Pradesh	1,20,000
4.	Z.P.H.S. Thotagere, Penukonda	Anantapur, 515110	Andhra Pradesh	1,20,000
5.	MJPAPBCWR School for Boys, Roddam-2, Penukonda	Anantapur, 515110	Andhra Pradesh	1,20,000
6.	St. George Balikagram, Dehuroad, Pune	Pune, 412101	Maharashtra	12,60,240
7.	Help the blind Foundation, Chennai	Chennai, 600002	Tamil Nadu	10,72,500
8.	Suryoday Trust, Nalasopara, Mumbai	Palghar, 401203	Maharashtra	2,59,221
9.	Akshaya Patra Foundation for CSR activities in Jodhpur, Surat & Vadodara	Bangaluru, 560010	Karnataka	21,65,000
10.	Tata Memorial Centre, Mumbai	Mumbai, 400012	Maharashtra	4,14,509
	<b>Total</b>			<b>Rs. 57,71,470</b>

- The fund contributed to Govt. schools/Hostels/Colleges, Anantapur (Sr. no. 1 to 5) towards R.O. system/water purifier.
- The fund contributed to St. George Balikagram, Dehuroad, Pune (Sr. no. 6) towards projectors for classrooms.
- The fund contributed to Help the blind Foundation, Chennai (Sr. no. 7) towards sponsorship for 75 Visually Impaired Students and administrative expenses.
- The fund contributed to Suryoday Trust, Mumbai a special school based in Nalasopara, Mumbai (Sr. no. 8) for one Interactive Digital White Board.
- The fund contributed to Akshaya Patra Foundation, (Sr. no. 9) for Mid-day meal program to school children.
- The fund contributed to Tata Memorial Centre, Mumbai (Sr. no. 10) to support patients for cancer care.

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

## 18) DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts for the year 2022-23, 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 2022-23 and of the profit and loss of the Company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis, and
- (v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

## 21) EXTRACTS OF ANNUAL RETURN

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

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

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

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

## 23) RISK MANAGEMENT

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

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

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

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

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

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

The Company has a Policy on 'Prevention of Sexual Harassment of Women at Workplace'. CBHFL has zero tolerance towards sexual harassment at workplaces and has put in place appropriate mechanism for prevention and redressal of complaints of sexual harassment so as to ensure that women work with dignity and without fear. During the year, no Complaint is received from any female staff.

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

## 25) FRAUD REPORTED DURING THE YEAR

During the current financial Year 2022-23, no fraud was detected by the Company.

## 26) STATEMENT OF CORPORATE GOVERNANCE

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

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

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

## 27) HUMAN RESOURCES

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

As on March 31, 2023, the Company had 96 on roll and 100 off roll employees.

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

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

## 28) COMPLIANCE WITH DIRECTIONS & GUIDELINES OF RBI/NHB

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

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

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

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

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

## 30) INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the company which have occurred between 31<sup>st</sup> March 2023 which the financial statements relate and the date of the report.

## 31) SIGNIFICANT AND MATERIAL ORDERS

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

## 32) SECRETARIAL STANDARDS

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

## 33) PENALTY/ COMPOUNDING OF OFFENCES:

There was no penalty was imposed during the year.

## 34) ACKNOWLEDGEMENT

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

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



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

In compliance with the Section 204 of Companies Act, 2013 M/s Piyusha Mantri & Associates, Company Secretaries, was appointed as a Secretarial Auditor of the company for Financial Year 2022-23. 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 the company during the Financial Year 2022-23.

**For and On Behalf of the Board**

**Place: Mumbai**  
**Date: 14/09/2023**

**Sd/-**  
**Mukul Narayan Dandige**  
**Chairman**  
**DIN: 08861846**

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

**Annexure-I**

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

Auditor's Observation	Management Reply
<p>i) We draw attention to Note 24(22) to the financial statements, wherein it is stated that the Company's current liabilities exceed its current assets. However, considering the positive net worth with other favorable key financial indicators and for the reasons stated in the said note, the management believes that settlement of the company's obligations to its lenders will occur as and when they become due.</p> <p>Although, this condition of excess of current liability over current asset if judged without considered other risk mitigating factors, may indicate that a material uncertainty exists that might cast significant doubt on the Company's ability to continue as a going concern. However, management further acknowledges that there is no uncertainty over its ability to meet these obligations in the foreseeable future.</p> <p>Accordingly, read together with the reasons stated in the said Note(s), these financial statements of the Company have been prepared on a going concern basis which is considered appropriate by the management.</p> <p>Our opinion is not modified in respect of this matter.</p>	<p>While it may appear that there is a mismatch between Current Assets &amp; Current Liabilities, the nature of the Housing Finance Company's business is such that the resources or liabilities of the company (deposits and the borrowings of the Company which includes term loans) are substantially renewed at their maturity/ expiry of loan limit. Further bucket wise negative mismatches, if any, within the permissible limit are allowed by NHB guidelines on ALM.</p> <p>Current Ratio of the Company remains below 1 due to the reason that Company lends for tenure of 10-30 years whereas tenor of deposits ranges from 1 to 10 years. The tenor of term loan also ranges from 5 to 7 years.</p> <p>Further owing to the comparative lower interest rates offered by the Banks/HFCs, the loans are foreclosed, which has always maintain adequate liquidity in the Company. This may be verified from the fact that the mismatch between Current Assets and Current Liabilities is always part of the Auditor's observation from last five years and Company has been operating and managing the liquidity successfully.</p> <p>Along with the undrawn Overdraft facility of Rs. 72 Cr from Central Bank of India and pre-closures of Loans, a part of deposits due for maturity also gets renewed regularly. Hence Company has sufficient means to manage its liquidity.</p>
<p>(a) We draw attention to Note 24(14) in the Standalone financial statements which indicate that the company has maintained Deferred Tax Liability on Special Reserves to the tune of Rs. 1,532.98 Lakhs (Previous year Rs. 1,463.68 Lakhs) in pursuance with NHB guidelines NHB(ND)/DRS/Policy Circular 65/20 14-15 through P/L Appropriation.</p>	<p>Creation of DTL is in accordance with the directions of NHB (ND) DRS/Policy circular 65/2014-15.</p>

<p>(b) We draw attention to Note 24(12(d)), in the standalone financial statements read with reasons mentioned therein, it is stated that the Company has adjusted the provision for NPA (Non-performing Asset) against the amount of write-off accounts and accordingly the same has been claimed as deduction under the tax laws.</p>	<p>In continuation of the reasons property explained in Note 24(12(d)), it may be observed that for NPAs where 100% provision is already existing in the books, there are 2 methods to write it off, first, where relevant Loans &amp; Advances is written off in the P&amp;L as bad debt and the relevant provision made in regards to such NPA accounts is also taken to P&amp;L A/c and accordingly, it is netted off, second, where these balance sheet items are directly netted off as one being assets &amp; other being liability, Both the methods are accepted to claim income tax benefit, if not previously claimed. Last time when we did this activity, it was in 2017 where we opted for the first method. Now we have opted for second method in current year as same is easier &amp; is uniform in the industry.</p>
<p>ii. (a) The Internal audit policy provides that the internal auditor is required to visit once in every 12 months (for Low/Medium Risk Branches as categorized in the policy) and in every 6 months (for High-Risk Branches as categorized in the policy). However, we observed that the visits by the Internal Auditors could cover only part of the financial year i.e. half of the total months of the financial year have been audited by internal auditors.</p> <p>(b) The Concurrent audit policy provides that the branches identified under concurrent audits are required to visit once in every month and submission of the report is done quarterly to the Head Office accordingly. However, we observed that the visits by the Concurrent Auditor could report only part of the financial year till December, 2022 i.e., three fourth of the total months of the financial year has been audited by concurrent auditors.</p> <p>In our opinion, considering the requirement of reporting on compliance in pursuance to clause 3(xiv) of Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Act, said element of Internal Financial Control i.e. Internal Audit and Concurrent Audit System requires change with regard to the periodicity of audit in such a manner that audit coverage in said audits could be synchronized with the accounting year i.e. April to March.</p>	<p>As regards audit of the branches, the policy of the company stipulates audit of low risk and medium risk branches once in 12 months and number of branches being large and the company has an audit calendar for the year, Company can’t ensure coverage of full financial year, i.e., 01.04.2022 to 31.03.2023 as coverage for all branches during audit of the year. The audit period is however 12 months part of which may be the earlier year during current audit.</p>

<p>iii. 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, considering the principle of safeguarding the assets of the company, the Company may endeavor to obtain consent of the borrower for insurance of the mortgaged property sanctioned and disbursed prior to 17.04.2018.</p>	<p>Insurance of underlying properties mortgaged to the company has been done from 16.04.2018 as per Policy of the Company effective from that date. Hence insurance for underlying properties for loans granted prior to that date cannot be done unless the borrower agrees and pays the insurance premium. We can only persuade the borrower and the decision is his to go for it and give us a mandate for that.</p>
<p>iv. We draw attention to the Note no 24(23)(iv) of the standalone financial statements, which indicates that management of the company is determining and compiling various information on manual basis by way of use of excel/spreadsheets without implementation of advanced techniques of data protection. In view of the instructions issued by RBI (Reserve Bank of India) and/or NHB (National Housing bank) for automation of IRAC norms involving no or minimal manual intervention, the existing practice of extensive use of excel sheets/spreadsheets is required to be minimized or abolished. However, we have been explained by the company that new software is expected to resolve said issues related to the manual intervention which will be implemented from the financial year 2023-2024 onwards.</p>	<p>Company's new IT software is expected to resolve said issues related to the manual intervention which will be implemented from the financial year 2023-2024 onwards.</p>
<p>v. Although, as per the NHB, the company is not covered under mandatory guidelines to appoint a Chief Risk Officer (CRO). However, as per the Risk Management Policy of the company, it is mandatory to appoint Chief Risk Officer (CRO). It is observed that post of CRO is vacant since 14<sup>th</sup> May 2022. It has been explained by the company that they have taken appropriate efforts to fill the vacancy and accordingly certain relaxations in existing norms for selection of post of CRO has been obtained from the management.</p>	<p>CRO has been recruited and appointment letter issued to selected candidate.</p>
<p>vi. In order to strengthened the existing system and control, in our opinion periodical rotational transfer of officials holding sensitive posts must be followed. However, it is observed that rotation of certain posts has been made recently to implement the said aspect.</p>	<p>The said guidelines are being complied.</p>

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



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

संख्या: एएमजी-II/ 6(1) वार्षिक लेखा/  
CBHFL (2022-23)/2023-24/226  
दिनांक: 23 AUG 2023

सेवा में

अध्यक्ष,  
सेंट बैंक होम फाइनेंस लिमिटेड,  
छठा तल, सेंट्रल बैंक ऑफ़ इंडिया,  
मुंबई मेन ऑफिस बिल्डिंग, एमजी रोड,  
फ्लोरा फाउंटेन, हुतात्मा चौक,  
मुंबई - 400 023

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2023 को समाप्त वर्ष के लिए सेंट बैंक होम फाइनेंस 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 2023 को समाप्त वर्ष के लिए सेंट बैंक होम फाइनेंस लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

भवदीया,

एस. ए. पंडा  
(एस. आह्लादिनी पंडा)  
प्रधान निदेशक लेखा परीक्षा  
(उद्योग एवं कारपोरेट कार्य)  
नई दिल्ली

संलग्नक:- यथोपरि



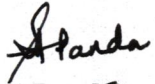
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CENT BANK HOME FINANCE LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2023 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 12 May 2023.

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 2023 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 auditor's report under section 143(6)(b) of the Act.

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

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

**Place: New Delhi**

**Date: 23 AUG 2023**



**REPORT OF DIRECTORS ON CORPORATE GOVERNANCE FOR 2022-23**

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. Company is 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, 2023, there were ten Directors in the Board of the Company. Out of them, 7 were Non-Executive Nominee Directors, 2 were Non-Executive Independent Directors and 1 was Executive Director; i.e., Managing Director who is on deputation from Central Bank of India. Four Non-Executive Directors were Nominees of Central Bank of India and three Directors were Nominees of each Promoter Institution viz. SUUTI, HUDCO & NHB.

All the Directors are persons of eminence having vast and rich experience in the field of Banking & Finance, Housing, Law, Management and other relevant fields. The composition of Directors is in conformity with the Companies Act, 2013 and Articles of Association of the Company. The composition of Directors during the financial year ended 31<sup>st</sup> March 2023 is mentioned below:



Sr No.	Name of Directors	Category of Directors	No. of other Directorships (including Body Corporates)	No. of shares held in the Company	Committee Memberships in the Company		Committee membership in other Companies	
					As Member	As Chairman	As Member	As chairman
1.	Shri Rajeev Puri (DIN: 07330989)	Non- Executive Director from Central Bank of India, acting as Chairman of the Company	1	Nil	-	-	-	-
2.	Shri Anil Girotra (DIN: 02221989)	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 28th AGM)	-	Nil	1	7	-	-
3.	Shri Bibhas Kumar Srivastav (DIN: 06533710)	Non-Executive Independent Director (Appointed w.e.f. 13/08/2018 as independent Director in terms of provisions of section 149 of the Act in 27th AGM)	1	Nil	7	2	-	-
4.	Shri Vasti Venkatesh (DIN: 09782983)	Non-Executive Director from CBI (Appointed w.e.f 28/11/2022)	2	20*	6	-	-	-
5.	Shri Vishal Goyal (DIN:05120754)	Non-Executive Director from NHB	-	Nil	3	-	-	-
6.	Shri Navnath Rundekar (DIN: 08472927)	Non-Executive Director from SUUTI	-	Nil	1	-	-	-

7.	Shri Y. Anil Kumar (DIN: 09284938)	Non-Executive Director from CBI	-	30*	2	-	-	-
8.	Shri Mukul Narayan Dandige (DIN: 08861846)	Non-Executive Director from CBI (Appointed w.e.f. 05/09/2020)	-	20*	2	-	-	-
9.	Shri K. K. Chauhan (DIN: 00226460)	Non-Executive Director from (HUDCO)	2	-	1	-	-	-
10.	Shri Kushal Pal (DIN: 09225722)	Managing Director	-	30*	7	-	-	-

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

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

**b) RESPONSIBILITIES OF THE BOARD:**

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

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

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

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

- A Director of a company shall act in accordance with the Articles of Association (AOA) of

the company.

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

During the year 2022-23, seven Board Meetings were held on 02<sup>th</sup> May 2022, 07<sup>th</sup> June 2022, 27<sup>th</sup> July 2022, 27<sup>th</sup> October 2022, 28<sup>th</sup> November 2022, 25<sup>th</sup> January 2023, and 27<sup>th</sup> March 2023. The number of meetings attended by the Directors is mentioned below:-

S. NO	Name of Director	Board Meeting held during tenure	No. of Meetings Attended	Last AGM Attended or not	Sitting Fees Paid (Rs.)
1.	Shri Alok Srivastava <sup>1</sup> (DIN: 05123610)	5	5	Yes	-
2.	Shri Rajeev Puri <sup>2</sup> (DIN: 07330989)	2	2	No	
3.	Shri Anil Girotra (DIN: 02221989)	7	6	Yes	1,20,000
4.	Shri Bibhas Kumar Srivastav (DIN: 06533710)	7	7	Yes	1,40,000
5.	Shri Vijay Vasant Murar <sup>3</sup> (DIN: 08474945)	4	4	Yes	-
6.	Shri Mukul Narayan Dandige(DIN: 08861846)	7	7	Yes	-

7.	Shri Vasti Venkatesh <sup>4</sup> (DIN: 09782983)	3	3	No	
8.	Shri Vishal Goyal (DIN:05120754)	7	4	No	-
9.	Shri Navnath Rundekar (DIN: 08472927)	7	4	No	-
10.	Shri Y. Anil Kumar (DIN: 09284938)	7	7	Yes	-
11.	Shri K. K. Chauhan (DIN: 00226460)	7	4	No	-
12.	Shri Kushal Pal (DIN: 09225722)	7	7	Yes	-

- <sup>1</sup> Shri Alok Srivastava has ceased to be director w.e.f. 30-11-2022 after superannuation from services of Central Bank of India.
- <sup>2</sup> Shri Rajeev Puri was appointed as Director and Chairman of the Company w.e.f. 25<sup>th</sup> January 2023.
- <sup>3</sup> Shri Vijay Vasant Murar has ceased to be director w.e.f. 31-10-2022 as he has superannuated from services of Central Bank of India
- <sup>4</sup> Shri Vasti Venkatesh was appointed as nominee director of Central Bank of India on 28-11-2022.

**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, 2023. The Audit Committee consists of 2 Non-Executive Independent Directors; 1 Non-Executive Director. The Members of the Audit Committee as on March 31, 2023 are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav and Shri Y Anil Kumar.

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

During 2022-23, five Audit Committee meetings were held i.e. on 2<sup>nd</sup> May 2022, 26<sup>th</sup> May 2022, 26<sup>th</sup> July 2022, 25<sup>th</sup> October 2022 and 23<sup>rd</sup> January 2023, 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, Chairman (DIN: 02221989)	Independent Director	5	5	1,00,000
2.	Shri Bibhas Kumar Srivastav (DIN: 06533710)	Independent Director	5	5	1,00,000
3.	Shri Y. Anil Kumar (DIN: 09284938)	Nominee Director	5	3	-

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

As on March 31, 2023, the ALCO of the Company comprises of Shri Kushal Pal, Managing Director, as Chairman; Shri Sachin Sudhakar, General Manager, Shri Suyogya Chandra Mehta, Chief Financial Officer, Shri Narayan Shrivastava, Sr. Manager (Credit), Shri Ashish Kumar Shrivastava, Company Secretary, Shri S. N. Das, Assistant Manager, Fixed Deposit and Shri Anil Kumar Yadav, Jr. Manager, Risk Department. 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 2022-23, the Committee met 12 times i.e. on 29<sup>th</sup> April 2022, 31<sup>st</sup> May 2022, 27<sup>th</sup> June 2022, 30<sup>th</sup> July 2022, 30<sup>th</sup> August 2022, 30<sup>th</sup> September 2022, 31<sup>st</sup> October 2022, 25<sup>th</sup> November 2022, 17<sup>th</sup> December 2022, 31<sup>st</sup> January 2023, 27<sup>th</sup> February 2023 and 29<sup>th</sup> March 2023.

**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, 2023, the Committee comprises of 5 members with 2 Non-executive Independent Directors, 2 Non-Executive Directors and one Executive Director. The Members of the Committee are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav; Shri Mukul Dandige; Shri Vasti Venkatesh; Shri Kushal Pal.



During 2022-23, the Committee met 3 times i.e. 17<sup>th</sup> May 2022, 28<sup>th</sup> September 2022 and 6<sup>th</sup> March 2023.

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman (DIN: 02221989)	Independent Director	3	3	60,000
2.	Shri Bibhas Kumar Srivastav (DIN: 06533710)	Independent Director	3	3	60,000
3.	Shri Kushal Pal (DIN: 09225722)	Managing Director	3	3	-
4.	Shri Vasti Venkatesh* (DIN: 09782983)	Nominee Director	1	1	-
5.	Shri Mukul Narayan Dandige (DIN: 08861846)	Nominee Director	3	2	-
6.	Shri Vijay Vasant Murar* (DIN: 08474945)	Nominee Director	2	2	-

\*Shri Vasti Venkatesh was appointed as director in the Board on 28-11-2022 in place of Shri Vijay Vasant Murar who has been ceased to be a director after his superannuation w.e.f. 31.10.2022.

**f) HR COMMITTEE:**

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

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

As on 31<sup>st</sup> March 2023, the committee consists of 7 Members with 2 Non – Executive independent Directors, 4 Non- Executive directors and one executive director. The Members of the Committee are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav; Shri Navnath Rundekar; Shri Vishal Goyal; Shri K.K. Chauhan; Shri Vasti Venkatesh; Shri Kushal Pal. No HR Committee was held during the year.

**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 31st March, 2023 the Committee comprises of three members with 2 Non-Executive Independent Directors and 1 Non-Executive Director. The Committee met two times during the year i.e. on 16<sup>th</sup> November 2022 and 30<sup>th</sup> December 2022. The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman (DIN: 02221989)	Independent Director	2	2	40,000
2.	Shri Bibhas Kumar Srivastav (DIN: 06533710)	Independent Director	2	2	40,000
3.	Shri Vishal Goyal (DIN:05120754)	Nominee Director	2	2	-

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

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

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

The role of the CSR Committee is as follows:

- Formulation and review of CSR Policy indicating the activities to be undertaken by the Company towards CSR initiatives;
- Approval of the amount of expenditure to be incurred on the CSR activities;
- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/ programmers/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities.

- Monitor and implement the Policy from time to time
- Annually report to the Board, the status of the CSR activities and contributions made by the Company
- Any other requirements mandated under the Act and Rules issued thereto.

As on 31st March 2023, the Committee comprises of five members with 2 Non-Executive Independent Directors and 2 Non-Executive Directors and one Executive Director. The Committee met twice during the year i.e. on 6<sup>th</sup> March 2023 and 13<sup>th</sup> March 2023. 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 (DIN: 02221989)	Independent Director	2	2	20,000
2.	Shri Bibhas Kumar Srivastav (DIN: 06533710)	Independent Director	2	2	20,000
3.	Shri Vijay Vasant Murar* (DIN: 08474945)	Nominee Director	-	-	-
4.	Shri Vasti Venkatesh* (DIN: 09782983)	Nominee Director	2	2	-
5.	Shri Vishal Goyal (DIN:05120754)	Nominee Director	2	2	-
6.	Shri Kushal Pal (DIN: 09225722)	Nominee Director	2	2	-

\* Shri Vijay Vasant Murar, Nominee Director has ceased to be director w.e.f. 31<sup>st</sup> October, 2022 due to his superannuation and Shri Vasti Venkatesh has appointed as Nominee Director of Central Bank of India w.e.f. 28<sup>th</sup> November 2022.

**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> 2023. The Committee consists of three members chaired by Shri Bibhas Kumar Srivastav, Independent Director, Shri Vasti Venkatesh, Non-Executive Director and Shri Kushal Pal, Managing Director.

The Committee was constituted in order to oversee and redress the complaints of the deposit holders related to payment of interests, repayment of maturity amount, non-receipt of deposit receipts and other related issues. The Committee met once during the year on 6<sup>th</sup> March 2023.

The following members were present in the meeting:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Bibhas Kumar Srivastav, Chairman (DIN: 06533710)	Independent Director	1	1	20,000
2.	Shri Vijay Vasant Murar* (DIN: 08474945)	Nominee Director	-	-	-
3.	Shri Vasti Venkatesh* (DIN: 09782983)	Nominee Director	1	1	-
4.	Shri Kushal Pal (DIN: 09225722)	Nominee Director	1	1	-

\* Shri Vijay Vasant Murar, Nominee Director has ceased to be director w.e.f. 31<sup>st</sup> October, 2022 due to his superannuation and Shri Vasti Venkatesh has appointed as Nominee Director of Central Bank of India w.e.f. 28<sup>th</sup> November 2022.

**j) RISK MANAGEMENT COMMITTEE:**

Company constituted Risk Management Committee to oversee management of various risks to which the Company is exposed to. The Committee met four times during the year i.e., on 29<sup>th</sup> June 2022, 28<sup>th</sup> September 2022, 28<sup>th</sup> December 2022 and 23<sup>rd</sup> March 2023.

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 (DIN: 02221989)	Independent Director	4	4	80,000
2	Shri Bibhas Kumar Srivastav (DIN: 06533710)	Independent Director	4	4	80,000
3	Shri Vijay Vasant Murar* (DIN: 08474945)	Nominee Director	2	2	-

4	Shri Vasti Venkatesh* (DIN: 09782983)	Nominee Director	2	2	-
5	Shri Mukul Narayan Dandige (DIN: 08861846)	Nominee Director	4	3	-
6	Shri Kushal pal (DIN: 09225722)	Managing Director	4	4	-

\* Shri Vijay Vasant Murar, Nominee Director has ceased to be director w.e.f. 31<sup>st</sup> October, 2022 due to his superannuation and Shri Vasti Venkatesh has appointed as Nominee Director of Central Bank of India w.e.f. 28<sup>th</sup> November 2022.

**k) RECOVERY COMMITTEE:**

The Recovery Committee of Board was constituted for sanctioning of OTS proposal. The recovery Committee shall comprise of Managing Director and two Independent Directors, one Nominee Director from Central Bank of India. During the year, the Committee met once during the year i.e. on 17<sup>th</sup> May 2022.

The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman (DIN: 02221989)	Independent Director	1	1	20,000
2.	Shri Bibhas Kumar Srivastav (DIN: 06533710)	Independent Director	1	1	20,000
3.	Shri Y. Anil Kumar (DIN: 09284938)	Nominee Director	1	1	-
4.	Shri Kushal pal (DIN: 09225722)	Managing Director	1	1	-

**I) IT STRATEGY COMMITTEE:**

The IT Strategy Committee has been constituted in accordance with the Policy Circular No. 90/2017-18 dated June 15, 2018 issued by National Housing Bank regarding Information Technology Framework for HFCs.

The IT Strategy Committee comprises of two Independent Directors, one Director from Central Bank of India, Managing Director, Chief Information Officer and Chief Technology Officer of the Company. The Committee is chaired by Shri Bibhas Kumar Srivastav.

Roles and Responsibilities of IT Strategy Committee includes inter alia approving the IT strategy and policy documents, assessing the implementation of the IT plan, reviewing IT investment requirements and overseeing the execution of IT related policies on governance, cyber and information security, business continuity and IT outsourcing.

During the year, the Committee met twice. The meetings of the Committee were held on 3<sup>rd</sup> June 2022 and 28<sup>th</sup> December 2022.

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Bibhas Kumar Srivastav, Chairman (DIN: 06533710)	Independent Director	2	2	40,000
2.	Shri Anil Girotra (DIN: 02221989)	Independent Director	2	2	40,000
3.	Shri Vasti Venkatesh (DIN: 09782983)	Nominee Director, Central Bank of India	1	1	-
4.	Shri Kushal Pal (DIN: 09225722)	Managing Director	2	2	-



**m) GENERAL BODY MEETINGS:**

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

**ANNUAL GENERAL MEETING:**

Financial Year	Particulars	Date & Time	Venue	Special Resolution
2021-22	31 <sup>st</sup> AGM	27 <sup>th</sup> September 2022	Central Bank of India Building, 11th Floor, Chander Mukhi, Nariman Point, Mumbai	Maintenance of Statutory Registers and Annual Returns of the Company at Corporate Office, Mumbai.
2020-21	30 <sup>th</sup> AGM	24 <sup>th</sup> September 2021	Registered Office, Bhopal	- To approve borrowing limits of the company
2019-20	29 <sup>th</sup> AGM	30 <sup>th</sup> September 2020	Registered Office, Bhopal	- To approve borrowing limits of the company. - To alteration of Memorandum of Association of the Company. - To alteration of Articles of Association of the Company.

**EXTRA-ORDINARY GENERAL MEETINGS:**

Financial Year	Particulars	Date & Time	Venue	Special Resolution Passed
2021-22				
2020-21			NIL	
2019-20				

**Disclosures:**

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

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

c) The Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.

d) The Company has laid down procedures regarding key risk assessment and risk mitigation mechanisms wherever it is required.

e) The Non-Executive Independent Directors of the Company are paid only sitting fees for attending meetings of the Board and Committees.

f) Your Company has no subsidiaries and as such the requirement relating to certain compliances as prescribed are not applicable.

g) The Board of Directors of your Company is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the Going Concern concept in preparing its financial statements.

h) There are no adverse remarks on the financial statements for the financial year 2022-23 of the company.

**Share Capital & Shareholding pattern of the Company as on March 31, 2023:**

The shareholding pattern of the Company as on March 31, 2023 is given below:

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

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

**Scrutiny by National Housing Bank:**

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

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

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

**For and On Behalf of the Board**

**Place: Mumbai**  
**Date: 14/09/2023**

**Sd/-**  
**Mukul Narayan Dandige**  
**Chairman**  
**DIN: 08861846**

**Sd/-**  
**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 105th Meeting held on August 05, 2014 with immediate effect, consisting of three (3) Non-Executive Directors and three (3) independent Directors.

### 1. OBJECTIVE

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

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

### 2. APPLICABILITY

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

### 3. DEFINITIONS

- a) **Act** means the Companies Act, 2013 and Rules framed there under and as amended from time to time.
- b) **Board** means Board of Directors of the Company.
- c) **Key Managerial Personnel** for the purpose of this policy means only
  - Chief Financial Officer;
  - Company Secretary
- d) **Managerial Personnel** means Managing Director, Whole Time Director(s), Executive Director(s) or Manager appointed by the Company pursuant to provisions of section 196 of the Act.
- e) **Senior Management** means personnel of the Company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### 4. ROLE OF COMMITTEE

The Committee shall:

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

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

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

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

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

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

##### (ii) Term / Tenure

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

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

### Independent Director

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

(iii) **Evaluation**

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

(iv) **Removal**  
14/09/2023

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.

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**Annexure-V**

**Corporate Social Responsibility (CSR)**

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

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

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

<https://www.cbhfl.com/pdf/CSR%20Policy%20amended%20in%20145th%20Board%20Meeting.pdf>

**The Board in its 105<sup>th</sup> Board Meeting held on August 5<sup>th</sup>, 2014 adopted CSR Policy of the Company in terms of the provisions of Section 135 of the Companies Act, 2013. The CSR Policy was last amended in 145<sup>th</sup> Board Meeting held on 27<sup>th</sup> March 2023.**

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 including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- v) Contribution to Health and family welfare.
- vi) Contribution for promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and livelihood enhancement projects.

## 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 31st March, 2023:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Anil Girotra (DIN: 02221989)	Independent Director	2	2
2	Shri Bibhas Kumar Srivastav (DIN: 06533710)	Independent Director	2	2
3.	Shri Vasti Venkatesh* (DIN: 09782983)	Non-Executive Director	2	2
4.	Shri Vishal Goyal (DIN: 05120754)	Non-Executive Director	2	2
5.	Shri Kushal Pal (DIN: 09225722)	Managing Director	2	2

\* Shri Vasti Venkatesh has appointed as Nominee Director of Central Bank of India w.e.f. 28<sup>th</sup> November 2022 in place of Shri Vijay Vasant Murar, Nominee Director who has ceased to be director w.e.f. 31<sup>st</sup> October, 2022 due to his superannuation.

## 3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Composition of CSR Committee	<a href="https://www.cbhfl.com/pdf/Composition%20of%20CSR%20Committee.pdf">https://www.cbhfl.com/pdf/Composition%20of%20CSR%20Committee.pdf</a>
CSR Policy	<a href="https://www.cbhfl.com/pdf/CSR%20Policy%20amended%20in%20145th%20Board%20Meeting.pdf">https://www.cbhfl.com/pdf/CSR%20Policy%20amended%20in%20145th%20Board%20Meeting.pdf</a>
CSR Projects/Activities	<a href="https://www.cbhfl.com/pdf/CSR%20Activities%20for%20FY%202022-23.pdf">https://www.cbhfl.com/pdf/CSR%20Activities%20for%20FY%202022-23.pdf</a>

## 4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Provision related impact assessment of CSR projects is not applicable to the Company.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 28,85,73,502  
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 57,71,470  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial Years: Nil  
 (d) Amount required to be set-off for the financial year, if any: Nil  
 (e) Total CSR obligation for the financial year [(5b) +(5c) -(5d)]: ₹ 57,71,470
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 57,71,470  
 (b) Amount spent in Administrative Overheads: Nil  
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable  
 (d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 57,71,470  
 (e) CSR amount spent or unspent for the financial year:

Total amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
57,71,470	Not Applicable		Not Applicable		

(f) Excess amount for set-off:

SI No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil



**7. (a) Details of Unspent CSR amount for the preceding three financial years: Nil**

SI No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
-	-	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: **No**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 – **Not Applicable**

**For and on Behalf of the Board**

Place: Mumbai  
Date: 14/09/2023

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

Sd/-  
Kushal Pal  
Managing Director  
DIN 09225722

**Annexure - VI**

**Form No. AOC-2**

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2023 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 31.03.2023 (Rs.)</b>
Central bank of India, Holding Company	OD facility Renewal on 29.08.2022	Renewal of Rs. 100 Crs, with an addition of Rs. 100 Crs, total of Rs. 200 Crs for 1 Year.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is equal to MCLR	1,62,99,13,368
Central Bank of India, Holding Company	Term Loan facility Sanctioned on 01.08.2015	Term loan repayable in 28 qtly installments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is equal to MCLR	3,51,60,941
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 equal to MCLR	13,04,60,407
Central Bank of India, Holding Company	Term Loan facility Sanctioned on	Term loan repayable in 60 monthly	Charge is created by way of specific lien on book debts of 1:1	26,95,15,423

	04.08.2017	installments Rs. 100 Cr.	times. Rate of interest is equal to MCLR	
Central Bank of India, Holding Company	Term Loan facility Sanctioned on 06.11.2018	Term loan repayable in 60 monthly installments of Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is equal to MCLR	41,72,04,818
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 1:1.1 times. Rate of interest is at MCLR+0.50%	62,00,19,485
Central Bank of India, Holding Company	Term Loan Sanctioned on 29.08.2022	Term loan repayable in 84 monthly Installments after moratorium period of 6 months Rs. 150 Cr.	Charge is created by way of specific lien on book debts of 1:1.1 times. Rate of interest is equal to MCLR	1,46,42,67,777
Central Bank of India, Holding Company	Term Loan Sanctioned on 28.02.2023	Term loan repayable in 84 monthly Installments after moratorium period of 12 months Rs. 300 Cr.	Charge is created by way of specific lien on book debts of 1:1.1 times. Rate of interest is equal to MCLR	50,00,00,000
<b>REMUNERATION PAID/PAYABLE TO MANAGING DIRECTOR</b>				
<b>Name(s) of the Related Party And nature of relationship</b>	<b>Nature of Contracts/ Arrangeme nt/Transact ion</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 (Rs.)</b>
Mr. Kushal Pal	Appointment as Managing Director of the Company	From 05/07/2021	As per the Central Bank of India (Officers) Services Regulation	30,04,980

<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 (Rs.)</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.	59,94,678
<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 (Rs.)</b>
Central Bank of India, Holding Company	Sub-letting part of its premises to the Registered Office of the Company at Bhopal	Agreement made on 21.06.1999 Renewed on 13.08.2019	Bank shall recover maintenance charges at a rate of Rs. 25,700 p.m. excluding electricity charges for an area of 750 sq.ft, which is payable on Quarterly basis is still continuing.	3,08,400
Central Bank of India, Holding Company	Sub-letting part of its premises to the Corporate Office of the Company at <b>Mumbai</b>	Premises under use from 09.08.2021, however consent letter was signed on 14.10.2021	Bank shall recover maintenance charges of Rs.1,50,000 (+ GST @ 18%) per month for an area of 1700 sq. ft, which is payable on Monthly basis.	21,24,000
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. However, agreement expired on 30.09.2022 & premises emptied	Bank shall recover maintenance charges at a rate of Rs.5000 p.m. excluding electricity charges for an area of 700 Sq. ft, which is payable on Quarterly basis.	30,000

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, renewed on 31.01.2023	Bank shall recover maintenance charges at a rate of Rs.60,259 p.m. (+ GST @ 18%) excluding electricity charges for an area of 728 Sq. ft, which is payable on Quarterly basis.	8,53,200
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**For and On Behalf of the Board**

**Place: Mumbai**  
**Date: 14/09/2023**

**Sd/-**  
**Mukul Narayan Dandige**  
**Chairman**  
**DIN: 08861846**

**Sd/-**  
**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) of the Companies Act, 2013]

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

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager and holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- <sup>1</sup> (viii) any body corporate which is—

- (A) a holding, subsidiary or an associate company of such company; or
- (B) a subsidiary of a holding company to which it is also a subsidiary;
- (C) an investing company or the venturer of the company;"



Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

(ix) such other person as may be prescribed\*;

\*For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director [other than an independent director] or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

<sup>1</sup> **Section 2 (76) Substituted by the Companies (Amendment) Act,2017**

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:

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;
- 2 (v) such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed\*;

\*Includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act;

## 2) Related Party Transactions

As per the provisions of Section 188 of the Companies Act, 2013, the following transactions are liable to be treated as Related Party Transactions:

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

### <sup>2</sup> Section 2 (51) clause (v) Substituted by the Companies (Amendment) Act, 2017

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 is not 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.

<sup>3</sup> Approval of Shareholders in certain transactions: -

Except with the prior approval of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into,-

a) as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188, with criteria as mention below-

(i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company, 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, amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;

(iii) leasing of property any kind amounting to ten percent or more of the turnover of the company, 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, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

<sup>3</sup> Substituted by the Companies (Meeting of Board and its Powers) Second Amendment Rules, 2014

Explanation.- It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

b) 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

c) 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.

Explanation.- (1) The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.

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.

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**Annexure-VIII**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March 2023

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

**I . REGISTRATION AND OTHER DETAILS**

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

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

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

### i) Category-wise Share Holding

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



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

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/FL	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital 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>	-	-	-	-	-	-	-	-	-
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>25000000</b>	<b>-</b>	<b>25000000</b>	<b>100%</b>	<b>25000000</b>	<b>-</b>	<b>25000000</b>	<b>100%</b>	<b>Nil</b>

**ii) Shareholding of Promoters**

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

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year (NO Change)	
	No of shares	% of the total shares of the company	No of shares	% of the total shares of the company
At the beginning of the year	25000000	100.00	25000000	100.00
Data wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ Transfer/bonus/ Sweat equity etc.)	Nil	-	Nil	-
At the end of the year	25000000	100.00	25000000	100.00

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

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

**(v) Shareholding of Directors and Key Managerial Personnel:**

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



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

**V. INDEBTEDNESS**

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

	Secured Loans Excluding deposits	Unsecured Loans Excluding deposits	Deposits (unsecured)	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,08,35,23,971/-	-	5,19,75,16,759/-	<b>9,28,10,40,730/-</b>
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
<b>Change in Indebtedness during the financial year</b>				
• Addition	2,75,00,00,000/-	-	2,53,70,55,323/-	<b>5,28,70,55,323/-</b>
• Reduction	1,24,52,16,120/-		2,25,19,45,044/-	<b>3,49,71,61,164/-</b>
<b>Net Changes</b>	1,50,47,83,880/-	-	28,51,10,279/-	<b>1,78,98,94,159/-</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,58,83,07,851/-	-	5,48,26,27,038/-	<b>11,07,09,34,889/-</b>
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

**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 Kushal Pal	Total (Amount in Rs.)
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of The income – tax Act, 1961 (b) Value of perquisite u/s 17(2) Income - tax Act, 1961 (c) Profit in lieu of salary under Section 17(3) Income - tax act 1961	30,04,980.06	30,04,980.06
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - As % of profit - Others (Variable compensation)	Nil	Nil
5.	Others, please specify	Nil	Nil
	<b>Total(A)</b>	<b>30,04,980.06</b>	<b>30,04,980.06</b>
	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
	<b>Shri Anil Girotra</b>	<b>Shri Bibhas Kumar Srivastav</b>	
1. Independent Directors			
• Fee for attending board/committee meetings	Rs.5,80,000/-	Rs.7,00,000/-	Rs. 12,80,000/-
• Commission	-	-	-
• Others, please specify	-	-	-
Total(1)	Rs.5,80,000/-	Rs.7,00,000/-	Rs. 12,80,000/-
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. 5,80,000/-	Rs. 7,00,000/-	Rs. 12,80,000/-
<b>Total Managerial Remuneration</b>	<b>Rs.42,84,980.06/-</b>		
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
			Mr. Ashish Kumar Shrivastava	Mr. Suyogya Chandra Mehta	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under Section17(3) Income-tax Act,1969	-	Rs. 12,50,000/-	Rs. 16,50,000/-	<b>Rs. 29,00,000/-</b>
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Other, specify...	-	Nil	Nil	Nil
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>Rs. 12,50,000/-</b>	<b>Rs. 16,50,000/-</b>	<b>Rs. 29,00,000/-</b>

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

Type	Section of the companies Act/other Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>i) COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>ii) DIRECTOR</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>iii) OTHER OFFICER IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**For and On Behalf of the Board**

**Place: Mumbai**  
**Date: 14/09/2023**

**Sd/-**  
**Mukul Narayan Dandige**  
**Chairman**  
**DIN: 08861846**

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

## Management Discussion & Analysis Report

### **Industry structure and Indian Economy:**

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

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

Housing Finance Companies (HFCs) saw a sharp revival in their overall business growth, supported by robust end user interest aided by government impetus, better affordability and lower interest rates. Within housing, affordable housing saw a faster bounce back as relative demand increased smaller town i.e. in Tier III and IV towns.

The sector of home finance is anticipated to grow further during the following five years. The sector will expand as a result of increased accessibility, greater openness, rising urbanization, and government incentives.

The overall economy has recovered at a fast pace and the housing finance industry has witnessed a robust demand within the lending business.

Housing demand has increased across the country as a result of changing lifestyles, societal perspectives, and expanding labour mobility. Future forecasts show that these patterns will persist. Moving into larger residences is more likely as income grows. Younger borrowers of housing loans, increased need for independent homes, government programmes to provide cheap housing, and interest concessions under the Pradhan Mantri Awas Yojana should all contribute to rising housing financing demand.

The growing importance of home loans can also be gauged from the fact that the ratio of outstanding individual home loans by Banks and HFCs in India’s GDP has grown substantially in the last ten years.

India has seen a substantial growth in new business in the post pandemic era, due to increased access to credit and rising urbanization with wide reach to the unserved and underserved consumers.

## **Housing for All**

### **Tax incentives**

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

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

### **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.
- Favourable growth prospects for affordable housing in India; India having one of the lowest Mortgage to-GDP ratios vis-à-vis developed economies indicating strong growth potential.
- Government's emphasis on promoting housing and promotional schemes like the PMAY.
- Product-process innovation, digitalization, easy processing of housing loans giving a new dimension to the Housing Sector.

### **Key Challenges for HFCs**

Some of the key challenges faced by the housing finance companies are as under:

- During FY23, RBI has hiked its policy repo rate by 250 bps cumulatively. However, the transmission to end borrowers has been to the tune of 150-170 bps across the financial services segment. This has led to compression of NIMs of lending institutions.
- High costs: Delays in completion of housing projects, cost overruns due to the unavailability of labour and delayed investments by buyers in the affordable housing sector are affecting the housing market relatively.
- HFCs are facing more and more difficulty in retaining customers. Borrowers with good track record are easy targets of banks who have the ability to lend at much more competitive rates as compared to HFCs.

- New regional housing finance companies are giving stiff competition to the established players and at the same time, banks have stepped up efforts in increasing their presence in housing finance space. This would put additional pressure on the productivity and margins of housing finance companies.
- Competition from banks and other large non-bank players in the industry will always prove to be a challenge for the housing finance companies with high risk of balance transfers.

### **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 Program, Low LTV etc.

### **Outlook**

The outlook of India's housing finance sector is likely to be robust across the long-term for a fundamental reason: more Indians want to buy houses for enhanced security and asset creation even though renting could be cheaper in the short-term.

Affordable housing is a crucial sub- segment in the housing and real estate sector. Real estate prices are gradually rising led by the pent-up ready inventory and keenness of potential homebuyers. Continuous support of the Indian government in the affordable real estate sector is driving demand further. With the Credit-linked Subsidy Scheme, homebuyers of the economically weaker sections are finding it easier to acquire a home. The Reserve Bank of India (RBI) doubled the limit for individual housing loans offered by urban cooperative banks (UCBs) and rural cooperative banks (RCBs) to improve credit flow for the housing sector. Given the rise in housing prices, the revised limits will facilitate the growth of the sector.

Going forward, house prices are expected to increase. However, the price increase is likely to be gradual and not as sharp as that being witnessed in many of the other countries. The housing sales boom in India has so far been led by end-user demand. Hence, increase in prices and interest rates may not destabilize the housing growth momentum.

### **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 has implemented RBIA framework.

On October 22, 2021, RBI vide its notification no. RBI/2021-22/112DOR.CRE.REC.60/03.10.001/ 2021-22 issued a Scale Based Regulation (SBR)-revised regulatory framework for NBFCs. These guidelines are also applicable to middle layer deposit taking NBFCs irrespective of asset size w.e.f. October 1, 2022.

As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirement, governance standards, prudential regulation, internal capital adequacy assessment process (ICAAP), appointment of Chief Compliance Officer, Core Banking Solution etc.

#### **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. Broad concept, internal control involves everything that controls risks to an organization. It plays an important role in detecting and preventing and protecting the organization's resources, both physical and intangible. In this regard the Board has formed Audit Committee to strengthen its internal control system. Internal Audit Department of the Company inspects the branches at least once in 12 months as per this policy and reports discrepancies, if any to the Audit Committee of the Board, at regular intervals.

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

During the year, even with competitive rate of interest in housing finance industry, your Company managed to achieve total revenue of Rs. 140.93 Crores for the financial year ended 2022-23 against Rs. 123.00 Crores in the previous year.

Despite numerous challenges, Your Company's profit before tax for the year ended 31<sup>st</sup> March 2023 stood at Rs. 35.71 Crores as against Rs 27.86 Crores in the previous year. Your Company's profit after tax for the year stood at Rs 26.76 Crores as against Rs. 20.11 Crores in the previous year.

The NPA which stood at Rs 50.36 Crores (post technical & prudential write off) and Rs. 70.88 Crore before such adjustment as on 31<sup>st</sup> March 2023 and compared to Rs 59.00 Crores in the previous year

ended 31<sup>st</sup> March 2022 without any adjustment. However, company is relentlessly working on reduction of NPA. It is expected that it shall be reduced in the near future.

**BALANCE SHEET MOVEMENT:**

The Summary of the Company's balance sheet as on 31<sup>st</sup> March, 2023, is as under:

(Rs. in Cr.)

Particulars	FY-2022-23	FY-2021-22
<b>Sources of Funds</b>		
<b>(A) Owned Funds</b>	<b>188.84</b>	<b>162.08</b>
- Equity Capital	25.00	25.00
- Reserves & Surplus	156.94	130.18
- Share Premium	6.90	6.90
<b>(B) Deferred Tax</b>	<b>10.75</b>	<b>6.07</b>
<b>(C) Borrowed Funds</b>	<b>1,270.08</b>	<b>1,000.33</b>
- Term Loan & OD from Banks	541.65	335.39
- Refinance from NHB	180.17	145.19
- Deposits	548.26	519.75
Non-convertible debentures	-	-
<b>(D) Current Liabilities &amp; Provisions</b>	<b>34.48</b>	<b>43.67</b>
- Provision for Standard Assets & NPA	23.71	38.05
- Other Current Liabilities	10.77	5.62
<b>TOTAL [A+B+C+D]</b>	<b>1,504.15</b>	<b>1,212.15</b>
<b>Application of Funds</b>		
<b>(A) Investments</b>	<b>48.37</b>	<b>42.63</b>
- Securities	38.27	29.23
- Bank deposits	10.10	13.40
<b>(B) Loans Net of Unrealized Interest</b>	<b>1,415.60</b>	<b>1,159.68</b>
<b>(C) Fixed Assets</b>	<b>2.47</b>	<b>0.31</b>
<b>(D) Current Assets</b>	<b>37.71</b>	<b>9.53</b>
Cash & Bank balances	22.23	2.36
Others	15.48	7.17
<b>TOTAL [A+B+C+D]</b>	<b>1,504.15</b>	<b>1,212.15</b>

Net owned fund of the Company as on 31.03.2023 and 31.03.2022 is Rs.181.56 Crores and Rs.157.35 Crores respectively.



## AUTHORISED SHARE CAPITAL

During the financial year under review the Authorized Share Capital of the Company stands at Rs. 50 Crores comprising of 5,00,00,000 equity shares of Rs. 10 each aggregating Rs. 50,00,00,000 out of which paid-up Share capital is Rs. 25,00,00,000 comprising of 2,50,00,000 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, 2023 for your Company increased by 26.76 Crores to Rs. 163.84 Crores as against Rs. 137.08 Crores in the previous financial year. Your Company has transferred Rs. 2.75 Crores to Special Reserve and Statutory reserve u/s 29C of National Housing Bank Act and an amount of Rs.1.02 Crores to General Reserve. Net owned fund of the Company as on 31.03.2023 and 31.03.2022 is Rs. 181.56 Crores and Rs. 157.35 Crores respectively.

## DIVIDEND

Considering the plans of expansion and business growth of the Company in the near future and maintain liquidity, no dividend is recommended to be distributed pertaining for the year ended 31<sup>st</sup> March 2023.

## CAPITAL ADEQUACY

During the Financial Year 2022-23, Net worth of the company stood at Rs. 182.35 Cr. as against Rs. 157.63 Cr. for the Financial Year 2021-22. The Capital Adequacy Ratio of your company is at 20.84% as against the norm of 15 percent stipulated by the National Housing Bank (NHB).

## BORROWINGS

### Term Loans 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, 2023 is Rs. 506.65 Crores as against Rs. 291.64 Crores as on March 31, 2022.

Your Company has availed term loan from HDFC Bank. The outstanding balance of the term loans availed from HDFC Bank as on March 31, 2023 is Rs. 35.00 Crores as against Rs. 43.75 Crores as on March 31, 2022.

The total outstanding balance as of 31.03.2023 under the head 'borrowings from Banks' are at Rs. 541.65 Crores as against Rs. 335.39 Crores during the previous financial year. 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.

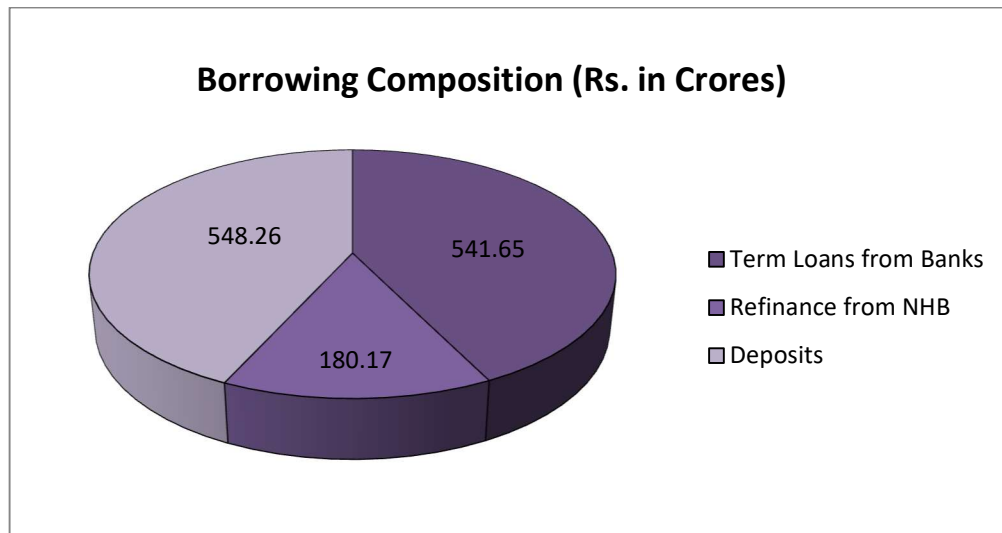
**Refinance From NHB:**

In the Financial Year 2022-23, your Company has availed refinance from National Housing Bank and having outstanding amount of Rs. 180.17 Crores in comparison to the previous outstanding of Rs.145.19 Crores from the National Housing Bank.

**Deposits:**

The Company took several initiatives during the year to extend its reach by expanding network and connecting with customers. As on March 31<sup>st</sup> 2023, the total deposits of your Company are Rs. 548.26 crores (which includes public deposit of Rs. 344.55 crores and institutional deposits of Rs. 213.71 crores) as compared to Rs. 519.75 crores (which includes public deposits of Rs. 366.28 crores and institutional deposits of Rs. 153.47 crores) at the end of the previous year.

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



**FIXED ASSETS**

The Company’s investments in tangible assets represents cost of computers, office equipment’s, furniture & fixtures and vehicles. During the financial year under review your Company’s gross block increased by 7.08% 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, 2023 the investment portfolio stood at Rs. 48.37 Crores as against Rs. 42.63 Crores in the previous year.

Housing Finance Companies (HFCs) are required to maintain Statutory Liquidity Ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 13% of public deposits. As on March 31, 2023 your Company has invested Rs. 38.27 Crores in approved securities and Rs. 10.10 Crores in bank deposits.

## PROFIT AND LOSS STATEMENT:

(Rs. In Crores)

Particulars	FY-2022-23	FY-2021-22
<b>Income from Operations</b>		
Interest Income	131.07	118.06
Other Income	9.86	4.94
<b>Total Income</b>	<b>140.93</b>	<b>123.00</b>
<b>Expenses</b>		
Finance Costs	76.25	68.92
Employee Benefits Expenses	11.32	9.44
Depreciation	0.12	0.13
Other Expenses	11.35	8.71
<b>Total Expenses</b>	<b>99.04</b>	<b>87.20</b>
<b>OPERATING PROFIT</b>	<b>41.89</b>	<b>35.80</b>
Provisions for NPA & others	6.07	3.02
Provision for Standard Assets	0.11	4.92
<b>PROFIT BEFORE TAX</b>	<b>35.71</b>	<b>27.86</b>
Adjustments related to previous years	-0.14	-0.06
Tax Expenses/Provision for Tax	9.09	7.81
<b>PROFIT AFTER TAX</b>	<b>26.76</b>	<b>20.11</b>

## INCOME FROM OPERATIONS

Your Company's income from operations during the FY 2022-23 was Rs. 140.93 Cr. as against Rs. 123.00 Cr. for the FY 2022-23.

## INTEREST AND FINANCE COST

Your Company's interest & finance expenses was increased by 10.64% from Rs. 68.92 Crores in the financial year 2021-22 to Rs. 76.25 Crores for the financial year ended March 31, 2023.

## EMPLOYEES REMUNERATION & BENEFITS

Employee costs Increased by 19.92% from Rs. 9.44 Crores for the financial year ended March 31, 2022 to Rs. 11.32 Crores for the financial year ended March 31, 2023.

## OTHER EXPENSES

Other expenses increased by 30.31% from Rs. 8.71 Crores for the financial year ended March 31, 2022 to Rs. 11.35 Crores for the financial year ended March 31, 2023.

## DEPRECIATION

Depreciation charged on fixed assets was Rs. 0.12 Crores in the financial year 2022-23 as against to Rs. 0.13 Crores during the financial year 2021-22.

## PROVISION

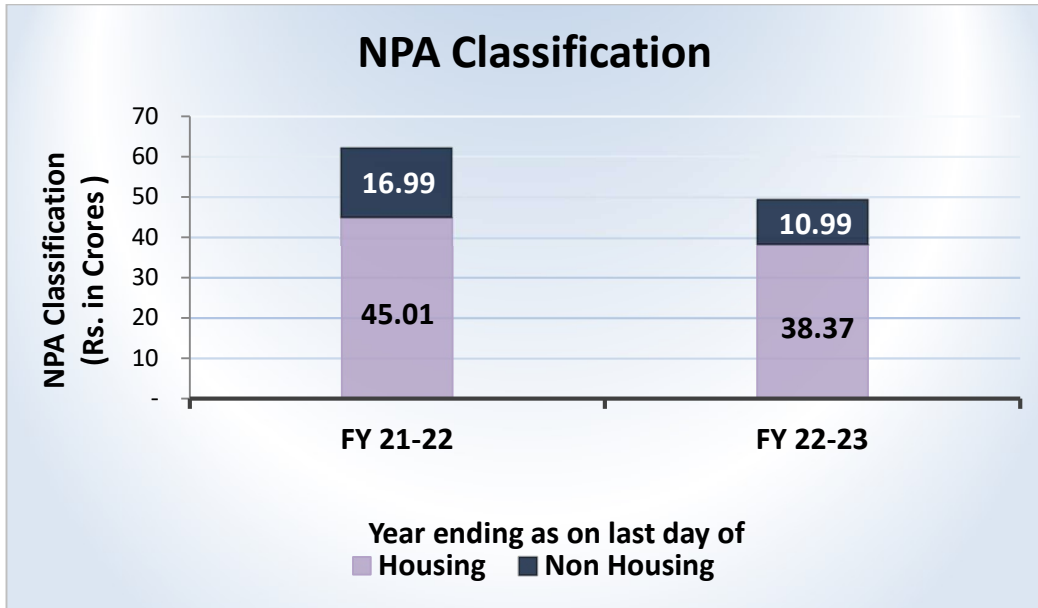
Your Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. Your Company has made provision amounting to Rs. 14.86 Crores for NPA a/c and Rs. 8.85 Crores for Standard assets for the Financial Year 2022-23 and Rs. 29.31 Crores for NPA a/c and Rs. 8.74 Crores for Standard assets for the Financial Year 2021-22.

## NET PROFIT

During the year 2022-23, your Company has made net profit of Rs. 26.76 Crores in the financial year ended March 31, 2023 as against Rs. 20.11 Crores for the financial year ended March 31, 2022.

## 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. 50.36 Crores as on 31<sup>st</sup> March 2023 as against Rs. 59.00 Crores for the previous financial year ended 31<sup>st</sup> March, 2022. With due provisions the net NPA stood at Rs. 35.50 Crores as on 31<sup>st</sup> March 2023 as against Rs. 29.69 Crores as on 31<sup>st</sup> March 2022.



**NPA Ratios:**

Particulars	31st March 2023	31st March 2022
% of Gross NPA to Gross Advances	3.56%	5.09%
% of Net NPA to Net Advance	2.53%	2.61%

**Material Developments in Human Resources**

Human resources are the people who make up the workforce of an organization. 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 assigns the recruitment work to IBPS, 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, 2023, the Company had 98 on roll and 100 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)**  
 E-8/89, F-2, Kanak Apartment,  
 Basant Kunj, Arera Colony,  
 Bhopal-462039  
 Ph: 0755-4927182, 9425606652  
 Email: [cspmassociates@gmail.com](mailto:cspmassociates@gmail.com)

**Form MR-3**  
**Secretarial Audit Report**

For the Financial Year Ended 31<sup>st</sup> March 2023

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cent Bank Home Finance Limited (CIN U65922MP1991PLC006427)** (hereinafter called '**the Company**') during the financial year from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. 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.

**Auditors' Responsibility**

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing standards issued by the Institute of Company Secretaries of India. The Auditing standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on my verification of the **Cent Bank Home Finance Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (**the Audit Period**), generally complied with the statutory provisions listed hereunder (subject to note annexed hereto) and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



I have examined the books, papers, minute books, and other records maintained by the Company and the Forms, returns, records, disclosures and information filed or disseminated during the period ended on March 31, 2023 according to the applicable provisions/clauses of:

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

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

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





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

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

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

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

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

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.



**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 decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under reviews.
- 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.
- As per the Information provided by the management, during the year under review, there were no instances, which required the Company to obtain approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act.
- 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.
- 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:

- Maintenance of Statutory Registers and Annual Returns of the Company at the Corporate Office, Mumbai

Place : Bhopal  
Date : 12/07/2023

Piyusha Mantri & Associates  
Company Secretaries





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**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, 2023, 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, 2023, 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 there under, 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.

**Material uncertainty related to Going Concern**

We draw attention to Note 24(22) to the standalone financial statements, wherein it is stated that the Company's current liabilities exceed its current assets. However, considering the positive net worth with other favorable key financial indicators and for the reasons stated in the said note, the management believes that settlement of the company's obligations to its lenders will occur as and when they become due.

Although, this condition of excess of current liability over current asset if judged without considered other risk mitigating factors, may indicate that a material uncertainty exists that might cast significant doubt on the Company's ability to continue as a going concern. However, management further acknowledges that there is no uncertainty over its ability to meet these obligations in the foreseeable future.







Accordingly, read together with the reasons stated in the said Note(s), these financial statements of the Company have been prepared on a going concern basis which is considered appropriate by the management.

Our opinion is not modified in respect of this matter.

**Emphasis of Matters**

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

- (a) Note 24 (14) in the Standalone financial statements which indicate that the company has maintained Deferred Tax Liability on Special Reserves to the tune of Rs. 1,532.98 Lakhs (Previous year Rs. 1,463.68 Lakhs) in pursuance with NHB guidelines NHB(ND)/DRS/Policy Circular 65/20 14-15 through P/L Appropriation.
- (b) We draw attention to Note 24(12)(d) to the standalone financial statements read with reasons mentioned therein, it is stated that the company has adjusted the provision for NPA (Non-performing Asset) against the amount of write-off accounts and accordingly the same has been claimed as deduction under the tax laws.

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

**Key Audit Matters**

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

Sr. No.	Key Audit Matters	Auditors' Response
1.	<p><b>Classification of Advances and Identification and provisioning for non-performing Advances</b> in accordance with the NHB/RBI guidelines. Advances include loans repayable on demand and Term loans.</p> <p>(Refer Note-5,10,13,16, 24(12) and 24[35(7.4)] 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>





<p>2. Advances governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the NHB/RBI 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, if the IRAC norms are not properly followed.</p> <p>In the event of any improper application of the prudential norms or consideration of the incorrect value of the security, as the valuation of the security involves high degree of estimation and judgment, the carrying value of the advances could be materially misstated either individually or collectively and in view of the significance of the number of advances in the Standalone financial statements i.e., the classification of the advances and provisioning thereon which is 94.00% of total assets has been considered as key audit matter in our audit.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation/ judgment involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter. Accordingly, our audit was focused on income recognition, asset classification</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; 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 and concurrent audit report of the Branches to the extent received.</p>
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	<p>and provisioning pertaining to advances due to the materiality of the balances.</p>	
<p>3.</p>	<p><b>Assessment of Provisions and Contingent liabilities in respect of certain litigations of Direct Taxes.:</b> There is high level of judgment required in estimating the level of provisioning including provision for current tax. 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> <ol style="list-style-type: none"> <li>Understanding the current status of the litigations/tax assessments and claim of tax benefits under the tax laws;</li> <li>Examining Consultants Opinion;</li> <li>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>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> </ol>
<p>4.</p>	<p><b>Management's assessment of appropriateness of Going Concern assumption (as described in Note 24(22) of the standalone financial statements)</b></p> <p>The Company has current liabilities of Rs. 55,652.64 Lakhs (Previous Year-Rs. 42,863.88 Lakhs) and current assets of Rs. 22,358.69 Lakhs (Previous Year-Rs. 20,429.00Lakhs) as at March 31, 2023. Current liabilities exceed current assets at the year end. Given the nature of its business i.e. accepting deposits and lending loans and advances leading to significant stability of cash flows and profitability, management is confident of refinancing and consider the liquidity risk as low and accordingly, the Company uses significant short term borrowings to meet the short term requirements of funds. Management has made an assessment of the Company's ability to continue as a Going Concern as required by AS 1 Disclosure of Accounting</p>	<p>Our procedures included the following:-</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the process and tested the internal controls associated with the management's assessment of Going Concern assumption.</li> <li>Discussed with management and assessed the assumptions, judgments and estimates used in developing business plan and cash flow projections having regards to past performance and current emerging business trends affecting the business and industry.</li> <li>Assessed the Company's ability to refinance its short-term obligation based on the past trends, credit ratings, analysis of solvency and liquidity ratios and ability to generate cash flows and access to capital.</li> <li>Assessed the adequacy of the disclosures in the standalone financial statements.</li> </ul>





<p>Policies considering all the available information and has concluded that the going concern basis of accounting is appropriate. Going Concern assessment has been identified as a key audit matter considering the significant judgments and estimates involved in the cash flow assessment and its dependence upon management's ability to maintain the ALM (Asset Liability Management), raising long term capital and / or successful refinancing of certain current financial obligations.</p>	
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**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

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

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

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

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







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

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

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

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

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

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





- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the Housing Finance Companies- Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 vide RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 February 17, 2021, we give in the "Annexure -B" statement on the matters specified in Paragraphs 70 and 71.
3. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - c) The report on the accounts of the branch offices, as required by clause (c) of sub-section (8) of section 143 of the Act, is not applicable for the year under report, since Company has appointed us a Sole Statutory Auditor of the Company, to audit the company's books of account including the branch accounts, and accordingly requirement of dealing with the report of Branch Auditors, in preparing our report does not arise.
  - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - e) In our opinion, the aforesaid standalone 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 unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

- a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 24 (15) to the standalone financial statements;
- b) The Company has not entered into any long-term contract including derivative contract which may have any material foreseeable losses hence there is no need to create any provision, required under the applicable law or accounting standards, -Refer Note 24(29) to the standalone financial statements;
- c) The company was regular in depositing the amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 24(8) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 24(8) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.





(iii) Based on the audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis- statement.

- e) As stated in Note 24(16)(a) to the standalone financial statements, the Board of Directors of the Company have not proposed dividend for the current financial year (Previous Year-Nil).

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

4. Our views on Directions under section 143(5) of the Companies Act 2013 by C & AG are enclosed as "Annexure "D1".

For B R I S K A & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 000780C

*S. Chanodia*

CA SANJEEV CHANODIA  
(Partner)  
M.No:078896



Date: 12-05-2023  
Place: Bhopal  
UDIN: 23078896BGWQQW6270





**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 standalone financial statements for the year ended 31 March 2023, we report that:

(i)

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

(B) The Company does not have any Intangible assets hence no question of maintenance of proper records showing full particulars including quantitative details and situation of Intangible asset arises. However, during the year the company's intangible asset is in development stage and accordingly no reporting under clause 1(i)(a) of the order is required.

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

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

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

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

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

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





- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the periodical returns or statements filed by the company with such banks or financial institutions are in agreement with the books of accounts of the Company.
- (iii) According to the information and explanations given to us read with applicable norms (including exemptions or relaxations) of NHB/RBI and on the basis of our examination of the records of the Company, the company has made investments in, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

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

We further report that;

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

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

(c) In respect of loans assets and advances in the nature of loans given, according to the information and explanations given to us and on the basis of our examination of the records of the Company read with applicable norms (including exemptions or relaxations) of NHB/RBI, the schedule of repayment of principal and payment of interest has been stipulated.

Further, except for loans and advances in the nature of loans given where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, in respect of which the Company has disclosed the accounting policy(Note-1) in PointNo.3 and asset classification / staging in Note 24(12) and Note24(35)(7.1) to the Standalone Financial Statements in accordance with Accounting Standards and the guidelines issued by the regulators, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable. Having regard to the nature of the Company's business and the voluminous nature of loan transactions involved, it is not practicable to furnish entity-wise list of loan assets where delinquencies in the repayment of principal and interest have been identified.







(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company read with applicable norms (including exemptions or relaxations) of NHB/RBI, there is overdue amount of Rs. 5,036.38 lakhs (Previous Year -Rs.5,900.16 lakhs) [irregularities/overdue are detailed in the Note-13, Note-16, Note No-24(12), Note No-24(13) and Note 24(35)(7.1 & 7.4)] of the standalone financial statements] for more than ninety days in respect of loans and advances in the nature of loans given. The Company is in the business of providing primarily Housing Finance Services whose principal business is to give loans and advance and consequently such overdue has been identified as per the applicable norms (including exemptions or relaxations) of NHB/RBI which are issued time to time. In such instances, in our opinion, reasonable steps have been taken by the company for recovery of the overdue amount of principal and interest as stated in the applicable Regulations and Loan agreements.

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

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

(iv) In According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made. Therefore, reporting under clause 3(iv) of the Order is not required.

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any





deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

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

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

S. No.	Period to which the amount relates (Financial Year)	Amount in dispute (Rs. In Lakh)	Forum where dispute is pending
1.	2002-2003	0.17	AO under the Income Tax Act
2.	2005-2006	86.72	AO under the Income Tax Act
3.	2009-2010	36.27	AO under the Income Tax Act
4.	2013-2014	159.41	CIT (Appeal) under the Income Tax Act
5.	2015-2016	431.70	CIT (Appeal) under the Income Tax Act
6.	2015-2016	176.31	CIT (Appeal) under the Income Tax Act
7.	2016-2017	2.37	CIT (Appeal) under the Income Tax Act
8.	2019-2020	275.00	CIT (Appeal) under the Income Tax Act

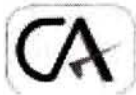






- (viii) According to the information and explanation given to us and based on examination of the records, there were no transactions which have not been recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Therefore, reporting under clause 3(viii) of the Order is not required.
- (ix)
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the company has not defaulted in repayment of dues to financial institutions, banks and Government or debenture holders.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority during the year.
- c) According to the information and explanations given to us and based on examination of the records, the term loans raised during the year were applied for the purposes for which the loans were raised other than temporary deployment pending application of proceeds.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company does not hold any investment in any subsidiary, associate or joint venture (as defined in the Act) during the year ended 31 March 2023. Accordingly, reporting under clause 3(ix)(e) of the Order is not required.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, reporting under clause 3(ix)(f) of the Order is not required.
- (x)
- a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the Order is not required.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that the Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not required.





- (xi)
- a) Based upon the audit procedures performed considering the principles of materiality outlined in the Standards on Auditing for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b) According to the information and explanation given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there were no whistle blower complaints received by the Company during the year. Therefore, reporting under clause 3(xi)(c) of the Order is not required.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company and hence, the reporting of clause 3(xii) of the order is not required.
- (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 requisite details have been disclosed in the standalone Financial Statements, as required by the applicable Accounting Standards.
- (xiv) Subject to our comment mentioned in the Opinion Paragraphs of Annexure-C "Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub section 3 of section 143 of Companies Act, 2013", we report that
- a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports for the year under audit to the extent received by us, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year hence provision of section 192 of the Act are not applicable to the Company. Therefore, reporting under clause 3(xv) of the Order is not required.







- (xvi)
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) of the Order are not applicable.
  - b) The Company being a Housing Finance Company, is registered with National Housing Bank vide Registration No. 01.0004.02 by which NHB has granted status of Housing Finance Company (HFC) to the Company on 31.07.2001.
  - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - d) According to the representations given by the management, there is no CIC as part of the Group. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. Therefore, reporting under clause 3(xvii) of the Order is not required.
- (xviii) According to the information and explanations given to us, there has been no resignation of statutory auditor in the company during the period of audit. Hence reporting under 3(xviii) of the order is not required.
- (xix) Subject to our comment on the matter mentioned in the Paragraph "**Material uncertainty related to Going Concern**", we further state that on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act special account in compliance with the provision of section 135(6) of the Act. Therefore, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not required for the year.





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

Continuation Sheet

(xxi) The reporting under clause (xxi) of this order is not applicable in respect of audit of standalone financial statements of the company.

For B R I S K A & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 000780C

*S. Chanodia*

CA SANJEEV CHANODIA  
(Partner)  
M.No:078896



Date: 12-05-2023  
Place: Bhopal  
UDIN: 23078896BGWQQW6270



**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).

This is issued in pursuant to the paragraph 70 and 71 of the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ('Master Directions') issued by the Reserve Bank of India ('the RBI') and amended from time to time.

Based on our audit of the standalone financial statements for the year ended 31 March 2023 and examination as above, evidences obtained and the information and explanations, along with the representations provided by the management, we report that;

**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 meets the 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 and borrowings, 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 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 to the NHB, as specified in the directions issued by NHB, within the stipulated period.







- viii. The Company has furnished the quarterly statutory returns on Statutory Liquid Assets to the NHB, as specified in the directions issued by NHB, within the stipulated period;
- ix. During the financial year the company has opened following branch offices and SPOKE offices:

Location	Branch Office/ SPOKE Office	Effective Date	Books of accounts and other records maintained with Following Branches
Chennai	Branch Office	19-12-2022	Bangalore
Vijaywada	Branch Office	19-12-2022	Bangalore
Kalyan	Branch Office	06-12-2022	Mumbai
Jodhpur	Branch Office	21-11-2022	Jaipur
Ratlam	Branch Office	10-11-2022	Indore
Noida	SPOKE Office	09-11-2022	Delhi
Itarsi	SPOKE Office	16-08-2022	Bhopal
Akurdi	SPOKE Office	18-04-2022	Pune

Further, according to the explanation and information provided to us by the company, the company has maintained the books of accounts of the newly opened branch offices/offices with the books of accounts of the branches as mentioned above.

No Branch offices/offices have been closed during the year.

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

- x. The Company has not granted any loans against security of shares or security of single product - gold jewellery in terms of paragraph 3.1.3 and 3.1.4 of the Master Directions for the year ended 31 March 2023. The Company has not granted any loan against its own shares in terms of paragraph 18 of the Master Directions for the year ended 31 March 2023;
- xi. The Board of Directors of the company has not passed a resolution for non-acceptance of any public deposits;
- xii. The company has accepted public deposits (including renewal of existing public deposits) during the relevant period/ year;

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

- i. The public deposits accepted by the company together with other borrowings are indicated below viz.
- from public by issue of unsecured non-convertible debentures/bonds;
  - from its shareholders; and
  - 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 of 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., 'IND A-' /Stable(Previous Year "FA- "with Outlook STABLE) which has been assigned by the approved credit rating agency i.e., India Ratings & Research (Previous Year- CRISIL).
- iv. With reference to the preceding Para, we Further report that;
  - (a) The company has not obtained said credit rating for each fixed deposit scheme(s) separately. However, said credit rating has been obtained for fixed deposit in totality for all schemes and such credit rating was valid during the year.
  - (b) According to the information and explanation given to us, the credit rating agency (India Ratings & Research) has evaluated the total fixed deposit programme of the company. Accordingly, the aggregate number of outstanding deposits during the year under different fixed deposit schemes has not exceeded the limit total amount evaluated by such credit rating agency.
- v. The company has not defaulted during the year in paying to its depositor the interest and/or principal amounts of deposits after such interest and/or principal became due.
- vi. The company has complied with the liquid assets requirement as prescribed by the National Housing Bank in exercise of powers under section 29B of the National Housing Bank Act, 1987 and the requirements as specified in paragraphs 40 and 42 of these directions.
- vii. The company has not violated any provisions contained under restriction on acceptance of public deposits, period of public deposits, Joint public deposit, particulars to be specified in application form soliciting public deposits, ceiling on the rate of interest and brokerage and interest on overdue public deposits, renewal of public deposits before maturity as provided in these directions.

For B R I S K A & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 000780C

*Sanjeev Chanodia*

CA SANJEEV CHANODIA  
(Partner)  
M.No:078896



Date: 12-05-2023  
Place: Bhopal  
UDIN: 23078896BGWQQW6270





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

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

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

We have audited the internal financial controls over financial reporting of **CENT BANK HOME FINANCE LIMITED**, as at **31" March 2023** in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for the Standalone 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 Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, included obtaining internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends upon the auditor's judgment, including the assessment of the risk of material misstatement of the standalone 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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone 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, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

We have considered the certain aspects identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the March 31st, 2023 standalone financial statements of the Company which requires improvement and continuous monitoring and supervision, and these aspects do not affect our opinion on the standalone financial statements of the Company.







### Basis of Opinion

In our opinion and according to the information and explanations given to us and based on our audit, the following aspects have been identified as at 31<sup>st</sup> March, 2023:

- i. (a) The Internal audit policy provides that the internal auditor is required to visit once in every 12 months (for Low/Medium Risk Branches as categorized in the policy) and in every 6 months (for High-Risk Branches as categorized in the policy). Although audits have been conducted as per policy, however, we observed that the visits by the Internal Auditors could cover only part of the financial year i.e. half of the total months of the financial year have been audited by internal auditors.  
  
(b) The Concurrent audit policy provides that the branches identified under concurrent audits are required to visit once in every month and submission of the report is done quarterly to the Head Office accordingly. Although audits have been conducted as per policy, however, we observed that the visits by the Concurrent Auditor could report only part of the financial year till December, 2022 i.e., three fourth of the total months of the financial year has been audited by concurrent auditors.

In our opinion, considering the requirement of reporting on compliance in pursuance to clause 3(xiv) of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, said element of Internal Financial Control i.e. Internal Audit and Concurrent Audit System requires change with regard to the periodicity of audit in such a manner that audit coverage in said audits could be synchronized with the accounting year i.e. April to March.

- 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 to insurance. In our opinion, considering the principle of safeguarding the assets of the company, the Company may endeavor to obtain consent of the borrower for insurance of the mortgaged property sanctioned and disbursed prior to 17-04-2018.
- iii. We draw attention to the Note no 24(23)(iv) of the standalone financial statements, which indicates that management of the company is determining and compiling various information on manual basis by way of use of excel/spreadsheets without implementation of advanced techniques of data protection. In view of the instructions issued by RBI (Reserve Bank of India) and/or NHB (National Housing bank) for automation of IRAC norms involving no or minimal manual intervention, the existing practice of extensive use of excel sheets/spreadsheets is required to be minimized or abolished. However, we have been explained by the company that new software is expected to resolve said issues related to the manual intervention which will be implemented from the financial year 2023-2024 onwards.
- iv. Although, as per the NHB, the company is not covered under mandatory guidelines to appoint a Chief Risk Officer (CRO). However, as per the Risk Management Policy of the company, it is mandatory to appoint Chief Risk Officer (CRO). It is observed that post of CRO is vacant since 14<sup>th</sup> May 2022. It has been explained by the company that they have taken appropriate efforts to fill the vacancy and accordingly certain relaxations in existing norms for selection of post of CRO has been obtained from the management.





- v. In order to strengthened the existing system and control, in our opinion periodical rotational transfer of officials holding sensitive posts must be followed. However, it is observed that rotation of certain posts has been made recently to implement the said aspect.

For B R I S K A & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 000780C

*S. Chanodia*

CA SANJEEV CHANODIA  
(Partner)  
M.No:078896



Date: 12-05-2023  
Place: Bhopal  
UDIN: 23078896BGWQQW6270



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

Statement on the directions/sub-directions issued by the Comptroller & Auditor General of India under sub-section 5 of section 143 of the Companies Act, 2013, examined by the statutory Auditors during the course of audit of Annual Accounts of CENT BANK HOME FINANCE LIMITED for the year ending 31st March 2023

**Compliance Certificate**

We have conducted the audit of the accounts of Cent Bank Home Finance Limited, for the year ended March 31, 2023 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us. Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of the company are as per "Annexure- D(1)"

For B R I S K A & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 000780C

*Sanjeev Chanodia*

CA SANJEEV CHANODIA  
(Partner)  
M.No:078896



Date: 12-05-2023  
Place: Bhopal  
UDIN: 23078896BGWQQW6270





**Annexure D1 to the Independent Auditors' Report**

(Annexure referred to in paragraph "4" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Cent Bank Home Finance Limited [CBHFL] on the standalone Financial Statements for the year ended 31st March, 2023)

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 2022-2023 issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

Sr. No.	AREAS TO BE EXAMINED	REPLY FOR THE AREAS EXAMINED
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If, yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>The Company has the system in place to process all the accounting transactions through IT systems with some exceptions as mentioned below which is maintained and controlled through <b>Excel Sheets</b> for calculation etc.:</p> <ol style="list-style-type: none"><li>1. Interest on Borrowings/debentures and Interest Income On investments.</li><li>2. Depreciation on Fixed Assets and Amortization on Investments.</li><li>3. Calculation of Provisioning on NPAs [Non-Performing Assets] and on Standard Assets including Identification of Additional NPAs.</li><li>4. Consolidation of Trial balance of Branches and head-Office and Preparation of standalone 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><li>7. Interest accrual on Non-Cumulative Fixed Deposits as on 31.03.2023.</li><li>8. Amortization of DSA on fore-closure loans &amp; advances and brokerage of pre-maturity of Fixed Deposits.</li><li>9. As per notification no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 dated 15.02.2022, Paragraph 10 of the Circular stipulates that loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. NBFCs shall have time till September 30, 2022 to put in place the necessary systems to implement this provision. The company has opted for exemption from implication of this direction of RBI till 30.09.2022. Hence, up gradation from Non-Performing Assets to Performing Assets, if any has been made as per existing practice till 30.09.2022.</li></ol> <p>Further as per the information and explanation provided to us, the company has not upgraded its existing IT system for this provision in which loan accounts classified as NPAs can be automatically upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower.</p>





		<p>Furthermore, as per the information and explanation provided to us, the company is undergoing a new IT system implementation and existing IT system is not capable of any further upgradation. Hence, it is explained to us that implementation of new norms as per said notification is monitored and supervised manually for the time being.</p> <p>10. Loan to value ratio is calculated manually.</p> <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. 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- b a s e d AMAZON WEB SERVER for maintaining the CBS in which accounting entries/ vouchers are routed through.</p>
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 2022-2023, no cases of restructuring of an existing loan or cases of waiver/write off of debts/ loans/interest etc. made by a lender to the company has been observed.
3.	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	On the basis of selective audit procedures, we have observed that the funds received/ receivable for specific schemes [PMAY/NHB refinance Schemes] from Central/State agencies were properly accounted for /utilized as per its term and conditions.
4.	Whether the security controls for digital payment products and services are in compliance with the directions of RBI for Digital Payment Security Controls Dated 18 February 2021.	On the basis of our verification, explanation and information given to us, the company is not providing any digital products or services. Hence this direction is not applicable.







5.	RBI provided a window (vide circular dated 6 august 2020) under the prudential framework to implement a resolution plan to borrowers having stress on account of Covid 19, as per which existing loans can be restructured without downgrading the asset classification. Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI circular?	According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year no restructuring has been made in respect of the loan accounts with reference to said Circular dated 06-08-2020. Hence, this direction is not applicable.  However, during the year 321 no of borrower loan cases having outstanding of Rs. 5,764.07 Lakhs had been restructured in terms of RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May5, 2021on which additional provision of Rs. 475.54 Lakhs (Net of reversal of provision made during the year)in accordance with the said Circular had been made. Prescribed disclosure has been mentioned in the Point No 24(35)(7.1)of the Notes to the accounts.
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For B R I S K A & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 000780C

*Chanodia*

CA SANJEEV CHANODIA  
(Partner)  
M.No:078896



Date: 12-05-2023  
Place: Bhopal  
UDIN: 23078896BGWQQW6270



**AUDITORS CERTIFICATE**

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

In respect of the standalone Financial Statement for the financial year 2022-23 of the **Cent Bank Home Finance Limited** (Corporate Identification No. U65922MP1991PLC006427 having its registered office address at Central Bank Of India Building, 9 Arera Hills, Mother Teresa Road, Bhopal- 462011 hereinafter referred as "the Company"), we certify that

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

The above certificate is to be read together with our observations/comments in the Independent Auditors auditor's report dated 12-05-2023. Further, in order to certify the ability of the position of the company to meet the liabilities (depositors of the company including interest payable), we have relied upon the certificate and the explanation issued by the management of the company.

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

For **B R I S K A & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN: 000780C**

*f. Chanodia*

**CA SANJEEV CHANODIA**  
**(Partner)**  
**M.No:078896**



**Date: 12-05-2023**  
**Place: Bhopal**  
**UDIN: 23078896BGWQQW6270**

**CENT BANK HOME FINANCE LIMITED**  
(CIN: U65922MP1991PLC006427)  
Balance Sheet as at 31st March, 2023

Particulars	Note No.	As at 31.03.2023 Rs. In Lakhs	As at 31.03.2022 Rs. In Lakhs
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	2,500.00	2,500.00
(b) Reserves and surplus	3	16,383.71	13,707.64
		<b>18,883.71</b>	<b>16,207.64</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	72,559.34	57,880.22
(b) Deferred tax liabilities	3a	1,075.45	607.40
(c) Long-term provisions	5	2,244.39	3,656.34
		<b>75,879.18</b>	<b>62,143.96</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	41,453.93	31,100.86
(b) Trade payables			
(i) total outstanding dues of MSME	7	-	-
(ii) total outstanding dues of creditors other than MSME	7	239.47	107.04
(c) Current maturities of long term borrowings	8	12,995.22	11,052.33
(d) Other current liabilities	9	745.90	404.41
(e) Short-term provisions	10	218.12	199.24
		<b>55,652.64</b>	<b>42,863.88</b>
<b>TOTAL</b>		<b>1,50,415.53</b>	<b>1,21,215.48</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment and Intangible assets			
(i) Property, Plant & Equipment	11	37.69	30.60
(ii) Intangible Assets under Development	11b	209.27	-
(b) Non-current investments	12	4,837.13	3,173.77
(c) Long-term loans and advances	13	1,21,995.79	97,251.31
(d) Other Non-current assets	14	976.96	330.80
		<b>1,28,056.84</b>	<b>1,00,786.48</b>
<b>2 Current assets</b>			
(a) Cash and cash equivalents	15	2,222.55	1,325.75
(b) Short-term loans and advances	16	19,564.67	18,717.16
(c) Other current assets	17	571.47	386.09
		<b>22,358.69</b>	<b>20,429.00</b>
<b>TOTAL</b>		<b>1,50,415.53</b>	<b>1,21,215.48</b>
Significant Accounting Policies	1		
Notes to accounts and disclosure as per NHB/RBI	24		

As per our report of even date.

For **B R I S K A & Associates**

Chartered Accountants

FRN: 000780C

CA Sanjeev Chanodia

Partner M. No.: 078896

Place : Bhopal

Date : 12.05.2023

UDIN : 23078896BGWQQW6270



For Cent Bank Home Finance Limited

*Kushal Pal*  
Kushal Pal  
Managing Director  
DIN: 09225722

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

*Rajeev Puri*  
Rajeev Puri  
Chairman  
DIN: 07330989

*Ashish Kumar Shrivastava*  
Ashish Kumar Shrivastava  
Company Secretary





**CENT BANK HOME FINANCE LIMITED**  
(CIN: U65922MP1991PLC006427)

Statement of Profit and Loss for the year ended 31st March, 2023

	Particulars	Note No.	For the year ended	For the year ended
			31.03.2023	31.03.2022
			Rs. In Lakhs	Rs. In Lakhs
<b>A</b>	<b>INCOME</b>			
1	Revenue from operations	18	14,092.92	12,300.01
2	Other income		-	-
3	<b>Total Income (1+2)</b>		<b>14,092.92</b>	<b>12,300.01</b>
<b>B</b>	<b>Expenses</b>			
4	(a) Employee benefits expense	19	1,132.45	943.58
5	(b) Finance costs	20	7,625.33	6,892.50
6	(c) Depreciation and amortisation expense	11a	11.56	13.50
7	(d) Other expenses	21	1,135.35	870.67
8	(e) Contingent Provision for Standard Assets (including Covid19 Restructuring Scheme Provision - refer Note No 5)	22	11.11	491.78
9	(f) Provisions for Non-Performing & Doubtful Debts		607.02	302.27
10	<b>Total expenses (4+5+6+7+8+9)</b>		<b>10,522.82</b>	<b>9,514.30</b>
<b>C</b>	<b>Profit before tax and extraordinary items (3-10)</b>		<b>3,570.10</b>	<b>2,785.71</b>
<b>D</b>	<b>Extraordinary items</b>			
	Add:- Extraordinary Item	23	-	-
	Less/(Add):-Prior period Adjustments-Expenses/(Income)		(14.63)	(6.15)
<b>E</b>	<b>Profit / (Loss) before tax (C-D)</b>		<b>3,584.73</b>	<b>2,791.86</b>
<b>F</b>	<b>Tax expense:</b>			
	(a) Current year tax expense		442.40	770.97
	(b) Provision/(Reversal) for tax of previous years		(1.78)	44.05
	(c) Deferred tax Liabilities/ (Assets) of current year other than d above		398.75	(181.71)
	(d) Deferred tax liability on special reserves of current Year		69.30	147.63
			908.67	780.94
<b>G</b>	<b>Profit from continuing operations (E-F)</b>		<b>2,676.06</b>	<b>2,010.92</b>
<b>H</b>	<b>Profit for the year</b>		<b>2,676.06</b>	<b>2,010.92</b>
<b>(Statement of Profit and Loss without stating EBITDA)</b>				
<b>I</b>	<b>Earnings per share (of Rs.10/- each):</b>			
	(a) Basic		10.70	8.04
	(b) Diluted		10.70	8.04
<b>J</b>	<b>Notes to accounts and disclosure as per NHB/RBI</b>	24		

As per our report of even date.  
For **B R I S K A & Associates**  
Chartered Accountants  
FRN: 000780C

CA Sanjeev Chanodia  
Partner M. No.: 078896  
Place : Bhopal  
Date : 12.05.2023  
UDIN : 23078896BGWQQW6270



For Cent Bank Home Finance Limited

Kushal Pal  
Managing Director  
DIN: 09225722

S. C. Mehta  
Chief Financial Officer

Rajeev Puri  
Chairman  
DIN: 07330989

Ashish Kumar Shrivastava  
Company Secretary



**Cent Bank Home Finance Limited**  
**Cash Flow Statement for the year ended 31st March, 2023**

Particulars		For the year ended		For the year ended	
		31.03.2023		31.03.2022	
		Rs. In Lakhs		Rs. In Lakhs	
<b>A. Cash flow from operating activities</b>					
Net Profit / (Loss) before extraordinary items and tax			3,570.10		2,785.71
<u>Adjustments for:</u>					
Depreciation and amortisation	(+)	11.56		13.50	
Provision for NPA and other	(+)	607.02		302.27	
Provision for Standard Asset	(+)	11.11		491.78	
Bad debts written off	(+)	-			
Loss on sale of fixed assets	(+)	-		3.61	
Loss on redemption of Investment	(+)	-			
Prior period Adj.	(+)	14.63		6.15	
Operating profit / (loss) before working capital changes			4,214.42		3,603.02
<u>Changes in working capital:</u>					
<i>Adjustments for (increase) / decrease in operating assets:</i>					
Inventories					
Short-term loans and advances		(858.62)		(8,761.47)	
Long-term loans and advances		(25,351.50)		5,063.08	
Other current assets		(185.38)		(24.56)	
Other non-current assets		(646.15)		(34.17)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>					
Deferred Tax Liabilities		468.05		(34.07)	
Other current liabilities		473.92		(133.64)	
Short-term provisions		18.88		138.87	
Long-term provisions		(1,411.95)		611.27	
Cash flow from extraordinary items			(27,492.75)		(3,174.69)
Cash generated from operations			-		-
Net income tax (paid)			(23,278.33)		428.33
			(908.67)		(780.95)
<b>Net cash flow from / (used in) operating activities (A)</b>			<b>(24,187.00)</b>		<b>(352.62)</b>





**Cash Flow Statement for the year ended 31st March, 2023 (Contd.)**  
**Cent Bank Home Finance Limited**

Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
	Rs. In Lakhs		Rs. In Lakhs	
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-227.92		-6.62	
Proceeds from sale of fixed assets	-		1.21	
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents				
- Placed	1,090.00		-590.00	
- Matured				
Current investments not considered as Cash and cash equivalents				
- Purchased				
- Proceeds from sale	-1,663.36		1,050.42	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>-801.28</b>		<b>455.01</b>



**Cash Flow Statement for the year ended 31st March, 2023 (Contd.)**  
**Cent Bank Home Finance Limited**

Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
	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	16,622.01		-469.72	
Proceeds from other short-term borrowings	10,353.07		413.89	
Repayment of other short-term borrowings	-			
Dividends paid	-			
Tax on dividend	-			
<b>Net cash flow from/ (used in) financing activities (C)</b>		<b>26,975.08</b>		<b>-55.83</b>
<b>Net increase/ (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>1,986.80</b>		<b>46.56</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>235.75</b>		<b>189.19</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,222.55</b>		<b>235.75</b>
<b>See accompanying notes forming part of the financial statements</b>		<b>24</b>		

As per our report of even date.

For B R I S K A & Associates  
Chartered Accountants  
FRN: 000780C

*Sanjeev Chanodia*

CA Sanjeev Chanodia  
Partner M. No.: 078896  
Place : Bhopal  
Date : 12.05.2023  
UDIN : 23078896BGWQQW6270



For Cent Bank Home Finance Limited

*Kushal Pal*

Kushal Pal  
Managing Director  
DIN: 09225722

*S. C. Mehta*

S. C. Mehta  
Chief Financial Officer

*Rajeev Puri*

Rajeev Puri  
Chairman  
DIN: 07330989

*Ashish Kumar Shrivastava*

Ashish Kumar Shrivastava  
Company Secretary





## **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 24 branches and 6 representative offices. However, books of accounts of 5 branches were merged with existing branches.

#### **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).

- Interest on Loans including Penal Interest and ECS bounce charges -Interest income including Penal Interest and ECS bounce charges 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.
- Fees and Other Charges –Income from fee and other charges, viz. log in fee, Pre-payment charges, legal expenses related to recovery of NPA/overdue account, etc., are recognized on receipt basis.
- 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.
- 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. AS-26 Intangible Assets and Amortization:

Intangible assets which are within the control of the company are recognized when the assets are identifiable, when the assets are available for use, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Intangible assets representing software/ERP are initially recorded at their acquisition price and are amortized over its estimated useful life / period of contractual rights on a straight-line basis, commencing from the date the assets are available for its use. The useful life of intangible assets is reviewed by the management at each Balance Sheet date.

### 6. 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.

### 7. 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.

#### 8. 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 at the rate of the last drawn salary (Basic + HRA + Special Allowance). Therefore, the Leave Encashment liability is treated as Short-term Liability under the head "Current Liabilities" and provided for on Accrual basis as per said formula.

#### 9. 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.

#### 10. 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.

#### 11. 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)

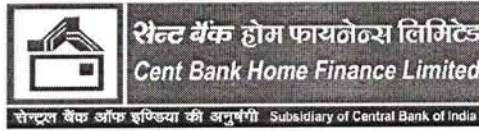
Amendment Rules, 2011. Income Tax comprises of both of current and deferred tax.

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 and subsequent recoveries from write-off accounts (if any) are shown as income in the year in which such recoveries are made.

The Company has proven track record of Profits and creates the deferred tax asset 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.

## 12. 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.

### 13. 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. From financial year 2022-2023 onwards, in case of foreclosure of Loans & Advances or prematurity of Fixed Deposits, the balance unamortized cost in respect to those cases are charged to P&L in that financial year itself.

### 14. 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 was previously accounted for during the year of its renewal. However, from financial year 2022-2023 onwards accrued interest on such unclaimed deposits from the date of their maturity till the end of the financial year is recognised as per Deposit Policy.

### 15. 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.

### 16. 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 noncash 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.

### 17. 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.

#### 18. 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.

#### 19. 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 BRISKA & Associates  
Chartered Accountants  
FRN 000780C

*S. Chanodia*



CA Sanjeev Chanodia  
Partner  
M. No. 078896  
Place: Bhopal  
Date: 12.05.2023  
UDIN: 23078896BGWQQW6270

For Cent Bank Home Finance Limited

*Kushal Pal*

Kushal Pal  
Managing Director  
DIN: 09225722

*S. C. Mehta*

S. C. Mehta  
Chief Financial Officer

*Rajeev Puri*

Rajeev Puri  
Chairman  
DIN: 07330989

*Ashish Kumar Shrivastava*

Ashish Kumar Shrivastava  
Company Secretary



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

Note 2 Share capital

Particulars	As at 31.03.2023		As at 31.03.2022	
	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	5,00,00,000	5,000
<b>(b) Issued</b>				
Equity shares of Rs.10/- each	2,50,00,000	2,500	2,50,00,000	2,500
<b>(c) Subscribed and fully paid up</b>				
Equity shares of Rs.10/- each	2,50,00,000	2,500	2,50,00,000	2,500
<b>Total</b>	<b>2,50,00,000</b>	<b>2,500</b>	<b>2,50,00,000</b>	<b>2,500</b>

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, 2023								
- Number of shares	2,50,00,000	-	-	-	-	-	-	2,50,00,000
- Amount (in Rs.)- In Lakhs	2,500	-	-	-	-	-	-	2,500
Year ended 31 March, 2022								
- Number of shares	2,50,00,000	-	-	-	-	-	-	2,50,00,000
- Amount (in Rs.)- In Lakhs	2,500	-	-	-	-	-	-	2,500

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



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

Note 2 Share capital (contd.)

Particulars	Equity shares	Equity shares with differential voting rights	Compulsorily convertible preference shares	Optionally convertible preference shares	Redeemable preference shares
	Number of shares				
As at 31 March, 2023	Nos.				
Central Bank of India, the holding company	1,61,00,000.00	-	-	-	-
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	-	-	-	-	-
As at 31 March, 2022					
Central Bank of India, the holding company	1,61,00,000.00	-	-	-	-
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, 2023			As at 31 March, 2022		
	Number of shares held	% holding in that class of shares *	% change during the year	Number of shares held	% holding in that class of shares *	% change during the year
<b>Equity shares</b>						
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%	-

Note: Company received vide letter no. CO:ITB:2022-23:474 from Central Bank of India regarding approval for enhancement in existing equity stake by Central Bank of India to make CBHFL wholly owned subsidiary and filing of application to RBI.  
The Board of CBHFL in its 145th Board meeting dated 25.01.2023 confirmed the Resolution passed by Circulation no. 1/2022-23/10.02.2023 for the proposal for enhancement in existing equity stake by Central Bank of India to make CBHFL wholly owned subsidiary and filing of application to RBI. Company has sent a letter no. CBHFL/CO/2022-23/288 dated 15.02.2023 to RBI in this regard.





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

**Note 3 Reserves and surplus**

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Securities Premium	690.00	690.00
Closing balance	690.00	690.00
(b) General reserve		
Opening balance	1,252.80	1,073.72
Add: Transferred from Statement of Profit and Loss	101.65	179.08
Less: Transferred to Statement of Profit and Loss	-0.34	-
Closing balance	1,354.11	1,252.80
(c) Special Reserve (Special Reserve created in terms of Section 36(1)(viii) of IT Act, 1961 and as per Section 29 C of NHB Act.)		
Opening balance	5,815.17	5,296.62
Add: Transferred from Statement of Profit and Loss	275.35	518.55
Less: Transferred to Statement of Profit and Loss	-0.98	-
Closing balance	6,089.54	5,815.17
(d) Additional Reserve (Created under section 29C of NHB Act 1987)		
Opening balance	300.00	300.00
Add: Additions / transfers during the year	-	-
Closing balance	300.00	300.00
(e) Surplus in Statement of Profit and Loss		
Opening balance	5,649.67	4,336.38
Add: Profit for the year	2,676.06	2,010.92
Amounts transferred from:		
General reserve	0.34	-
Other reserves (give details)	0.98	-
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	101.64	179.08
Special Reserve	275.35	518.55
Additional reserve u/s 29C of NHB Act	-	-
Closing balance	7,950.06	5,649.67
<b>Closing Balance</b>	<b>Total</b>	<b>Total</b>
	16,383.71	13,707.64
<b>Note:</b> Transfer from Reserve relates to the adjustments related to previous year due to change in the amount of Taxable Profit determined at the time of filing of Return of Income.		
<b>Dividend per share (of Rs.10/- each):</b>	<b>(Rs)</b>	<b>(Rs)</b>
<b>Dividend per Share</b>	-	-



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

Note 3a Deferred Tax Liabilities

Particulars	As at 31.03.2023		As at 31.03.2022	
	Rs. In Lakhs		Rs. In Lakhs	
<b>Deferred Tax Asset (A)</b>	<b>Amount</b>		<b>Amount</b>	
Provision for NPA & Standard Assets	596.84		957.71	
Leave Encashment	14.21		9.51	
Bonus/Incentive	8.76		-	
Depreciation	0.98	620.79	0.86	968.08
<b>Deferred Tax Liability (Net) (B)</b>				
Special Reserve	1,532.98		1,463.68	
Unamortized Cost	163.26		111.80	
Depreciation	-	1,696.24	-	1,575.48
<b>(A)-(B)= DTL</b>		<b>1,075.45</b>		<b>607.40</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 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Term loans		
From banks		
Secured (Note 1)	42,887.86	29,782.90
Unsecured	-	-
(b) Deposits (Note 2)		
Secured	-	-
Unsecured (Note 3)	29,671.48	28,097.32
<b>Total</b>	<b>72,559.34</b>	<b>57,880.22</b>

**Note 1:-** These are secured by assigning book debts as security against these loans

**Note 2:-** With respect to Deposits, the company has created a floating charge as per the directions of NHB on the assets invested by the company under section (1) & (2) of Section 29B of the NHB Act, 1987.

**Note 3:-** The FD Maturities of next 12 months are considered as current maturities





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

Particulars	Particulars						
	As at 31.03.2023		As at 31.03.2022				
	Secured Rs. In Lakhs	Unsecured Rs. In Lakhs	Secured Rs. In Lakhs	Unsecured Rs. In Lakhs			
<b>Term loans from banks:</b>							
Refinance from National Housing Bank	14,100.09	-	11,569.17	-			
Central Bank of India	26,162.77	-	14,713.73	-			
HDFC Bank	2,625.00	-	3,500.00	-			
<b>Total - Term loans from banks</b>	<b>42,887.86</b>	<b>-</b>	<b>29,782.90</b>	<b>-</b>			
<b>Deposits:</b>							
Public Deposits	-	21,353.76	-	20,704.22			
Inter-corporate deposits	-	8,317.72	-	7,393.10			
<b>Total - Deposits</b>	<b>-</b>	<b>29,671.48</b>	<b>-</b>	<b>28,097.32</b>			
Below are the details of all loans/Refinance outstanding.							
Name of Institution / (Security for loan)	Facility No.	Amt sanctioned	Amt. outstanding as on 31.03.2023	Current	Non-Current	Rate of interest %	Repayment terms
<b>NHB Refinance</b>							
<b>Specific Charge over book debts of company</b>							
26-06-2015	100004317	598.00	98.50	62.00	36.50	6.87%	40 Qly Inst
26-06-2015	100004318	2,391.00	469.00	248.00	221.00	6.87%	40 Qly Inst
30-11-2015	100004373	150.00	25.15	15.40	9.75	6.87%	40 Qly Inst
30-11-2015	100004374	2,850.00	730.10	292.40	437.70	6.87%	40 Qly Inst
07-06-2016	100004485	1,729.00	176.50	176.50	-	6.12%	28 Qly Inst
19-06-2017	100004613	3,500.00	1,342.60	359.20	983.40	5.11%	60 Qly Inst
11-01-2019	100004819	3,010.00	1,623.95	204.08	1,419.87	8.00%	60 Qly Inst
11-01-2019	100004821	1,300.00	813.79	88.16	725.63	8.00%	60 Qly Inst
11-01-2019	100004822	800.00	358.52	54.24	304.28	8.00%	60 Qly Inst
11-01-2019	100004823	1,000.00	645.44	67.84	577.60	8.10%	60 Qly Inst
11-01-2019	100004825	5,040.00	1,686.28	746.68	939.60	4.93%	28 Qly Inst
11-01-2019	100004837	950.00	386.96	140.76	246.20	4.93%	28 Qly Inst
29-03-2022	100005497	700.00	628.00	116.09	511.91	6.55%	40 Qly Inst
29-03-2022	100005499	1,800.00	1,532.00	317.50	1,214.50	2.94%	28 Qly Inst
20-02-2023	100005736	23.50	23.50	3.48	20.02	4.90%	28 Qly Inst
20-02-2023	100005737	5,601.50	5,601.50	832.00	4,769.50	5.25%	28 Qly Inst
20-02-2023	100005738	776.00	776.00	79.60	696.40	8.10%	40 Qly Inst
20-02-2023	100005739	335.00	335.00	34.36	300.64	7.85%	40 Qly Inst
20-02-2023	100005740	605.00	605.00	62.08	542.92	7.85%	40 Qly Inst
20-02-2023	100005741	159.00	159.00	16.32	142.68	7.80%	40 Qly Inst
		<b>33,318.00</b>	<b>18,016.79</b>	<b>3,916.69</b>	<b>14,100.10</b>		
<b>Central Bank of India</b>							
<b>Specific Charge over book debts of company</b>							
31-03-2016	3529989467	10,000.00	351.61	352.41	-0.80	7.50%	28 Qly Inst
02-01-2017	3586418826	10,000.00	1,304.60	1,305.21	-0.61	7.50%	60 Mthly Inst
05-08-2017	3669628762	10,000.00	2,695.15	1,428.00	1,267.15	7.50%	60 Mthly Inst
06-11-2018	3715277776	10,000.00	4,172.05	1,428.00	2,744.05	7.50%	60 Mthly Inst
30-03-2020	3803428580	10,000.00	6,200.20	1,428.00	4,772.20	8.00%	60 Mthly Inst
29-08-2022	5282264782	15,000.00	14,642.68	2,142.86	12,499.82	7.50%	84 Mthly Inst
28-02-2023	5360382538	30,000.00	5,000.00	119.05	4,880.95	8.15%	84 Mthly Inst
		<b>95,000.00</b>	<b>34,366.29</b>	<b>8,203.53</b>	<b>26,162.76</b>		
<b>HDFC Bank</b>							
<b>Specific Charge over book debts of company</b>							
16.03.2021	240LN06210750001	2,000.00	666.67	333.33	333.34	7.25%	72 Mthly Inst
16.03.2021	240LN06210750002	1,000.00	1,500.00	166.67	1,333.33	7.25%	72 Mthly Inst
16.03.2021	240LN06213210005	2,000.00	1,333.33	375.00	958.33	7.25%	72 Mthly Inst
		<b>5,000.00</b>	<b>3,500.00</b>	<b>875.00</b>	<b>2,625.00</b>		
<b>Grand Total</b>			<b>55,883.08</b>				
<b>Less: Current liabilities (repayment in next 12 months)</b>			<b>12,995.22</b>				
Refinance from National Housing Bank			3,916.69				
Central Bank of India			8,203.53				
HDFC Bank			875.00				
<b>Total Non Current liabilities</b>			<b>42,887.86</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 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Provision for Bad & Doubtful Debts (NPA)	1,486.14	2,930.97
(b) Contingent Provisions against Standard Assets	758.25	725.37
(c) 5% Provision on Standard assets (Overdue accounts on which moratorium period permitted)	-	-
<b>Total</b>	<b>2,244.39</b>	<b>3,656.34</b>

a) Provision for Bad & Doubtful debts has been done as per the prudential norms prescribed under RBI Master Directions-NBFC-HFC(Reserve Bank) Directions, 2021, No. RBI/2020-21/73/DOR.FIN.HFC.CC.No. 120/03.10.136/2020-21. Provision is netted off with the amount of Provision on accounts which has been written-off during the period.

b) Provision on standard assets has been made as per RBI Master Directions-NBFC-HFC (Reserve Bank) Directions, 2021, No. RBI/2020-21/73/DOR.FIN.HFC.CC.No. 120/03.10.136/2020-21: Provision on Accounts Prior to August 2017 will be done @ 0.40%, From August 2017, it will be 0.25% & for Non Housing Sector: LAP- 0.40%, Commercial Property- 1% and Project Loan- 0.75%

c) Additional provision of 10% is made on restructured accounts under "Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Business" in Pursuance to RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021. Further, there is a reversal of provision regarding restructured accounts, as per above mentioned RBI Circular.





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

**Note 6 Short-term borrowings**

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Loans repayable on demand		
From banks		
Secured (Note 1)	16,299.14	7,223.00
(b) Deposits (Note 2)		
Unsecured	25,154.79	23,877.86
<b>Total</b>	<b>41,453.93</b>	<b>31,100.86</b>

**Notes:**

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

Particulars	Nature of security	As at 31.03.2023	As at 31.03.2022
		In Rs.	In Rs.
<u>Loans repayable on demand</u>			
<u>from banks:(Note No. 1)</u>			
Central Bank of India	Book Debts assigned	20,022.00	7,351.00
Total - from banks			

**Note 1:-** Short term borrowings is overdraft facility (Limit of Rs.200 crores bearing ROI @base rate granted by Central Bank of India).

**Note 2:-** With respect to Deposits, the company has created a floating charge as per the directions of NHB on the assets invested by the company under section (1) & (2) of Section 29B of the NHB Act, 1987. (Current Maturities of Deposits due in next 12 Months considered as Current Liability)



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

Note 7 Trade Payables

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(i) total outstanding dues of MSME	-	-
(ii) total outstanding dues of creditors other than MSME	239.47	107.04
<b>Total</b>	<b>239.47</b>	<b>107.04</b>

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



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

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

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Current maturities of long-term debt (Refer Note 1 below)	12,995.22	11,052.33
<b>Total</b>	<b>12,995.22</b>	<b>11,052.33</b>
<b>Note:</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
	<b>Rs. In Lakhs</b>	<b>Rs. In Lakhs</b>
(a) Term loans		
From banks		
Secured	12,995.22	11,052.33
Unsecured	-	-
<b>Total</b>	<b>12,995.22</b>	<b>11,052.33</b>

**Note 1:-** Current maturities of long term debt relates to long term loans mentioned in "Note 4 Long Term Borrowing". Details of security & guarantee is mentioned in aforesaid loan.



**Cent Bank Home Finance Limited**

**Notes forming part of the financial statements**

**Note 9 Other current liabilities**

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Unpaid matured deposits, Advance received for deposits pending documentation and interest accrued thereon including Interest accrued on other fixed deposits	521.65	109.06
(b) Other payables		
(i) Contractually reimbursable expenses	-	-
(ii) Advances from customers	-	-
(iii) Bank balance	-	-
(iv) Others	224.25	295.35
(includes sundry creditors, provision for salary, CERSAI payable, Earnest money deposits, other misc payables.)		
<b>Total</b>	<b>745.90</b>	<b>404.41</b>





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

**Note 10 Short-term provisions**

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Provision - Others:		
(i) Provision for proposed equity dividend	-	-
(ii) Provision for tax on proposed dividends	-	-
(iii) Contingent Provision on Standard asset as per NHB norms	126.84	148.62
(iv) Provision for diminution in Investments	-	-
(v) Provision for other employee benefits (Refer Note 1)	91.28	50.62
(vi) CSR expenses provided for	-	-
<b>Total</b>	<b>218.12</b>	<b>199.24</b>

**Note 1:-** 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 11 Property, Plant & Equipments**

Tangible assets	Gross block				Accumulated depreciation and impairment						
	Balance as at 1 April, 2022	Additions	Disposals	Balance as at 31st March, 2023	Balance as at 1 April, 2022	Depreciation Rate	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2023	Balance as at 31st March, 2023 (Net Block)	Balance as at 31 March, 2022 (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
(a) Furniture and Fixtures	89.73	0.74	-	90.47	77.19	9.50%	2.67	-	79.86	10.61	12.54
(b) Vehicles	11.64	-	-	11.64	9.87	11.88%	0.19	-	10.06	1.58	1.77
(c) Office Equipments	37.03	1.45	-	38.48	27.96	19.00%	3.53	-	31.49	6.99	9.07
(d) Computer	124.99	16.46	-	141.45	117.77	31.67%	5.17	-	122.94	18.51	7.22
<b>Total</b>	<b>263.39</b>	<b>18.65</b>	<b>-</b>	<b>282.04</b>	<b>232.79</b>		<b>11.56</b>	<b>-</b>	<b>244.35</b>	<b>37.69</b>	<b>30.60</b>
<b>Previous year 21-22</b>	<b>288.11</b>	<b>6.62</b>	<b>31.34</b>	<b>263.39</b>	<b>245.82</b>		<b>13.50</b>	<b>26.54</b>	<b>232.78</b>	<b>30.60</b>	<b>42.29</b>





सेन्ट बँक होम फायनेन्स लिमिटेड  
Cent Bank Home Finance Limited

सेन्ट बँक ऑफ इण्डिया की अनुषंगी Subsidiary of Central Bank of India

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

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

B.	Particulars	For the year ended	For the year ended
		31.03.2023	31.03.2022
		Rs. In Lakhs	Rs. In Lakhs
	Depreciation and amortisation for the year on tangible assets as per Note 9	11.56	13.50
	Depreciation and amortisation relating to continuing operations	11.56	13.50



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

**Note 11b Intangible Assets Under Development**

Tangible assets	Gross block				Amortization					
	Balance as at 1 April, 2022	Additions	Disposals	Balance as at 31st March, 2023	Balance as at 1 April, 2022	Amortization/ Depreciation Rate	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2023	Balance as at 31st March, 2022
	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) Computer Software under Development	-	209.27	-	209.27	-	20.00%	-	-	-	-
<b>Total</b>	-	209.27	-	209.27	-		-	-	-	-
Previous year 21-22	-	-	-	-	-		-	-	-	-

Capital commitment regarding Intangible Assets under development for the year ended March, 2023 are as under:-

Particulars	Amount CWIP for a period of			TOTAL
	< 1year	1-2 years	2-3 years >3 years	
(i) Projects in progress	312.22	-	-	312.22
(ii) Projects temporarily suspended	-	-	-	-

CBHFHL has started working in the new system - Azenzio One Software from 01.04.2023. Out of all the modules, LM, GL and FD Modules are getting fine tuned on the go.





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

**Note 12 Non-current investments**

Particulars	As at 31.03.2023			As at 31.03.2022		
	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 31.03.2023			As at 31.03.2022		
	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	3,827.13	-	3,827.13	2,923.77	-	2,923.77
(ii) trust securities	-	-	-	-	-	-
Particulars	As at 31.03.2023			As at 31.03.2022		
	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)-Note-1						
Aggregate amount of quoted investments	3,827.13	-	3,827.13	2,923.77	-	2,923.77
	3,827.13	1,010.00	4,837.13	2,923.77	250.00	3,173.77

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

Particulars	As on	As on
	31.03.2023	31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
Deposits With Central Bank Of India	1,010.00	250.00
<b>Total</b>	<b>1,010.00</b>	<b>250.00</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. There is no Diminution in value of investment.**

S.No.	Particulars	As at	As at	As at
		31/03/2023	31/03/2022	31/03/2023
		Rs. In Lakhs (Book Value)	Rs. In Lakhs (Book Value)	Rs. In Lakhs (Market Value)
1	8.28% GS 2027 @ Rs. 100/- each (ISIN: IN0020070069)	118.51	118.51	132.14
2	8.28% GS 2027 @ Rs. 100/- each (ISIN: IN0020070069)	194.83	194.83	208.10
3	8.30% GS 2042 @ Rs. 100/- each (ISIN: IN0020120062)	246.28	246.28	257.13
4	8.28% GS 2027 @ Rs. 100/- each (ISIN: IN0020070069)	505.25	505.25	520.26
5	8.15% GS 2026 @ Rs. 100/- each (ISIN: IN0020140060)	100.20	100.20	103.10
6	8.24% GS 2033 @ Rs. 100/- each (ISIN: IN0020140052)	505.95	505.95	533.19
7	8.24% GS 2033 @ Rs. 100/- each (ISIN: IN0020140052)	253.10	253.10	266.59
8	7.88% GS 2030 @ Rs. 100/- each (ISIN: IN0020150028)	500.88	500.88	515.57
9	7.88% GS 2030 @ Rs. 100/- each (ISIN: IN0020150028)	200.35	200.35	206.23
10	7.61% GS 2030 @ Rs. 100/- each (ISIN: IN0020160019)	100.14	100.14	102.09
11	6.82% MAHARASHTRA SDL GS 2032 @ Rs. 100/- each (ISIN: IN2220210016)	200.00	200.00	189.19
12	7.69% GUJARAT SDL GS 2027 @ Rs. 100/- each (ISIN: IN1520170144)	50.18	-	50.67
13	7.67% WEST BENGAL SGS 2039 @ Rs. 100/- each (ISIN: IN3420220193)	95.65	-	94.45
14	7.69% ANDHRA PRADESH GS 2035 @ Rs. 100/- each (ISIN: IN1020220639)	257.46	-	257.65
15	7.69% UTTAR PRADESH GS 2035 @ Rs. 100/- each (ISIN: IN3320220079)	500.70	-	499.50
	Less: Amortization on Premium on Government Securities	(2.35)	(1.72)	-
<b>Grand Total</b>		<b>3,827.13</b>	<b>2,923.77</b>	<b>3,935.86</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 13 Long-term loans and advances**

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Other (Sarfaesi charges recoverable)	-	-
<b>(b) HOUSING LOANS &amp; NON-HOUSING LOANS</b>		
Secured by tangible assets, considered good	1,16,959.40	91,351.15
Substandard	2,498.70	1,023.97
Doubtful & Loss	2,537.69	4,876.19
Total (b)	<b>1,21,995.79</b>	<b>97,251.31</b>
Less: Provision for loans and advances including Contingent provision (Refer Note-5)	2,244.40	3,656.34
Total (c)	<b>1,19,751.39</b>	<b>93,594.97</b>
<b>Total (a+b)</b>	<b>1,21,995.79</b>	<b>97,251.31</b>

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



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

**Note 14 Other non-current assets**

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Unamortised expenses: Loan acquisition cost		
(i) Unamortized Loan acquisition cost	279.08	275.39
Add: Expenses during the year	413.68	132.66
Less: Amortized during the year including	147.46	128.97
<b>Closing Balance</b>	<b>545.30</b>	<b>279.08</b>
Less: To be Amortized during next year, (Current Portion)	159.26	97.80
<b>Balance Non Current</b>	<b>386.04</b>	<b>181.28</b>
(b) Unamortised expenses: Brokerage on borrowings		
(i) Unamortized Brokerage on borrowings	165.11	85.70
Add: Expenses during the year	99.12	144.37
Less: Amortized during the year	160.89	64.96
<b>Closing Balance</b>	<b>103.34</b>	<b>165.11</b>
Less: To be Amortized during next year (Current Portion)	93.28	76.68
<b>Balance Non Current</b>	<b>10.06</b>	<b>88.43</b>
(c) Security Deposits	66.19	51.54
(d) Refund due from Revenue Authorities	514.67	9.55
<b>TOTAL [a+b+c+d]</b>	<b>976.96</b>	<b>330.80</b>





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

**Note 15 Cash and cash equivalents**

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Cash on hand	11.71	13.10
(b) Cheques in Hand		
(c) Balances with banks		
(i) In current accounts	2,210.84	222.65
(ii) In deposit accounts (Refer (i) & (ii) below)	-	1,090.00
<b>Total</b>	<b>2,222.55</b>	<b>1,325.75</b>
(i) The whole amount denotes cash & cash equivalents as per AS-3 cash flow statements	-	-
	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
<b>(ii) Bank deposit classification</b>	<b>In Rs.</b>	<b>In Rs.</b>
<b>Maturity Period</b>		
With in 3 Months	-	-
Less than 12 Months	-	1,090.00
<b>Total</b>	<b>-</b>	<b>1,090.00</b>

**Note:- The Bank Deposit includes deposits made for SLR requirement.**







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

**Note 17 Other current assets**

Particulars	As at 31.03.2023	As at 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Accruals		
(i) Interest accrued on deposits	17.97	14.35
(ii) Interest accrued on investments	58.88	44.31
(b) Others		
(i) Unamortized loan acquisition cost	159.26	97.80
(ii) Unamortized Brokerage on Borrowings	93.28	76.68
(iii) Others (Includes SARFAESI Charges Recoverable, CERSAI charges recoverable & misc receivable also)	162.46	125.30
(iv) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, Advance rent etc.)	79.62	27.65
<b>Total</b>	571.47	386.09
<b>Grand Total</b>	<b>571.47</b>	<b>386.09</b>



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

**Note 18 Revenue from operations**

	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
		Rs. In Lakhs	Rs. In Lakhs
(a)	Interest income on individual loans & project loans	12,776.06	11,476.94
(b)	Interest on Bank deposits and Investment	330.59	329.40
(c)	Other operating revenues		
	Interest on demand loan, vehicle loans, personal loan, fees & other charges	986.27	493.67
		14,092.92	12,300.01
	<b>Total</b>	<b>14,092.92</b>	<b>12,300.01</b>
<b># Details of revenue from operations:</b>			
	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
		Rs. In Lakhs	Rs. In Lakhs
(i)	Interest Income comprises:		
	Individual Loans	12,776.06	11,476.94
	Corporate bodies/builders	-	-
	<b>Total</b>	<b>12,776.06</b>	<b>11,476.94</b>
(ii)	Other operating revenues comprise:		
	Processing, Administration fees and other charges	807.57	472.44
	Interest on demand loan against fixed deposit	9.65	3.24
	Interest on personal loan	0.04	-
	Insurance Commission Income from Bajaj Allianz	8.43	-
	Other Income including recovery in Write-off *	160.58	17.99
	<b>Total - Other operating revenues</b>	<b>986.27</b>	<b>493.67</b>

\* Recovery in Write -off has been re-classified from Other Income to Revenue from Operations to show correct presentation as same is integral part of operating activities.



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

Note 19 Employee benefit expense

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
Salaries and wages *	1,051.83	887.99
Contributions to provident and other funds	41.20	39.33
Staff welfare expenses	39.42	16.26
<b>Total</b>	<b>1,132.45</b>	<b>943.58</b>

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

\* Staff welfare includes Reimbursement of House Rent to Employees and Premium of Group Mediclaim Scheme of Employees





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

Note 20 Finance Costs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Interest expense on Borrowings*	7,593.54	6,887.32
(b) Other borrowing costs (Bank Charges)	31.79	5.18
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	-
<b>Total</b>	<b>7,625.33</b>	<b>6,892.50</b>

\* Interest expenses includes interest on term loan from Central Bank of India, HDFC Bank, NHB Refinance & Interest on deposits. For FY 2022, Interest on Debentures were also there.



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

**Note 21 Other expenses**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
Power and fuel/electricity expenses	17.51	18.53
Rent including lease rentals	177.51	156.68
Repairs and maintenance - Buildings	3.95	1.80
Repairs and maintenance - Others	12.38	13.74
Insurance	0.23	0.40
Communication	16.38	17.31
Travelling and conveyance	48.28	43.31
Printing and stationery	15.58	10.63
Office Expenses	36.63	30.50
Penalty on Statutory Payments	1.08	0.13
Advertisement & Publicity	11.60	20.87
Legal and professional	194.00	108.99
Payments to auditors (Refer Note (i) below)	14.40	9.16
Internal audit expenses/stock audit fees	3.55	2.45
CSR Expenditure	57.71	50.51
CSS Implementation and support charges	120.25	108.00
RCU/FI verification Expenses	20.96	8.41
Credit Rating Expenses	4.63	14.75
Directors Sitting fees	13.95	13.08
Recovery & Legal Charges	33.58	29.44
Loss on sale of Fixed Assets	-	3.61
Miscellaneous expenses	22.84	14.25
Brokerage	160.89	65.15
DSA Commission (amount amortized)	147.46	128.97
<b>Sub -Total</b>	<b>1,135.35</b>	<b>870.67</b>
Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	In Rs.	In Rs.
(i) Payments to the Auditors comprises :-		
<b>(A) Fees to Statutory Auditor</b>		
For Statutory Audit	6.75	4.36
For Certification	6.01	3.16
<b>Total (A)</b>	<b>12.76</b>	<b>7.52</b>
<b>(B) Fees to Other Auditors</b>		
For Tax Audit	1.64	1.64
<b>Total (B)</b>	<b>1.64</b>	<b>1.64</b>
<b>Grand Total (A) + (B)</b>	<b>14.40</b>	<b>9.16</b>



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

**Note 22 Contingent Provision for Standard Assets**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
Contingent Provision on standard assets as per NHB norms	11.11	491.78
Reversal of provision for NPA	-	-
<b>Total</b>	<b>11.11</b>	<b>491.78</b>

(a) In the Year 2022-23 Provision/Reversal of Provision on Standard Assets has been made as per the NHB/RBI Norms

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

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

**Note 23 Extra Ordinary Items**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	Rs. In Lakhs	Rs. In Lakhs
	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**Note 24: Notes to Accounts & Disclosures as per NHB:**

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

**Ratios for the Financial Year 2022-23**

Sr. No.	Ratios	Numerator	Denominator	FY 22-23 (A)	FY 21-22 (B)	% Variance ((A-B)/B)
a.	<b>Current Ratio (in times)</b>	Current assets	Current liabilities	0.40	0.48	-17%
b.	<b>Debt- Equity Ratio (in times)</b>	Debt (borrowings)	Shareholders' equity	6.73	6.17	9%
c.	<b>Debt Service Coverage Ratio (DSCR) (in times) *</b>	Earnings for Debt Service (Profit after tax + Depreciation + Finance Cost + Profit on sale of Property, Plant and Equipment)	Debt Service (Interest and lease payments + Principal repayments)	0.51	0.32	59%
d.	<b>Return on Equity Ratio (in %)</b>	Net Profit for the year	Average shareholder's equity	15.25%	13.23%	15%
e.	<b>Net capital turnover ratio (in %)</b>	Revenue from Operations	Working Capital (current assets - current liabilities)	-42%	-55%	24%
f.	<b>Net profit ratio (in %)</b>	Net Profit for the year	Revenue from operations	18.99%	16.37%	16%
g.	<b>Return on capital employed (in %)</b>	Profit Before Tax and Finance Costs	Capital Employed (Net worth + borrowings + lease liabilities )	7.68%	8.33%	-8%
h.	<b>Return on investment (in %)</b>	Income generated from Treasury Investments	Average invested funds in treasury investments	7.97%	8.25%	-3%



i.	<b>Inventory Turnover Ratio</b>	Not Applicable	NA	NA
j.	<b>Trade Receivable Turnover Ratio</b>	Not Applicable	NA	NA
k.	<b>Trade payables turnover Ratio</b>	Not Applicable	NA	NA

\* Principal repayment of deposit has not been taken into calculation of DSCR.

**OTHERS:-**

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

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

- 6) No scheme of arrangement has been approved by competent authority in terms of section 232 to 237 of Companies Act 2013.
- 7) The Company has utilised the money raised by way of term loan for the purpose for which they were raised.
- 8) The company has **not** received or lent any funds from foreign entity during the current financial year (Previous Year- Nil).
- 9) There were no transactions relating to previously unrecorded income that have been disclosed or surrendered as income during the year in the tax assessment under the Income Tax Act 1961 (Previous Year- Nil).
- 10) Company has not traded or invested in Crypto Currency or virtual currency during the current Financial Year (Previous Year- Nil).
- 11) Loans and instalments due from borrowers shown under Loans and Advances are secured wholly by Equitable Mortgage of Property or Registered Mortgage or NOI (Notice of Intimation to SRO) as the case may be, Pledge of shares, other Securities, assignment of Life Insurance Policies, undertaking to create security, Bank guarantee/ corporate guarantees/ personal guarantees. There

exist certain loans and advances where the creation of security /charge, obtainment of insurance policies, and obtainment/execution of prescribed documents are pending with the competent authority/officer. The management of company is making vigorous efforts to comply with the prescribed requirements in accordance with the applicable norms.

- 12) Advances are classified as performing and non-performing assets in accordance with guidelines on prudential norms issued by National Housing Bank (NHB). Provisions on standard assets, sub-standard assets, doubtful assets and loss assets have been made as per NHB Directions 2010 as amended from time to time.

Rs. in Lakhs

	For the year ended 31-03-2023		For the year ended 31-03-2022	
	Outstanding	Provision	Outstanding	Provision
<b>HOUSING LOAN:</b>				
<b>To Individuals</b>				
Standard Assets	91,927.10	547.22	79,473.00	560.07
Sub-Standard Assets	1,965.23	294.78	826.29	123.94
Doubtful Assets	1,802.98	717.45	3,328.73	1,746.78
Loss Assets	169.17	169.17	323.38	323.38
<b>To Non-Individuals</b>				
Standard Assets	-	-	-	-
Sub-Standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision	-	-	-	-
<b>Total (A)</b>	<b>95,864.48</b>	<b>1,728.62</b>	<b>83,951.40</b>	<b>2,754.17</b>
Technical Write off Doubtful	1,135.74	1,135.74	-	-
Regular Write off Loss	321.77	321.77	-	-
<b>NON-HOUSING LOAN:</b>				
<b>To Individuals</b>				
Standard Assets	44,509.98	337.52	30,479.01	313.45
Sub-Standard Assets	533.47	80.02	197.68	29.65
Doubtful Assets	565.53	224.71	1,212.13	695.27
Loss Assets	0.01	0.01	11.95	11.95
Demand Loan(Standard)	86.99	0.35	116.30	0.47
<b>To Non-Individuals</b>				
Standard Assets	-	-	-	-
Sub-Standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision	-	-	-	-
<b>Total (B)</b>	<b>45,695.98</b>	<b>642.61</b>	<b>32,017.07</b>	<b>1,050.80</b>
<b>TOTAL (A+B)</b>	<b>1,41,560.46</b>	<b>2371.23</b>	<b>1,15,968.47</b>	<b>3,804.96</b>
Technical Write off Doubtful	523.04	523.04	-	-
Regular Write off Loss	71.30	71.30	-	-

Note: 1609 accounts appearing in Balance Book with zero balance are yet to be removed from CBS.

- a) The above NPA Balances are net of unrealized interest of Rs. 685.15Lakhs (P.Y: Rs. 512.95Lakhs).





- b) The Above provision for Standard Assets includes provision on restructured Loans and advances (Net of Reversal made during the year) of Rs. 4,75,53,933/- (PY: Rs. 5,48,83,608/-) under "Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Business" in Pursuance to RBI Circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.
- c) Further, in accordance with the RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 May 5, 2021, the company has reversed the provision on account of Restructured account, if the total credit summation (actual credit received) i.e. payments received from borrower during the period from 01-07-2021 to 31-03-2023 has crossed the prescribed percentage of residual debts (i.e. outstanding as on 30-06-2021). Accordingly, reversal of provision on restructured account under respective Resolution Framework 2.0 has been made.
- d) As part of prudent accounting measure, capital optimization & to reduce the level of Gross NPA, the management has identified certain loan accounts for technical write-off where there are chances of recovery by virtue of suits & adequate tangible securities are available for realization. However, 100% provision has already been provided for in previous years. Company will write-off its advances against such provisions at corporate consolidated level only & individual advances will remain outstanding in borrower's account ledger.

A few accounts have been identified by the management for regular write-off having 100% provisions as per regulatory norms where they are satisfied that there are no more chances of any recovery in those accounts and all possible efforts have been exhausted. In these categories, most of the accounts are those accounts where property has been sold by the company and/or no security is available, a balance of Rs. 100/- is to be retained in those accounts for proper reporting to Credit Information Company (CIC) and proper follow up in future.

In respect of the above cases, write-off amount has been adjusted / debited against the provision amount and the same has been claimed as deduction under the tax laws as per the decisions relied upon and subject matter expert opinion in this matter.

Till FY 2017, Company followed the practice of writing off bad debts (against which full provision already exists) and reversal of provision thereof through Profit & Loss account. From FY 2023, in order to follow uniform accounting policy and practice of parent/holding company for like transactions and events, the aforesaid practice has been adopted and followed.

Accordingly, appropriate treatment for URI (Unrealized Interest) portion which is included in the outstanding balance has been made.

- 13) Interest on Non-Performing Assets is recognized on realization basis as per the NHB/RBI Guidelines.

Accordingly, the total interest de-recognized as at the Balance Sheet date is summarized asunder: -

(Rs. in Lakhs)

	As at 31-03-2023	As at 31-03-2022
Cumulative Derecognised Interest at the beginning of the year	512.95	496.93
<b>Add: Interest Derecognised during the year (Net of Recovery):</b>	-	-
- Sub Standard Assets (Net)	278.51	(164.80)
- Doubtful/Loss Assets	(106.31)	180.82
<b>Total Interest Derecognized</b>	<b>685.15</b>	<b>512.95</b>



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

(Rs. in Lakhs)

		As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
A	Deferred Tax Asset [DTA]	Amount	Amount	Amount	Amount
	Provision on Standard Assets & NPAs	596.84		957.71	
	Others	22.97		9.51	
	Depreciation	0.98		0.86	
	<b>Total (A)</b>		<b>620.79</b>		<b>968.08</b>
B	Deferred Tax Liability [DTL]				
	Special Reserve				
	• Opening Amount	1463.68		1316.05	
	Transfer during the year				
	• From Surplus	-		-	
	• From P&L	69.30	<b>1,532.98</b>	147.63	<b>1,463.68</b>
	Others		163.26		111.80
	<b>Total (B)</b>		<b>1,696.24</b>		<b>1,575.48</b>
C	(B)-(A)		<b>1,075.45</b>		<b>607.40</b>

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

#### 15) Contingent Liabilities and Commitments

\*Detail provided below

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

S. No.	A.Y.	Under Section	Amount Outstanding (Rs. In Lakhs)	Remark/Reason as per Company management and/or Lawyer's Confirmation	Case Pending with Authority
1.	2003-04	143(1)	0.17	This amount was not appearing in the portal. Need to check from the department.	Assessing Officer
2.	2006-07	143(1)	86.72	Refund of Rs. 35,61,456/- determined by AO after Asstt. u/s 143(3) on 02.12.2008 was shown to have been already refunded in the tax computation sheet with Asstt. Order u/s 143(3), through intimation u/s 143(1) dtd. 15.06.2007.	Assessing Officer







सेन्ट बँक होम फायनेन्स लिमिटेड  
Cent Bank Home Finance Limited

सेन्ट्रल बँक ऑफ इण्डिया की अनुबंधी Subsidiary of Central Bank of India

				<p>Need to be verified whether any such refund was given to Cent Bank. Since assessment has been done u/s 143(3), the demand of Rs. 71,45,415 shown in earlier intimation dtd. 20.09.2007 need also to be verified from Deptt. We have disagreed with the demand on 26.03.2018 but no update has been received from the deptt. We have again reminded to the Deptt. in April, 2023. Hence, no provision need to be made and may be shown as contingent liability.</p>	
3.	2010-11	154	36.27	<p>The demand is incorrect and it comes under the classification of apparent error from the department. Rectification has been filed. But no response has been received in this matter. However, no provision need to be made and can be shown as contingent liability.</p>	Assessing Officer
4.	2014-15	143(3) r.w.s 263	159.41	<p>Addition was made on account of recovery out of Provision for Bad and Doubtful debts. Addition is incorrect as company have not been reportedly claiming Provision for Bad and Doubtful debts in earlier years. Appeal filed before CIT(A), case already fixed for hearing. Reply filed. Company has fairly good chances of succeeding in appeal. Hence no provision is needed in our view.</p>	CIT (Appeal)
5.	2016-17	147	431.70	<p>The addition made by the Income Tax Deptt. is not correct as it was made unlawfully and in arbitrary manner ignoring evidences filed by the company. Appeal filed before CIT(A), case already fixed for hearing. Reply filed. Company has fairly good chances of succeeding in appeal. Hence, no provision is needed in our view.</p>	CIT (Appeal)
6.	2016-17	115 O	176.31	<p>Total Demand is incorrect as DDT of Rs. 76,34,118/- has already been paid on 14.09.2016 as per Challan shared with us. Appeal filed before CIT(A), case already fixed for hearing. Reply filed. Company has fairly good chances of succeeding in appeal. Hence no provision is needed in our view.</p>	CIT (Appeal)
7.	2017-18	270A	2.37	<p>Penalty was levied for excess claim of Special Reserve. Mistake was human error. Company has filed appeal against the order. We have fairly good chances of succeeding in appeal. Hence, no provision is needed in our view.</p>	CIT (Appeal)
8.	2020-21	143 (1)	275.00	<p>All the additions made u/s. 143(1) are incorrect. Company has filed before CIT(A) against the order. We have fairly good chances of succeeding in appeal. Hence no provision is needed in our view.</p>	CIT (Appeal)
<b>Total (Demand +Interest)</b>			<b>1,167.95</b>		



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

Details of Related Party:

- (a) Holding Company: Central Bank of India

The related Party Transaction with holding company is furnished below: (Rs. in Lakhs)

Description	2022-23	2021-22
Interest on Overdraft	496.66	135.22
Interest on Term Loan (Refer Note 1 below)	1,912.67	1,896.35
Term Loan balance	34,366.29	21,941.19
Overdraft Sanctioned	20,000.00	10,000.00
Dividend (Refer Note 2 below)	00.00	00.00
Repair and Maintenance (Rent)	30.59	33.46
Salary of staff on Deputation	59.95	48.84

**Note 1:** Term Loan balance includes outstanding balance out of sanctioned term loans of Rs. 950 Crs.

**Note 2:** No Dividend has been declared in the FY 2022-2023 & FY 2021-22.

**Key Managerial Personnel**

- (i) Shri Kushal Pal, Managing Director  
 (ii) Shri Sachin Sudhakar, General Manager  
 (iii) Shri Suyogya Chandra Mehta, Chief Financial Officer  
 (iv) Shri Ashish Shrivastava, Company Secretary

The related Party Transaction with Key Managerial Personnel is furnished below: (Rs. in Lakhs)

Description	2022-23	2021-22
Salary and Allowances, cont. to PF etc of Key Managerial Personnel	87.02	57.49

**17) Reporting Under Accounting Standard AS-20- Earning Per share (EPS).**

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

	As on 31-03-2023	As on 31-03-2022
a) Profit/Loss after Tax (Rs. in Lakhs)	2,676.06	2010.92
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.)	10.70	8.04
e) Diluted Per Share (Rs.)	10.70	8.04



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

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

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

(Rs. in Lakhs)

(a) Movement of provision	As on 31-03-2023	As on 31-03-2022
Opening Provisions on Bad & Doubtful Debts	2,930.97	2,628.70
Less: Reversal due to accounts written-off	-2051.85	-
Add: Addition on account of fresh slippage (net of reduction/up gradation due to recovery)	607.02	302.27
<b>Closing Provision on Bad &amp; Doubtful Debts</b>	<b>1,486.14</b>	<b>2,930.97</b>

(Rs in Lakhs)

(b) Net of amount written-off (Details)	As on 31-03-2023	As on 31-03-2022
Bad Debts Written-off	0.00	0.00
Reversal due to accounts written-off	2051.85	-
Addition due to Slippage/ Reversal on account of recovery (net-off)	0.00	302.27
<b>Total</b>	<b>(2051.85)</b>	<b>302.27</b>
<b>Reversal of Provision Net of amount written off</b>	<b>0.00</b>	<b>0.00</b>

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

**21) Provision and Contingencies and Provision for Tax:**

**i. Provision and Contingencies**

(Rs in Lakhs)

Break up of 'Provision and Contingencies' shown under the head Expenditure in Profit and Loss Account	As on 31-03-2023	As on 31-03-2022
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax-Current tax	442.40	770.97
3. Provision made towards Income tax- Tax of Earlier Years	(1.78)	44.05
4. Provision made towards Income tax- Deferred Tax [Net Deferred Tax -(Assets)/Liabilities]	468.05	(34.08)
5. Provision towards NPA	607.02	302.27
6. Provision for Standard Assets (including Covid19 Restructuring Scheme Provision )	11.11	491.78
7. Other Provision and Contingencies (with details given elsewhere)	227.56	102.49



- ii. During the year, the company has adjusted the balances of Provision for Tax of earlier years (other than for years which are pending before any authority/appeal forum and shown as contingent liability) against the Balances of Advance tax, TDS, Pre-deposit and Self-Assessment. The management believes that refundable, if any is received subsequently will be accounted for at the time of receipt of the same which is presently unascertainable.
- 22) The amount of Current Liabilities has exceeded the amounts of Current Assets and such trend is persistent for last 5 years. It is a common fact that in the business of Housing Finance Company (HFC), the current liability exceeds the current assets due to long tenure loans provided and acceptance of short-term deposits and other borrowings for a lesser tenure as compared to loans given.

Further, other financial indicators such as positive net worth, NIL accumulated losses, increased profitability as compared to previous financial years, increase in the Business and also in Net Interest Income and maintenance of healthy CRAR (capital-to-risk weighted assets ratio). Furthermore, as per the past trends, probabilities of renewal of deposits by existing depositors are evidenced from the records. Apart from this, the company has tied up fund arrangements with the lenders for providing short-term credit facilities for working capital requirements and accordingly have un-utilized credit facilities for making the payment as and when due for payment. These factors are mitigating the risk of mismatch of Current Liabilities and Current Assets.

Also, the Company abides by 'The Asset Liability Management System for Housing Finance Companies – Guidelines' issued by RBI and/or NHB. The Company has a Board-approved Asset and Liability Management (ALM) policy. The policy specifies the prudential gap limits, the tolerance limits and the reporting mechanism notwithstanding the pandemic, the Company maintained a healthy liquidity profile and its ALM gaps were always under the prudential limits and accepted by the National Housing Bank (NHB) in the periodical returns/reports submitted with them. The disclosures regarding the ALM with appropriate notes has been mentioned in Note No. 25(35)(7.5).

Under these circumstances, the management strongly believes that the fundamental assumptions of Going Concern of the company is not affected despite the fact that the current liabilities are in excess of the current assets and such persisting trend is clearly visible in the financial statements of the other entities which are operating in housing finance sector and accepting deposits.

- 23) The management has identified following areas wherein certain manual compilations has been made for preparation and presentation of financial statements.
- (i) Due to inherent limitation of the existing software package for determining the maturity buckets of ALM (Asset and Liability management) for figures of Loans and Advances, the company identifies the current and non-current portion of the loans and advances other than Non-Performing Assets (NPAs) based on the basis EMIs (Equated Monthly Instalments) fixed in the system. Such practice is consistently followed and management believes that said practice is appropriate and reasonably determines the approximate with the actual.

Further, due to various factors associated with the recovery of NPAs, outstanding balance of NPA accounts is being shown as Non-current Assets. Due to following such consistent practice of showing balances of NPAs under the head of non-current assets, excess of current liability over current assets as at the end of the year exhibits higher liquidity mismatch (other than



*Signature*





loan accounts wherein 100% provision is made) to the extent of such amount that will be relatable to the actual recovery to be made within the period of 12 months from the reporting period which is presently unascertainable.

- (ii) Due to inherent limitation of the existing software package demand as per revised EMIs (such as post-construction cases, grill-drill cases and CLSS cases) has not been triggered automatically but the demand in such cases is triggered /re-set in the CBS manually and accordingly the loan account is supervised and monitored.
- (iii) Due to inherent limitation of the existing software package for passing the closing entries for the purpose of preparation of financial statement and also due to expiry of agreement with the previous CBS (Core Banking Solution) vendor, certain entries has been passed on GL (General Ledger) level and not on Sub-ledger (Customer ID wise) level or on Other Appropriate GL(not programmed/available due to expiry of agreement) , due to which there remains differences in the balances of GL vis-à-vis balances as per Sub-Ledger. The management has acknowledged that the appropriate adjustment at sub-ledger or transfer to appropriate GL will be made through New CBS (under development) after end of the current financial year. However, in the financial statement, grouping/reporting of such items/accounts under appropriate head /Ledger has been made.
- (iv) Due inherent limitation of the existing software package and also due to expiry of agreement with the previous CBS (Core Banking Solution) vendor, the company is determining or disclosing or reporting following information /details/various input data which is compiled on manually basis in the books of accounts/financial statement/periodical returns furnished to various agencies by way of use of excel/spreadsheets: -
- Determining the Loan to value ratio and Debt Burden ratio.
  - Determining the provision for NPAs and PAs.
  - Change classification of Loan Asset (existing classification as per CBS) to the extent not in conformity with the applicable norms.
  - Up-gradation of Loan Account from NPAs to PAs which is required to be made as per RBIRBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 dated 15.02.2022as amended.
  - Identification and Classification of Loan Account of a Borrower having more than one Loan account with the company.
  - Identification and determining of Accrued Interest on Deposits (for Monthly interest paying – MIDR and Quarterly interest paying scheme – QIDR) accepted and given and also on Investments.
  - Identification and determining of amortized and un-amortized cost of brokerage and commission including proportionate amount attributable to the cases of fore-closed loan accounts and pre-matured deposit accounts.
  - Determination of depreciation, deferred tax assets or liabilities, provision for leave encashment and bonus, provisions for tax, segregation into non-current and current portion of borrowing and loans and advances (including segregation of provision) if any.

- i) Consolidation of Trial Balances of all offices and Preparation of Financial statements with its Annexure and Schedules attached to/Annexed to such financial statements.
- j) Quantification of amount of Compromise, Waiver and OTS amount.
- k) Quantification of Monthly deductions from salary of Employees viz. Interest on Advances etc.

**24) Employee Compensation and Benefits:**

- i. 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.
- ii. Reporting under Accounting Standard AS-15 Retirement Benefits:
  - a. 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.
  - b. The Provision of leave encashment liability is calculated on the balance-privilege leave of the employees as on 31-03-23. The same has been provided for the year ended 31-03-2023. 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".
  - c. 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.
  - d. 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 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 31-03-2023.

**1. Actuarial Assumptions**

(Amount in Rs.)

Particular	Policy – 1 301000291	Policy – 2 108307	Policy – 3 301002389
Discounted Rate	7.25%	7.25%	7.25%
Salary Escalation	8.00%	8.00%	8.00%





**2. Table Showing changes in present value of Obligation as on 31-03-2023**

(Amount in Rs.)

Particular	Policy – 1 301000291	Policy – 2 108307	Policy – 3 301002389
Present value of obligations as at beginning of year	35,84,500.00	47,87,392.00	10.00
Interest cost	2,50,915.00	3,35,117.00	7.00
Current Service Cost	5,92,408.00	2,12,061.00	1,57,034.00
Benefits Paid	(6,09,915.00)	(5,53,888.00)	-
Actuarial (gain)/ loss on obligations	1,16,660.00	3,25,740.00	53,583.00
Present value of obligations as at end of year	39,34,568.00	51,06,422.00	2,10,724.00

**3. Table showing changes in the fair value of plan assets as on 31-03-2023**

(Amount in Rs.)

Particular	Policy – 1 301000291	Policy – 2 108307	Policy – 3 301002389
Fair value of plan assets at beginning of year	41,96,426.56	54,13,495.13	1,63,164.06
Expected return on plan assets	2,92,575.90	3,74,643.60	22,616.40
Contributions	3,87,194.65	-	2,83,928.82
Benefits Paid	(6,09,915.00)	(5,53,888.00)	-
Actuarial gain/(loss) on Plan assets	NIL	NIL	NIL
Fair value of plan assets at the end of year	42,66,282.16	52,34,250.80	4,69,709.31

**4. Table showing fair value of plan assets as on 31-03-2023**

(Amount in Rs.)

Particular	Policy – 1 301000291	Policy – 2 108307	Policy – 3 301002389
Fair value of plan assets at beginning of year	41,96,426.56	54,13,495.13	1,63,164.06
Actual return on plan assets	2,92,575.95	3,74,643.67	22,616.43
Contributions	3,87,194.65	-	2,83,928.82
Benefits Paid	(6,09,915.00)	(5,53,888.00)	-
Fair value of plan assets at the end of year	42,66,282.16	52,34,250.00	4,69,709.31
Funded status	3,31,714.16	1,27,828.00	2,58,985.31
Excess of Actual over estimated return on plan assets	NIL	NIL	NIL

**5. Actuarial Gain/Loss recognized as on 31-03-2023**

(Amount in Rs.)

Particular	Policy – 1 301000291	Policy – 2 108307	Policy – 3 301002389
Actuarial (gain)/ loss on obligations	(1,16,660.00)	(3,25,740.00)	(53,583.00)
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL	NIL
Actuarial (gain)/ loss on obligations	1,16,660.00	3,25,740.00	53,583.00
Actuarial (gain)/ loss recognized in the year	1,16,660.00	3,25,740.00	53,583.00

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

(Amount in Rs.)

Particular	Policy – 1 301000291	Policy – 2 108307	Policy – 3 301002389
Present value of obligations as at the end of year	39,34,568.00	51,06,422.00	2,10,724.00
Fair value of plan assets as at the end of the year	42,66,282.16	52,34,250.80	4,69,709.31
Funded status	3,31,714.16	1,27,828.80	2,58,985.31
Net asset/(liability) recognized in balance sheet	3,31,714.16	1,27,828.80	2,58,985.31



**7. Expenses Recognized in statement of Profit and loss**

(Amount in Rs.)

Particular	Policy – 1 301000291	Policy – 2 108307	Policy – 3 301002389
Current Service cost	5,92,408.00	2,12,061.00	1,57,034.00
Interest Cost	2,50,915.00	3,35,117.00	7.00
Expected return on plan assets	(2,92,575.95)	(3,74,643.67)	(22,616.43)
Net Actuarial (gain)/ loss recognized in the year	1,16,660.00	3,25,740.00	53,583.00
Expenses recognized in statement of Profit and loss	6,67,407.00	4,98,274.00	1,88,008.00

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

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

**1. Actuarial Assumptions**

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

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

(Amount in Rs.)

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

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

(Amount in Rs.)

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

**4. Table showing fair value of plan assets as on 31-03-2022**

(Amount in Rs.)

Particular	Policy – 1 301000291	Policy – 2 108307
Fair value of plan assets at beginning of year	30,16,856.39	50,42,845.52
Actual return on plan assets	2,63,604.62	3,70,649.17
Contributions	10,89,076.55	0.44



Benefits Paid	-1,73,111.00	NIL
Fair value of plan assets at the end of year	41,96,426.56	54,13,495.13
Funded status	6,11,926.56	6,26,103.13
Excess of Actual over estimated return on plan assets	NIL	NIL

**5. Actuarial Gain/Loss recognized as on 31-03-2022 (Amount in Rs.)**

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

**6. The amounts to be recognized in the balance sheet & statements of profit and loss (Amount in Rs.)**

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

**7. Expenses Recognized in statement of Profit and loss (Amount in Rs.)**

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

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

The Company has taken one more Policy no. 301002389 during Financial Year 2021-2022 from Life Insurance Corporation of India to cover gratuity liability of its employees. Total amount paid in new policy is Rs. 1.57 Lakhs. Till the finalisation of Accounts, reports from LIC regarding the policy has not been received, hence disclosure could not be made.

25) As per NHB refinance guidelines, the Company is required to submit half-yearly certificate as on 30<sup>th</sup> September and 31<sup>st</sup> March disclosing therein the difference between hypothecated book debts and NHB refinance outstanding. The adverse balance as on 31-03-2023 is Rs. **194.28** Lakhs (PY: Rs. **137.00** Lakhs).

26) During the year the Company has **not** created floating provision on Bad & Doubtful Debts.

**27) Previous Year Figures**

The figures of the previous year are reworked to meet the requirements of Schedule III. These figures are rearranged, regrouped and reclassified where considered necessary to provide a true and fair view.

**28) Corporate Social Responsibility**

During the year the Company has spent Rs. 57,71,470/- (PY: Rs. 50,50,889/-) towards Corporate Social Responsibility under section 135 of Companies Act,2013 and rules thereon.

Disclosure with regard to CSR activities as under:

(Rs. In Lakhs)

		As on 31-03-2023	As on 31-03-2022
A	Amount required to be spent by the company during the year	57.71	50.51
B	Amount of expenditure incurred	57.71	50.51
C	Shortfall at the end of the year,	NIL	NIL
D	Total of previous years shortfall	NIL	NIL
E	Reason for shortfall,	NIL	NIL
F	Nature of CSR activities,	Education etc.	HealthCare
G	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NIL	NIL
H	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NIL	NIL

29) We have not entered into any long-term contract including derivative contract which may have any material foreseeable losses.

**30) Company does not grant any loan or advance:**

- Against bullion / primary gold and gold coins; and
- For purchase of gold in any form including primary gold, gold bullion, gold Jewelry, gold coins, units of Exchange traded Funds (ETF) and units of gold mutual fund.

31) As per the consistent Practice and policy, the process of Quantification of Incentive/Bonus of Regular Employees/CBHFL staff is decided by the Board of Directors after taking into consideration various parameters of KRA and profitability of the company. Therefore, such quantification is uncertain and is being provided for on estimated basis which will be subject to decision in the Board meeting.

32) There are current and old unadjusted entries outstanding in Security deposits and Sundry Debtors pending identification /adjustment and reconciliation/adjustment of which is in progress on an ongoing basis. The bank is taking continuous steps to review /adjust the outstanding. In respect of these balances wherein appropriate adjustments are pending due to certain reasons the impact on the remaining accounts will be insignificant.

33)

- In assessing the recoverability of receivables and certain investments, the Company has considered internal and external information up to the date of approval of these financial results including credit reports and economic forecasts. The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions. The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of credit risk which is subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions





include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. Taking into consideration the impact arising from the COVID-19 pandemic on the economic environment, the Company has, during the year, continued to undertake a risk assessment of its credit exposures and reversed interest including moratorium interest in respect of NPAs, to reflect deterioration in the macroeconomic outlook. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

- (b) As per sanction terms, Loan from Central Bank of India is for onward lending, for meeting mismatch liquidity mismatch and for payment of liabilities. Further, in respect of credit facilities obtained from HDFC, it is to be used for onward lending.
- (c) The Public Deposits includes unclaimed deposits but excludes unpaid deposits and interest accrued on these deposits.
- (d) Interest on overdue deposit: Deposit will automatically expire on maturity. In case, the renewal is sought for a portion of overdue deposit the company as per policy may at its discretion allow Interest for the overdue period on that portion of deposit which is proposed to be renewed. W.e.f. Financial Year 2022-2023 onwards, the company has provided interest on accrual basis. Such change in accounting policy has been disclosed in notes as per applicable accounting standard under the prescribed disclosure norms.

**34) Disclosure as required by Accounting Standard - 19, 'Leases', issued by the Institute of Chartered Accountants of India:**

The Company has taken office premises under operating lease / leave and licence basis. These are generally cancellable by giving prior notice and for tenure of two to three years and are renewable by mutual consent on mutually agreeable terms. Lease payments are recognized in the Profit and Loss Account under 'Rent, Rates and Taxes' in Note 20. This expense represents the sum of monthly rental payment incurred and accounted for as an expense towards the services availed in the respective month which is payable by the Company on Monthly basis. These Monthly payments correspond to the services utilized in the respective month which represent systematic basis of recognition.

The future minimum lease payments under cancellable operating lease: - (Rs. in Lakhs)

S. No	Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022*
1.	Within One year	178.62	177.51
2.	After One Year But not more than five Years	488.27	448.23
3.	More than five years	-	72.12
	<b>Total</b>	<b>666.89</b>	<b>697.86</b>

\*Previous year's figures are revised as wrong data was punched due to clerical error.

**Note:** As per consistent practice lease rent of offices which are under CBI's premises are also considered.



### Payments To Intellect Design Arena Private Limited

Company has considered payment made to existing Software service provider (Intellect Design Arena Private Limited) towards their application service usage by the company as lease.

Accordingly, the future minimum lease payments under cancellable operating lease is as under:

Sr. No	Particulars	Year Ended March 31, 2023 (Rs. in Lakhs)	Year Ended March 31, 2022 (Rs. in Lakhs)
1.	Within One year	17.82*	69.68
2.	After One Year But not more than five Years	-	-
3.	More than five years	-	-
	<b>Total</b>	<b>17.82</b>	<b>69.68</b>

\*The amount is till the period of expiry of the service agreement i.e., April 2023, subject to renewal of the agreement.

The Monthly bills of vendor Intellect Design Arena Private Limited correspond to the services utilized in the respective month which represent systematic basis of recognition.

### 35) Disclosures required by National Housing Bank

#### 1. Capital (Accounts)

##### Capital to Risk Assets Ratio (CRAR)

Particulars	As at 31-03-2023	As at 31-03-2022*
i) CRAR (%)	20.84%	23.64%
ii) CRAR-Tier I Capital	19.86%	22.40%
iii) CRAR-Tier II Capital	0.98%	1.24%
iv) Amount of Subordinate debt raised as Tier-II Capital (Rs. In Lakhs)	0.00	0.00
v) Amount raised by issue of Perpetual Debt Instruments	0.00	0.00

\*Revised as per the instructions of NHB.

#### 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. 274.37 Lakhs (net of adjustments) (PY: Rs.518.55 Lakhs) to Special Reserve U/s 36(1)(VIII) of Income Tax Act, 1961 during the year.

(Rs in Lakhs)

Statement as per NHB circular No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated 9 <sup>th</sup> February, 2017		
Particulars	Amount	Amount
<b>Balance at the beginning of the year</b>	<b>2022-23</b>	<b>2021-22</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	5,815.17	5,296.62





Statutory Reserve under, Section 29C of the NHB Act, 1987.		
<b>c) Total</b>	<b>6,115.17</b>	<b>5,596.62</b>
Addition/Appropriation/Adjustments/Withdrawal during the year		
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	275.35	5,18.55
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	-	-
c) Adjustment*	-0.98	-
<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	6,089.54	5,815.17
<b>c) Total</b>	<b>6,389.54</b>	<b>6,115.17</b>

\*Transfer from Reserve relates to the adjustments related to previous year due to change in the amount of Taxable Profit determined at the time of filing of Return of Income.

### 3. Investment

(Rs in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Value of Investments	<b>3,827.13</b>	<b>2,923.77</b>
i) Gross value of Investments	<b>3,827.13</b>	<b>2,923.77</b>
a) In India	3,827.13	2,923.77
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	<b>3,827.13</b>	<b>2,923.77</b>
a) In India	3,827.13	2,923.77
b) Outside India	0.00	0.00
<b>Movement of provision held towards depreciation on Investment</b>	<b>Nil</b>	<b>Nil</b>
i) Opening Balance	Nil	Nil
ii) Add: Provisions made during the year	Nil	Nil
iii) Less: Write-off/ Written-back of excess provisions during the year	Nil	Nil
iv) Closing Balance	<b>Nil</b>	<b>Nil</b>

**Note 1:** Investments are exclusive of Bank Deposits amounting of Rs. 1010.00 Lakhs (PY: Rs. 1340.00 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	2022-23	2021-22
(i) The notional principal of swap agreements	NIL	
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii) Collateral required by the HFC upon entering into swaps		
(iv) Concentration of credit risk arising from the Swaps \$		
(v) The fair value of the swap book @		
<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)	NIL
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31 <sup>st</sup> March 2023 (instrument-wise)	NIL
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL
(iv) Mark-to-Market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL





#### 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	NIL
(II)	On-balance sheet exposures towards Credit Enhancements	NIL
4.	Amount of exposures to securitization transactions other than MRR	
(I)	Off-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	NIL
	b) Exposure to third party securitisations	NIL
(II)	On-balance sheet exposures towards Credit Enhancements	NIL
	a) Exposure to own securitizations	NIL
	b) Exposure to third party securitisations	NIL

\*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 31-03-2023	As at 31-03-2022
(i) No. of accounts		
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC		
(iii) Aggregate consideration		Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value		



**5.3 Details of Assignment transactions undertaken by HFCs**

(Rs in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
(i) No. of accounts	Nil	
(ii) Aggregate value (net of provisions) of accounts assigned		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value		

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

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

(Rs in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
(a) No. of accounts purchased during the year	Nil	
(b) Aggregate outstanding		
(a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding		

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

(Rs in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
1. No. accounts sold	Nil	
2. Aggregate outstanding		
3. Aggregate consideration received		

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

(Rs. In Lakhs)

Particulars	1 to 7 Days	8 to 14 Days	15 Days to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months to 1 year	Over 1 Year to 3 years	Over 3 to 5 years	Over 5 years	Total
<b>Liabilities</b>											
Deposits~	1,483.65	170.69	804.69	2,339.15	1,318.99	7,151.40	12,378.55	20,549.99	7,678.95	950.21	54,826.27
Borrowings from Bank	-	-	727.49	727.49	2,059.44	3,162.01	6,318.79	19,264.34	11,006.83	12,616.69	55,883.08
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liability	-	-	-	-	-	-	-	-	-	-	-





<b>Assets</b>											
Advances	52.63	562.69	189.25	797.21	806.42	2,463.61	4,781.04	10,310.50	11,568.90	1,10,028.21	1,41,560.46
Investments*	-	-	-	-	-	-	-	500.00	1,138.98	3,198.15	4,837.13
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit)#	(1,431.02)	392.00	(1,342.93)	(2,269.43)	(2,572.01)	(7,849.80)	(13,916.30)	(29,001.83)	(5,977.90)	99,659.46	35,688.24
<b>Note</b>	<b>The deficit shall be met out by the credit facilities obtained by the Company.</b>										

~ Unclaimed deposits is also included in "1 to 7 days" as it is payable on demand.

\* Including investments made in deposits with banks.

# Company has undrawn Term Loan of from Central Bank of India limit of Rs. 250 crore as on 31.03.2023.

## 5.6 Exposure

### 5.6.1 Exposure to Real Estate Sector

(Rs in Lakhs)

Sr. No	Category	As at 31.03.2023	As at 31.03.2022
<b>A</b>	<b>Direct Exposure</b>		
i)	Residential Mortgages (including loan against residential property)	0.00	0.00
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,40,963.79	1,15,571.75
	Out of which Individuals Housing Loans up to Rs.15 Lakhs	39,325.22	40,958.48
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	3,370.31	793.38
iii)	Investment in Mortgage-Backed Securities (MBS) and other securitized exposures-	-	-
	• Residential	0.00	0.00
	• Commercial Real Estate	0.00	0.00
<b>B</b>	<b>Indirect Exposure</b>		
	Fund Based and non-Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00
<b>TOTAL EXPOSURE TO REAL ESTATE SECTOR (A+B)</b>		<b>1,83,659.32</b>	<b>1,57,323.61</b>



### 5.6.2 Exposure to Capital Market

(Rs in Lakhs)

Sr. No	Particulars	As at 31-03-2023	As at 31-03-2022
(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 / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	Nil	Nil
(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 Sectoral Exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2. Industry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



<b>3. Services</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>4. Personal Loans</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>5. Others</b>						
(i) Housing	95,864.48	3,937.38	4.11%	83,951.41	4,478.39	5.33%
(ii) Non-Housing	45,695.98	1,099.00	2.41%	32,017.07	1,421.76	4.44%
<b>Total of Others</b>	<b>1,41,560.46</b>	<b>5,036.38</b>	<b>3.56%</b>	<b>1,15,968.48</b>	<b>5,900.15</b>	<b>5.09%</b>

#### 5.6.4 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

#### 5.6.5 Intra-group exposures

NBFCs shall make the following disclosures for the current year with comparatives for the previous year:

- Total amount of intra-group exposures:- **N.A.**
- Total amount of top 20 intra-group exposures:- **N.A.**
- Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers:- **N.A.**

#### 5.6.6 Unhedged Foreign Currency Exposure- 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- **Rs. 433.54 Lakhs (PY: Rs. 584.93 Lakhs)** (Company doesn't give unsecured advances and these amounts pertain to reduction in valuation of securities upon marking as NPA.)

### 6 Miscellaneous

**Registration obtained from other Financial Sector Regulators:** Company has registered itself as Corporate Agent (Composite) with IRDAI under Registration of Corporate Agents- Regulations, 2015 with Registration Code 'CA0808' on 01.06.2022 with validity up to 31.05.2025 for insurance business.

#### 6.1 Disclosure of Penalties imposed by NHB and Other Regulators:

##### NHB

##### **CURRENT YEAR**

- NIL

##### **PREVIOUS YEAR**

- During the Financial Year 2021-2022, NHB imposed no Penalty for non-compliance of para 5.4 of the HFC Corporate Governance (NHB)



## 6.2 Related Party Disclosure:

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Borrowings	50,665.42	29,164.19	-	-	-	-	-	-	-	-	-	-	50,665.42	29,164.19
Deposits	2,182.93	194.61	-	-	-	-	-	-	-	-	-	-	2,182.93	194.61
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	1,010.00	1,340.00	-	-	-	-	-	-	-	-	-	-	1,010.00	1,340.00
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	2,409.33	2,031.56	-	-	-	-	-	-	-	-	-	-	2,409.33	2,031.56
Interest received	61.27	96.37	-	-	-	-	-	-	-	-	-	-	61.27	96.37
Others*	117.25	90.42	-	-	-	-	-	-	-	-	-	-	117.25	90.42

\* Others include Bank Charges and Commission, Borrowing Costs, Salary to CBI deputed staff, Rent and Maintenance Charges etc.

## 6.3 Rating assigned by Credit Rating Agencies and Migration of Rating during the Year

Agency	Purpose	Rating
India Ratings	Bank Loan	IND A-/Stable
India Ratings	Deposits	IND A-/Stable

There has been migration of Ratings during the FY 2022-23 from CRISIL Ratings & Brickwork Ratings to India Ratings (Fitch Group).

## 6.4 Remuneration of Directors

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

(Rs in Lakhs)

Name	2022-23	2021-22
1. Shri Anil Girotra	5.80	5.80
2. Shri Bibhas Kumar Shrivastava	7.00	6.20
<b>Total</b>	<b>12.80</b>	<b>12.00</b>

Above figures are exclusive of GST.





**6.5 Net Profit or Loss for the period, prior period items and changes in accounting policies**

**6.5.1 Prior Period Item:** Prior Period item having total amount of Rs. 14,62,946.43/-  
 (P.Y.- 2021-22:- Rs. 6,15,333/-)

**6.5.2 Changes in Accounting Policy**

(Rs. in Lakhs)

Name	2022-23
Profit Before Tax and Before Changes in Accounting Policy (A)	3,743.84
<b>Less:</b>	
1) Interest on Unclaimed deposit previously accounted for at the time of renewal of such deposits	60.18
2) Un-amortised cost of Foreclosed Loans and Advances which were previously amortised in 60 equal instalment or over 5 years period	33.39
3) Un-amortised cost of pre-matured deposits which were previously amortised in 36 equal instalments or over 3 years period	65.54
Total Expenses accounted for in current year due to change in Accounting Polices (B)	159.11
Profit Before Tax and after Changes in Accounting Policy (C=A-B)	3,584.73
Tax Expenses (Net)	908.67
<b>Profit After Tax</b>	<b>2,676.06</b>

**6.6 Revenue Recognition**

During the year there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

**6.7 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 31-03-2023	As on 31-03-2022
1 Provisions for depreciation on Investment	-	-
2 Provision made towards Income tax	442.40	770.97
3 Provision towards NPA (with details in Note No. 1)	607.02	302.27
4 Contingent Provision for Standard Assets as at year end (excluding additional provision on restructured accounts) (with details in Note No :1)	Nil	Nil
a) Teaser Loan	Nil	Nil
b) CRE-RH	2.25	6.84
c) CRE	229.82	198.65
d) Housing Loan to Individual	177.49	119.66
e) Other Loans		
<b>Total</b>	<b>409.56</b>	<b>325.15</b>
5 Contingent Provision for Standard Assets charged in P&L A/c	11.11	491.78



5A. Contingent Provision on Standard assets	84.41	(57.06)
5B. Contingent Provision on Standard assets restructured Accounts Under Resolution Framework 2.0 Date 21/05/2021.#	(73.30)	548.84
6 Other Provisions & Contingencies (with details in Note No. 2 below)	227.56	102.49

# Details of resolution plan implemented under Resolution Framework 2.0 Dated 21/05/2021; resolution of COVID 19 related stress of Individual and small business:

(Rs. in Lakhs)

Sr. No.	Description	Individual Borrowers		Small Business
		Personal Loan	Business Loan	
(A)	Number of request received for invoking resolution process under part-A	330	Nil	Nil
(B)	No. Of Accounts where resolution plan has been implemented under this window	321	Nil	Nil
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	5,764.07	Nil	Nil
(D)	Of (C) aggregate amount of Debt that was converted into other securities	Nil	Nil	Nil
(E)	Additional funding sanctioned, if any, including between invocation of plan and implementation	Nil	Nil	Nil
(F)	Increase in provision on account of the implementation of the resolution plan (Net of Reversal made during the year)	475.54	Nil	Nil

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

(Rs in Lakhs)

Break up of Loan and Advances and Provision thereon (As on)	Housing		Non-Housing	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Standard Assets</b>				
a) Total Outstanding Amount	91,927.10	79,473.00	44,509.98	30,479.01
b) Provisions Made	547.22	560.07	337.52	313.45
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	1,965.23	826.29	533.47	197.68
b) Provisions Made	294.78	123.94	80.02	29.65
<b>Doubtful-1 Category-I</b>				
a) Total Outstanding Amount	619.61	1,043.66	89.68	297.27
b) Provisions Made	173.10	286.43	22.42	74.49
<b>Doubtful Assets- Category-II</b>				
a) Total Outstanding Amount	1,183.37	1,507.60	475.85	508.36
b) Provisions Made	544.35	682.88	202.29	214.28







सेन्ट बैंक होम फायनेंस लिमिटेड  
Cent Bank Home Finance Limited

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

Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	777.47	-	406.50
b) Provisions Made	-	777.47	-	406.50
Loss Assets				
a) Total Outstanding Amount	169.17	323.38	0.01	11.95
b) Provisions Made	169.17	323.38	0.01	11.95
Demand Loan				
a) Total Outstanding Amount	-	-	86.99	116.30
b) Provisions Made	-	-	0.35	0.47
Total				
a) Total Outstanding Amount	95,864.48	83,951.40	45,695.98	32017.07
b) Provisions Made	1,728.62	2,754.17	642.61	1050.79

**Note:**

1. For **Standard Asset**: The total outstanding amount means Principal + Accrued Interest+ Other Charges pertaining to Loans without netting off.
2. For **NPA**: The total outstanding amount means principal.
3. The category of **NPA** will be as under:

Period /Particulars of Loan Asset	Category	Outstanding	
		Provision Secured	Provision Un-secured
period upto 1 year from the date of NPA classification	Sub-standard	15%	Additional provision of 10% for exposures which are unsecured ab-initio
Doubtful Assets (after the expiry of sub-standard category)			
Up to one Year	Category-I	25%	100%
One to three Years	Category-II	40%	100%
More than three years	Category-III	100% irrespective of value of security	
A loan asset where loss has been identified but the amount has not been fully written off	Loss Asset	100% irrespective of value of security	

4. The Standard Assets Provision includes provision on resolution plan implemented under Resolution Framework 2.0 Date 21/05/2021; resolution of COVID 19 related stress of Individual and small business.

**Note No. 2: Other Provision and Contingencies**

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
DSA commission	118.69	58.48
Electricity Expenses	0.32	0.98
HO Expenses	42.74	20.28
LEGAL Expenses	30.27	7.96
FI/RCU/CPU	10.55	2.48
VALUATION	23.55	10.30
Others	1.44	2.01
<b>Total</b>	<b>227.56</b>	<b>102.49</b>



**7.2 Draw Down from Reserves (other than adjustments) - NIL**

**7.3 Concentration of Public Deposits, Advances, Exposures and NPAs**

**i) Concentration of Public Deposit: (Rs in Lakhs)**

Particulars	As on 31-03-2023	As on 31-03-2022
Total Public Deposits of twenty largest depositors	11215.12	12707.71
Percentage of Total Public Deposits of the HFC	33.52%	34.69%

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

Particulars	As on 31-03-2023	As on 31-03-2022
Total Loans and Advances to twenty largest borrowers	2311.62	2271.38
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	1.63%	1.96%

**iii) Concentration of all Exposures (Including off-balance sheet exposure) (Rs in Lakhs)**

Particulars	As on 31-03-2023	As on 31-03-2022
Total Exposure to Twenty largest borrowers/ Customers	2311.62	2271.38
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/ customers	1.63%	1.96%

**iv) Concentration of NPAs (Rs in Lakhs)**

Particulars	As on 31-03-2023	As on 31-03-2022
Total Exposure to top ten NPA accounts	432.19	801.15

**v) Sector-wise NPAs:**

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

S. No	Sector	As on 31-03-2023	As on 31-03-2022
<b>A</b>	<b>Housing Loans</b>		
1.	Individuals	4.11%	5.33%
2.	Builders/Project loan	-	-
3.	Corporates	-	-
4.	Others (Specify)	-	-
<b>B</b>	<b>Non-Housing Loans:</b>		
1.	Individuals	2.41%	4.44%
2.	Builders/Project loan	-	-
3.	Corporates	-	-
4.	Others (Specify)	-	-

**7.4 Movement of NPAs**

(Rs in Lakhs)

	Movement of NPA	As on 31-03 -2023	As on 31-03-2022
(I)	Net NPAs to Net Advance (%)	2.53%	2.63%
(II)	Movement of NPAs (Gross)		
A	Opening Balance	5,900.16	6,200.12



B	Additions during the year	2,343.34	1,099.26
C1	Reductions during the year	3,207.12	1,399.22
C2	Write Off during the year	2,051.85	-
D	Closing balance	5,036.38	5,900.16
(III)	Movement of Net NPAs		
A	Opening Balance	2,969.18	3,571.42
B	Additions during the year	2,343.34	915.14
C	Reductions during the year	1,762.28	1,517.38
D	Closing balance (net of URI)	3,550.24	2,969.18
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
A	Opening Balance	2,930.97	2,628.70
B&C	Net Additions during the year	607.02	302.27
	Reductions/Write Off during the year	(2,051.85)	0.00
D	Closing balance	1,486.14	2,930.97

**Note:** Gross NPA and Net NPA showing net of URI Balances in both the FY 2022-23 and 2021-22.

#### 7.6 Overseas Assets

(Rs. in Lakhs)

Particulars	As on 31-03-2023	As on 31-03-2022
	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	31-03-2023	31-03-2022
Number of Complaints at the beginning of the year	0	0
Number of Complaints received during the year	66	50
Number of Complaints redressed during the year	63	50
Number of Complaints pending at the end of the year	3	0

#### 1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	Current Year	Previous Year
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	66	57

3		Number of complaints disposed during the year	63	57
	3.1	Of which, number of complaints rejected by the NBFC	0	0
4		Number of complaints pending at the end of the year	3	0
Maintainable complaints received by the NBFC from Office of Ombudsman				
5.*		Number of maintainable complaints received by the NBFC from Office of Ombudsman	NIL	NIL
	5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NIL	NIL
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	NIL	NIL
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NIL	NIL
6.*		Number of Awards unimplemented within the stipulated time (other than those appealed)	NIL	NIL
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.				
*It shall only be applicable to NBFCs which are included under The Reserve Bank- Integrated Ombudsman Scheme, 2021				

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaint spending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30days
1	2	3	4	5	6
<b>Current Year</b>					
Foreclosure	0	44	83.33%	1	0
Subsidy	0	2	-77.78%	1	0
ROI	0	9	50%	0	
Sanction processing /loan rejection related	0	2	100%	0	0
Fixed deposit	0	1	-	0	0
Others	0	8	-20%	1	0
<b>Total</b>	<b>0</b>	<b>66</b>		<b>3</b>	<b>0</b>
<b>Previous Year</b>					
Foreclosure	0	24	200%	0	0

Subsidy	0	9	200%	0	0
ROI	0	6	500%	0	0
CIBIL	0	4	0	0	0
Sanction processing /loan rejection related	0	1	0	0	0
Others	0	10	400%	0	0
<b>Total</b>	<b>0</b>	<b>50</b>		<b>0</b>	<b>0</b>

\*Note: As on 31.03.2023, 1 No (PY 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 BRISKA & Associates  
 Chartered Accountants  
 FRN: 000780C

*S. Chanodia*



CA Sanjeev Chanodia  
 Partner

M. No. 078896

Place: Bhopal

Date: 12.05.2023

UDIN: 23078896BGWQQW6270

For Cent Bank Home Finance Limited

*Kushal Pal*

Kushal Pal  
 Managing Director  
 DIN: 09225722

*S. C. Mehta*

S. C. Mehta  
 Chief Financial Officer

Rajeev Puri  
 Chairman  
 DIN: 07330989



*Ashish Kumar Shrivastava*

Ashish Kumar Shrivastava  
 Company Secretary



**CBHFL - Annexure III**

Schedule forming part of the Financial Statements for the year ended 31st March, 2023		(Rs In Lakhs)	
	Particulars	Amount outstanding	Amount overdue
	<b>Liabilities side</b>		
1	<b>Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>		
	a) Debentures :		
	Secured	-	-
	Unsecured	-	-
	<b>(other than falling within the meaning of public deposits*)</b>		
	b) Deferred Credits	-	-
	c) Term Loans	21,516.79	-
	d) Inter-corporate loans and borrowing	50,665.42	-
	e) Commercial Paper	-	-
	f) Public Deposits*	33,455.40	-
	g) Other Loans (Inter-Corporate Deposits)	21,370.87	-
	* Please see Note 1 below		
2	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	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)	33,455.40	
	* Please see Note 1 below		
	<b>Assets side</b>	<b>Amount outstanding</b>	
3	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
	a) Secured	1,39,189.23	
	b) Unsecured	-	
	Note: in order to match with figures at point no. 6, the said figures are shown as net off provisions		
4	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>		
(i)	Lease assets including lease rentals under sundry debtors		
	a) Financial lease	Nil	
	b) Operating lease	Nil	





(ii)	Stock on hire including hire charges under sundry debtors		
	a) Assets on hire	Nil	
	b) Repossessed Assets	Nil	
(iii)	Other loans counting towards asset financing activities		
	a) Loans where assets have been repossessed	Nil	
	b) Loans other than (a) above	Nil	
5	<b>Break-up of Investments</b>		
	<b><u>Current Investments</u></b>		
1	<b><u>Quoted</u></b>		
(i)	Shares		
	(a) Equity	-	
	(b) Preference	-	
(ii)	Debentures and Bonds	-	
(iii)	Units of mutual funds	-	
(iv)	Government Securities	-	
(v)	Others (please specify)	-	
2	<b><u>Unquoted</u></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-13 of Balance sheet)	-	
	<b>Long Term investments</b>		
1	<b><u>Quoted</u></b>		
(i)	Share		
	(a) Equity	-	
	(b) Preference	-	
(ii)	Debentures and Bonds	-	
(iii)	Units of mutual funds	-	
(iv)	Government Securities	3,827.13	
(v)	Others (Fixed Deposits)	-	
2	<b><u>Unquoted</u></b>		
(i)	Shares		
	(a) Equity	-	
	(b) Preference	-	
(ii)	Debentures and Bonds	-	



(iii)	Units of mutual funds	-	
(iv)	Government Securities	-	
(v)	Others (Fixed Deposits)	1,010.00	

<b>6</b>	<b>Borrower group-wise classification of assets financed as in (3) and (4) above:</b>			
	(Please see Note 2 below)			
	<b>Category</b>	<b>Amount net of provision</b>		
		<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1	Related Parties **			
	a) Subsidiaries			
	b) Companies in the same group			
	c) Other related parties			
2	Other than related parties	1,39,189.23	-	1,39,189.23
	<b>Total</b>	<b>1,39,189.23</b>	<b>-</b>	<b>1,39,189.23</b>

<b>7</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>		
	(Please see Note 3 below)		
	<b>Category</b>	<b>Market Value / Break up or fair value</b>	<b>Book Value (Net of provisions)</b>
1	Related Parties **		
	a) Subsidiaries	-	-
	b) Companies in the same group	-	-
	c) Other related parties (Note 1)	3,935.86	3,827.13
2	Other than related parties (Note 2)	-	-
	<b>Total</b>	<b>3,935.86</b>	<b>3,827.13</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)		

<b>8</b>	<b>Other information</b>	
	<b>Particulars</b>	<b>Amount</b>
(i)	Gross Non-Performing Assets	
	a) Related parties	-
	b) Other than related parties	5,036.38
(ii)	Net Non-Performing Assets	
	a) Related parties	-



	b) Other than related parties	3,550.24
(iii)	Assets acquired in satisfaction of debt	-

	<b>Notes:</b>
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 **BRISKA & Associates**  
Chartered Accountants  
FRN 000780C

*f. Chanodia*

CA Sanjeev Chanodia  
Partner  
M. No. 078896  
Place: Bhopal  
Date: 12.05.2023  
UDIN: 23078896BGWQQW6270



For Cent Bank Home Finance Limited

*Kushal Pal*  
Kushal Pal  
Managing Director  
DIN: 09225722

*Rajeev Puri*  
Rajeev Puri  
Chairman  
DIN: 07330989

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



*Ashish Kumar Shrivastava*  
Ashish Kumar Shrivastava  
Company Secretary