

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENT BANK HOME FINANCE LIMITED

Report on the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matters

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

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

Branches

New Delhi Bilaspur Indore Nagpur Mumbai Ranchi Jabalpur Faridabad





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

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

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

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





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





<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>consideration, the likely outcome and consequent potential outflows on those issues.</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 financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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





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

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

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

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

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

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





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

Report on Other Legal and Regulatory Requirements

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





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

- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 25 (15) to the financial statements;
- b) The Company has not entered into any long-term contract including derivative contract which may have any material foreseeable losses hence there is no need to create any provision, required under the applicable law or accounting standards, - Refer Note 25(29) to the financial statements;
- c) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 25(5)(a) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 25(5)(b) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis- statement.
- e) As stated in Note 25(16)(a) to the financial statements, the Board of Directors of the Company have not proposed dividend for the current financial year (Previous year- Nil).

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



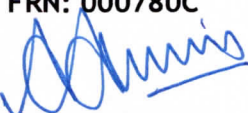


B R I S K A & Associates
Chartered Accountants

Continuation Sheet

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

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


CA AMIT CHITWAR
(Partner)
M.No:407118



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



Annexure A to the Independent Auditors' Report

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

- (i)
- a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any Intangible assets hence no question of maintenance of proper records showing full particulars including quantitative details and situation of Intangible asset arises.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The Company does not have any immovable properties. Accordingly, clause 3(i)(c) of the Order is not applicable.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- (a) The Company is in the business of providing primarily Housing Finance Services and consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii) of the Order in respect of Inventory is not applicable to the company.
- (b) (i) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the periodical returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us read with applicable norms (including exemptions or relaxations) of NHB/RBI and on the basis of our examination of the records of the Company, the company has made investments in, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.





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

We further report that;

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

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

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

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

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

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

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





(v)

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

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

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

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

(vii)

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

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

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

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





Name of the Statute: Income Tax Act, 1961

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

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

(ix)

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

(x)

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





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

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





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

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

CA AMIT CHITWAR
(Partner)
M.No:407118



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



Annexure B to the Independent Auditors' Report

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

Matters referred in Para 70.1 of the directions

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

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

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

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





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

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

Matters referred in Para 70.2 of the directions

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





B R I S K A & Associates
Chartered Accountants

Continuation Sheet

provided in these directions.

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

CA AMIT CHITWAR
(Partner)
M.No:407118



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



Annexure C to the Independent Auditors' Report

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

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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





Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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





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

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

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

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

CA AMIT CHITWAR
(Partner)
M.No:407118



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



Annexure D to the Independent Auditors' Report

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

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

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





B R I S K A & Associates
Chartered Accountants

Continuation Sheet

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

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


CA AMIT CHITWAR
(Partner)
M.No:407118



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



AUDITORS CERTIFICATE

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

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

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

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

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

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


CA AMIT CHITWAR
(Partner)
M.No:407118



Date: 02/05/2022
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