

ANNUAL REPORT

2016-17



S. No.	Name of the Committee	Committee Members
1	Audit Committee	a) Shri V. Sridar, Chairman b) Shri Anil Girotra c) Shri B.S. Harilal
2	Credit Management Committee	a) Shri Anil Girotra, Chairman b) Shri V. Sridar c) Shri B.S. Harilal d) Shri P.J Kumar e) Shri R.N. Hirve
3	HR Committee	a) Shri.Anil Girotra , Chairman b) Shri.V Sridar c) Shri.V.T.Subramanian d) Smt.Vasantha Govindan e) Shri P.J Kumar f) Shri Vineet Singhal f) Shri B.S. Harilal
4	CSR Committee	a) Shri.V.Sridar b) Shri.Anil Girotra c) Shri.P.J Kumar

		<ul style="list-style-type: none"> d) Shri Vineet Singhal g) Shri B.S. Harilal
5	Risk Management Committee	<ul style="list-style-type: none"> a) Shri V. Sridar, Chairman b) Shri Anil Girotra c) Shri B.S. Harilal d) Shri P.J Kumar e) Shri R.N. Hirve
6.	Stakeholder relationship committee	<ul style="list-style-type: none"> a) Shri V.T. Subramanian, Chairman b) Shri B.S. Harilal c) Abhijeet Das
7.	Asset Liability Committee	<ul style="list-style-type: none"> a) Shri B.S Harilal, Chairman b) Shri Y. Srinivasalu, c) Shri Vijay Kumar Singh d) Shri Manish Singh Payal

LIST OF SHARHOLDERS

1.	Central Bank of India
2.	National Housing Bank
3.	Housing & Urban Development Corporation Limited
4.	SUUTI
5.	Shri. B.S. Harilal & Central Bank of India
6.	Shri. R.N. Hirve & Central Bank of India
7.	Shri. B.K. Diwakara & Central Bank of India
8.	Shri. P.J. Kumar & Central Bank of India

BOARD OF DIRECTORS

S. No.	Name	
1.	Shri P. Ramana Murthy	Chairman (Nominee of Central Bank of India)
2.	Shri B.K. Divakara	Director (Nominee of Central Bank of India)
3.	Shri V. Sridar	Independent Director
4.	Shri Anil Girotra	Independent Director
5.	Shri P.J. Kumar	Director (Nominee of Central Bank of India)
6.	Shri R.N. Hirve	Director (Nominee of Central Bank of India)
7.	Shri V.T. Subramanian	Director (Nominee of HUDCO)
8.	Smt. Vasantha Govindan	Director (Nominee of SUUTI)
9.	Shri Vineet Singhal	Director (Nominee of NHB)
10.	Shri. B.S. Harilal	Managing Director

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company take pleasure in presenting 26th Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2017.

1) HOUSING INDUSTRY OUTLOOK

Housing Finance segment in India has emerged as most promising sector of Indian Economy with healthy growth rate and comparatively lower risk. Housing Finance is continued to be focused segment for both Banks as well as Housing Finance Companies registering CAGR of 20% during last decade. During the financial year, HFC's growth rate is estimated around 18-19% y-o-y. This sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). HFCs are now enjoying portfolio growth with stable margin, economies of scale and new schemes of Government on affordable housing is giving the sector an added push.

FY 2016-17 witnessed several key economic reforms, especially directed towards the housing sector. While the government had already launched the housing for all Schemes; the impact of the holistic policy reforms, structural shifts and an increased impetus to the affordable housing schemes was put forth this year. For Housing Companies this will lead to multi dimensional prospects.

Government of India has launched Credit Linked Subsidy Scheme to provide interest subsidy for housing loans to eligible beneficiaries belonging to Middle Income Group (CLSS for MIG) it is a further extension of Credit Linked Subsidy Scheme provided to Low Income Group and Economically Weaker Section.

The government has been at the forefront in pushing India's housing finance sector this year. Many new initiatives and policies focused on lending for housing were introduced in the last 12 months. Revision in interest rates and on lending spread caps under Rural Housing Fund by NHB in addition to Housing for all by 2022 are expected to boost credit growth in the affordable housing segment. Further initiatives such as Real Estate Act, 2016, 100% tax exemption to developers on profit from building affordable housing, are expected to give a further push to the segment growth.

Real estate and housing sector has received major boost in the union budget. Affordable housing has now been accorded infrastructure status, which will make loans cheaper for developers. The government has promised to construct 10 million homes for the homeless by 2019, which should stimulate the cement and steel sectors. Allocation under the Pradhan Mantri Awas Yojana has been raised to Rs 23,000 crore and the National Housing Bank (NHB) will refinance housing loans worth about Rs 20,000 crore in 2017-18, giving the sector a further momentum.

During FY16-17, HFC's portfolio growth is estimated to be around 18-19% y-o-y. Continued healthy portfolio growth, stable margins and operating efficiencies as well as low credit costs have contributed to healthy profitability parameters of HFCs. As per performance estimates of select large players, HFCs registered net interest margin and Return on Total Assets (ROTA) of over 3.0% and 2.2% respectively during FY16-17 while GNPA ratio stood at 0.7%. One year lagged GNPA ratios

continue to be stable and are estimated at 0.8%. While some of the players are witnessing rising NPA levels in their loans against property (LAP) and non-housing loans portfolio; the fact that individual housing loans (excluding LAP) account for bulk of the total mortgage finance portfolios of HFCs, the overall delinquencies are still low.(Source CARE)

2) PERFORMANCE

Your Company's strategy for the financial year 2016-17 was to strengthen the productivity through the existing capacity and not to spread in new market. Therefore Company through its existing branches succeeded to gain customer satisfaction and loan portfolio. During the year, even after competitive rate of interest in housing finance industry, your Company managed to achieve total revenue of Rs. 140.75 crore marking a growth of 17.80 % against Rs. 119.48 crore in the previous year.

Despite numerous challenges, Your Company's profit before tax for the year ended 31st March, 2017 stood at Rs 21.44 Crore as against Rs 22.77 Crore in the previous year. Your Company's profit for the year (after adjustments related to previous year) stood at Rs 11.04 Crore as against Rs 13.44 Crore in the previous year.

Further your Company is relentlessly working on reduction of NPAs which stood at Rs 21.48 Crore as on 31st March, 2017 compared to 23.29 in the previous years ended 31st March, 2016.

a) Financial Highlights

The financial performance for the fiscal 2017 is summarized here under:

(Rs. in Crore)

	Particulars	For the year ended	
		March 31, 2017	March 31, 2016
A)	Gross Income	140.75	119.48
B)	Total Expenses	119.31*	96.71
C)	Operating Profit (A-B)	21.44	22.77
D)	Provisions	3.90	3.88
E)	Profit before tax & extraordinary items (C-D)	17.53	18.89
F)	Extraordinary Items	1.32	-
G)	Adjustment related to previous year (+)	0.58	0.03
H)	Profit before tax (E-F)	18.27	18.92
I)	Tax Expenses	7.23	5.48
J)	Profit for the year (G-H)	11.04	13.44
K)	Profits brought forward from previous year	25.07	23.09
L)	Profits Available for Appropriation	36.11	36.53
	Appropriations		
	Transfer to Special Reserve (as per IT Act)	3.83	2.87
	Transfer to Additional Reserve (as per NHB Act)	0	1.00
	Transfer to CSR Reserve Fund	0.27	0.25
	Transfer to General Reserve	0.96	0.72
	Appropriation for dividend (Including dividend tax, surcharge & cess)	1.51	4.51

Appropriation to DTL on Special Reserves Plus provision for tax for previous year	8.02	2.11
Balance carried forward to Balance sheet	21.52	25.07
Total	36.11	36.53

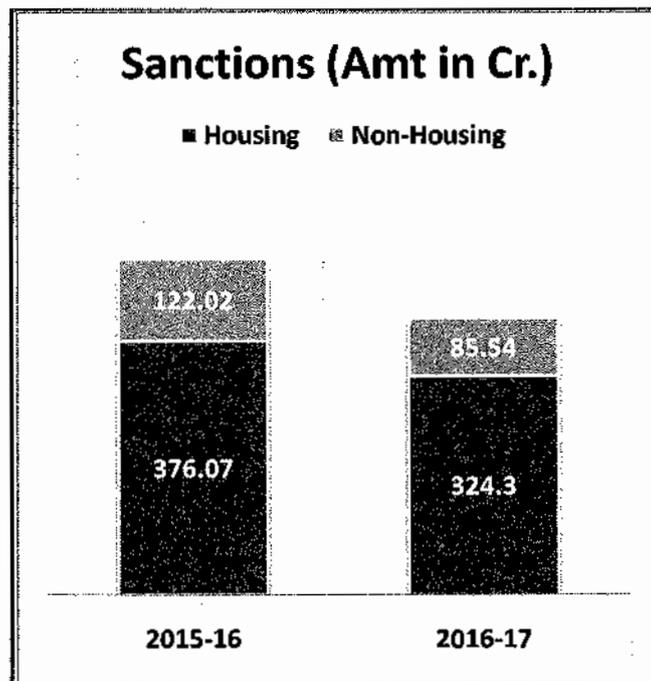
Figures in parenthesis are in negative.

b) Lending Operations:

i) Sanctions

During the year 2016-17, your Company has sanctioned loans amounting to Rs. 409.84 crore as compared to total sanctions of Rs. 498.09 crore during the previous year ended March 31, 2016.

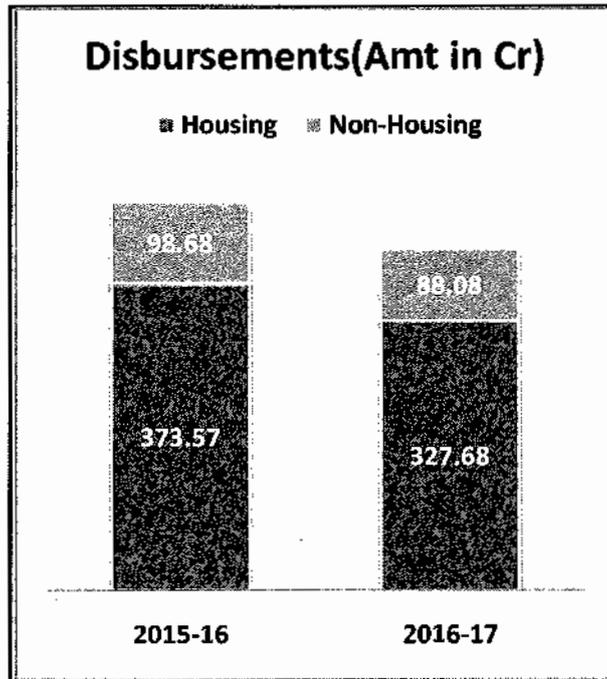
- Out of above, Housing Loans account for Rs. 324.30 crore as compared to Rs. 376.07 crore in the corresponding financial year ended March 31, 2016.
- Non-Housing Loan accounts for Rs. 85.54 crore as compared to Rs. 122.02 crore in the corresponding financial year ended March 31, 2016.



ii) Disbursements

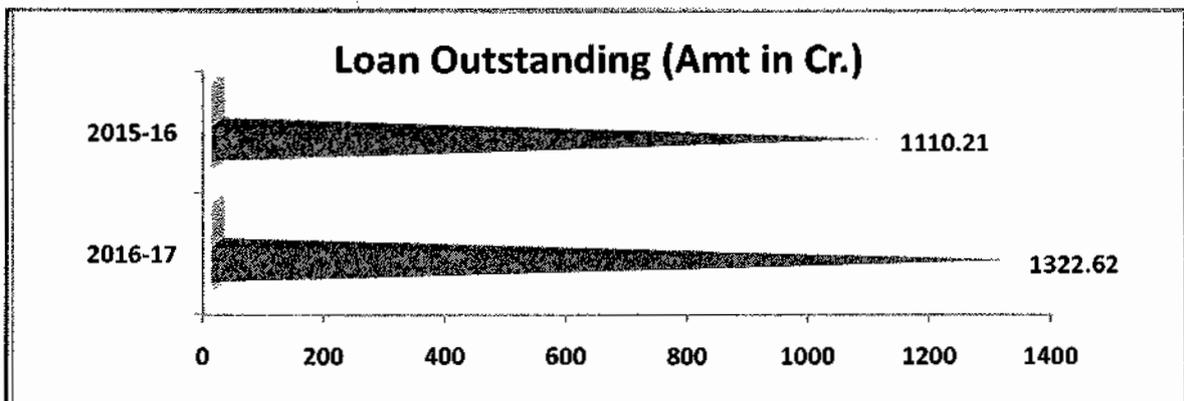
During the year 2016-17, your Company has disbursed loans amounting to Rs. 415.68 crore as compared to disbursement of Rs. 472.25 crore in previous financial year ended March 31, 2016.

- Out of above Housing Loans account for Rs. 327.68 crore as compared to Rs. 373.57 crore disbursement in corresponding financial year ended March 31, 2016.
- Non-Housing loans account for Rs. 88.08 Crore as compared to Rs. 98.68 crore in previous financial year ended March 31, 2016.



c) Loan Outstanding

The gross loan outstanding increased to Rs. 1322.62 Crore as on March 31, 2017 as against Rs. 1110.21 crore for the previous financial year ended March 31, 2016, on account of fresh disbursement of Rs. 415.62 crore in this fiscal, Registering the growth of 19.13% on Y-o-Y basis.

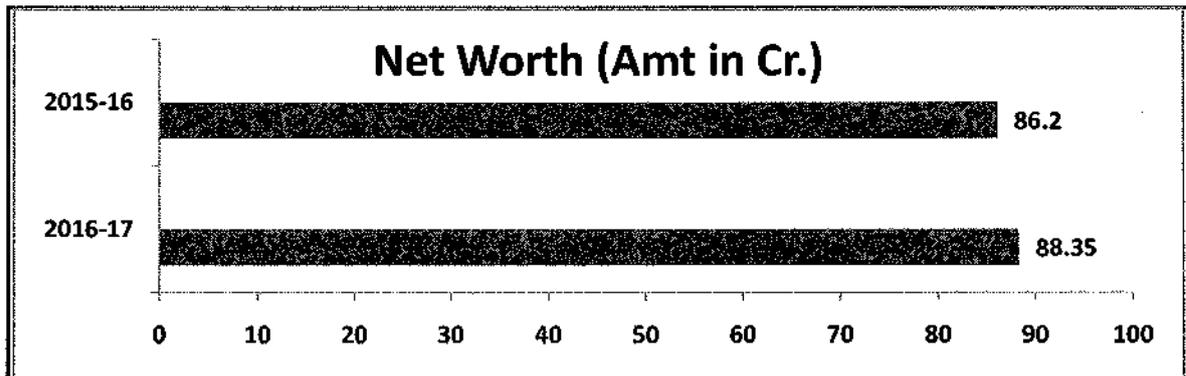


d) Profit and Net Owned Funds

During the year 2016-17, your Company has made Profit before Tax of Rs. 21.44 crore as compared to Rs. 22.77 Crore in 2015-16 and Profit after Tax (PAT) of Rs. 11.04 crore as against PAT of Rs. 13.44 crore in the previous year.

The total owned fund of your Company stood at Rs. 88.35 Crore as on March 31, 2017 as against Rs. 86.20 crore in 2015-16.

The Capital Adequacy Ratio of your company is at 17.56% as against the norms of 12 percent stipulated by the National Housing Bank (NHB). Earning Per Share (EPS) stood at Rs. 4.42 per share as on March 31, 2017.



e) Future Outlook

During the current financial year, it is expected that the housing finance business will grow much faster mainly because of stable political environment, new government reforms and administrative policies. The result oriented reforms by government and other internal and external factors really boost the housing finance business.

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

During the current year, the Company expects to mobilize sufficient funds through infusion of funds via tier I capital and otherwise to maintain good liquidity condition and resultantly company will lead to increase loan disbursement.

During F.Y.2016-17, the Company proposes to take following initiatives to improve its operational as well as financial performance and to take the Company to the next level:

- Raising funds through loans at attractive rate of interest and terms and then making efforts towards reducing overall cost of funds.
- Brand building measures to improve general awareness and the image of the Company.
- Most importantly, strengthening of recovery mechanism to recover NPA a/cs and recycle blocked funds to generate more income.

3) DIVIDEND

Considering the performance of your Company during the year 2016-17, your Directors are pleased to recommend a final dividend @ of 5% (i.e. Rs.0.50 per share of face value of Rs.10 each) for the year ended 31st March, 2017.

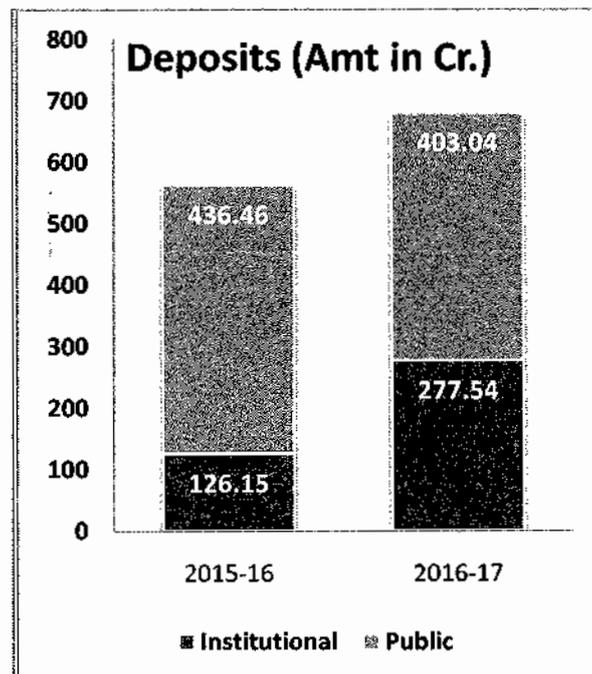
4) FINANCIAL RESOURCES

i) Deposits

As on 31.03.2017, the total deposits of your Company are amounting to Rs. 680.58 crore (which includes from public of Rs. 403.04 crore and institutional deposits of Rs. 277.54 Crore) as compared to Rs. 562.61 crore (which includes Public deposits of Rs. 436.46 crore and institutional deposits of Rs. 126.15 Crore) at the end of the previous year.

The deposit scheme of your Company has been rated "FA/Negative" by the rating agency CRISIL.

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



ii) Borrowings from Banks

Your Company has availed a Term Loan and overdraft facility from the Central Bank of India. The outstanding balance of the said loan/facility as of 31.03.2017 is Rs. 245.41 Crore as against Rs. 214.08 crore as on 31.03.2016.

Your Company also availed term loan from the HDFC Bank. The outstanding balance of the total term loans availed from HDFC Bank as on 31.03.2017 is Rs. 125.77 Crore as against Rs. 105.08 crore as on 31.03.2016.

Your Company has also availed term loan from the Bank of Baroda in the Financial Year 2016-17. The outstanding balance of the total term loans availed from Bank of Baroda as on 31.03.2017 is Rs. 29.99 Crore.

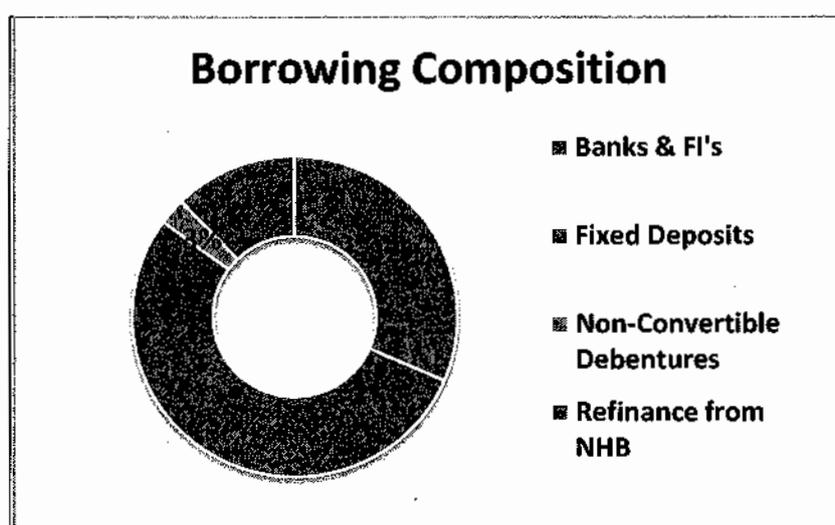
The total outstanding balance as of 31.03.2017 under the head 'borrowings from Banks' is at Rs. 401.16 Crore as against Rs. 480.30 crore during the previous financial year.

iii) Refinance from National Housing Bank

In the Financial Year 2016-17, your Company has availed refinance amounting to Rs. 17.29 crore from the National Housing Bank. The amount of refinance outstanding as of 31.03.2017 from the National Housing Bank was Rs. 156.08 crore.

5) UNSECURED NON CONVERTIBLE DEBENTURES

During the year 2015-16, the Company has raised Unsecured NCD amounting to Rs. 30.00 cr. through private placement basis currently rated as CARE A-; Stable [Single A Minus; Outlook: Stable]



6) SHARE CAPITAL

The authorized & Paid-up capital of the Company as on 31.03.2017 is 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 and Liquidity

As on 31st March, 2017, 28.80% of the share capital of the Company representing 72,00,000 equity shares were held in dematerialized form and the balance 71.20%, representing 1,78,00,000 equity shares were held in physical form.

ii) Appointment of Registrars & Share Transfer Agents

The Company has appointed M/s Karvy Computershare Pvt. Ltd as Registrar & Share Transfer Agents of the Company. Hence all dematerialization/rematerialisation requests shall be routed through your depository participants addressing to our R&T agents at the address mentioned below:

Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24, VithalRao Nagar,
Madhapur, Hyderabad-500 081
Tel.: 040-23420815-24; Fax: 040-23420814

7) INVESTMENT

The Company has maintained its Statutory Liquid Ratio (SLR) as per NHB guidelines. The Company has invested Rs. 29.76 crore in approved securities.

8) UNCLAIMED DEPOSITS

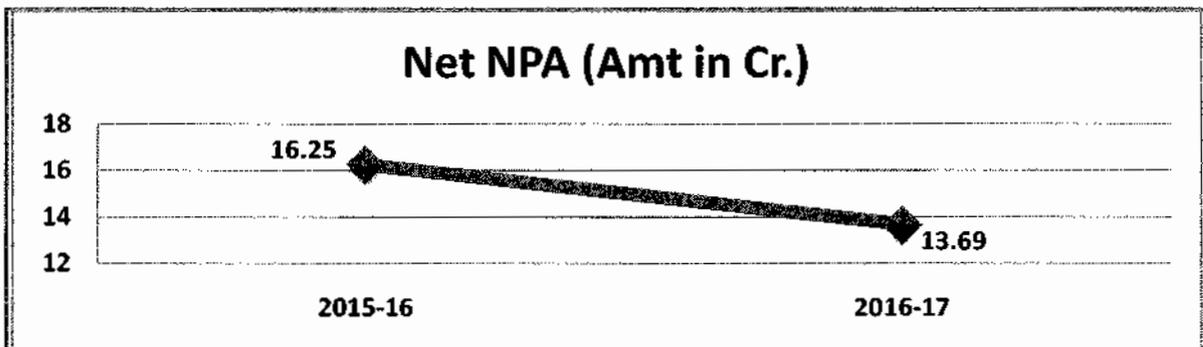
As on 31st March, 2017, 375 public deposit accounts amounting to Rs. 4.71 Crs have remained unclaimed. The depositors have been advised about the maturity of their deposits with a request either to renew or claim the same.

During the year under review, your Company transferred an amount of Rs.104480/- 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.

9) NON PERFORMING ASSETS

Your Company has been pursuing all the available options to recover its dues from non-performing accounts. Your Company has taken recourse to Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 and Section 138 of Negotiable Instruments Act, 1881 for recovering the overdue and bringing down the NPA. The gross NPA stood at Rs. 21.48 crore as against Rs. 23.30 Crore for the previous financial year ended 31st March, 2016.

With due provisions the net NPA stood at Rs.13.69 Crore as on 31st March, 2017 as against Rs. 16.25 Crore as on 31st March 2016.



10) BRANCH NETWORK OF THE COMPANY

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

11) AUDITORS

In exercise of the powers conferred by Section 139 (5) of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) has appointed M/s MULTI Associates, Chartered Accountants, having Registration No. 509955C as the statutory auditors of the Company for the financial year 2016-17.

Auditor's Observation on Annexure B	Reply
a) Deposits are subject to confirmation and reconciliation as the balance of Main Ledger and subledger does not tally and gives a difference of Rs. 714231	It has been reconciled and tallied. The difference was on account of overdue deposits.
b) Creditors are subject to confirmation. Creditors includes very old entries mostly of which are in the nature of Amount received against auction, amount received from unidentified parties, amount received against settlement proposal & others. These are not creditors and are in actual amount received against loan given to borrowers. These should be credited to respective head of the Borrowers	All old outstanding entries have been reconciled and appropriately accounted for.
c) Computer software creates a GL Impersonal Account and Cheques in hand account at the year end. The balance in both these contra accounts should be the same. But in the closing trial balance as on 31.03.2017 a balance of Rs. 66,23,687.00 is appearing, which is shown in the balance sheet under Note 7 under the head other current liabilities-others. This needs immediate reconciliation as it can impact any other account head	All pending entries in Impersonal GL & Cheque in hand are reconciled and tallies as on date. Old outstanding entries have been accounted appropriately.
Auditor's Observation on Annexure C	
a) Books of accounts of the company are maintained in the computer software for head office and branches separately. The books of accounts for the year ending 31 st march 2016 are closed in the month of September 2016 in the said software. Hence the opening balance in the books of accounts as on 1 st April 2016 does not tally with the audited balance sheet as on 31 st march 2016. There was a opening balance	Value dating and closing related entries will be introduced from current financial year. Old entries have been fully reconciled & tallied.

<p>difference of Rs. 1,21,05,804.00 in the opening balance as per books as on 1st April 2016 and as per audited Balance sheet as on 31st march 2016, which is not reconciled due to the reason that there are many number of entries of opening balance without narration, this is shown under schedule 16 of the balance sheet under the head other current assets- others</p>	
<p>b) The corporation is using old software for accounting. The software for accounting and Deposits needs up gradation and changes as per the accounting and legal requirements urgently. The Sub ledger and General Ledger balance of deposits generated through the same software does not tally. The amount of difference between the general ledger and sub ledger is Rs. 714231.00as on 31st March 2017.</p>	<p>The five year initial contract period with the service provider has been completed. Negotiation are underway for upgrading hardware and software platforms. It shall be implemented from the current year. The difference between ledger and sub ledger has been reconciled and tallied.</p>
<p>c) As per policy of the company, valuation of the construction of the property is to be done at different stages of construction on percentage basis. In our opinion the percentage of construction cannot be certified by the valuer correctly but it should be done on actual construction done basis. Secondly we have observed that in almost all the cases the valuers have valued property much higher than the actual sale price. It results in failure of auction when the account turns NPA as the valuation at the time of auction is always done keeping in mind the previous valuation done.</p>	<p>The engineer is certifying the extent of completion of project at different stages of construction and these are not valuation certificates. They are stage completion certificate.</p> <p>Branch Managers are doing independent assessment of valuation based on market perception and avoiding inflated valuation.</p>
<p>d) The legal procedure to be followed when the accounts is identified as NPA is not followed swiftly and within the time prescribed and is generally late.</p>	<p>Recovery steps are swiftly being initiated including sequestration and disposal of the property</p>
<p>e) Insurance of property mortgaged is not done in all the cases. There is no policy of the company as regards insurance. In our opinion insurance of all the properties mortgaged should be done to avoid any loss on account of damage to property because of natural calamities, disasters or other reasons</p>	<p>The Company is in the process of selecting a Bancassurance partner and completing the Insurance of mortgaged assets in the current Financial Year.</p>

Review of Accounts by C&AG

The annual accounts for the year ended 31st March, 2017 have been reviewed by the Comptroller and Auditor General of India (C&AG). C&AG has not given any additional comments.

12) DIRECTORS

In terms of Article 99 of the Articles of Association of your Company and the provisions of the Companies Act, 2013, Smt. V.T. Subramanian and Shri Vineet Singhal, Directors are liable to retire by rotation and are eligible for re-appointment.

The following Directors were ceased to be Directors of the Company:

S. No.	Name of the Director	Date of Cessation W.e.f.
1	Shri Sanjay Shukla	18/10/2016
2	Shri Anil Kumar Bansal	22/05/2017
3	Dr. Rishabh Chand Lodha	28/02/2017

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 Managing Director, Independent Director & Nominee Director of the Company respectively.

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

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

Your Company received declarations from the independent directors, viz. Shri. V. Sridar, Shri. Anil Girotra and Shri. A.K.Bansal for the financial year 2017-18 as required under the provisions of section 149 (6) of the Companies Act, 2013. Hence, your Directors are of the opinion that the Independent Directors are not disqualified to continue as Independent Directors on the Board of the Company.

13) EVALUATION

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

14) CHANGE IN KMP

During the year under review Shri Sanjay Shuka resigned from the position of Managing Director from 18/10/2016, Shri Sanjay Mallik was appointed as Managing Director of CBHFL w.e.f 27/12/2016. Shri Vijay Kumar Singh was appointed as Chief Financial Officer of the Company w.e.f 07/07/2016. Shri Manish Singh Payal was appointed as Company Secretary of the Company w.e.f 27/12/2016.

15) NUMBER OF MEETINGS OF THE BOARD

During the year, the Board met four times, i.e. on May 25, 2016, August 30, 2016, December 27, 2016 and February 20, 2017. Further for the number of meetings attended by the Directors and other details, please refer to "Report on Corporate Governance" as annexed to this Report.

16) AUDIT COMMITTEE

Your Company duly constituted Audit Committee in terms of the Section 177 of the Companies Act, 2013. As on 31st March, 2017 the Committee comprises of Five* members as under:

1	Shri. V. Sridar- Non-Executive Independent Director	Chairman
2	Shri. Anil Girotra- Non-Executive Independent Director	Member
3	Shri. A. K. Bansal- Non-Executive Independent Director	Member
4	Shri. Narender Singh-Non-Executive Director	Member
5	Shri. Sanjay Mallik- Managing Director	Member

*Committee reconstituted by BOD on 27.12.2016.

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.

Further for the number of meetings attended by the Directors and other details, please refer to "Report on Corporate Governance" as annexed to this Report.

17) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted u/s Section 178 of the Companies Act, 2013. As on 31st March, 2017 the Committee comprises of 5 members as under:

1	Shri. V. Sridar- Non-Executive Independent Director	Chairman
2	Shri. B. K. Divakara- Non-Executive Director	Member
	Shri. Anil Girotra- Non-Executive Independent Director	Member
4	Shri. A. K. Bansal- Non-Executive Independent Director	Member
5	Shri Vineet Singhal- Non-Executive Director	Member

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

Further for the number of meetings attended by the Directors and other details, please refer to "Report on Corporate Governance" as annexed to this Report. Nomination remuneration policy of the Company is annexed as **Annexure-I**

18) CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company duly constituted Corporate Social Responsibility (CSR) Committee in terms of the provisions of section 135 of the Companies Act, 2013. As on 31st March, 2017 the Committee comprises of 6 members as under:

1	Shri. A. K. Bansal- Non-Executive Independent Director	Chairman
2	Shri. Anil Girotra- Non-Executive Independent Director	Member
3	Shri. V. Sridar- Non-Executive Independent Director	Member
4	Shri. Narender Singh- Non-Executive Director	Member
5	Shri Vineet Singhal- Non Executive Director	Member
6	Shri. Sanjay Mallik- Managing Director	Member

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

During the year, the Company has contributed a sum of Rs. 27,49,595 /- to AIIMS (All India Institute of Medical Sciences) on account of CSR fund which pertains to financial year 2016-17.

The disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been enclosed in this report as **Annexure-II** and which shall form part of this report.

19) DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts for the year 2016-17, 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 at the end of the financial year 31st March, 2017 and of the profit and loss of the company for that period;
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis and
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Except in the ordinary course of its business, your company neither gave any loans or guarantees nor made any investments under the provisions of section 186 of the Companies Act, 2013.

21) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

22) EXTRACTS OF ANNUAL RETURN

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

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

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

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

24) RISK MANAGEMENT

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

The Audit Committee of the Board also plays the role of Risk Management Committee and assists the Board in its oversight of various risks including credit risk, operational risk, market risk, liquidity risk, investment risk, etc. However 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 the Audit & Risk Management Committee Board has constituted Asset Liability Committee to monitor Structural Liquidity, Interest rate risk Management. Further ALCO is also responsible to superwise short term business requirement of the Company.

The Committee reviews, compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposures related to specific issues and provides oversight of risk across the organization.

25) REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT

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

26) FRAUD REPORTED DURING THE YEAR

Five Fraud Accounts amounting to Rs 159,32,001 has been reported in the Company during the financial year 2016-17. The detailed report has already been placed in Audit Committee Meeting and Board Meeting.

27) STATEMENT OF CORPORATE GOVERNANCE

Your Company has been complying with the standards of Corporate Governance 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.

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

28) HUMAN RESOURCES

Your Company aims to align HR practices with business goals, motivate people for higher performance and build 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, 2017, the Company had 88 employees on rolls.

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

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

29) COMPLIANCE WITH DIRECTIONS & GUIDELINES OF NHB

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

The Know Your Customer (KYC) guidelines, Fair Practice 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 submitting its data in respect of loan to CERSAI.

30) INTERNAL AUDIT & INTERNAL FINANCIAL CONTROL & ADEQUACY

Your Company performs internal audit of the branches on quarterly basis and conducts comprehensive audit of functional areas and operation of the company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements. Significant audit observations and follow up actions thereon are reported to the audit committee. The Audit Committee reviews and evaluates adequacy and effectiveness of the Company's internal control environment and monitors the implementations of audit recommendations.

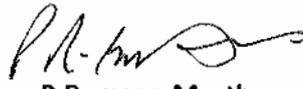
31) ACKNOWLEDGEMENT

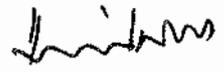
Your Directors wish to place on record their appreciation for the continued support and guidance from the Government of India, National Housing Bank, Central Bank of India, , HUDCO and Unit Trust of India. Your Directors also wish to place on record their appreciation for the continued patronage and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

32) A detailed Management Discussion and Analysis report is annexed as **Annexure VI**

For and On Behalf of the Board

Place : Mumbai
Date : 04/12/2017


P.Ramana Murthy
Chairman
DIN 07815852


B.S. Harilal
Managing Director
DIN 07886919

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

3. 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

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

(i) Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Independent Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any Managerial Personnel who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii) Term / Tenure

Managing Director/Whole-time Director/Executive Director:

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

Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not during the aforesaid period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- Independent Directors shall be issued an appointment letters in the format enclosed as **Annexure-I** and they shall abide by the code of conduct as specified under Schedule IV of the Companies Act, 2013, which is enclosed as **Annexure-II**.

(iii) Evaluation

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

(iv) Removal

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

(v) Retirement

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

5. 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.

6. 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 1/3rd 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.

7. 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.

8. FREQUENCY OF MEETINGS

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

9. 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.

**SPECIMEN
LETTER OF APPOINTMENT TO INDEPENDENT DIRECTOR(S)**

Dated:

Shri/Smt.....

.....

.....

Sub: Appointment Letter

Dear Sir,

We are pleased to inform you that the Members of the Company at the Annual General Meeting (AGM) held onhave appointed your goodself as an Independent Director of the Company for a period of 5 (five) consecutive years w.e.f.i.e. the date of theAnnual General Meeting (AGM) of the Company.

The terms and conditions of your appointment are as follows-**1. Term of Appointment:** 5 (Five) Years w.e.f.(Date of AGM)**2. Role and functions:**

Your role and functions shall be guided as per the Code for Independent Directors (Schedule IV) pursuant to Section 149(8) of the Companies Act, 2013, which have been stipulated as under:

- a) Bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) Bringing an objective view in the evaluation of the performance of board and management;
- c) Scrutinizing the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- d) Satisfying oneself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) Safeguarding the interests of all stakeholders, particularly the minority shareholders;
- f) Balancing the conflicting interest of the stakeholders;
- g) Determining appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommending removal of executive directors, key managerial personnel and senior management.
- h) Moderating and arbitrating in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

3. The Board expects a time commitment from your goodself which would include the following:

- a) You shall strive to attend all meetings of the Board of Directors and of the Board Committees of which you are a Member;
- b) You shall participate constructively and actively in the Committees of the Board in which you are a Chairperson or Member;
- c) You shall strive to attend the general meetings of the Company.
- d) You shall be intimated in advance of the date, time and venue of the meetings of the Board or Committee thereof in which you are a member and Annual General Meeting and general meetings, if any, for attending the said meetings.

4. While performing your duties as an Independent Director, the Board expects you to:

- a) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- b) ensure, where you have concerns about the running of the Company or a proposed action, that these are addressed by the Board and, to the extent that they are not resolved, insist that concerns are recorded in the minutes of the Board meeting;
- c) keep yourself well informed about the company and the external environment in which it operates;
- d) not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- e) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the interest of the Company;
- f) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- g) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- h) act within authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- i) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;
- j) Constructively challenge and contribute to the development of overall strategy of the Company.

5. The Independent Directors are expected to:

- a) abide by the Code for Independent Directors as specified under **Schedule IV** to the Companies Act, 2013 including any amendment thereof in future.
- b) follow the below mentioned professional conduct as an Independent Director of the Company:
 - i. Uphold ethical standards of integrity and probity;
 - ii. Act objectively and constructively while exercising your duties;
 - iii. Exercise responsibilities in a bona fide manner in the interest of the Company;
 - iv. Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
 - v. Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
 - vi. Assist the Company in implementing the best corporate governance practices.

6. Remuneration:

- a) You shall be paid sitting fees for attending the meetings of the Board or any Committee thereof or for any other purpose whatsoever as may be decided by the Board from time to time;
- b) You shall be reimbursed the expenses for participation in the Board and other Committee meetings;

7. Discontinuation:

- a) Your Directorship on the Board of the Company shall terminate or cease in accordance with law or in accordance with provisions contained in the Articles (as may be amended from time to time). You may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later;
- b) If, at any stage during the term of your Directorship, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act, or if applicable, you fail to meet the criteria for 'independence' you agree to promptly submit your resignation to the Company with effect from the date of such change. You shall also promptly submit your resignation to the Company as and when the Board of Directors by majority decision pass a resolution to that effect;
- c) Upon such termination or resignation for any reason or on not having been reappointed by the shareholders for any reason, you shall not be entitled to any damages or compensation for loss of office or otherwise and no fee or remuneration or commission, as the case may be, will be payable to you in respect of any unexpired portion of the term of your appointment.

8. Others:

You shall give annual declaration as required under the provision of Section 149(7) of the Companies Act, 2013 and the rules made thereunder. Besides above, you shall provide disclosure of interest as required under the Companies Act, 2013 and Rules framed thereunder

The Appointment Letter is issued based on the Companies Act, 2013, Rules framed thereunder prevalent at the time of appointment. Any change in the above shall automatically entail changes in the terms and conditions.

We look forward for your valuable contribution and guidance to the growth of the Company.

Thanking you.

Yours faithfully,

For and on behalf of Board of Directors

**Managing Director
Cent Bank Home Finance Ltd**

I have read and agree to the above terms regarding my appointment as an Independent Director of Cent Bank Home Finance Limited

Mr./Mrs.
Independent Director
(DIN:)

Dated

SCHEDULE IV
[See section 149(8)]
CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

Corporate Social Responsibility (CSR)

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

- 1. A Brief Outline of CSR Policy, including overview of projects and programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or program**
 Company's CSR Policy is available on the Weblink: http://www.cbhfl.com/csr_rules.php

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

- a) The Company endeavors to contribute to CSR activities as specified under Schedule VII of the Companies Act, 2013. A corpus with an amount not exceeding 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) Communal 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.

2. Composition of the CSR Committee:

The CSR Committee comprises of total 6 members with 3 Non-Executive Independent Directors and 3 Non Executive Directors. Majority of the Committee consists of Independent Directors. The following are the Committee Members as on 31st March, 2017:

1	Shri A. K. Bansal- Non-Executive Independent Director	Chairman
2	Shri Anil Girotra- Non-Executive Independent Director	Member
3	Shri V. Sridar- Non-Executive Independent Director	Member
4	Shri Narender Singh-Non-Executive Director	Member
5	Shri Sanjay Mallik- Managing Director	Member
6.	Shri Vineet Singhal- Non Executive Director	Member

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

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

(in Rs.)

Particulars	2015-16	2014-15	2013-14
Net profit under section 198	17,34,28,863	15,85,36,736	8,04,70,931
Avg.Net Profit	13,74,78,843.33		
Prescribed CSR Expenditure	27,49,595.00		

3. Details of CSR spent during the financial year:

(a) Prescribed CSR Expenditure

(i) For the financial year 2016-17

:- Rs.27,49,595.00

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

:- Rs.27,49,595.00

(c) Amount unspent, if any

0

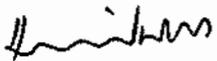
(d) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
01	Contribution to AIIMS	Contribution to AIIMS for Scientific research	Contribution to AIIMS for Scientific research	Rs. 27,49,595	Rs. 27,49,595	Rs. 27,49,595	Direct on 31.03.2017

4. The CSR committee and the Board will review the implementation and monitoring of CSR Policy at periodical intervals and shall ensure that it is in compliance and in accordance with CSR objectives and Policy of the Company.

Place : Mumbai

Date : 04/12/2017


Managing Director

DIN: 07886919

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 including certain arms length transactions under third proviso thereto

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 31st March, 2017 which were not at arm's length basis.

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

LOANS AVAILED FROM RELATED PARTIES				
Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangement/ Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any:	Amount of loan
Central bank of India, Holding Company	OD facility	Revised time to time	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate	Rs.50.00 Crs
Central Bank of India, Holding Company	Fresh Term Loan facility	Term loan repayable in 28 qtly installments	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate	Rs.100.00 Crs
Central Bank of India, Holding Company	Fresh Term Loan facility	Term loan repayable in 28 qtly installments	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate	Rs.100.00 Crs
Central Bank of India, Holding Company	Fresh Term Loan facility	Term loan repayable in 60 monthly installments	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate	Rs. 100.00 Crs
National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 60 quarterly installments	Charge is created by way of specific lien on book debts of 1:1.20 times. Rate of interest will be applicable rate from time to time	Rs.50 Crs

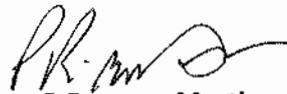
National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 60 quarterly installments	Charge is created by way of specific lien on book debts of 1:1.20 times. Rate of interest will be applicable rate from time to time	Rs.50 Crs
National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 60 quarterly instalments	Charge is created by way of specific lien on book debts of 1:1.20 times. Rate of interest will be applicable rate from time to time	Rs.50 Crs
National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 60 quarterly instalments	Charge is created by way of specific lien on book debts of 1:1.20 times. Rate of interest will be applicable rate from time to time	Rs.100Crs
REMUNERATION PAID/PAYABLE TO MANAGING DIRECTOR				
Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangement/ Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any:	Amount paid during the year

Mr. Sanjay Shukla, Managing Director	Appointment as Managing Director of the Company	5 years with effect from 08/05/2013	<ul style="list-style-type: none"> • Appointment will be for 5 years at a remuneration of Rs.50 lakhs PA (Fixed-Rs.40 lakhs; variable-Rs.10 lakhs) for the first year and with increased remuneration if any from 2nd year onwards. • He shall be responsible for planning, organizing, implementing, overseeing, and reporting on all operational and program functions of the Company. He shall be an administrative head of the Company and shall be responsible for implementation of Board Directives in achieving short term and long term objectives. • During the employment with the Company, he shall not accept any other form of employment, or engaged in any other business activity without the prior written consent of the company. 	Rs 31.19 lakhs
Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangement/ Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any:	Amount paid during the year
Mr. Sanjay Mallik, Managing Director	Appointment as Managing Director of the Company	1 years with effect from 27/12/2016	As per the Central Bank of India (Officers') Service Regulations	Rs 4.19 Lakhs
REIMBURSEMENT OF SALARY & PERQUISITES OF STAFF ON DEPUTATION FROM CENTRAL BANK OF INDIA, HOLDING COMPANY				
Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangement/ Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any:	Amount paid During the year
Central Bank of India, Holding Company	Reimbursement of salaries & perquisites of staff of holding	As long as company remains subsidiary of	Staff will be on the roles of Central Bank of India and will be under service conditions of the said Bank. Bank may withdraw their staff at any point of time	Rs.14.88 lakhs

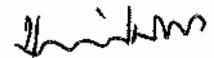
	company on deputation to the company	Central Bank of India	and replace with others.	
PREMISES MAINTENANCE CHARGES PAID/PAYABLE TO CENTRAL BANK OF INDIA, HOLDING COMPANY				
Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangement/ Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any:	Amount paid During the year
Central Bank of India, Holding Company	Sub-letting part of its premises to the Registered Office of the Company at Bhopal	Nil	Bank shall recover maintenance charges at a rent of Rs.1 lakh PM excluding electricity charges for an area of 3500 Sq.ft, which is to be payable on Quarterly basis.	Rs. 12.00 lacs
Central Bank of India, Holding Company	Sub-letting part of its premises to the Branch Office of the Company at Belapur, Mumbai	Nil	Bank shall recover maintenance charges at a rent of Rs.5000 PM excluding electricity charges for an area of 700 Sq.ft, which is to be payable on Quarterly basis.	Rs.60000
Central Bank of India, Holding Company	Sub-letting part of its premises to the Branch Office of the Company at Pune	Nil	Bank shall recover maintenance charges at a rent of Rs.50215 PM for an area of 728 Sq.ft, which is to be payable on Quarterly basis.	Rs. 6,02,580
ACCEPTANCE OF DEPOSITS FROM THE INSTITUTIONS PROMOTED BY CENTRAL BANK OF INDIA, HOLDING COMPANY				
Name(s) of the related party and nature of relationship	Nature of contracts/ Arrangement/ Transaction	Duration of the contracts/ Arrangement/ Transaction	Salient terms of the contracts or arrangement or transaction including the value, if any:	Amount
CENTRAL MADHYA	Acceptance of Deposits from	Deposit accepted for	Amount matured on 29/12/15 at ROI 10%	Rs.60.71 Crs

PRADESH GRAMIN BANK	the Institution promoted by the Holding Company	the tenure of 1 year on 29/12/2014 and renewed.		
CENTRAL MADHYA PRADESH GRAMIN BANK	Acceptance of Deposits from the Institution promoted by the Holding Company	Deposit accepted for the tenure of 1 year on 02/01/2015.	Amount matured on 02/01/16 at ROI 10%	Rs.60.71 Crs
CENTRAL MADHYA PRADESH GRAMIN BANK	Acceptance of Deposits from the Institution promoted by the Holding Company	Deposit accepted for the tenure of 1 year on 08/01/2015.	Amount matured on 08/01/16 at ROI 9.50%	Rs.15.00 Crs
CENTRAL MADHYA PRADESH GRAMIN BANK	Acceptance of Deposits from the Institution promoted by the Holding Company	Deposit accepted for the tenure of 1 year on 10/10/ 2015.	Amount matured on 30/09/2016 at ROI 9.00%	Rs.15.00 Crs
CENTRAL MADHYA PRADESH GRAMIN BANK	Acceptance of Deposits from the Institution promoted by the Holding Company	Deposit accepted for the tenure of 1 year on 02/01/2016. (66 FDRs of Rs. 1.00 Crore each and 1 FRD of Rs. 1.02 Crore)	Amount matured on 02/01/2017 at ROI 9.00%	Rs.67.02Crs

For and On Behalf of the Board



P.Ramana Murthy
Chairman
DIN 07815852



B.S. Harilal
Managing Director
DIN 07886919

Place : Mumbai
Date : 04/12/2017

RELATED PARTY TRANSACTION POLICY

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

1) Definitions:

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

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

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

ii) **Relative: [section 2(77)]**

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

- Father (including step father);
- Mother (including step mother);
- Son (including step-son);
- Son's wife;
- Daughter;
- Daughter's husband;
- Brother (including step-brother);
- Sister (including step-sister).

iii) **Key Managerial Personnel: [section 2(51)]**

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

- The Chief Executive Officer or the Managing Director or the Manager;
- The Company Secretary;
- The Whole-time director;

- The Chief Financial Officer;
and such other officer as may be prescribed.

2) Related Party Transactions

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

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

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

3) Procedures:

- The Audit Committee of the Board of the Company will review the relevant facts and circumstances of each Related Party Transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the Related Party's interest in the transaction, take into account the conflicts of interest and either approve or disapprove the Related Party Transaction.
- Any Related Party Transaction that would be entered into and would continue only if the Audit Committee has approved or ratified such transaction in accordance with the guidelines set forth in this policy.
- If advance approval of a Related Party Transaction requiring the Audit Committee's approval, is not practicable, then the transaction may be preliminarily entered into by management subject to ratification of the transaction by the Audit Committee at the Audit Committee's next regularly scheduled meeting; provided that if ratification will not be done, management will make all reasonable efforts to cancel or annul such transaction.
- Management will present to the Audit Committee each proposed Related Party Transaction, including all relevant facts and circumstances, and will update the Audit Committee as to any material changes to an approved or ratified Related Party Transaction and will provide a status report annually at a regularly scheduled meeting of the Audit Committee, of all then current Related Party Transactions.
- No director shall participate in approval of a Related Party Transaction for which he or she is a Related Party.

Approval of Shareholders in certain transactions

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

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

4) Pre-Approved Transactions:

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

a) Managerial Remuneration

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

- To Key Managerial Personnel if the remuneration is required to be reported / circulated to the shareholders pursuant to requirement of the Companies Act, 2013 and such remuneration has been approved, or recommended to the Company's Board of Directors for approval, by Nomination and Remuneration Committee of the Board of Directors of the Company.
- b) Transactions that are in the Company's ordinary course of business such as the following:**

Borrowing or Raising of funds in the nature of deposits, NCD, Bonds (Tier I or II, subordinate etc) including Term loans, OD facilities & other credit facilities for business of the company from the promoter(s) & their Associate Companies (including Body Corporates), repayment / payment of interest or principal towards secured or unsecured loans, deposits. Issue of equity shares, PTC and payment of interest or other return on such subscription
- c) Transactions that are in the nature of payment of rent, dividend, reimbursement of municipal taxes, reimbursement of electricity expenses, reimbursement of gratuity for staff on deputation from promoter(s) including payment for staff training, conference and towards renovation and repairs either to promoter or subsidiary or associate.**
- d) Transactions that are in the nature of payment/reimbursement of rent, municipal taxes, electricity expenses with respect to premises of Promoters occupied by the branches/Head Office of the Company.**

Disclosure:

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

Other Agreements:

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

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[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, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011 Tel No:- 0755-4019308; Email-Id:- manish.payal@cbhfl.com
(vi)	Whether listed company	:- No
(vii)	Name ,Address and Contact details of Registrar and Transfer Agent, if any:-	:- M/s. Karvy Computershare Pvt. Ltd. 17-24, VittalraoNagar, Madhapur Hyderabad – 500 081 Tel No:-040-23420815 – 24

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	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 – 400 021	Not Applicable	Holding	64.40%	2(46)

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

i) Category-wise Share Holding

Category of shareholders	No. of shares held at the Beginning of the year				No. of the Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. PROMOTERS									
(1) Indian									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Bank/FI	7200000	17800000	25000000	100%	7200000	17800000	25000000	100%	Nil
(f) Any other..	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1)	7200000	17800000	25000000	100%	7200000	17800000	25000000	100%	Nil
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Bank/FL	--	-	-	-	-	-	-	-	-
e) Any Others.	-	-	-	-	-	-	-	-	-
Sub-Total(A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A)=(A)(1)+(A)(2)	7200000	17800000	25000000	100%	7200000	17800000	25000000	100%	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/FL	-	-	-	-	-	-	-	-	-
c) Central Govt	--	-	-	-	-	-	-	-	-
d) State Govt(s)	--	--	--	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
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)	--	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7200000	17800000	25000000	100%	7200000	17800000	25000000	100%	Nil

ii) Shareholding of Promoters

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

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

	Shareholding at the beginning of the year		Cumulative Share holding during the year	
	No of shares	% of the total shares of the company	No of shares	% of the total shares of the company
At the beginning of the year	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	NIL			
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
Shri B.K. Divakara & Central Bank of India				
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)	-	-	-	-
At the end of the year(or on the date of separation, if separated during the year)	20	0.00	20	0.00
Shri R.K. Goyal & Central Bank of India				
At the beginning of the year	50	0.00	50	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)	Decrease in Shareholding due to Transfer of 50 shares to Shri Sanjay Mallik on 27/12/2016			
At the end of the year(or on the date of separation, if separated during the year)	0	0.00	0	0.00
Shri Narender Singh & Central Bank of India				
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)	-	-	-	-
At the end of the year(or on the date of separation, if separated during the year)	20	0.00	20	0.00

Shri Sanjay Shukla & Central Bank of India				
At the beginning of the year	10	0.00	10	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)	Decrease in Shareholding due to Transfer of 10 shares to Shri Sanjay Mallik on 27/12/2016			
At the end of the year(or on the date of separation, if separated during the year)	0	0.00	0	0.00
Shri Sanjay Mallik & Central Bank of India				
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)	Increase in Shareholding due to Transfer of 50 shares of Shri R.K. Goyal & 10 shares of Shri Sanjay Shukla on 27/12/2016			
At the end of the year(or on the date of separation, if separated during the year)	60	0.00	60	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
Indebtedness at the beginning of the financial year	4803003449	Rs.300000000	Rs 5626142029	Rs.10729145478
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	Rs. 3580659818		Rs .2694813879	Rs.6275473697

<ul style="list-style-type: none"> • Addition • Reduction 	Rs. 2648508348		Rs. 2153592102	Rs.4802100450
Net Changes	Rs. 932151470		Rs. 541221777	Rs.1473373247
Indebtedness at the end of the financial year i)Principal Amount ii) Interest due but not paid iii)Interest accrued but not due	Rs. 5572413628	Rs.300000000	0 Rs 326478555	Rs.6198892183
Total (i+ii+iii)	5572413628	Rs.300000000	Rs 6805849019	Rs. 12678262647

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. Sanjay Shukla
1.	Gross Salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under Section17(3) Income-tax Act,1961	Rs.20,15,312.00 Rs. 1,04,658.00
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - As % of profit - Others (Variable compensation)	Rs.10,00,000.00
5.	Others, please specify	Nil
	Total(A)	Rs.31,19,970.00
	Ceiling as per the Act	5% of the Net Profits

S. No.	Particulars of Remuneration	Name of MD:- Shri. Sanjay Mallik
1.	Gross Salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary under Section17(3) Income-tax Act,1961	Rs.3,58,558.00 Rs. 60,837.00
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - As % of profit - Others (Variable compensation)	Nil
5.	Others, please specify	Nil
	Total(A)	Rs 4,19,395.00
	Ceiling as per the Act	5% of the Net Profits

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total Amount
	Shri. V. Sridar	Shri. Anil Girotra	Shri. A.K. Bansal	
1. Independent Directors				
• Fee for attending board/committee meetings	Rs.2,60,000	Rs. 2,60,000	Rs.2,20,000	Rs.7,40,000
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
Total(1)	Rs. 2,60,000	Rs.2,60,000	Rs.2,20,000	Rs.7,40,000
4. Other Non-Executives Directors				
• Fee for attending board/committee meeting	Nil	Nil	Nil	Nil
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
Total (2)	-	-	-	-

Total (B)=(1+2)	Rs. 2,60,000	Rs.2,60,000	Rs.2,20,000	Rs.7,40,000
Total Managerial Remuneration	Rs. 42,79,365.00			
Overall Ceiling as per the act	11% of the Net Profits			

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

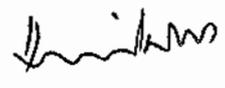
S. No.	Particulars of Remuneration				
		CEO	Company Secretary	CFO	Total
1.	Gross Salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section17(3) Income-tax Act,1961	-	Rs. 2,45,407.00	Rs. 12,73,167.00	Rs.15,18,574.00
			Nil		Nil
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Other, specify...	-	Nil	-	Nil
5.	Others, please specify	-	-	-	-
	Total	-	Rs. 2,45,407.00	12,73,463	Rs.15,18,574.00

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A) COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B) DIRECTOR					
Penalty	NIL				
Punishment					
Compounding					
C) OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and On Behalf of the Board


P.Ramana Murthy


B.S. Harilal

Place : Mumbai

Chairman

Managing Director

Date : 04/12/2017

DIN 07815852

DIN 07886919

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE FOR 2016-17

CENT BANK HOME FINANCE LIMITED, its promotee institutions, Board of Directors and Management of the Company strongly support the principles of corporate governance and good corporate governance practice in the Company.

The 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 Unit Trust of India (UTI). All these institutions believe in strong Corporate Governance culture. We are not only following the regulatory requirement of corporate governance in the Company but also striving hard to achieve the customer satisfaction, employee's obligation and other stakeholder's expectations as well as regulatory compliance in respect of government and non government bodies regulating the Company.

The Company and its Board of Directors strongly believe in 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 hereunder:-

BOARD OF DIRECTORS:

a) COMPOSITION:

As on 31st March, 2017, total 10 directors were there on the board of the Company. Out of them, 6 were Non Executive Directors, 3 were Non Executive Independent Directors and one was Executive Director i.e. Managing Director. The 3 Non Executive Directors were Nominee Directors from Central Bank of India and remaining 3 Directors were Nominee Directors from each Promotee Institutions viz., UTI, 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 31st March, 2017 is mentioned below:

S. No.	Name of Directors	Category of Directors	No. of other Directorships (including Body Corporates)	No. of shares held in the Company	Committee Memberships in the Company		Committee membership in other Companies	
					As Member	As Chairman	As Member	As chairman
1.	Shri B.K. Divakara	Non Executive Director from CBI (Appointed w.e.f.29/03/2014 and elevated as	2	20*	1	-	-	-

		Chairman of the Company w.e.f. 20/02/2015)						
2.	Shri V. Sridar	Non Executive Independent Director (Reappointed w.e.f.06/08/2014 as independent director in terms of provisions of section 149 of the Act in 23 rd AGM)	10	-	5	2	-	-
3.	Shri Anil Girotra	Non Executive Independent Director (Reappointed w.e.f.06/08/2014 as independent director in terms of provisions of section 149 of the Act in 23 rd AGM)	-	-	5	2	2	-
4.	Shri Anil Kumar Bansal	Non Executive Independent Director (Reappointed w.e.f.06/08/2014 as independent director in terms of provisions of section 149 of the Act in 23 rd AGM)	6	-	4	1	-	-
5.	Shri Pradeep Kumar	Non Executive Director from CBI	1	-	1	-	-	-
6.	Smt. Vasantha Govindan	Non Executive Director from	-	-	1	-	-	-

		SUUTI						
7.	Shri Narender Singh	Non Executive Director from CBI	-	20*	4	-	-	-
8.	Shri V. T. Subramanian	Non Executive Director from HUDCO	2	-	2	1	-	-
9.	Shri Vineet Singhal	Non Executive Director from NHB	-	-	3	-	-	-
10.	Shri Sanjay Mallik	Managing Director (Appointed w.e.f 27/12/2016 in place of Shri Sanjay Shukla)	-	60*	6	-	-	-

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

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

b) RESPONSIBILITIES OF THE BOARD:

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

The Board has a formal schedule of matters reserved for its consideration and decision, apart from those legally required e.g. at every Board Meeting quarterly performance is reviewed, actions on recovery of overdues are recommended, availability of financial resources are ensured, compromise proposals are discussed, strategies 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 as 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 duties in accordance with the provisions of section 166 of the Act, which prescribes as under:

- A director of a company shall act in accordance with the Articles of Association (AOA) of the company.
- A director of the company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

- A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- A director of a company shall not assign his office and any assignment so made shall be void.

c) BOARD MEETINGS:

The Board meets at least once in a quarter. Agenda for the Board Meetings are prepared well in advance and detailed agenda papers are circulated among all the Directors. They are free to recommend and suggest for inclusion of any other item in the agenda for further discussions.

During the year 2016-17, four meetings were held on May 25th, 2016, August 30th, 2016, December 27th, 2016, and February 20th, 2017. The number of meetings attended by the Directors is mentioned below:-

S. No.	Name of Director	Board Meeting held during tenure	No. of Meetings Attended	Last AGM Attended or Not	Sitting Fee Paid (Rs.)
1.	Shri Anil Girotra	4	4	Yes	80000
2.	Smt. Vasantha Govindan	4	2	No	-
3.	Shri Sridar Venkatesan	4	4	Yes	80000
4.	Shri V.T. Subramanian	4	2	Yes	-
5.	Shri Narender Singh	4	4	Yes	-
6.	Shri B.K. Divakara	4	4	Yes	-
7.	Shri Sanjay Shukla	2	2	Yes	-
8.	Shri Anil Kumar Bansal	4	4	Yes	80000
9.	Shri Pradeep Kumar	4	3	No	-
10.	Shri Vineet Singhal	4	2	No	-
11.	Shri Rishabh Chand Lodha*	4	3	Yes	-
12.	Shri Sanjay Mallik	2	2	-	-

*Shri Rishabh Chand Lodha resigned from the Board with effect from 28th February, 2017.

d) AUDIT COMMITTEE:

The Company has an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013. As on March 31st, 2017 the Audit Committee consists of 3 Non-Executive Independent Directors, 1 Non-Executive Director and 1 Executive Director. The Members of the Audit Committee as on March 31st, 2017 are Shri V. Sridar (Chairman), Shri Anil Girotra, Shri A.K. Bansal, Shri Narender Singh and Shri Sanjay Mallik.

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 2016-17, four Audit Committee meetings were held i.e. on May 25th, 2016; August 30th, 2016; October 13th, 2016 and December 27th, 2016 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 V. Sridar	Independent Director	4	4	80000
2.	Shri Anil Girotra	Independent Director	4	4	80000
3.	Shri A.K. Bansal	Independent Director	4	3	60000
4.	Shri Narender Singh	Nominee Director	4	4	-
5.	Shri Sanjay Shukla	Managing Director	3	3	-

e) ASSET & LIABILITY COMMITTEE (ALCO):

As on March 31st, 2017, the ALCO of the Company comprises of Shri Sanjay Mallik, Managing Director; Shri Vijay Singh, CFO; Shri Manish Singh Payal, Company Secretary and Shri Abhijit Das, CIA. ALCO Meetings are convened with an objective to review the asset liability match & mismatches if any and to decide interest rates on lending and deposits acceptance. The meetings are held atleast once in the quarter and recommendations are given to correct mismatches, if any, observed in the ALM statements.

During the year the Committee has met four times i.e. on May 27th, 2016, August 04th 2016, 15th December 2016, and 27th February, 2017. All members of the Committee were present.

f) CREDIT MANAGEMENT COMMITTEE:

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

- (a) to oversee the credit and lending strategies of the Company in accordance objectives of the Company
- (b) to oversee the credit risk management of the Company including reviewing internal credit policies and
- (c) 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 31st, 2017, the Committee comprises of 6 members with Three Non-Executive Independent Directors, two Non-Executive Directors and one Executive Director. The Members of the Committee are Shri Anil Girotra, Chairman; Shri Sridar Venkatesan, Shri Narender Singh, Shri Pradeep Kumar, Shri Sanjay Mallik & Shri Anil Kumar Bansal. No meeting held during the year.

g) 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 will from time to time review and recommend to the Board HR policies, organization structures, annual plans, remuneration proposals, succession and development plans and also provides support in handling the nomination and compensation proposals for the Board.

As on March 31st, 2017, the Committee consists of 7 Members with Two Non-Executive Independent Directors, Four Non-Executive Directors and one Executive Director.

During the year, the Committee has met once i.e. on 30th August, 2016. The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	1	1	20,000
2.	Shri Sridar Venkatesan	Independent Director	1	1	20,000
3.	Shri Narender Singh	Nominee Director	1	1	-
4.	Shri Sanjay Shukla	Managing Director	1	1	-
5.	Smt. Vasantha Govindan	Nominee Director	1	-	-
6.	Shri V.T. Subramanian	Nominee Director	1	1	-
7.	Shri Vineet Singhal	Nominee Director	1	-	-

h) NOMINATION & REMUNERATION COMMITTEE:

The Company has constituted Remuneration Committee in terms of provisions of Schedule XIII of the Companies Act, 1956. The said Committee has been renamed as Nomination & Remuneration Committee and reconstituted in terms of the provisions of section 178 of the Companies Act, 2013. As on 31st March, 2017 the Committee comprises of Six members with Three Non-Executive Director and Three Non-Executive Independent Directors. The Committee has met twice during the year i.e. on December 27th, 2016 & February 20th 2017. 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 Sridar Venkatesan, Chairman	Independent Director	2	2	40,000
2.	Shri Anil Girotra	Independent Director	2	2	40,000
3.	Shri A.K. Bansal	Independent Director	2	2	40,000
4.	Shri B.K. Divakara	Nominee Director	2	2	-
5.	Shri R.C. Lodha*	Nominee Director	2	1	-
6.	Shri Vineet Singhal	Nominee Director	1	1	-

* Shri Rishabh Chand Lodha resigned from the Board with effect from 28th February, 2017.

During the year the Committee has considered & recommended to the Board the payment of Variable Pay, increment in the salary, considered the Evaluation reports of the Independent Directors on performance of the Directors and the Board as a whole. According to the Companies Act, 2013, role of the Committee is to consider and recommend to the Board the appointment/reappointment of Managing Director/Executive Director(s) in addition to review of their performance and recommending to the Board remuneration for the said directors and also for the key managerial personnel and other Senior Management employees as the case may be.

i) 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 under:

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

As on 31st March, 2017, the Committee comprises of Six members with Two Non-Executive Directors and Three Non-Executive Independent Directors and one Executive Director i.e. MD. The Committee has met once during the year i.e. on August 30th, 2016. 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 A.K. Bansal, Chairman	Independent Director	1	1	20,000
2.	Shri Anil Girotra	Independent Director	1	1	20,000
3.	Shri V. Sridar	Independent Director	1	1	20,000
4.	Shri Narender Singh	Nominee Director	1	1	-
5.	Shri Sanjay Shukla	Managing Director	1	1	-
6.	Shri Vineet Singhal	Nominee Director	1	-	-

j) 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 31st, 2017. The Committee consists of three members chaired by Shri V.T. Subramanian, Non-Executive Director and other Members are Managing Director and Chief Internal Auditor of the Company.

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. No meetings were held during the year.

k) INDEPENDENT DIRECTORS MEETINGS:

The Committee was constituted in order to oversee the working of company's Management. The Committee has met once during the year i.e. on December 27th 2016. 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 V. Sridar	Independent Director	1	1	20,000
2.	Shri Anil Girotra	Independent	1	1	20,000

		Director			
3.	Shri A.K. Bansal	Independent Director	1	1	20,000

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:

a) ANNUAL GENERAL MEETING:

Financial Year	Particulars	Date & Time	Venue	Special Resolution
2015-16	25 th AGM	30 th August, 2016 2.00 P.M.	Registered Office, Bhopal	-
2014-15	24 th AGM	21 st September, 2015 5.00 P.M.	Registered Office, Bhopal	-Increase in borrowing limits of the company -To create Charge/Mortgage on the assets of the company -Private Placement of Non Convertible Debentures including Sub-Ordinate Debt Instruments and/or Other Debt Securities
2013-14	23 rd AGM	06 th August, 2014 10.30 A.M.	Registered Office, Bhopal	-Adoption of New set of Articles of Association -Sub-division of equity shares -Amendment of MOA consequent to sub-division of shares

b) EXTRA-ORDINARY GENERAL MEETINGS:

Financial Year	Particulars	Date & Time	Venue	Special Resolution Passed
2015-16	Nil	Nil	Nil	Nil
2014-15	Nil	Nil	Nil	Nil
2013-14	7 th EGM	10 th November, 2014 3.30 PM	Registered Office, Bhopal	<ul style="list-style-type: none"> • Increase of Borrowing limits to Rs.1000 Crs • Creation of Mortgage /Charge on the assets of the Company • Private Placement of Debt

	6 th EGM	03 rd December, 2013 11.00 AM	Registered Office, Bhopal	• Increase of Authorised Capital to Rs.50 Crs
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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 the 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 basis in preparing its financial statements.
- h) There are no adverse remarks on the financial statements for the financial year 2015-16 of the Company.

Share Capital & Shareholding pattern of the Company as on March 31st, 2017:

The shareholding pattern of the Company as on March 31st, 2017 is as under:

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

The authorised 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 implementation of any shortcomings and ensuring transparency, accountability and standards

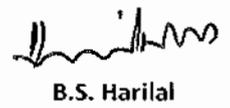
Review and Monitoring by Central Bank of India:

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 also 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.

For and On Behalf of the Board



P. Ramana Murthy



B.S. Harilal

Place : Mumbai

Chairman

Managing Director

Date : 04/12/2017

DIN 07815852

DIN 007886919

Management Discussion & Analysis Report

Industry structure and development:

Economic growth and development of any country depends upon a well developed and controlled financial system. Indian Financial system is enriched with the presence of both banking and non-banking financial. Housing Finance Companies (HFCs) being non-banking financial institutions are playing an important role in the housing sector.

Housing finance sector is the significant contributor of the economy and contributes about 5-6% share of India's GDP. This very sector not only provides roof to the populace but directly and indirectly impacts over 200 ancillary industries, such as cement, steel, transport, construction, paint, brick, building materials, consumer durables etc. It is not debatable that there is shortage of Housing in India. In spite of increase in the housing stock the supply of affordable housing is still the biggest challenge to the Country. The types of housing are broadly classified into:

1. Economically Weaker Section (EWS),
2. Low Income Group (LIG),
3. Middle Income Group (MIG) and
4. High Income Group (HIG).

The Government is encouraging housing sector and has taken various initiatives in this regard. The key reforms introduced by the government to boost the housing sector are given below:

Housing for All

The Union Cabinet launched the "Housing for All by 2022" project on June 25, 2015, also known as the Pradhan Mantri Awas Yojana ("PMAY"), aimed at urban areas. The key components of PMAY include:

- subsidy @ 6.5% per annum for economically weaker sections and lower income group for loans up to Rs.6 lakh (calculated at net present value);
- subsidy @ 4% and 3% respectively to Middle Income group as per the pre-defined criteria for loan amount upto Rs.9 lakh & Rs.12 lakh respectively (calculated at net present value)
- Another major initiative of the Ministry of Rural Development is the launch of Pradhan Mantri Awas Yojana- Gramin (PMAY-G)

Tax incentives

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

- (i) Tax incentives for annual interest payments of up to Rs.2 lakh (Rs.3 lakh for senior citizens) 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) Deduction under section 80EE is also available on the interest paid on home loan by taxpayer or assessee. This deduction is only available to first time home buyers. It was first introduced in the Union Budget for Financial Year 2013-14 as a means to help home buyers in the lower income group through tax reliefs.
- (iv) Further initiatives such as Real Estate 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.

The major opportunities in the HFC sector comprise the following:

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

Key Challenges for HFCs

- Access to low-cost funds and the cost of debt is a major challenge in being able to grow the book
- Demand for home finance might be impacted if there are more ‘pure investors’ purchasing homes rather than ‘genuine home-buyers’
- Higher servicing costs due to more involved nature of credit appraisal can put opex pressures
- Lower asset appreciation and less liquid markets in smaller towns/rural areas can lead to difficulty in recovering Non Performing Assets
- Timely completion of projects without cost escalations is a key concern facing borrowers and financiers alike.

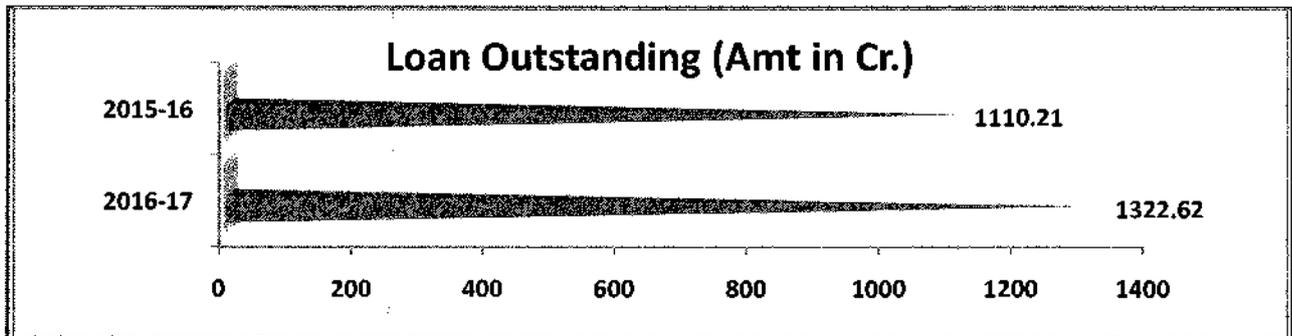
Segment-wise or product-wise performance

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.

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

Loan Outstanding

The gross loan outstanding increased to Rs. 1322.62 Crore as on March 31, 2017 as against Rs. 1110.21 Crore for the corresponding financial year ended March 31, 2016, on account of fresh disbursement of Rs. 415.62 crore in this fiscal and registering growth of 19.13% on Y-o-Y basis.

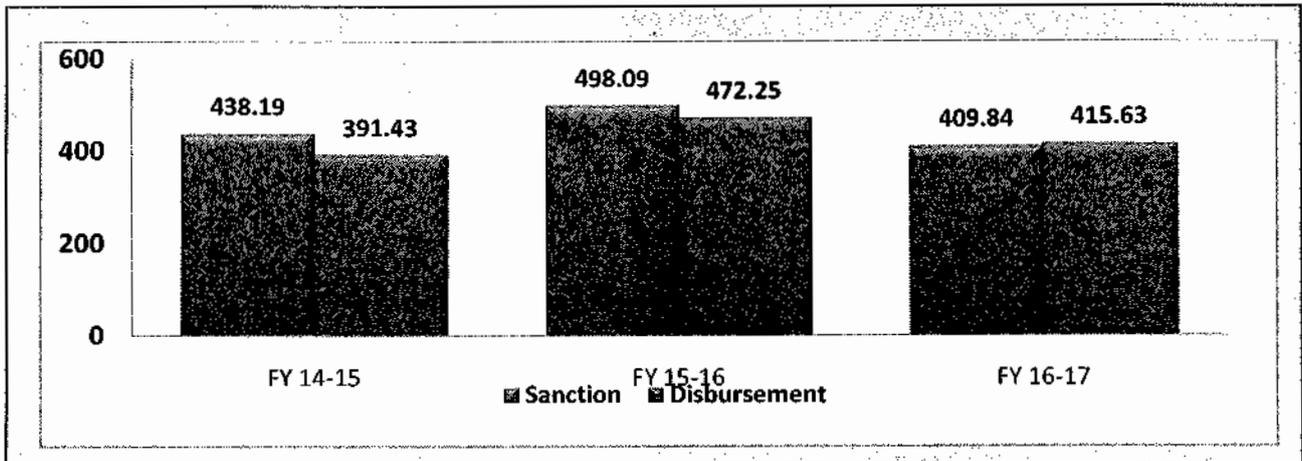


SANCTIONS & DISBURSEMENTS

The Sanctions and Disbursements of housing/other property loans during the financial year ended March 31, 2017 were Rs. 409.84 crore and Rs. 415.68 crore respectively vis-a-vis Rs. 498.09 crore and Rs. 472.25 crore respectively in the previous financial year.

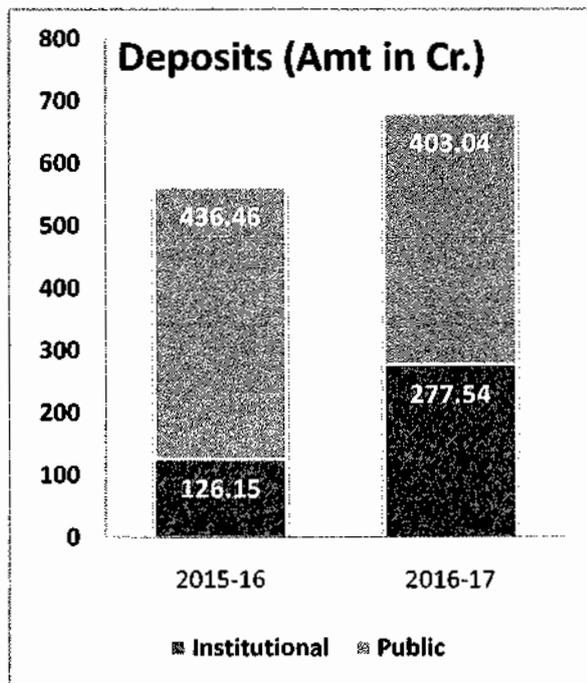
SANCTIONS & DISBURSEMENTS

(Rs. in crore)



Deposits

As on 31.03.2017, the total deposits of your Company are amounting to Rs. 680.58 crore (which includes from public of Rs. 403.04 crore and institutional deposits of Rs. 277.54 crore) as compared to Rs. 562.61 crore (which includes Public deposits of Rs. 436.46 crore and institutional deposits of Rs. 126.15 crore) at the end of the previous year.



Outlook

Not only is housing an indicator of social wellbeing, but it is also a key multiplier in the nation's economic growth. However, most of the housing development so far has largely targeted the high/mid-income population, and there remains a clear gap between supply and demand for the low-income population. In terms of housing finance, majority of the loans are disbursed to the high/mid-income groups due to easier availability of proofs of credit record on the other hand, the ability to raise finance has been hard for the low-income group. Now, Affordable housing finance is a focus area of the Government. Recent Budgets stress this commitment, with measures including "Housing for All by 2022" and providing loans to target group at subsidized rate and providing subsidy to the eligible borrowers.

During the current financial year, it is expected that the housing finance business will grow much faster mainly because of stable political environment, new government reforms and administrative policies.

Your Company is continuously working to meet the needs of Low Income population and introduced "No Income Proof Finance Scheme". Also Company is providing subsidy to the eligible borrowers, booking loans under subsidized rate. Your company is also focusing to open new branches in Tier-II and Tier-III cities to carve out niche in the market.

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

Risk and Concerns:

Risk is defined as potential deviation from the expected outcome which can have negative material impact on the Company's business. Being a financial institution the company is exposed to various risks such as credit risk, market risk, interest rate risk, operational risk etc. Your Company understands the importance of risk management and make sure to maintain proper balance between risks and returns. Interest rate risk exposes HFCs to fluctuation in the interest rate which is required to be managed aptly in order to mitigate the risk. The ALCO committee of your company periodically reviews this risk and specify the pricing of products accordingly. 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 & Recovery Committee of the Board in order to mitigate such risk. Also your Company tries 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.

Internal Control System and their adequacy

Internal control, is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. A broad concept, internal control involves everything that controls risks to an organization. It plays an important role in detecting and preventing fraud and protecting the organization's resources, both physical and intangible. In this regard the Board has formed Audit Committee to strengthen its internal control system. The Internal audit department of the company inspects the branches on quarterly basis and submits its report to Audit Committee of 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. 140.75 crore marking a growth of 17.80 % against Rs. 119.48 crore in the previous year.

Despite numerous challenges, Your Company's profit before tax for the year ended 31st March, 2017 stood at Rs 21.44 Crore as against Rs 22.77 Crore in the previous year. Your Company's profit for the year (after adjustments related to previous year) stood at Rs. 11.04 Crore as against Rs 13.44 Crore in the previous year.

Further your Company is relentlessly working on reduction of NPAs which stood at Rs. 21.48 Crore as on 31st March, 2017.

BALANCE SHEET MOVEMENT:

The summary of the Company's balance sheet as at March 31, 2017 is given below:

(Rs. in Crore)

Particulars	March 2017	March 2016	Variation (%)
EQUITY AND LIABILITIES			
Share Capital	25.00	25.00	0
Reserves and Surplus	71.01	69.76	1.79
Long-Term Borrowings	888.96	774.73	14.74
Deferred Tax Liabilities (Net)	9.97	3.82	160.99
Long-Term Provisions	11.39	11.23	1.42
Short-Term Borrowings	264.66	217.15	21.88
Other Current Liabilities	127.99	95.61	33.87
Short-Term Provisions	2.52	5.69	(55.71)
Total Liabilities	1401.50	1202.99	16.50
ASSETS			
Fixed Assets	0.59	0.67	(11.94)
Non-Current Investments	30.76	29.76	3.36
Long-Term Loans and Advances	1134.13	950.68	19.30
Other Non-Current Assets	4.89	6.18	(20.87)
Cash and cash equivalents	32.18	49.10	(34.46)
Short-Term Loans and Advances	192.42	163.16	17.93

Other Current Assets	6.53	3.44	89.83
Total Assets	1401.50	1202.99	16.50

** Net owned fund of the Company as on 31.03.2017 and 31.03.2016 is Rs. 88.35 Crore and Rs. 86.20 Crore respectively.

AUTHORISED SHARE CAPITAL

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

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

RESERVES AND SURPLUS

The growth in reserves was achieved through strong profitability despite a challenging business environment. Reserves and Surplus as at March 31, 2017 for your Company increased by 1.79% to Rs.71.01 crore as against Rs.69.76 crore in the previous financial year. Your Company has transferred Rs.38,322,464 to Special Reserve and Statutory reserve u/s 29C of National Housing Bank Act and an amount of Rs.9,580,616 to General Reserve. Net owned fund of the Company as on 31.03.2017 and 31.03.2016 is Rs. 88.35 Crore and Rs. 86.20 Crore respectively.

Your company is not required to create/maintain Debenture Redemption Reserve as per rule 18 sub-rule (7) clause (b) of the Companies (Share Capital and Debentures) Rules 2014 No DRR is required in the case of privately placed debentures.

DIVIDEND

The Board of Directors of your Company recommended a final dividend @ of 5% (i.e. Rs.0.50 per share of face value of Rs.10 each) for the year ended March 31, 2017.

CAPITAL ADEQUACY

During the Financial Year 2016-17 Net worth of the company stood at 88.35 Cr as against 86.20 Cr for the Financial Year 2015-16. The Capital Adequacy Ratio of your company is at 17.56% as against the norms of 12 percent stipulated by the National Housing Bank (NHB).

BORROWINGS

Term Loans from Banks:

During the financial year 2016-17 your Company raised Rs. 401.18 Crore as against Rs. 319.16 crore in the previous financial year through term loans from banks. The said loans are secured by first ranking pari-pass creating first charges by way of hypothecation on the Company's present and future movable properties including book debts in favour of lenders.

Refinance From NHB:

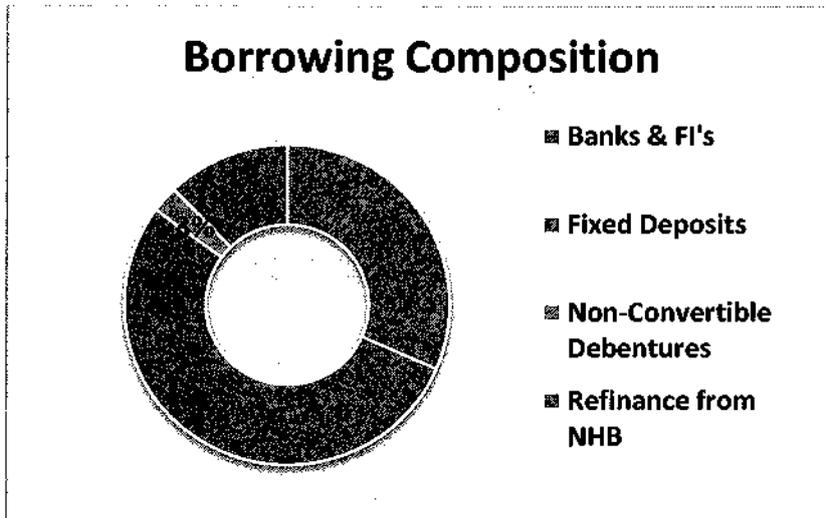
In the Financial Year 2015-16, your Company has availed refinance amounting to Rs. 17.29 crore from the National Housing Bank. The amount of refinance outstanding as of 31.03.2017 from the National Housing Bank was Rs. 156.08 crore.

Unsecured Non Convertible Debentures:

During the year 2015-16, the Company has raised Unsecured NCD amounting to Rs. 30.00 cr. through private placement basis currently rated as CARE A [Single A].

Public (fixed) deposits:

The Company took several initiatives during the year to extend its reach by expanding network and connecting with customers. The total deposits of your Company are amounting to Rs. 680.58 crore (which includes from public of Rs. 403.04 crore and from institutional deposits of Rs. 277.54 crore) as compared to Rs. 562.61 crore (which includes Public deposits of Rs. 436.46 crore and institutional deposits of Rs. 126.15 crore) at the end of the previous year.



FIXED ASSETS

The Company's investments in tangible assets represent cost of computers, office equipments, furniture & fixtures and vehicles. During the financial year under review your Company's gross block decreased by 11.94% 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, 2017 the investment portfolio stood at Rs.58.24 crore as against Rs.60.15 crore in the previous year.

Housing Finance Companies (HFCs) are required to maintain a Statutory Liquidity Ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 12.50% of public deposits. As on March 31, 2017 your Company has invested Rs.30.76 crore in approved securities and bank deposits.

PROFIT AND LOSS STATEMENT:

(Rs. in Crore)

Particulars	March 2017	March 2016	Variation (%)
INCOME			
Revenue from Operations	140.01	114.90	21.85
Other Income	0.74	4.58	(83.84)
Total Revenue	140.75	119.48	17.80
EXPENSES			
Interest & Finance Cost	104.15	83.69	24.45
Employees Remuneration & Benefits	6.18	5.71	8.23
Administrative & Other Expenses	8.75	7.07	23.76
Depreciation & Amortisation	0.23	0.24	(4.17)
Total Expenses	119.31	96.71	23.37
Profit Before Tax Provision and Exceptional Item	21.44	22.78	(5.84)
Provisions	3.91	3.89	0.51
Profit Before Tax and Exceptional Item	17.53	18.89	(7.15)
Exceptional items	0.75	(0.03)	-
Profit Before Tax and after Exceptional Item	18.28	18.92	(3.38)
Tax Expense (including Deferred Tax)	7.24	5.48	32.12
Profit For The Year	11.04	13.44	(17.86)

INCOME FROM OPERATIONS

Your Company's income from operations increased by 21.85% from Rs. 114.90 crore in the financial year ended March 31, 2016 to Rs. 140.01 crore for the financial year ended March 31, 2017.

INTEREST AND FINANCE COST

Your Company's interest & finance expenses increased by 24.45% from Rs.83.69 crore in the financial year 2016 to Rs.104.15 crore for the financial year ended March 31, 2017. The increase in expenses is due to the rising borrowings required to fund the disbursements.

EMPLOYEES REMUNERATION & BENEFITS

Employee costs increased by 8.23% from Rs.5.71 crore for the financial year ended March 31, 2016 to Rs.6.18 crore for the financial year ended March 31, 2017 to meet the business requirements.

OTHER EXPENSES

The operating expenses increased by 23.76% from Rs.7.07 for the financial year ended March 31, 2016 to Rs.8.75 crore for the financial year ended March 31, 2017 owing to an increase in rent, rates, taxes, bank charges and miscellaneous expenditure.

DEPRECIATION & AMORTISATION

Depreciation charged on fixed assets was Rs.0.23 crore in the financial year 2016-17 vis-à-vis Rs.0.24 crore during the financial year 2015-16.

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.6.95 crore for NPA.

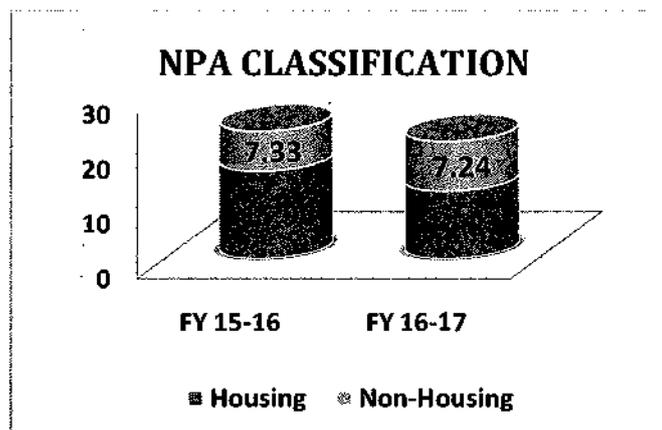
NET PROFIT

Despite of numerous challenges, Your Company's net profit stood at Rs.11.04 crore in the financial year ended March 31, 2017 as against Rs. 13.44 crore for the financial year ended March 31, 2016. The profit for the year reduced due to several deductions & prior period adjustments. The profit reduced because of Reversal of Interest Income on project loan, Additional DTL Created in accordance with NHB Direction, Additional income tax paid etc

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. 21.48 crore as against Rs. 23.29 Crore for the previous financial year ended 31st March, 2016.

With due provisions the net NPA stood at Rs.13.69 crore as on 31st March, 2017 as against Rs. 16.25 crore as on 31st March 2016.



NPA Ratios:

Particulars	31st March 2017	31st March 2016
% of Gross NPA to Gross Advances	1.62%	2.09%
% of Net NPA to Net Advance	1.04%	1.47%

Material Developments in Human Resources

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

Company has tie up with Man Power outsourcing agency in order to attract genuine 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 very transparent providing equal opportunity to everyone.

भारतीय लेखापरीक्षा और लेखा विभाग 576

कार्यालय प्रधान निदेशक, वाणिज्यिक लेखापरीक्षा

एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-III

नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

Office of the Principal Director of Commercial Audit

& Ex-Officio Member, Audit Board-III

New Delhi



Dated: 8/8/2017

सेवा में,

अध्यक्ष

सेन्ट बैंक होम फायनेंस लिमिटेड

भोपाल

विषय:- 31 मार्च 2017 को समाप्त वर्ष के लिये सेन्ट बैंक होम फायनेंस लिमिटेड, भोपाल के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की प्रारूपिक टिप्पणियाँ।

महोदय,

मै, सेन्ट बैंक होम फायनेंस लिमिटेड, भोपाल के 31 मार्च 2017 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अप्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न: यथोपरि

भवदीया,

(रितिका भाटिया)

प्रधान निदेशक

**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 2017**

The preparation of financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory 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 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 22 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



(Ritika Bhatia)

**Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi**

Place: New Delhi

Dated: 8 August 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENT BANK HOME FINANCE LIMITED **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **CENT BANK HOME FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended 31st March 2017, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility 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 statement that give a true & fair view of the financial provision, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 accounting policies; making judgments and estimates that are reasonable and prudent; and 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 presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.



Opinion

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 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

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

- (a) Note 23 (14) in the financial statements which indicate that the company has created Deferred Tax Liability on Special Reserves to the tune of Rs.55,518,583/-(Previous year 30,886,118/-) in pursuance with NHB guidelines NHB(ND)/DRS/Policy Circular 65/2014-15 through P/L Appropriation to the tune of Rs13263405/- (Previous year Rs. 9758529/-) and Rs 42255178/- through Appropriation in Surplus in statement of profit and loss -(Previous year Rs 21127589/-).
- (b) Note 23 (23) in the financial statements which indicate that the company's current liabilities exceeded its current assets as at the Balance sheet date. These conditions, along with other matters set forth in Note 23(23) 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 financial statements of the company have been prepared on a going concern basis for the reasons stated in the said Note .

Our opinion is not modified in respect of these matters.

Basis for Disclaimer of Opinion

As explained in **Annexure-B** of our Audit Report, there exists significant matters for which we were unable to obtain sufficient appropriate audit evidence.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure - A**" statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 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) Whatever reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been dealt with by us in preparing this report.



- 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 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) 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.
- g) On the basis of the written representations received from the directors as on 31st March, 2017. taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Auditor's report) order, 2016, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 23 (16) to the financial statements;
 - The Company has not entered into any long term contract including derivative contract which may have any material foreseeable losses hence there is no need to create any provision, required under the applicable law or accounting standards,- Refer Note 23(24) to the financial statements;
 - The company is not required to transfer any amount to the Investor Education and Protection fund.
 - The company has not provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November 2016 to 30th December, 2016.

3. Our views on Directions under section 143(5) of the Companies Act 2103 By C&AG is enclosed as "Annexure D".

4. As per the notification by Ministry of Corporate Affairs GSR 463(E) dated 05 June, 2015, Government Companies are exempt from the applicability of the provisions of Section 164(2) of the Companies Act, 2013.

Place CAMP MUMBAI

Date: 22ND May,2017

For, Multi Associates
Chartered Accountants

R.K. Agrawal

CA R.K. Agrawal
(Partner)
M. No. 071755
FRN 509955C



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 2017, we report that:

- (i) (a) On the basis of available information the company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us all the assets have been physically verified by the management at the year end. No material discrepancies were noticed on such verification.
(c) Company does not have any immovable assets hence no question of title deed arises.
- (ii) As the Company is a Housing Finance Company (HFC). This clause regarding inventory records, procedures for physical verification etc are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) Since the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered under section 189 of the companies Act 2013, same has not been prejudicial to the company's interest.
 - (b) The Company has not granted loans under section 189 of the companies Act 2013, the clause regarding schedule of repayment of principal and payment of interest is not applicable.
 - (c) Since no loans granted under section 189 of the companies Act 2013 the clause regarding the amount of overdue and reasonable steps taken by the company for recovery is not applicable.
- (iv) On the basis of available information the company has not advanced any Loan, directly or indirectly, to any of its Directors or to any person in whom the director is interested covered under section 185 of the Companies Act, 2013.
As per the Available records the company has made investments complying with the Section 186 of the Companies Act 2013.
- (v) The Company is Housing Finance Company, hence the provisions of the Section 73 to 76 or any other relevant provision of the Companies Act 2013 and rules framed there under are not applicable to the company.
- (vi) The maintenance of the cost records is not applicable to the Company.
- (vii) (a) According to the records of the company, undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it have been generally deposited with the appropriate authority. The Income Tax Liability of Rs 1418837/- for Assessment Year 2010-11, and Rs. 1087650.00 for Assessment year 2014-15 for which proceedings with Income tax authorities for giving credit of TDS are pending.



- (b) Clause 16 of notes 23 gives full disclosure regarding company's dispute with Income Tax Authorities.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- (ix) As per the information and explanation given to us the company has not raised any money by the way of Initial public offer or further public offer or from issue of fresh Debentures. The Company has also raised new term loans during the year and to the best of our knowledge and belief and according to the information and explanation given to us in our opinion the term loans availed by the company have been used by the company for the purpose for which they were raised.
- (x) According to the information and explanations loans given to five accounts from Agra branch with outstanding balance of Rs. 15932001.00 has been noticed as fraud and reported to National Housing Bank during the year, which is on account of builder has registered sale deeds in favor of other persons.
- (xi) According to the information and explanations given to us and in our opinion managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Companies Act 2013.
- (xii) As this is a Housing Finance Company not a Nidhi Company this clause is not applicable.
- (xiii) As per the records and information made to us all the transaction with the related parties are in compliance with the section 177 and 188 of the Companies Act, 2013 and same have been disclosed in the Financial Statements.
- (xiv) As per the records and information given to us during the year company has not issued Debentures by the way of Private Placement. No shares were issued during the year.
- (xv) In our opinion and according to the information and explanations given to us the company has not entered into any non-cash transaction with directors or persons connected with him.
- (xvi) In our opinion and according to the explanations given to us the Company is a Housing Finance Company registered with National Housing Bank and is exempted to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place CAMP MUMBAI
Date: 22ND May,2017

For, Multi Associates
Chartered Accountants

R.K. Agrawal
CA R.K. Agrawal
(Partner)
M. No. 071755
FRN 509955C



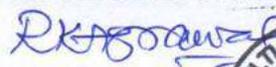
Annexure B to the Independent Auditors' Report

The Annexure referred to in Basis of disclaimer opinion paragraph of our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

1. Deposits are subject to confirmation and reconciliation as the Balance of Main General Ledger and Sub ledger does not tally and gives a difference of Rs. 714231.00.
2. Creditors are subject to confirmation. Creditors includes very old entries mostly of which are in the nature of Amount received against auction, amount received from unidentified parties, amount received against settlement proposal and others. These are not creditors and are in actual amount received against loan given to borrowers. These should be credited to respective heads of borrowers.
3. Computer software creates a GL Impersonal account and Cheques in hand account at the year end. The balance in both these contra accounts should be the same. But in the closing trail balance as on 31st March,2017 a balance of Rs. 66,23867.00 is appearing , which is shown in the balance sheet under Note 7 under the Head other current liabilities-others. This needs immediate reconciliation as it can impact any other account head.

Place CAMP MUMBAI
Date: 22ND May,2017

For, Multi Associates
Chartered Accountants


CA R.K. Agrawal
(Partner)
M. No. 071755
FRN 509955C



Annexure C to the Independent Auditors' Report

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" 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 of 31st March 2017 in conjunction with our audit of standalone 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. 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 issued by the Institute of Chartered Accountants of India and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of then internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of 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 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 2017, 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, 2017:

- i. Books of accounts of the company are maintained in a computer software for Head office and branches separately. The books of accounts for the year ending 31st March,2016 are closed in the month of September,2016 in the said software. Hence the opening balance in the books of accounts as on 1st April,2016 does not tally with the audited Balance sheet as on 31st March,2016. There was a opening balance difference of Rs.1,21,05,804.00 in the opening balance as per books as on 1st april,2016 and as per audited Balance sheet as on 31st March,2016, which is not reconciled due to the reason that there are many number of entries of opening balance without narration, this is shown under schedule 16 of the Balance sheet under the head other current assets-others.



- ii. The corporation is using old software for accounting. The Software for accounting and Deposits needs up gradation and changes as per the accounting and legal requirements urgently. The Sub ledger and General Ledger Balance of Deposits generated through the same software does not tally. The amount of difference between the General Ledger and sub ledger is Rs. 714231.00 as on 31st March, 2017.
- iii. As per policy of the company, valuation of the construction of the property is to be done at different stages of construction on percentage basis. In our opinion the percentage of construction cannot be certified by the valuer correctly but it should be done on actual construction done basis. Secondly we have observed that in almost all the cases the valuers have valued property much higher than the actual sale price . It results in failure of auction when the account turns NPA , as the valuation at the time of auction is always done keeping in mind the previous valuation done.
- iv. The legal procedure to be followed when the account is identified as NPA is not followed swiftly and within the time prescribed and is generally late.
- v. Insurance of property mortgaged is not done in all the cases. There is no policy of the company as regards insurance. In our opinion insurance of all the properties mortgaged should be done to avoid any loss on account of damage to property because of natural calamities, disasters or other reasons.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

Place: CAMP MUMBAI
Date: 22ND May,2017

For, Multi Associates
Chartered Accountants


CA R.K. Agrawal
(Partner)
M. No. 071755
FRN 509955C



Annexure D to the Independent Auditors' Report

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

Directions under section 143(5) of the Companies Act 2013

1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and Land) and Liabilities (Including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.

Ans: The Company has not been selected for any disinvestment proposal of Government.

2. Please report whether there are any cases of waiver/write-off of debts/loans/interest etc, if yes the reason there for and the amount involved.

Ans: During the year the Company has written-off as irrevocable bad debts an amount of Rs. 23933152.00 the list of which is enclosed herewith in Annexure-1.

3. Whether proper records are maintained for investments lying with third parties & Assets received as Gift from Govt. or other authorities.

Ans: The Company is Housing Finance Company and as per information provided to us and to best of our knowledge they haven't received any such gift from Government or other Authorities.

4. A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for the expenditure on all legal cases (foreign and local) may be given.

Ans: CBHFL is a Housing Finance Company and as a major tool towards recovery, company invoke action under SARFAESI Act 2002 for recovery of dues. Monitoring is done through Recovery Committee consisting of Managing Director/General Manager/ Head-Finance/Regional Head at Head office level. But in our view the mechanism require further strengthening.

Place: CAMP MUMBAI

Date: 22ND May,2017

For, Multi Associates
Chartered Accountants

R.K. Agrawal

CA R.K. Agrawal
(Partner)

M. No. 071755
FRN 509955C



AUDITOR'S REPORT

To
The Directors.
Cent Bank Home Finance Limited
9, Arera Hills, Mother Teresa Road,
Bhopal

We have audited the attached Balance Sheet of Cent Bank Home Finance Ltd. As at 31st March, 2017 and the profit & Loss account of the said company for the year ended on that date and our report addressed to the Members of the Company as required under section 143 of the Companies Act, 2013 is also enclosed herewith. Further as required by the Housing Finance Companies (NHB) directions, 2010 vide notification No. NHB: HFC: DIR:/1/CMD/2010 we have to report that:

- i. The company is registered with NHB vide registration certification No. 01.0004.02 dated 31.07.2001.
- ii. The Company has complied with the provisions of section 29 B of National Housing Bank Act, 1987, all the securities are held by the Company
- 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 company has complied with the directions issued by the Housing Finance Companies (NHB) directions 2010 vide notification No. NHB:HFC:DIR:1/CMD/2010.
- v. The capital adequacy ratio as disclosed in the returns submitted to NHB has been correctly determined and ratio complies with the minimum capital to risk weighted assets ratio as prescribed.
- vi. The company is accepting and holding public deposits and we report that:
 - a. The public deposits accepted by the company are within the admissible limits.
 - b. The total borrowings of the company i.e.deposits inclusive of public deposits together with the amounts referred to in sub clause (iii) & (iv) of sub-section (bb) of section 451 of the RBI Act, 1934 and loans from the NHB are with in the limits prescribed in the said directions.
 - c. The credit rating for deposits i.e.FA "Outlook negative" assigned by the credit rating agency CRISIL. The aggregate amount of deposits outstanding as at any point of time during the year has not exceeded the limits specified by the rating agency.
 - d. 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.

Place: Camp-Mumbai

Date: 22.05.2017

For, Multi Associates

Chartered Accountants

R.K. Agrawal

CA R.K. Agrawal
(Partner)

M. No. 071755

FRN 509955C



Balance Sheet as at 31 March, 2017

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

Particulars	Note No.	As at 31 March, 2017	As at 31 March, 2016
		In Rs.	In Rs.
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	25,00,00,000	25,00,00,000
(b) Reserves and surplus	3	71,00,45,146	69,76,05,673
		96,00,45,146	94,76,05,673
2 Non-current liabilities			
(a) Long-term borrowings	4	8,88,95,71,184	7,74,73,12,595
(b) Deferred tax liabilities	4a	9,97,18,962	3,81,60,836
(c) Long-term provisions	5	11,39,95,269	11,23,47,068
		9,10,32,85,415	7,89,78,20,499
3 Current liabilities			
(a) Short-term borrowings	6	2,64,65,94,811	2,17,14,94,771
(b) Other current liabilities	7	1,27,99,77,231	95,60,48,620
(c) Short-term provisions	8	2,51,32,849	5,69,64,399
		3,95,17,04,891	3,18,45,07,790
TOTAL		14,01,50,35,452	12,02,99,33,962
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	58,80,331	66,65,491
(b) Non-current investments	11	30,76,04,264	29,75,90,264
(c) Long-term loans and advances	12	11,34,13,24,019	9,50,68,01,420
(d) Other Non-current assets	13	4,89,63,988	6,18,31,673
		11,70,37,72,601	9,87,28,88,848
2 Current assets			
(a) Cash and cash equivalents	14	32,18,41,977	49,10,22,817
(b) Short-term loans and advances	15	1,92,41,14,217	1,63,16,70,809
(c) Other current assets	16	6,53,06,656	3,43,51,488
		2,31,12,62,850	2,15,70,45,114
Significant Accounting Policies	1		
TOTAL		14,01,50,35,452	12,02,99,33,962
See accompanying notes forming part of the financial statements			

As per our report of even date

For Multi Associates
Chartered Accountants

CA R K Agrawal
Partner
M No 071755
FRN 509955C



B.K.Divakara
Chairman
DIN-06439053

Sanjay Mallik
Managing Director
DIN-07689436

V.Sridar
Independent Director
DIN-02241339

Vijay Kumar Singh
Chief Financial Officer

Manish Singh Payal
Company Secretary

Place : Camp-MUMBAI

Date : 22 MAY 2017

Statement of Profit and Loss for the year ended 31 March, 2017
 Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

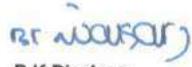
	Particulars	Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
A	INCOME		In Rs.	In Rs.
1	Revenue from operations	17	1,40,02,09,626	1,14,90,29,674
2	Other income	18	73,57,927	4,58,08,972
3	Total revenue (1+2)		1,40,75,67,553	1,19,48,38,646
B	Expenses			
4	(a) Employee benefits expense	19	6,17,57,403	5,70,34,583
	(b) Finance costs	20	1,04,15,21,211	83,69,88,222
	(c) Depreciation and amortisation expense	10	22,88,142	24,20,014
	(d) Other expenses	21	8,75,33,818	7,06,18,290
	Total expenses		1,19,31,00,573	96,70,61,109
5	Profit before Tax, Provision and exceptional items		21,44,66,980	22,77,77,537
6	Provisions			
	Provision for Standard Assets	22	83,67,292	1,44,11,683
	Provisions for Doubtful Debts (includes write off Rs 23933152)		3,07,21,836	2,44,73,751
7	Profit before tax and exceptional items		17,53,77,852	18,88,92,103
8	Extraordinary items			
	Add:- Extraordinary Item	23	1,32,51,660	
	Less:- Prior period adjustments		58,64,508	-2,76,890
9	Profit / (Loss) before tax (7 ± 8)		18,27,65,003	18,91,68,993
10	Tax expense:			
	(a) Current year tax expense		5,30,53,618	3,90,46,332
	(b) Deferred tax of current year		60,39,543	59,45,859
	(c) Deferred tax on special reserves		1,32,63,405	97,58,529
			7,23,56,566	5,47,50,720
11	Profit from continuing operations (9 - 10)		11,04,08,437	13,44,18,273
12	Profit for the year		11,04,08,437	13,44,18,273
13	Earnings per share (of Rs.100/- each):			
	(a) Basic	23.9	4.42	5.38
	(b) Diluted	23.9	4.42	5.38
	See accompanying notes forming part of the financial statements			

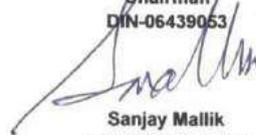
As per our report of even date

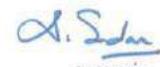
For Multi Associates
Chartered Accountants

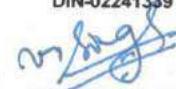
CA R K Agrawal
Partner
M No 071755
FRN 509955C




 B.K. Divakara
Chairman
DIN-06439063


 Sanjay Mallik
Managing Director
DIN-07689436


 V. Sridar
Independent Director
DIN-02241339


 Vijay Kumar Singh
Chief Financial Officer


 Manish Singh Payal
Company Secretary

Place : Camp- MUMBAI

Date :

22 MAY 2017

Cash Flow Statement for the year ended 31 March, 2017
Registered Office: -# 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars		For the year ended 31 March, 2017		For the year ended 31 March, 2016	
		In Rs.	In Rs.	In Rs.	In Rs.
A. Cash flow from operating activities					
Net Profit / (Loss) before extraordinary items and tax			21,44,66,980		22,77,77,537
<i>Adjustments for:</i>					
Depreciation and amortisation	(+)	22,88,142		24,20,014	
Provision for NPA reversal and other	(-)	2,39,33,152		3,00,46,718	
Bad debts written off	(+)	2,39,33,152		3,00,46,718	
Profit on sale of fixed assets	(-)	9,050		35,741	
Loss on sale of fixed assets	(+)	5,090		2,699	
Prior period Adj.	(+)	(52,04,180)		1,03,119	
Operating profit / (loss) before working capital changes			21,15,46,981		23,02,67,628
<i>Changes in working capital:</i>					
<i>Adjustments for (increase) / decrease in operating assets:</i>					
Inventories					
Short-term loans and advances		(29,24,43,408)		(26,82,73,667)	
Long-term loans and advances		(1,85,86,68,397)		(2,86,63,70,444)	
Other current assets		(3,09,55,167)		(1,71,63,877)	
Other non-current assets		1,28,67,685		(3,88,00,560)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>					
Deferred Tax Liabilities		6,15,58,126		3,68,31,976	
Other current liabilities		32,39,14,638		41,90,72,963	
Short-term provisions		-		-	
Long-term provisions		-		(2,92,323)	
Cash flow from extraordinary items			(1,78,37,26,523)		(2,73,49,95,932)
Cash generated from operations			(1,57,21,79,542)		(2,50,47,28,304)
Net income tax (paid)		(7,23,56,566)		(5,47,50,720)	
Net cash flow from / (used in) operating activities (A)			(1,64,45,36,108)		(2,55,94,79,024)



Cash Flow Statement for the year ended 31 March, 2017 (Contd.)
 Registered Office:-# 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	In Rs.	In Rs.	In Rs.	In Rs.
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(14,84,284)		(29,55,619)	
Proceeds from sale of fixed assets	9,050		33,042	
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents				
- Placed				
- Matured				
Current investments not considered as Cash and cash equivalents				
- Purchased	(1,00,14,000)		(23,12,00,500)	
- Proceeds from sale				
Net cash flow from / (used in) investing activities (B)		(1,14,89,234)		(23,41,23,077)



Cash Flow Statement for the year ended 31 March, 2017 (Contd.)
 Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars	For the year ended 31 March, 2017		For the year ended 31 March, 2016	
	In Rs.	In Rs.	In Rs.	In Rs.
C. Cash flow from financing activities				
Payment of CSR fund	(52,05,346)		(19,27,685)	
Appropriation of DTL on Special reserves from Reserves and Provision of Income Tax of previous years	(8,01,74,664)		(2,11,27,589)	
Proceeds (+)/Repayment (-) of long-term borrowings	1,14,22,58,589		4,58,45,49,943	
Proceeds from other short-term borrowings	47,51,00,040		(1,55,44,83,421)	
Repayment of other short-term borrowings				
Dividends paid	(3,75,00,000)		(3,75,00,000)	
Tax on dividend	(76,34,118)		(68,16,176)	
Net cash flow from / (used in) financing activities (C)		1,48,68,44,501		2,96,26,95,072
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(16,91,80,840)		16,90,92,971
Cash and cash equivalents at the beginning of the year		49,10,22,817		32,19,29,846
Cash and cash equivalents at the end of the year *		32,18,41,977		49,10,22,817

See accompanying notes forming part of the financial statements

As per our report of even date

For Multi Associates
Chartered Accountants

CA R K Agrawal
M No 071755
FRN 509955C



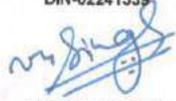
Place : Camp- MUMBAI
Date :

22 MAY 2017


B.K. Divakara
 Chairman
 DIN-06439053


Sanjay Malik
 Managing Director
 DIN-07689436


V. Sridar
 Independent Director
 DIN-02241339


Vijay Kumar Singh
 Chief Financial Officer


Manish Singh Payal
 Company Secretary

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

Note 2 Share capital

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	In Rs.	Number of shares	In Rs.
(a) Authorised				
Equity shares of Rs. 10/- each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
(b) Issued				
Equity shares of Rs. 10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
(c) Subscribed and fully paid up				
Equity shares of Rs. 10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Total	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000

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

Note 2 Share capital (contd.)

Particulars								
Notes:								
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:								
Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares								
Year ended 31 March, 2016								
- Number of shares	2,50,00,000	-	-	-	-	-	-	2,50,00,000
- Amount (in Rs.)	25,00,00,000	-	-	-	-	-	-	25,00,00,000
Year ended 31 March, 2015								
- Number of shares	2,50,00,000	-	-	-	-	-	-	2,50,00,000
- Amount (in Rs.)	25,00,00,000	-	-	-	-	-	-	25,00,00,000

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

Particulars	Equity shares	Equity shares with differential voting rights	Compulsorily convertible preference shares	Optionally convertible preference shares	Redeemable preference shares
	Number of shares				
	Nos.				
As at 31 March, 2017					
Central Bank of India, the holding company	1,61,00,000	0	0	0	0
the ultimate holding company	0	0	0	0	0
Subsidiaries of the holding company	0	0	0	0	0
Associates of the holding company	0	0	0	0	0
Subsidiaries of the ultimate holding company	0	0	0	0	0
Associates of the ultimate holding company	0	0	0	0	0
As at 31 March, 2016					
Central Bank of India, the holding company	1,61,00,000	0	0	0	0
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, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Central Bank Of India	1,61,00,000	64.40%	1,61,00,000	64.40%
National Housing Bank	40,00,000	16.00%	40,00,000	16.00%
Unit Trust of India	32,00,000	12.80%	32,00,000	12.80%
Housing & Urban Development Corporation	17,00,000	6.80%	17,00,000	6.80%



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

Note 3 Reserves and surplus

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Share Premium Account	6,90,00,000	6,90,00,000
(b) General reserve		
Opening balance	4,42,80,000	3,71,00,000
Add: Transferred from Statement of Profit and Loss	95,80,616	71,80,000
Closing balance	5,38,60,616	4,42,80,000
(c) Special Reserve		
(Special Reserve created in terms of Section 35(1)(viii) of IT Act, 1961 and as per Section 29 C of NHB Act.)		
Opening balance	30,35,63,000	27,48,53,000
Add: Additions / transfers during the year	3,83,22,464	2,87,10,000
Closing balance	34,18,85,464	30,35,63,000
(d) Additional Reserve		
(Created under section 29C of NHB Act 1987)		
Opening balance	3,00,00,000	2,00,00,000
Add: Additions / transfers during the year	-	1,00,00,000
Closing balance	3,00,00,000	3,00,00,000
(e) Surplus in Statement of Profit and Loss	21,52,99,066	25,07,62,673
Opening balance	25,07,62,673	23,09,51,858
Add: Profit for the year	11,04,08,437	13,44,18,273
Amounts transferred from:		
General reserve	-	-
Other reserves (give details)	-	-
Less: Appropriations		
a) Proposed Dividend	1,25,00,000	3,75,00,000
b) Tax on dividend	25,44,706	76,34,118
c) Provision for Income Tax of previous years	3,79,19,486	-
d) Appropriation of DTL on Specials Reserves as per NHB guidelines	4,22,55,178	2,11,27,589
e) Amount spent on CSR activity	27,49,595	24,55,751
Transferred to:		
General reserve	95,80,616	71,80,000
Special Reserve	3,83,22,464	2,87,10,000
Additional reserve u/s 29C of NHB Act	-	1,00,00,000
Closing balance	21,52,99,066	25,07,62,673
Closing Balance	71,00,45,146	69,76,05,673

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



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

Note 4 Long-term borrowings

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Non Convertible Debentures #		
Unsecured	30,00,00,000.00	30,00,00,000.00
(b) Term loans		
From banks		
Secured	3,91,36,86,154	3,57,26,21,438
Unsecured	0	0
(c) Deposits *		
Secured	0	0
Unsecured	4,67,58,85,030	3,87,46,91,157
Total	8,88,95,71,184	7,74,73,12,595

*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.

Unsecured Unlisted Redeemable Non Convertible subordinated debentures aggregating to Rs.30 Crore outstanding as at 31st March 2017, and are subordinated to present and future indebtedness of the Company. It qualifies as Tier-II Capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at 20/08/2021 with ROI @10.75%.



Particulars

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

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Secured	Unsecured	Secured	Unsecured
	In Rs.	In Rs.	In Rs.	In Rs.
Term loans from banks:				
Refinance from National Housing Bank	1,33,28,32,201	0	1,40,12,66,201	0
Central Bank of India	1,50,88,05,263	0	1,36,35,77,461	0
HDFC Bank	91,46,66,666	0	80,77,77,776	0
BoB	15,71,82,022	0		
Total - Term loans from banks	3,91,36,86,154	0	3,57,26,21,438	0
Deposits:				
Deposits	0	4,67,58,85,030	0	3,87,46,91,157
Total - Deposits	0	4,67,58,85,030	0	3,87,46,91,157

Below are the details of all loans/Refinance outstanding.

Name of Institution / (Security for loan)	Amt sanctioned	Amt. outstanding as on 31st March 2017	Rate of Interest	Repayment terms
NHB Refinance	2,30,00,000	1,26,80,000	8.75	28 Qtrly Inst
	95,00,000	55,40,000	7.1	28 Qtrly Inst
Specific Charge over book debts of company	34,00,000	24,90,000	6.87	28 Qtrly Inst
	5,98,00,000	4,89,50,000	6.87	40 Qtrly Inst
	1,50,00,000	1,30,75,000	6.87	40 Qtrly Inst
	16,32,00,000	6,65,08,356	9	40 Qtrly Inst
	3,96,00,000	2,16,00,000	8.9	28 Qtrly Inst
	10,91,00,000	7,22,00,000	8.75	28 Qtrly Inst
	22,53,00,000	9,92,66,529	8.9	40 Qtrly Inst
	21,96,00,000	20,47,00,000	9.1	60 Qtrly Inst
	20,58,00,000	19,18,00,000	8.95	60 Qtrly Inst
	10,17,00,000	9,48,00,000	8.85	60 Qtrly Inst
	6,27,00,000	16,07,140	7	28 Qtrly Inst
	3,08,00,000	28,93,176	7.5	28 Qtrly Inst
	1,79,00,000	51,70,000	7.5	28 Qtrly Inst
	1,26,00,000	60,20,000	8.25	28 Qtrly Inst
	5,51,00,000	2,65,26,000	8.5	28 Qtrly Inst
	3,28,00,000	1,57,90,000	8.75	28 Qtrly Inst
	8,86,00,000	6,55,00,000	6.87	28 Qtrly Inst
	23,91,00,000	19,57,00,000	6.87	40 Qtrly Inst
	28,50,00,000	24,84,50,000	6.87	40 Qtrly Inst
	17,29,00,000	15,95,50,000	6.12	28 Qtrly Inst
Central Bank of India				
Specific Charge over book debts of company	1,00,00,00,000	89,28,46,897	8.5	28 Qtrly Inst
	1,00,00,00,000	5,65,34,672	8.5	28 Qtrly Inst
	1,00,00,00,000	98,80,95,238	8.50	60 monthly Inst
HDFC Bank				
Specific Charge over book debts of company	3,00,00,000	1,50,00,000	9.35	20 Qtrly Inst
	4,00,00,000	2,00,00,000	9.35	20 Qtrly Inst
	5,00,00,000	2,50,00,000	9.35	20 Qtrly Inst
	9,00,00,000	4,50,00,000	9.35	20 Qtrly Inst
	4,00,00,000	2,00,00,000	9.35	20 Qtrly Inst



Particulars					
		6,00,00,000	3,00,00,000	9.75	20 Qtrly Inst
		10,00,00,000	5,00,00,000	9.3	20 Qtrly Inst
		5,00,00,000	2,77,77,776	9.75	20 Qtrly Inst
		25,00,00,000	18,75,00,000	9.3	20 Qtrly Inst
		25,00,00,000	18,75,00,000	9.4	20 Qtrly Inst
		12,50,00,000	10,00,00,000	9.3	20 Qtrly Inst
		12,50,00,000	10,00,00,000	9.4	20 Qtrly Inst
		12,50,00,000	10,00,00,000	9.3	20 Qtrly Inst
		12,50,00,000	10,00,00,000	9.4	20 Qtrly Inst
		25,00,00,000	25,00,00,000	8.2	20 Qtrly Inst
Bank of Baroda		1,00,00,00,000	29,99,82,022	8.6	60 monthly Inst

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 4a Deferred Tax Liabilities

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	In Rs.		In Rs.	
Deferred Tax Asset (A)	Amount		Amount	
Provision for NPA's				
Standard Assets	4,21,72,061		4,07,69,319	
Others	7,73,208		73,61,112	
Depreciation	2,43,764	4,31,89,033	2,39,285	4,83,69,716
Deferred Tax Liability (B)				
Special Reserve	11,64,44,468		6,09,25,885	
Others	2,64,63,525	14,29,07,993	2,56,04,665	8,65,30,550
(A)-(B)= DTL		9,97,18,960		3,81,60,836

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 5 Long-term provisions

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Provision for Bad & Doubtful debts	6,95,94,400	6,28,05,716
(b) Provision on Standard asset as per NHB norms	4,44,00,870	4,77,64,791
Total	11,39,95,269	11,05,70,507

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

b) Provision on standard assets has been made as per the National Housing Bank norms @ 0.40%



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

Note 6 Short-term borrowings

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Loans repayable on demand		
From banks		
Secured #	51,66,30,822	42,00,43,899
(b) Deposits *		
Unsecured	2,12,99,63,989	1,75,14,50,872
Total	2,64,65,94,811	2,17,14,94,771

Notes:

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

Particulars	Nature of security	As at 31 March, 2017	As at 31 March, 2016
		In Rs.	In Rs.
Loans repayable on demand			
from banks:#			
Central Bank of India		51,66,30,822	42,00,43,899
Total - from banks			

Short term borrowings is overdraft facility (Limit of Rs.50 crores bearing ROI @base rate granted by Central Bank of India.

* 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.



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

Note 7 Other current liabilities

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Current maturities of long-term debt (Refer Note below)	1,14,23,66,652	81,03,38,112
(b) Unpaid matured deposits and interest accrued thereon	4,59,62,198	3,62,25,916
(c) Other payables		
(i) Contractually reimbursable expenses	7,25,233	12,35,893
(ii) Advances from customers	1,32,764	1,81,508
(iii) Bank balance	-	-
(iv) Others \$	9,07,90,384	10,80,67,191
(includes sundry creditors, provision for salary, CERSA payable, Earnest money deposits other misc payables and system generated figure of Rs 6623867 as cheque in hand.		
Total	1,27,99,77,231	95,60,48,620

Note:	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Term loans		
From banks		
Secured	1,14,23,66,652	81,03,38,112
Unsecured	-	-
Total	1,14,23,66,652	81,03,38,112

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

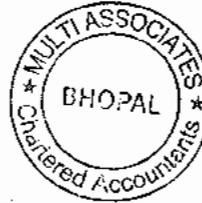


Cent Bank Home Finance Limited
Notes forming part of the financial statements

Note 8 Short-term provisions

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Provision - Others:		
(i) Provision for proposed equity dividend	1,25,00,000	3,75,00,000
(ii) Provision for tax on proposed dividends	25,44,706	76,34,118
(iii) Provision on Loan Assets	78,54,084	93,74,530
(iv) Provision for diminution in Investments	-	-
(v) Provision for other employee benefits#	22,34,059	17,76,561
(vi) CSR expenses provided for	-	24,55,751
Total	2,51,32,849	5,87,40,960

a) Leave encashment for employee's had been calculated on the basis of leave entitlement during the year.



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

Note 9 Fixed assets

A.	Tangible assets	Gross block					
		Balance as at 1 April, 2016	Additions	Disposals	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2017
		In Rs.	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.
	(a) Furniture and Fixtures Owned	96,51,243	8,17,084	2,50,522	0	0	1,04,17,805
	(b) Vehicles Owned	11,67,915	0	0	0	0	11,67,915
	(c) Office equipment Owned	31,80,949	3,38,311	68,970	0	0	34,30,290
	(d) Computer	93,88,768	4,83,050	63,000	0	0	98,08,818
	Total	2,35,68,875	16,38,445	3,82,492	0	0	2,48,24,828
	Previous year	2,10,13,746	33,93,300	8,38,171	0	0	2,35,66,875

Note 9 Fixed assets (contd.)

A.	Tangible assets	Accumulated depreciation and impairment				Net block	
		Balance as at 1 April, 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2017	Balance as at 31 March, 2017	Balance as at 31 March, 2016
		In Rs.	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.
	(a) Furniture and Fixtures Owned	74,07,633	4,99,009	1,84,498	77,22,144	26,95,661	24,43,610
	(b) Vehicles Owned	44,450	1,38,046		1,82,496	9,85,419	11,23,465
	(c) Office equipment Owned	20,95,979	3,77,134	36,932	24,36,181	9,94,109	10,64,970
	(d) Computers	73,55,322	12,73,953	25,599	66,03,676	12,05,142	20,33,446
	Total	1,69,03,384	22,88,142	2,47,029	1,89,44,497	58,80,331	66,65,491
	Previous year	1,27,25,587	22,88,000	59,494	1,49,54,093	60,59,653	54,10,385



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

Note 16 Fixed assets (contd.)

Particulars

B.	Particulars	For the year ended	For the year ended
		31 March, 2017	31 March, 2016
		In Rs.	In Rs.
	Depreciation and amortisation relating to continuing operations:		
	Depreciation and amortisation for the year on tangible assets as per Note 9	22,88,142	22,88,000
	Depreciation and amortisation relating to continuing operations	22,88,142	22,88,000



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

Note 11 Non-current investments

Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted #	Unquoted #	Total	Quoted	Unquoted	Total
	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.
(a) (i) of subsidiaries (ii) of associates	1,00,00,000	-	1,00,00,000	1,00,00,000	-	1,00,00,000
Total - Trade (A)	1,00,00,000	-	1,00,00,000	1,00,00,000	-	1,00,00,000
Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.
(b) Investment in government or trust securities (i) government securities (ii) trust securities	-	29,75,04,264	29,75,04,264	-	28,75,90,264	28,75,90,264
Particulars	As at 31 March, 2017			As at 31 March, 2016		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.
(c) Other non-current investments (specify nature)	-	-	-	-	-	-
Aggregate amount of quoted investments	1,00,00,000	-	1,00,00,000	1,00,00,000	-	1,00,00,000
Aggregate amount of unquoted investments	-	29,75,04,264	29,75,04,264	-	28,75,90,264	28,75,90,264
		29,75,04,264	30,76,04,264		28,75,90,264	29,75,90,264

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.

	31st March 2017	31st March 2016
	In Rs.	In Rs.
1 10, 8.20% Bond Central Bank of India Tier II Series XII @Rs. 10,00,000/-each 2017	1,00,00,000	1,00,00,000
2 100599, 8.54% Govt. Securities 2020 @ Rs. 100/- each	1,00,59,900	1,00,59,900
3 8.39% L.P. Govt. Securities 2020 @ Rs. 100/- each	1,49,95,278	1,49,95,278
4 8.28% Central Govt. Securities 2027 @ Rs. 100/- each	1,18,51,386	1,18,51,386
5 8.28% Central Govt. Securities 2027 @ Rs. 100/- each	1,94,83,200	1,94,83,200
6 8.30% Central Govt. Securities 2042 @ Rs. 100/- each	2,46,28,000	2,46,28,000
7 8.28% Central Govt. Securities 2027 @ Rs. 100/- each	5,05,25,000	5,05,25,000
8 8.15% Central Govt. Securities 2026 @ Rs. 100/- each	1,00,20,000	1,00,20,000
9 8.24% Central Govt. Securities 2033 @ Rs. 100/- each	5,05,95,000	5,05,95,000
10 8.24% Central Govt. Securities 2033 @ Rs. 100/- each	2,53,10,000	2,53,10,000
11 7.88% Central Govt. Securities 2030 @ Rs. 100/- each	5,00,87,500	5,00,87,500
12 7.88% Central Govt. Securities 2030 @ Rs. 100/- each	2,00,35,000	2,00,35,000
13 7.61% Central Govt. Securities 2030 @ Rs. 100/- each	1,00,14,000	
Grand Total	30,76,04,264	29,75,90,264



Cent Bank Home Finance Limited
Notes forming part of the financial statements
Note 12 Long-term loans and advances

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Security deposits		
Secured, considered good	39,83,552	39,47,552
(b) Loans and advances to employees		
Secured, considered good	49,81,642	29,63,105
Less: Provision for doubtful loans and advances	19,927	11,853
(c) Prepaid expenses - Unsecured, considered good Insurance	-	-
(d) Refund due from Revenue Authorities	3,89,90,681	2,87,80,711
(f) HOUSING LOANS & NON-HOUSING LOANS		
Secured by tangible assets, considered good	11,07,85,16,025	9,21,57,96,584
Substandard	5,82,10,316	12,95,75,691
Doubtful & Loss	15,66,41,804	12,57,37,777
Total (f)	11,29,33,68,144	9,47,11,10,052
Less: Provision for loans and advances	10,85,77,766	11,05,58,654
	11,18,47,90,377	9,36,05,51,398
Total (a+b+c+d+e+f)	11,34,13,24,019	9,50,68,01,420

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 13 Other non-current assets

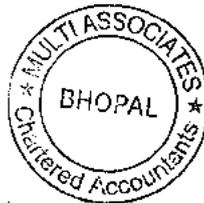
Particulars	As at 31 March, 2017	As at 31 March, 2016
(a) Unamortised expenses: Loan acquisition cost		
(i) Unamortized Loan acquisition cost	4,90,66,766	2,62,33,838
Add: Expenses during the year	2,60,72,799	3,14,87,688
Less: Amortized during the year	1,54,82,776	86,54,759
Closing Balance	5,96,56,789	4,90,66,767
Less: To be Amortized during next year, '(Current Portion)	1,83,53,517	52,88,606
	4,13,03,272	4,37,78,161
(b) Unamortised expenses: Brokerage on borrowings		
(i) Unamortized Brokerage on borrowings	2,62,63,228	29,76,337
Add: Expenses during the year	35,14,536	2,70,49,317
Less: Amortized during the year	1,29,72,476	37,62,426
Closing Balance	1,68,05,288	2,62,63,228
Less: To be Amortized during next year '(Current Portion)	91,44,572	82,09,716
	76,60,716	1,80,53,512
TOTAL	4,89,63,988	6,18,31,673



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

Note 14 Cash and cash equivalents

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Cash on hand	42,47,198	69,52,944
(c) Balances with banks		
(i) In current accounts	4,27,64,786	18,01,19,885
(ii) In deposit accounts (Refer Note (i)# below)	27,48,29,994	30,39,49,988
Total	32,18,41,977	49,10,22,817
(i)# The whole amount denotes cash & cash equivalents as per AS-3 cash flow statements		



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

Note 15 Short-term loans and advances

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Loans and advances		
Secured, considered good	1,92,08,95,120	1,62,86,65,220
Less: Provision for doubtful loans and advances/standard	78,50,926	93,71,730
	1,91,30,44,193	1,61,92,93,490
(b) Loans and advances to employees		
Secured, considered good	7,89,365	5,35,819
Unsecured, considered good	14,126	65,860
Less: Provision on loans and advances (Standard)	3157	2800
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, Advance rent etc.)	24,15,606	24,04,110
Total	1,92,41,14,217	1,63,16,70,809

Note: Amount shown in balance sheet is without provision. Provision have been shown in short term provision. Rs 192,08,95,120 is taken under short term loan & advances and Rs 7854084/- taken to short term provision.



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

Note 16 Other current assets

Particulars	As at 31 March, 2017	As at 31 March, 2016
	In Rs.	In Rs.
(a) Accruals		
(i) Interest accrued on deposits	96,25,372	89,97,767
(ii) Interest accrued on investments	39,72,836	37,32,924
(b) Others		
(ii) Unamortized loan acquisition cost	1,83,53,517	52,88,606
(iii) Unamortized Brokerage on Borrowings	91,44,572	82,09,716
(iv) Others (Includes SARFAESI Charges Recoverable, CERSAI charges recoverable & misc receivable also includes Rs 12105804 as unreconciled opening difference)	2,42,10,359	81,22,475
Total	6,53,06,656	3,43,51,488
Grand Total	6,53,06,656	3,43,51,488



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

Note 17 Revenue from operations

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		In Rs.	In Rs.
(a)	Interest income on individual loans & project loans	1,30,08,99,518	1,08,90,58,774
(b)	Interest on Bank deposits and Investment	5,19,53,597	4,17,86,290
(c)	Other operating revenues		
	Interest on demand loan, vehicle loans, personal loan, fees & other charges	4,73,56,511	5,99,70,900
		1,40,02,09,626	1,19,08,15,964
	Total	1,40,02,09,626	1,19,08,15,964
# Details of revenue from operations:			
	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		In Rs.	In Rs.
(i)	Interest Income comprises:		
	Individual Loans	1,29,50,40,484	1,05,20,03,982
	Corporate bodies/builders	58,59,034	3,70,54,792
	Total	1,30,08,99,518	1,08,90,58,774
(ii)	Other operating revenues comprise:		
	Processing, Administration fees and other charges	4,71,22,407	5,98,70,476
	Interest on demand loan against fixed deposit	2,28,974	87,586
	Interest on Vehicle loan	966	3,083
	Interest on personal loan	4,164	9,755
	Total - Other operating revenues	4,73,56,511	5,99,70,900



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

Notes 18 Other income

	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		In Rs.	In Rs.
(a)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	73,57,927	40,22,682
	Total	73,57,927	40,22,682

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		In Rs.	In Rs.
(i)	Other non-operating income comprises:		
	Profit on sale of fixed assets	9,050	35,741
	Miscellaneous income	73,48,877	39,86,941
	Total - Other non-operating income	73,57,927	40,22,682



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

Note 19 Employee benefit expense

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	In Rs.	In Rs.
Salaries and wages	5,68,19,040	5,22,32,809
Contributions to provident and other funds	34,91,672	36,24,160
Staff welfare expenses	14,46,691	11,77,614
Total	6,17,57,403	5,70,34,583

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



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

Note 20 Finance Costs

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	In Rs.	In Rs.
(a) Interest expense on Borrowings #	1,02,42,55,113	82,94,21,677
(b) Other borrowing costs (Bank Charges)	42,93,622	38,04,119
(c) Brokerage	1,29,72,476	37,62,426
Total	1,04,15,21,211	83,69,88,222

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



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

Note 21 Other expenses

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	In Rs.	In Rs.
Power and fuel/electricity expenses	20,79,181	21,09,147
Rent including lease rentals	1,28,49,751	1,18,28,696
Repairs and maintenance - Buildings	12,07,708	12,00,000
Repairs and maintenance - Others	6,29,295	6,43,669
Insurance	4,06,128	1,16,208
Communication	21,74,795	22,81,960
Travelling and conveyance	36,51,652	34,73,409
Printing and stationery	9,68,209	12,37,800
Reimbursement to Manpower supply agency	1,82,94,530	1,35,13,994
Advertisement & Publicity	6,25,950	6,75,996
Legal and professional	1,59,17,567	1,55,24,471
Payments to auditors (Refer Note (i) below)	6,44,750	6,27,029
Internal audit expenses/stock audit fees	23,27,294	7,52,174
Loss on fixed assets sold/	5,090	2,699
RCU/FI verification Expenses	41,11,341	32,47,525
Directors Sitting fees	7,34,100	9,42,916
Miscellaneous expenses	54,23,699	40,12,117
DSA Commission (amount amortized)	1,54,82,776	86,54,759
Sub -Total	8,75,33,818	7,08,44,569

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	In Rs.	In Rs.
(i) Payments to the auditors comprises :-		
Fees Paid		
For statutory audit	3,45,000	3,45,000
For tax audit	57,500	57,500
For Certification	2,42,250	2,24,529
Total	6,44,750	6,27,029



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

Note 22. Provision for Standard Assets

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	In Rs.	In Rs.
Provision on standard assets as per NHB norms	83,67,292	1,44,11,683
Total	83,67,292	1,44,11,683

Note :- As per NHB Norms provision on standard assets is to be created by 0.40%.

Note 23. Exceptional items

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	In Rs.	In Rs.
Reversal of provision on Standard Assets	1,32,51,660	-
Total	1,32,51,660	-

As per NHB Norms provision on standard assets is to be created by 0.40% but in last year provision was made by 1% in place of 0.4% hence after considering difference of 0.6% i.e. 13251660 net figure has been considered as reversal of income



1. Notes forming part of the Financial Statements:-

A. 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 19th June, 1992. Company has commenced its business on June 18, 1991 and obtained the certificate of registration under 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 purchases of commercial purposes and provide loans against property and Loan for purchase of Commercial property. The Company is currently operating with 18 branches and 1 representative office.

B. Significant Accounting Policies

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 consisting with those followed in previous year.

2. Use of Estimates

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

3. Revenue Recognition

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

- a. Interest on Loans - Interest income is recognized on accrual basis except in case of Non-Performing Assets (NPA) where interest is accounted on realization. In loans, the repayment is received by the way of Equated



Monthly Installments (EMIs) comprising principal and interest. Interest is calculated on the outstanding balance at the beginning of the month. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is charged. Recovery in case of NPA is appropriated first towards interest portion of overdue EMIs and thereafter towards principal portion of overdue EMIs.

- b. Fees and Other Charges - Income from fee and Other Charges viz. log in fee, Penal Interest on Overdue, Pre-payment charges etc, are recognized on receipt basis.
- c. Income from Investment - Interest on Bank Deposits/ Bonds/ Govt. Securities are accounted on accrual basis. Dividend Income is accounted for in the year in the same is received.
- d. Other Income – Interest on tax refunds and other income are accounted for on receipts basis.

4. Fixed Assets

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

5. Depreciation

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

6. Investments

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

7. Employee Benefits

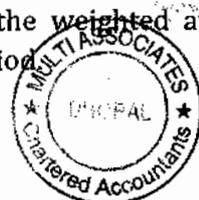
Gratuity amount has been set aside on actuarial basis and investment in group maturity Scheme administered by the Life Insurance Corporation of India. Company's contribution in respect of Employees' Provident Fund is made to Government Provident Fund and is charged to the Statement of Profit & Loss.

8. Borrowing Costs

Brokerage costs directly attributable to borrowing are amortized over the period of its life.

9. Earnings Per Share

The Basic and Diluted earnings per share have by dividing the net profit/ loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.



10. Income Tax

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

11. 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 estimates, 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 acknowledge as debts	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 Companys 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 contingent liable primarily include the estimate amount of contracts remaining to be executed on Capital Account and not provided for

12. Loan Origination/Acquisition Cost: - All Direct Cost incurred for the loan origination are amortized over the average tenure of the loan.

13. Unclaimed Deposits

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

14. Floating Provision

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



Additional Information on the Financial Statements

Note 23

- 1) Loans and installments due from borrowers shown under Loans and Advances are secured wholly by Equitable Mortgage of Property, Pledge of shares, other Securities, assignment of Life Insurance Properties, Undertaking to create security, Bank guarantee/ corporate guarantees/ personal guarantees.
- 2) 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. In Addition to above a floating provision for an amount of Rs. Nil Also provided to bridge the gap for any short comings as per the Accounting Policy of the Company.

(Amt in Crs.)

	For the year ended 31-03-2017		For the year ended 31-03-2016	
	Outstanding Rs.	Provisions Rs.	Outstanding Rs.	Provision Rs.
HOUSING LOAN:				
To Individuals				
Standard Assets	1067.80	4.271	858.39	3.41
Sub-Standard Assets	3.62	0.516	5.10	0.76
Doubtful Assets	8.69	3.808	6.08	2.97
Loss Assets	0.001	0.006	0.32	0.31
To Non-Individuals				
Standard Assets	3.49	0.035	7.13	0.071
Sub-Standard Assets	0.31	0.047	4.02	0.60
Doubtful Assets	1.60	0.402	-	0
Loss Assets	-	-	-	0
Floating provision	-	-	-	0
Total (A)	1085.53	9.085	881.04	8.14

	For the year ended 31-03-2017		For the year ended 31-03-2016	
	Outstanding Rs.	Provisions Rs.	Outstanding Rs.	Provision Rs.
NON HOUSING LOAN:				
To Individuals				
Standard Assets	229.84	0.92	222.29	2.22
Sub-Standard Assets	1.89	0.27	3.84	0.58
Doubtful Assets	5.36	1.91	3.14	1.02



Loss Assets	0.00	0.00	0.03	0.03
To Non-Individuals	-	-	-	-
Standard Assets	-	-	-	-
Sub-Standard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision	-	-	-	-
Total (B)	237.08	3.10	229.29	3.85
TOTAL (A+B)	1322.62	12.18	1,110.33	12.00

The above Provisions are net of unrealized interest of Rs. 84,204,85/- (Previous year Rs. 76,90,879/-)

- 3) During the year the Company has written off as irrecoverable bad debts an amount of Rs. 23,933,152 (Previous Year Rs. 300,46,718) in those identified accounts where chances of recovery are meager or NIL.
- 4) **Prior Period item** having total amount of Rs. 5864508.00 includes interest reversal of Rs. 5285812 and Expenses of Rs 578696 relates to previous years.
- 5) Interest on Non-Performing Assets is recognized on realization basis as per the NHB Guidelines. Accordingly the total interest de-recognized as at the Balance Sheet date is summarized as under:-

	As at 31-03-2017 (in Rs)	As at 31-03-2016 (in Rs)
Cumulative Interest B/F from last Balance Sheet	76,90,879	42,21,287
Outstanding derecognized Interest		
- Sub Standard Assets(Net)	30,11,128	27,74,336
- Doubtful/Loss Assets	5,409,357	49,16,543
Total Interest Derecognized	84,20,485	76,90,879

6) Capital to Risk Assets Ratio (CRAR)

	As at 31-03-2017	As at 31-03-2016
i) CRAR(%)	17.56%	17.98%
ii) CRAR-Tier I Capital	12.54	13.52
iii) CRAR-Tier II Capital	5.02	4.45
iv) Amount of Subordinate debt raised as Tier-II Capital	30.00	30.00
v) Amount raised by issue of Perpetual Debt Instruments	0.00	0.00



- 7) 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 38,322,464 to Special Reserve U/s 36(1)(VIII) of Income Tax Act, 1961 during the year.

Statement as per NHB circular No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated 9th February,2017		
Particulars	Amount	
Balance at the beginning of the year	2016-17	2015-16
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	30,000,000	20,000,000
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.	303,563,000	274,853,000
c) Total	333,563,000	294,853,000
Addition/Appropriation/ Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	-	10,000,000
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	38,322,464	28,710,000
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	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	30,000,000	30,000,000
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	341,885,464	303,563,000
c) Total	371,885,464	333,563,000

8) Investments****

(Amt in Crs)

Particulars	Current Year	Previous Year
7.1) Value of Investments	30.79	29.75
i) Gross value of Investments	30.79	29.75
a) In India	30.79	29.75
b) Outside India	0	0
ii) Provision for Depreciation	0	0
a) In India	0	0
b) Outside India	0	0



iii) Net value of Investments	30.79	29.75
a) In India	30.79	29.75
b) Outside India	0	0
7.2) Movement of provision held towards depreciation on Investment	Nil	Nil
i) Opening Balance	Nil	Nil
ii) Add: Provisions made during the year	Nil	Nil
iii) Less: Write-off/ Written-back of excess provisions during the year	Nil	Nil
iv) Closing Balance	Nil	Nil

**** Investment is inclusive of Tier-II Bonds of Central Bank of India but exclusive of Bank Deposits held for SLR purpose.

9) 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

10) Securitisation: Nil

- i) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction-Nil
- ii) Details of Assignment transaction undertaken by HFCs- Nil
- iii) Details of Non- Performing Financial Assets purchased/sold-Nil

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

(Amt in Crs)

Particulars	Up to 30/31 days(One month)	Over 1 month & upto 2 months	Over 2 months & up to 3 Months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 Year & upto 3 Years	Over 3 Years & upto 5 Years	Over 5 Years & upto 7 Years	Over 7 Years & upto 10 Years	Over 10 Years	Total
Liabilities											
Deposits	3	3	11	8	20	150	124	52	32	0	403
Borrowings from Banks	3	2	23	28	57	215	125	52	0	0	505
Market Borrowings											
Assets											
Advances	16	16	16	40	104	384	378	188	85	74	1301



Invsetments				20	10	28	0	0	0	0	58
Forgein Currency											

12)Exposure

i) Exposure to Real Estate Sector

S.No	Category	For the Year 31-03-2017	For the Year 31-03-2016
A	Direct Exposure		
i)	Residential Mortgages (including loan against residential property)		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	10825377844	8700084330
	Out of which Individuals Housing Loans upto Rs.15 lakhs	4571948135	4728069413
ii)	Commercial Real Estate	54134201	74195740
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc). Exposure would also include non fund based (NFB) limits		
iii)	Investment in Mortgage Backed Securities (MBS) and other securitized exposures-		
	a) Residential		
	b) Commercial Real Estate		
B	Indirect Exposure		
	Fund Based and non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		

- ii) Exposure to Capital Market- Nil
- iii) Details of Financing of Parent Company- Nil
- iv) Details of Single Borrower Limit (SGL)/ Group Borrower limit (GBL) exceeded by HFC- Nil

13) Unsecured Advances- Nil

14) During the current year company has created 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 we have appropriated as follows:



A)	Deferred Tax Asset	Amount	2016-17	Amount	2015-16
	Provision for NPA's				
	Standard Assets	42,172,061		40,769,319	
	Others	773,208		7,361,112	
	Depreciation	243,764	43,189,033	239,285	48,369,716
B)	Deferred Tax Liability				
	Special Reserve	116,444,468		60,925,885	
	Others	26,463,525	142,907,993	25,604,665	86530550
	(A)-(B)		99,718,960		38,160,834

15) Accounting Standard 21- Consolidated Financial Statement- Nil

16) Contingent Liabilities and Commitments

Particulars	As at 31 st March 2017	As at 31 st March 2016
Claims against the Company, not acknowledged as debts	Nil	Nil
Contingent liability on account of income tax.	2506487	Nil

This demand of Rs 2506487 includes Rs 1418837 for A.Y. 2010-11 and Rs 1087650 for A.Y. 2014-15. Since the proceeding against these demands are pending with Income Tax authorities for giving credit of TDS and Tax paid hence these are not provided in the books of account.

For Income tax liability for A.Y. 2003-2004 , A.Y. 2004-05 and A.Y. 2005-2006 the Income Tax Department had disallowed provision for NPA and raised demand for an amount of Rs.9,63,33,568/- in the past. The demand was contested in appeal proceedings and net demand was been reduced to Rs.36,827,675 after appeal proceedings at CIT(A) level. The Company has appealed against the order of CIT(A) in ITAT , which is pending with ITAT INDORE, since this demand of Rs 3.69 Cr is long pending and the company has already paid amount of Rs 5.2cr ,against this demand. This is a contingent liability hence not provided in the books of account. But taking the conservative view we have deducted this amount out of reserve and surplus. Like wise after analyzing previous years assessments, demand net amount of Rs. 1091486 arrived , although proceedings are in process even then is also provided in the books of accounts by deducting Reserve and surplus.



17) Reporting Under Accounting Standard AS-18- Related Party Disclosures

Details of Related Party:

(a) Holding Company:

Central Bank of India

(b) Key Managerial Personnel

(i) Shri Sanjay Mallik, Managing Director

(ii) Shri Vijay Kumar Singh Chief Financial Officer

(iii) Shri Manish Payal, Company Secretary

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

Salary and Allowances, cont. to PF etc of Key Managerial Personnel is Rs.50.57 lacs.

18) 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:

(In Rs.)

	As on 31-03-2017	As on 31-03-2016
a) Profit/Loss after Tax (in Rs.)	110408437	134418273
b) No. of shares (In Nos.)	25000000	25000000
c) Weighted Average number of equity shares for Basic EPS	25000000	25000000
d) Basic EPS (a/c)(In Rs.)	4.42	5.38
e) Diluted EPS (a/c) (In Rs.)	4.42	5.38

19) 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.

20) 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.

(a) Movement of provision	In Rs.
Opening Provisions on Bad & Doubtful Debts	62805716
Less: Reversal due to accounts written-off	23933152
Add: Addition on account of fresh slippage (net of reduction due to recovery)	30721836
Closing Provision on Bad & Doubtful Debts	69594400

(b) Net of amount written-off (Details)	In Rs.	In Rs.
Bad Debts Written-off		23933152



Reversal due to accounts written-off	23933152	
Addition due to Slippage/ Reversal on account of recovery (net-off)		30721836
Total	23933152	54654988
Reversal of Provision Net of amount written off		30721836

21) 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

22) Provision and Contingencies (NPA Disclosure)

(Amt in Crs)

Break up of Loan and Advances and Provision thereon	Housing		Non Housing	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	1071.29	865.52	229.84	222.29
b) Provisions Made	4.306	3.481	0.92	2.22
Sub-Standard Assets				
a) Total Outstanding Amount	3.93	9.12	1.89	3.84
b) Provisions Made	0.563	1.36	0.27	0.58
Doubt ful-1 Category-I				
a) Total Outstanding Amount	4.78	2.86	2.34	1.68
b) Provisions Made	1.17	0.67	0.56	0.39
Doubtful Assets- Category-II				
a) Total Outstanding Amount	3.96	2.80	2.69	1.46
b) Provisions Made	1.50	1.89	1.03	0.63
Doubtful Assets - Category-III				
a) Total Outstanding Amount	1.57	0.42	0.32	-
b) Provisions Made	1.54	0.42	0.32	-
Loss Assets				
a) Total Outstanding Amount	0.001	0.32	0	0.03
b) Provisions Made	0.006	0.32	0	0.03
Total				
a) Total Outstanding Amount	1085.53	881.04	237.08	229.29
b) Provisions Made	9.085	8.14	3.10	3.85



Note:

1. The total outstanding amount mean principal+ accrued interest+ other charges pertaining to loans without netting off.
2. The category of Doubtful Assets will be as under:

Period for which the assets has been considered as doubtful	Category
Up to one Year	Category-I
One to three Years	Category-II
More than three years	Category-III

23) Current liabilities includes short term borrowings which consists of deposits going to matured within a year, whereas current assets includes installments receivables from the loans granted to individual/non-individual borrowers within a year. The loans granted to borrowers are generally long term loans having tenor of 15-20 years. An HFC can accept deposits for a maximum period of 7 years. Average maturity of deposits ranges between 2-3 years. Thus, the mismatch is always there. Company is having sufficient credit line available in case of any adverse condition.

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

25) Draw Down from Reserves : During the year the Company has withdrawn Rs Nil, However provision for contingent liability of Rs 37919161 on account of previous year taxes has been provided.

26) Miscellaneous:

- i) Disclosure of penalties imposed by NHB and other regulators-Nil
- ii) Disclosure of Penalties imposed by NHB and other Regulators-Nil

27) Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposit:

(Rs in Crs)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	115.16	145.68
Percentage of Total Deposits of the HFC	28.57%	33.60

ii) Concentration of Loans and Advances:

(Rs in Crs)

Particulars	Current Year	Previous Year
Total Loans and Advances to twenty largest borrowers	24.27	29.91
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	1.83%	2.69%

iii) Concentration of all Exposures (Including off-balance sheet exposure) (Rs in Crs)

Particulars	Current Year	Previous Year
-------------	--------------	---------------



Total Exposure to Twenty largest borrowers/ Customers	31.45	51.00
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/ customers	2.37%	4.59%

iv) Concentration of NPAs(Rs in Crs)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	4.55	6.47

v) Sector-wise NPAs

(Rs in Crs)

S.No	Sector	Percentage of NPAs to total Advances in that Sector
A	Housing Loans	
1.	Individuals	1.13%
2.	Builders loan	35.37%
3.	Corporates	-
4.	Others(Specify)	-
B	Non-Housing Loans:	
1.	Individuals	3.05%
2.	Builders	-
3.	Corporates	-
4.	Others(Specify)	-

vi) Movement of NPAs

(Amt in Crs)

Particulars	Current Year	Previous Year
i) Net NPAs to Net Advances %	1.10%	1.47%
ii) Movement of NPAs (Gross)		
a) Opening Balance	23.29	15.59
b) Additions during the year	5.74	17.69
c) Reduction during the year	7.55	9.99
d) Closing Balance	21.48	23.29

28) Overseas Assets-Nil

29) Off- balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)- Nil

30) 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.

31) Concentration of Public Deposits(for Public Deposits taking/holding HFCs)

32) Rating Assigned by Credit Rating Agency:



Agency	Purpose	Rating
CARE	Debenture	CARE AA;
CRISIL	Deposit	FA negative outlook

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

- i. The Company makes its share of contributions to the Provident Fund as per defined benefit plan. The Company has no further obligations apart from its contributions. Such contributions are recognized as expenditure in the Profit & Loss account.
- ii. 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 a policy 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.
- iii. The Provision of leave encashment liability is calculated on the balance-privilege leave of the employees as on 31-03-17. The same has been provided for the year ended 31-03-2017.
- iv. For the staff deputed from Central Bank of India the gratuity liability and leave encashment has been 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.

34) Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010. During the current year, the Company was not imposed any penalty by National Housing Bank.

35) As per NHB refinance guidelines, the Company is required to submit half-yearly certificate as on 30th September and 31st March disclosing therein the difference between hypothecated book debts and NHB refinance outstanding. The adverse balance as on 31-03-2017 is Rs Nil, (Previous Year Rs. (Rs.Nil).

36) As on March 2017, there is no diminution in the market value of quoted investment of Rs.100 lacs in Central Bank of India's Tier-II Series XII Bonds. Thus as per the accounting standard AS-13, provision to the extent already provided for has been written-back.

37) During the year the company has not created floating provisions on Bad & Doubtful Debts.

38) Exposure in capital market : NIL

39) 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.

40) Corporate Social Responsibility

During the year Company has spent Rs 27,49,595/- towards Corporate Social Responsibility under section 135 of Companies Act,2013 and rules thereon.



41) Detail of complaints received:-

Particulars	Count
Number of Complaints at the beginning of the year	2
Number of Complaints at the received during the year	15
Number of Complaints at the closed during the year	17
Number of Complaints pending at the end of the year	0

As per our report of even date

B.K. Divakara

B.K. Divakara

Chairman

DIN:06439053

Vijay Kumar Singh

Vijay Kumar Singh

Chief Financial Officer

V. Sridar

V. Sridar

Independent Director

DIN:02241389

Sanjay Mallik

Sanjay Mallik

Managing Director

DIN:7689436

For Multi Associates

Chartered Accountants

R.K. Agrawal

CA R. K. Agrawal

Partner

M. No. 071755

FRN 509955C

Place: Camp Mumbai

Date: **22 MAY 2017**



Manish Singh Payal

Manish Singh Payal
Company Secretary