



**Cent Bank Home Finance Limited
Annual Report 2018-19**

ANNUAL REPORT

2018-19

LIST OF SHAREHOLDERS

1.	Central Bank of India
2.	National Housing Bank
3.	Housing & Urban Development Corporation Limited
4.	Specified Undertaking of Unit Trust of India
5.	Shri. B.K. Divakara & Central Bank of India
6.	Shri. B.K. Singal & Central Bank of India
7.	Shri. P.J. Kumar & Central Bank of India
8.	Shri. B.S. Harilal & Central Bank of India

BOARD OF DIRECTORS

S. No.	Name	Designation
1.	Shri P. Ramana Murthy	Chairman (Nominee of Central Bank of India)
2.	Shri Anil Girotra	Independent Director
3.	Shri Bibhas Kumar Srivastav	Independent Director
4.	Shri P.J. Kumar	Director (Nominee of Central Bank of India)
5.	Smt. Revathi Thiagarajan	Director (Nominee of Central Bank of India)
6.	Shri Vijay Vasant Murar	Director (Nominee of Central Bank of India)
7.	Shri Nataraja Sivaguru Ganesh	Director (Nominee of HUDCO)
8.	Shri Navnath Rundekar	Director (Nominee of SUUTI)
9.	Shri Kulasekhara Chakravarthy	Director (Nominee of NHB)
10.	Shri Shishram Tundwal	Managing Director

LIST OF COMMITTEES

S. No.	Name of the Committee	Committee Members
1.	Audit Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri P.J. Kumar
2.	Credit Management Committee	a) Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri P.J. Kumar d) Shri Vijay Vasant Murar e) Shri Shishram Tundwal
3.	HR Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri P.J. Kumar d) Shri Kulasekhara Chakravarthy e) Shri N.S. Ganesh f) Shri Navnath Rundekar g) Shri Shishram Tundwal
4.	CSR Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri P.J. Kumar d) Shri Kulasekhara Chakravarthy e) Shri Shishram Tundwal
5.	Risk Management Committee	a) Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri P.J. Kumar d) Smt. Revathi Thiagarajan e) Shri Shishram Tundwal
6.	Nomination & Remuneration Committee	a) Shri Anil Girotra, Chairman b) Shri Bibhas Kumar Srivastav c) Shri Kulasekhara Chakravarthy
7.	Stakeholders Relationship Committee	a) Shri N.S. Ganesh, Chairman b) Shri Shishram Tundwal c) Shri Abhijit Das

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company takes pleasure in presenting 28th Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2019.

1) HOUSING INDUSTRY OUTLOOK

Indian real estate sector has undergone huge transformation in the recent past. With rapid urbanization and increasing income levels, the demand and requirement of a home is continuously increasing. In order to tap the changing needs of home buyers, developers and real estate players are coming up with new and innovative projects in the Country.

Indian Housing Industry has shown strong growth over the past few years. Moreover, rising purchasing power, rising population, Increasing Investments in socio economic infrastructure, rapid urbanization and migration of people from rural to urban areas are the main reasons boosting the housing sector, and it is anticipated to register a strong growth in the coming years.

Government of India's aim of Housing for all by 2022 is driving residential development activity, while the Real Estate (Regulation & development) Act, 2016 is making the sector more open and transparent.

SEBI has given its approval for Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian Real Estate market. It would create an opportunity worth Rs.1.25 trillion in the Indian Market over the years.

Under PMAY, barring Lakshwadeep (which does not have an urban area), all 35 states/UTs of the Country have signed Memorandum of Agreement(MoA) for the Mission. As on 31.01.2019, 15,263 project proposals for construction of 72.82 lakh houses have been approved. An investment of about Rs. 4.09 lakh crore with the central assistance of Rs. 1.12 lakh crore has been approved of which Central assistance of Rs.36,154 crore has been released out of the budgetary allocations and Extra Budgetary Resources (EBR). An expenditure for Rs.26,500 crore has already been reported by the States/UTs through web portal.

In an effort to accomplish the target for 'Housing for all by 2022', IAY was restructured and transformed into Pradhan Mantri Awaas Yojana Gramin (PMAY-G) in April 2016. The Scheme aims to provide a pucca house to all houseless householders and those households living in kutcha and dilapidated house, by 2022. The selection of PMAY-G beneficiaries is based on the Socio-Economic Caste Census (SECC) 2011. Under the programme, apart from the unit assistance of Rs.1.20 lakh for plain areas and Rs.1.30 lakh for the hilly, difficult, and Integrated Action Plan (IAP) areas, the beneficiaries are also entitled to 90-95 days of employment under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and Rs.12,000 for constructing toilets under Swachh Bharat Mission (SBM). Different schemes and programmes run by the government for providing basic amenities like piped drinking water, electricity connection, and Liquefied Petroleum Gas (LPG), etc. have also been integrated with PMAY-G to provide the basic amenities and sustainable living conditions to the beneficiaries. In addition to above

Government has also provided Interest Subsidy Scheme for the rural household who is not covered under PMAY Grameen.

Interim Budget as presented by the Union Government exempted tax on notional rent on second self occupied house under “Income from House Property” (upto two self occupied house properties are now considered for exemption). Standard deduction for the salaried class has been increased from Rs. 40,000 to Rs. 50,000.

All these steps indicate positive intent of the Government towards the Housing sector. These initiatives shall boost the development in Housing Sector as well as all other sectors/industries which are integrally connected to it.

2) PERFORMANCE

Your Company’s strategy for the financial year 2018-19 was to strengthen the productivity through the existing capacity and not to expand to new geography. Company has taken a conscious decision to improve the asset quality and upgrade IT Platform. Company through its existing branches succeeded in gaining customer satisfaction and business. During the year of severe competition in housing finance industry, your Company managed to achieve total revenue of Rs. 140.85 crore as against Rs.150.57 crore in the previous year.

Despite challenges, your Company’s profit before tax for the year ended 31st March 2019 stood at Rs.24.02 Crore as against Rs. 26.60 Crore in the previous year. Your Company’s profit for the year after tax stood at Rs.16.28 Crore as against Rs 16.84 Crore in the previous year.

Further, your Company is relentlessly working on reduction of NPAs which stood at Rs.27.97 Crore as on 31st March 2019 compared to Rs.26.90 Crore in the previous year ended 31st March 2018. Rigorous steps have been initiated to recover NPA and prevent fresh slippage. Company focused on recovery in prudentially written off accounts of the previous years.

a) Financial Highlights

The financial performance for the fiscal 2019 is summarized here below:

(Rs. in Crore)

	Particulars	For the year ended	
		March 31, 2019	March 31, 2018
A)	Gross Income	140.85	150.57
B)	Total Expenses	115.63	123.67
C)	Operating Profit (A-B)	25.22	26.90
D)	Extraordinary Items +	-	-
E)	Adjustment related to previous year	(1.20)	(0.30)
F)	Profit before tax (C+D-E)	24.02	26.60
G)	Tax Expenses	7.74	9.76
H)	Profit for the year (G-H)	16.28	16.84
I)	Profits brought forward from previous year	25.20	21.52
J)	Profits Available for Appropriation	41.48	38.36
	Appropriations		

Transfer to Special Reserve (as per IT Act)	5.36	5.71
Transfer to Additional Reserve (as per NHB Act)	0.00	0.00
Transfer to CSR Reserve Fund	-	-
Transfer to General Reserve	1.34	1.43
Appropriation for dividend (Including dividend tax, surcharge & cess)	6.03	6.02
Appropriation to DTL on Special Reserves Plus provision for tax for previous year	-	-
Balance carried forward to Balance sheet	28.75	25.20
Total	41.48	38.36

Figures in parentheses are in negative.

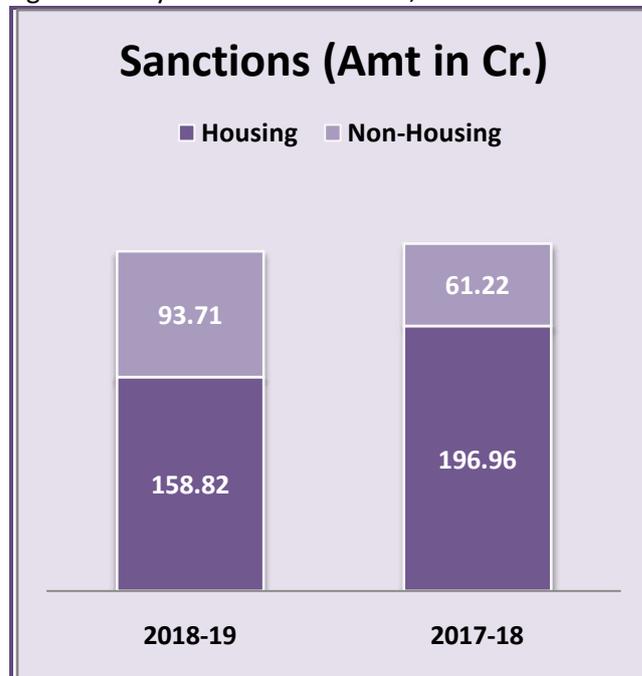
Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

b) Lending Operations:

i) Sanctions

During the year 2018-19, your Company sanctioned loans amounting to Rs.252.53 crore as compared to total sanctions of Rs. 258.18 crore during the previous year ended March 31, 2018.

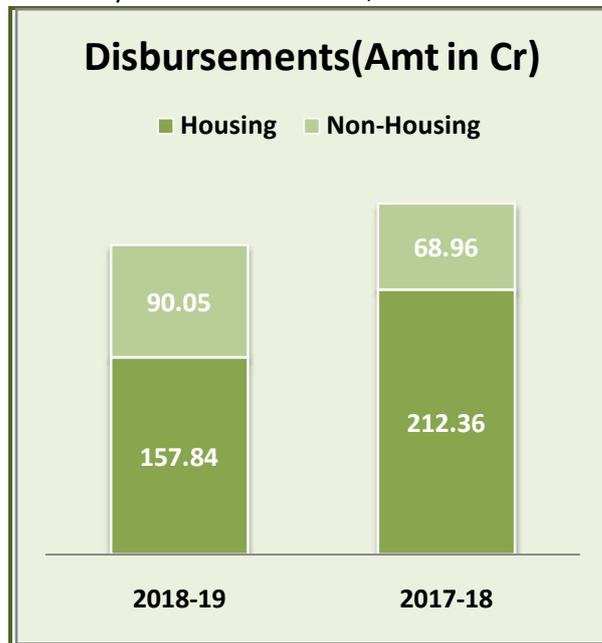
- Out of above, Housing Loans account for Rs. 158.82 crore as compared to Rs. 196.96 crore in the corresponding financial year ended March 31, 2018.
- Non-Housing Loans account for Rs. 93.71 crore as compared to Rs. 61.22 crore in the corresponding financial year ended March 31, 2018.



ii) Disbursements

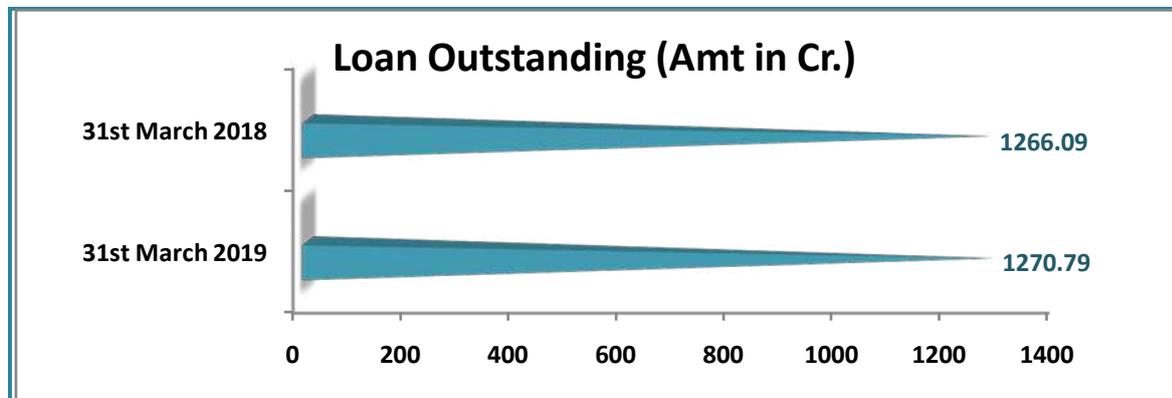
During the year 2018-19, your Company disbursed loans amounting to Rs. 247.89 crore as compared to disbursement of Rs. 281.32 crore in the previous financial year ended March 31, 2018.

- Out of above, Housing Loans account for Rs.157.84 crore as compared to Rs. 212.36 crore disbursement in the corresponding financial year ended March 31, 2018.
- Non-Housing loans account for Rs. 90.05 Crore as compared to Rs. 68.96 crore in the previous financial year ended March 31, 2018.



a) Loan Outstanding

Total Advances stood at Rs.1270.79 Cr as on March 31, 2019 as against Rs. 1266.09 Cr as on March 31, 2018.

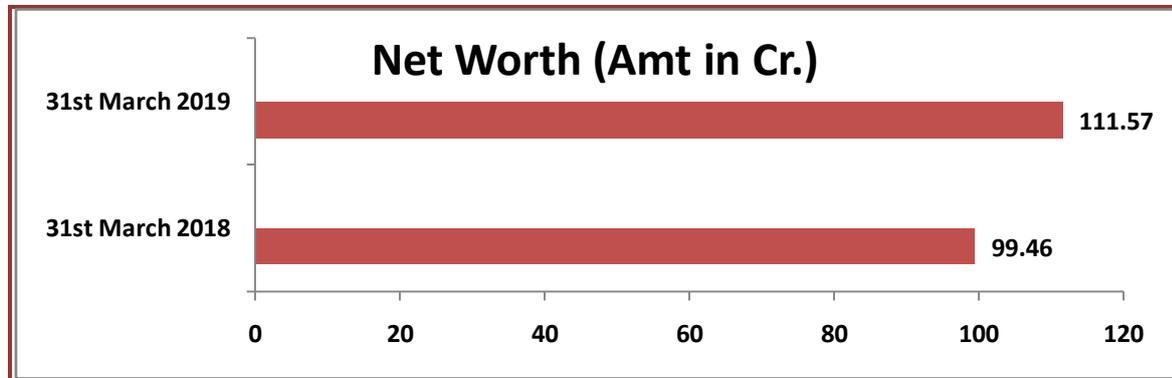


b) Profit and Net Owned Funds

During the year 2018-19, your Company has made Profit before Tax of Rs.24.02 crore as compared to Rs.26.60 Crore in 2017-18 and Profit after Tax (PAT) of Rs.16.28 crore as against PAT of Rs. 16.84 crore in the previous year.

The total owned fund of your Company stood at Rs.111.57 Crore as on March 31, 2019 as against Rs. 99.46 crore in 2017-18.

The Capital Adequacy Ratio of your company is at 18.56% as against the minimum requirement of 12% as stipulated by the National Housing Bank (NHB). Earning Per Share (EPS) stood at Rs.6.51 as on March 31, 2019.



c) Future Outlook

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

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

During F.Y.2019-20, the Company proposes to take following initiatives to improve its operational as well as financial performance and to take it to the next level:

- Raising funds through loans and refinance at attractive rates of interest thereby reducing overall cost of funds.
- Public Deposits is one of the cheap sources of Fund. Company is looking to raise fund by mobilizing public deposits at attractive rates of interest as compared with other players in the market.
- Brand building measures to improve general awareness and the image of the Company.

- Strengthening of recovery mechanism to recover NPA a/cs and recycle blocked funds to generate more income.
- Company will make recovery in prudentially written off accounts of earlier years which will directly bolster the income.

2) DIVIDEND

Considering the performance of your Company during the year 2018-19, your Directors are pleased to recommend a final dividend @ 20% (i.e. Rs.2.00 per share of face value of Rs.10 each) for the year ended 31st March 2019.

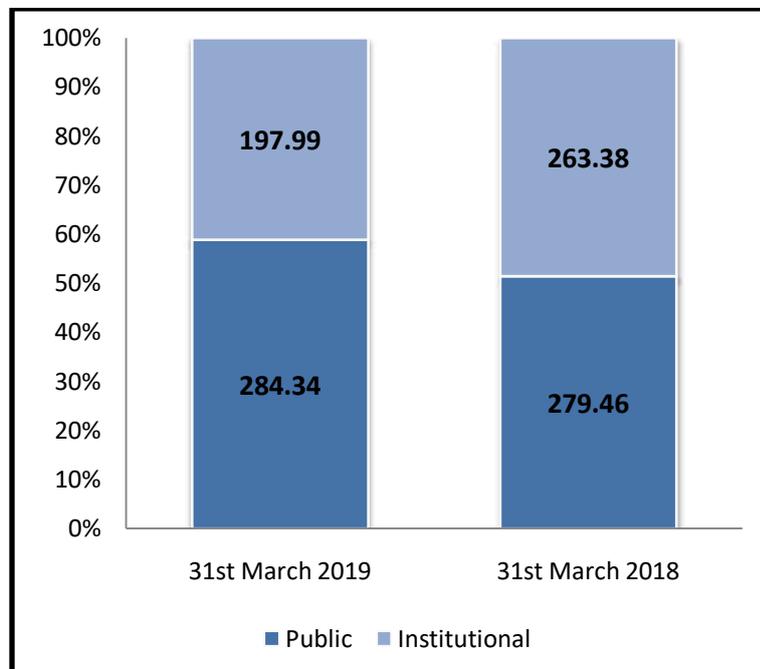
3) FINANCIAL RESOURCES

i) Deposits

As on 31.03.2019, the total deposits of your Company are Rs.482.33 crore (which includes public deposit of Rs. 284.34 crore and institutional deposits of Rs.197.99 Crore) as compared to Rs. 542.84 crore (which includes public deposits of Rs. 279.46 crore and institutional deposits of Rs.263.38 Crore) at the end of the previous year.

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

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



ii) Borrowings from Banks

Your Company has availed Term Loan and Overdraft facility from Central Bank of India. The outstanding balance of the loan/facility as on 31.03.2019 is Rs.358.56 Crore as against Rs.318.56 crore as on 31.03.2018.

Your Company has availed term loan from HDFC Bank. The outstanding balance of the term loans availed from HDFC Bank as on 31.03.2019 is Rs.57.16 crore as against Rs. 91.47 crore as on 31.03.2018.

Your Company has availed term loan from Bank of Baroda. The outstanding balance of the term loans availed from Bank of Baroda as on 31.03.2019 is Rs.31.41 Crore as against Rs.45.70 crore as on 31.03.2018.

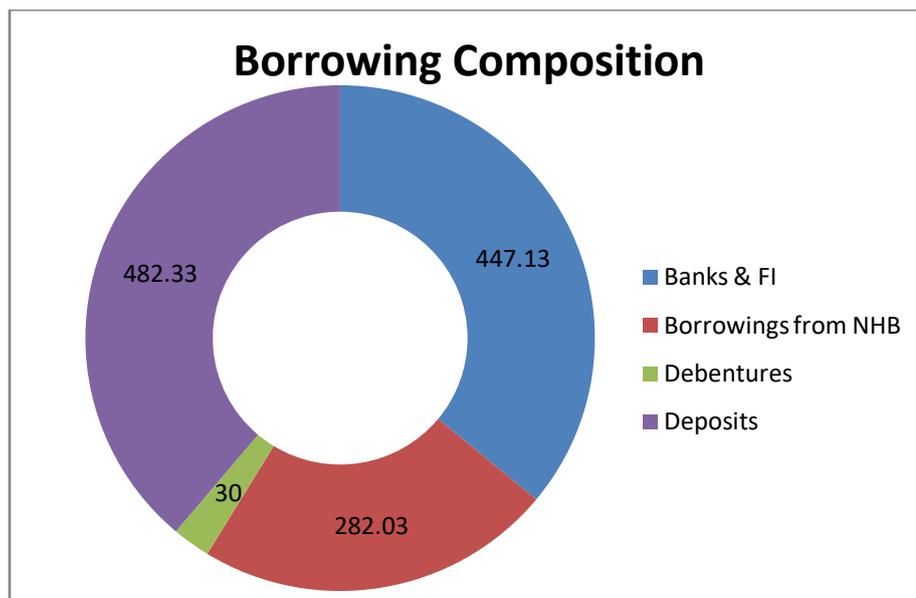
The total outstanding balance as of 31.03.2019 under the head ‘borrowings from Banks’ are at Rs.447.13 crore as against Rs. 455.73 crore during the previous financial year.

iii) Refinance from National Housing Bank

In the Financial Year 2018-19, your Company availed refinance amounting to Rs.150 crore from the National Housing Bank. The amount of refinance outstanding as of 31.03.2019 from the National Housing Bank was Rs.282.03 crore.

5) UNSECURED NON CONVERTIBLE DEBENTURES

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



6) SHARE CAPITAL

The authorized & Paid-up capital of the Company as on 31.03.2019 are Rs. 50,00,00,000 divided into 5,00,00,000 equity shares of Rs.10/- each and Rs. 25,00,00,000 divided into 2,50,00,000 equity shares of Rs.10/- each respectively.

i) Dematerialization of Shares/Debentures and Liquidity

As on 31st March 2019, share capital of the Company representing 2,49,99,900 equity shares were held in dematerialized form and 100 shares in material form held by the Directors of the Company on behalf of Central Bank of India.

During the year Company has obtained ISIN **INE852R01010** from NSDL for the Debentures of Rs.30 crore.

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 it to our R&T agents at the address mentioned below:

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

7) INVESTMENT

The Company has maintained its Statutory Liquidity Ratio (SLR) as per NHB guidelines. The Company has invested Rs.29.76 crore in approved securities & maintained deposits of Rs.65 crore as on 31st March 2019 with Scheduled Banks.

8) UNCLAIMED DEPOSITS

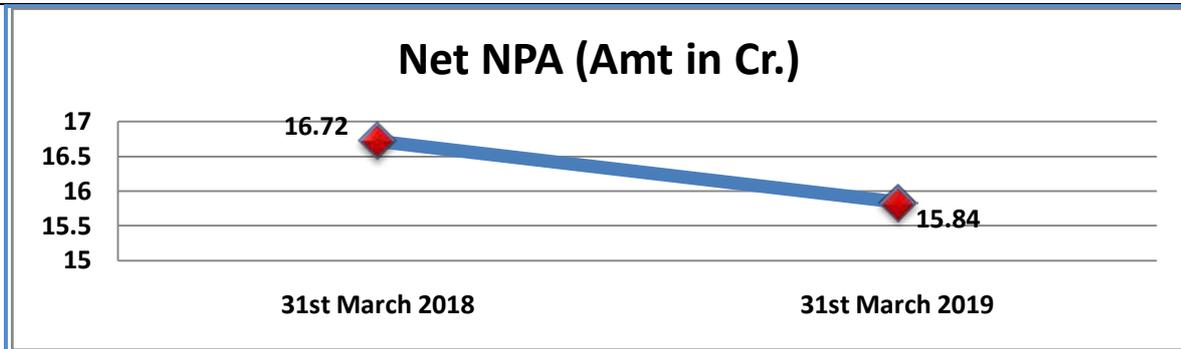
As on 31st March 2019, 374 public deposit accounts amounting to Rs.4.27 Cr have remained unclaimed. The depositors have been advised about the maturity of their deposits with a request either to renew or to withdraw the same.

During the year under review, no amount was transferred to the Investor Education and Protection Fund as per the provisions of Section 125 of the Companies Act, 2013 in respect of deposit and interest thereon unclaimed & unpaid for more than 7 years, since the deposits that were identified for transfer were renewed in the financial year.

9) NON PERFORMING ASSETS

Your Company has been pursuing all the available options to recover its dues from non-performing accounts. Your Company has taken recourse to Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, Section 138 of Negotiable Instruments Act, 1881 and The Recovery of Debts due to Banks and Financial Institutions Act, 1993 for recovering overdues and bringing down NPA. The gross NPA stood at Rs.27.97 crore as against Rs. 26.90 Crore for the previous financial year ended 31st March 2018.

With due provisions the net NPA stood at Rs.15.84 Crore as on 31st March 2019 as against Rs. 16.72 Crore as on 31st March 2018.



10) BRANCH NETWORK

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

11) AUDITORS

In exercise of the powers conferred by Section 139 (5) of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) appointed M/s MULTI Associates, Chartered Accountants, having Registration No. 509955C as the statutory auditors of the Company for the financial year 2018-19.

No adverse comment has been made by the Auditors on the Financial Statements of the Company. However, replies to the observations made by the Auditor is provided as **Annexure-1**.

Review of Accounts by C&AG

Review of accounts for FY 2018-19 by the Comptroller and Auditor General of India, which forms part of this report, is annexed hereto marked as **Annexure-2** along with Company's replies to the comments of Comptroller and Auditor General of India.

12) DIRECTORS

In terms of Article 99 of the Articles of Association of your Company and the provisions of the Companies Act, 2013, Shri P. Ramana Murthy and Shri P.J. Kumar, Directors are liable to retire by rotation and are eligible for re-appointment.

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

S. No.	Name of the Director	Date of Cessation W.e.f.
1.	Shri Rajendra Nivrutti Hirve	01/05/2018
2.	Shri Vineet Singhal	28/06/2018
3.	Shri V.T. Subramanian	30/08/2018
4.	Shri B.K. Divakara	22/01/2019

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

None of the Directors of the Company is 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. Anil Girotra & Shri Bibhas Kumar Srivastav for the financial year 2018-19 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 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 Meetings and other Committee Meetings.

14) CHANGE IN KMP

During the year under review there was no change in the KMPs.

15) NUMBER OF MEETINGS OF THE BOARD

During the year the Board met five times, i.e. on 17th April 2018; 13th August 2018; 07th December 2018; 10th January 2019 and 18th March 2019. For the number of meetings attended by the Directors and other details, please refer to “Report on Corporate Governance” appended as **Annexure-7** 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 2019 the Committee comprised of 4 members:

1	Shri Anil Girotra- Independent Director	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director	Member
3	Shri P.J. Kumar- Non-Executive Director	Member
4	Shri B.S. Harilal- Managing Director	Member

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

17) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted under Section 178 of the Companies Act, 2013. As on 31st March 2019 the Committee comprised of 4 members:

1	Shri Anil Girotra- Independent Director	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director	Member
3	Shri B. K. Divakara- Non-Executive Director	Member

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

Nomination remuneration policy of the Company is annexed as **Annexure-3**.

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 2019 the Committee comprised of 5 members:

1	Shri Anil Girotra- Independent Director	Chairman
2	Shri Bibhas Kumar Srivastav- Independent Director	Member
3	Shri P.J. Kumar- Non Executive Director	Member
4	Shri Kulasekhara Chakravarthy- Non Executive Director	Member
5	Shri B.S. Harilal- 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.38,95,309/- to AIIMS (All India Institute of Medical Sciences) on account of CSR fund which pertains to financial year 2018-19.

The disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been provided in this report as **Annexure-4** which forms part of this report.

19) DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts for the year 2018-19, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2018- 2019 and of the profit and loss of the Company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis, and
- (v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

21) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of all contracts or arrangements entered into by your Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto have been disclosed in Form No. AOC-2 which is annexed to this report as **Annexure-5**. Company's Policy while dealing with Related Party Transaction is annexed to this report as **Annexure-5 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-6**.

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 emphasises on risk management practices to ensure an appropriate balance between risks & returns.

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

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

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

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

25) REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT

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



Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011
Telephone No.0755-4019303, 4019309
Website: www.cbhfl.com
CIN:-U65922MP1991PLC006427

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

26) FRAUD REPORTED DURING THE YEAR

Four Fraud Accounts amounting to Rs.65,50,000/-Sanctioned during the period from 2011 to 2013 have been detected and reported in the Company during the financial year 2018-19. These are borrowal frauds and detailed report was placed in Audit Committee Meeting and Board Meeting.

27) STATEMENT OF CORPORATE GOVERNANCE

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

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

Since the Company's equity shares are not listed on any stock exchange provisions relating to corporate governance as per listing agreement are not applicable. However the Company voluntarily adopted them and are brought out in the report attached as **Annexure-7**. The Board of Directors regularly reviews the management reports on statutory and regulatory compliances.

28) HUMAN RESOURCES

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

As on March 31, 2019, the Company had 78 employees on its rolls and 69 employees outsourced.

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

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

29) COMPLIANCE WITH DIRECTIONS & GUIDELINES OF NHB

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

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

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

30) INTERNAL AUDIT, INTERNAL FINANCIAL CONTROL & ADEQUACY

Your Company performs 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, and 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 implementation of audit recommendations.

31) PENALTY/ COMPOUNDING OF OFFENCES:

During the year Company was imposed penalty of Rs. 3,10,970 /- by Customs and Central Excise Department for Short/ Non-payment of Service Tax owing to the findings in Service Tax Audit of the Company for the period from 2013-14 to 2017-18.

During the year Company went for Compounding of offence under Section 441 read with Section 142, and 147 of the Companies Act, 2013, for the default of payment of remuneration to statutory auditors in excess of what was approved by Shareholders for the Financial Year 2015-16. Compounding Fees of Rs.40,000/- was imposed by the RD, North Western Region, Ahmedabad, which was paid by the Company and the officer in default.

NHB imposed a penalty of Rs. 5000 for not furnishing auditor's report as per Master Circular –HFC- Auditor's Report (NHB) Directions, 2016 along with the annual accounts for the year ended 2016-17.

32) ACKNOWLEDGEMENT

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

33) A detailed Management Discussion and Analysis is appended as **Annexure-8**.

For and On Behalf of the Board

	Sd/-	Sd/-
	P. Ramana Murthy	B.S. Harilal
Place : Mumbai	Chairman	Managing Director
Date : 10 July 2019	DIN 07815852	DIN 07886919

	Auditors' Observation on Internal Financial Control	Management reply
1	Books of accounts of the company are maintained in the computer software for Head office and branches separately. In books of accounts for the year ending 31 st March 2018, the closing entities are passed in the month of July - August 2018 in the said software. Hence the opening balance in the books of accounts as on 1 st April 2018 does not tally with the Audited Balance sheet as on 31 st March 2018. The Accounting Software used by the company needs immediate changes as the same does not allow closing entities to be made on the desired dates. Secondly the software should prepare atleast final accounts as per the provisions of companies ACT 2013. However the accounts have been closed in the software for the year ending 31 st March 2019.	The accounts have been closed in the software for the year 2018-19 on the last day itself and this problem stands resolved. We have to present final account as per provisions of Companies Act as well as Banking Regulations Act. Figures are drawn from the trial balance given by our accounting software.
2	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. However the finance has been done on the actual transaction price after deducting the margin money . 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.	Lending decisions are based on registered value or market value, whichever is less. Over financing is, therefore, ruled out. Valuers are better placed to assess the value of incremental construction done at a site, than relying on declaration by the borrower. In case of failure to sell properties in public auction, reserve price is reduced and reauctioned to earn market value.
3	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.	Mechanistic recoveries happen in Standard Assets. Flexibility and uncertainty are hallmarks of recovery in NPA accounts. The pace of action for recovery in impaired assets has remarkably improved as evidenced by cash recoveries made during the year. A record number of 56 successful public auctions were done in FY 2018-19.

4	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.	In accordance with the revised credit policy that was adopted in April 2018, all loans sanctioned during the year have insurance cover on mortgaged properties against fire, flood, and natural calamities.
	Auditors' Observation on Going Concern Concept	Management reply
1	Note 23 (12) 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(12) indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.	<p>The Company is engaged in the business of 'maturity transformation' and the imbalance between current assets and current liabilities is a perpetual feature in its balance sheet. Company raises public deposits with maximum term to maturity of 10 years, tap refinance from NHB with average term of seven years, avail term loans from commercial banks with average tenure of five years, and use overdraft limits with one year term. The assets created by the Company are with repayment schedules ranging from five to 30 years. As on 31st March 2019 Company has invested Rs.114.76 Cr. In bank deposits & approved Government securities. Minimum SLR to be maintained under Section 29B of the NHB Act, 1987 is Rs.27.25 Cr. Therefore, Company had surplus liquidity of Rs.87.51 Cr. to meet its short term commitments.</p> <p>In addition, Company had undrawn bank credit lines of Rs.55.42 Cr.</p> <p>Considering the above, as on 31st March 2019 Company had funds of Rs.142.93 Cr. to honour its short term liabilities.</p> <p>Business model of all Housing Finance Companies consists of creating and managing this kind of mismatch in maturities, and managing liquidity.</p>



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

संख्या/ No MAB-III/Rep./01- 15/A/cs-CBHFL/2019-20/189

भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय
प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III
नई दिल्ली

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III
NEW DELHI

दिनांक/Dated: 21/06/2019

सेवा में,

अध्यक्ष,
सेन्ट बैंक होम फायनेंस लिमिटेड
भोपाल।



महोदय,

विषय: 31 मार्च 2019 को समाप्त वर्ष के लिये सेन्ट बैंक होम फायनेंस लिमिटेड, भोपाल के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियों।

मैं, सेन्ट बैंक होम फायनेंस लिमिटेड, भोपाल, के 31 मार्च 2019 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न: यथोपरि

भवदीया,
प्राची पाण्डेय
21-6/2019
(प्राची पाण्डेय)
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 2019**

The preparation of financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2019 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 the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22.04.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Balance Sheet

Assets

Non-current investments (Note – 10): ₹2976.04 lakh

The above includes two investments of ₹250.55 lakh (M. P. Govt. securities 2020: ₹100.60 lakh and UP Govt. Securities 2020: ₹149.95 lakh) which are maturing in March 2020 i.e. within 12 months from the reporting date, hence should be classified under current investment as per General Instructions for Preparation of Balance Sheet under Schedule III of the Companies Act, 2013. This resulted in overstatement of Non-current investment and understatement of Current investment by ₹250.55 lakh.

B. Independent Auditor's report

Annexure A to the Auditor's Report

As per Clause 3 (x) of Companies Auditor Report Order (CARO) Rules, 2016, the Statutory Auditor is required to report whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. If yes, the Auditor is required to indicate the nature and the amount involved in the auditor's report.

The company lodged a first information report (FIR) on 21.09.2018 against two of its borrowers and two of its ex-employees under Section 420 and 34 of the IPC for disbursement of loan of ₹24.25 lakh on the basis of forged documents. As per NHB 'Guidelines on Monitoring of Frauds in Housing Finance Companies' cheating and forgery should be deemed as fraud. The Statutory Auditor has however, reported that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year. This has resulted in incorrect reporting under Clause 3 (x) of CARO 2016.

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

Prachi Pandey
21.6/19

(Prachi Pandey)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 21 June 2019

	C.A.G. OBSERVATION	Management Reply
1	<p>Assets Non current investment (note-10): Rs.2976.04 lakh</p> <p>The above includes two investment of Rs 250.55 lakh (M.P. Govt. securities 2020: Rs. 100.60 lakh and U.P. Govt. securities 2020: Rs. 149.95 lakh) which are maturing in march 2020 i.e. within 12 months from the reporting date, hence should be classified under investment as per General Instructions for Preparation of balance sheet under Schedule III of the Companies Act, 2013. This resulted in overstatement of Non current investment and understatement of Current investment by Rs.250.55 lakh.</p>	<p>MP Govt. securities are maturing on 10th March 2020 and UP Govt. Securities are maturing on 8th March 2020. They are current assets. Inadvertent error in classifying them as non current assets has reduced the current ratio. We note to prevent its recurrence in future.</p>
2	<p>Independent Auditor’s Report Annexure A to the Auditor’s Report</p> <p>As per Clause 3 (x) of Companies Auditor Report Order (CARO) Rules, 2016, the Statutory Auditor is required to report whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. If yes , the Auditor is required to indicate the nature and the amount involved in the auditor’s report.</p> <p>The company lodged a First information report (FIR) on 21.09.2018 against two of its borrowers and two of its ex-employees under Section 420 and 34 of the IPC FOR disbursement of loan of Rs.24.25 lakh on the basis of forged document . As per NHB guidelines on Monitoring of frauds in Housing Finance Companies’ cheating and forgery should be deemed as fraud. The Statutory Auditor has however, reported that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year. This has resulted in incorrect reporting under Clause3(x) of CARO 2016</p>	<p>This account has been under supervisory lens since CAG report of 2015-16. Borrowers and property were then reported as untraceable. Officers who processed and sanctioned the proposal had left their job in the Company. Account was classified as NPA since 2015 and 100% loss provision was held. We filed FIR against the borrowers and ex-employees as a recovery measure. Borrowers turned up with a compromise proposal offering the principal amount. Neither the Management, nor the Statutory Auditor felt the need to identify it as fraud. However following this observation of C& AG, we have reported it as fraud on 27th June 2019 bearing SI.No. Cent/19/02/0001. This has no impact on P&L or Balance Sheet as full provision is already held.</p>



Registered Office, Central Bank of India Building, 9, Arera Hills, Jail Road, BHOPAL – 462 011
 Telephone No. 0755-4019303, 4019309
 Web-site : www.cbhfl.com
 CIN:- U65922MP1991PLC006427

NOMINATION AND REMUNERATION POLICY

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

1. OBJECTIVE

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

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

2. APPLICABILITY

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

3. DEFINITIONS

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

4. ROLE OF COMMITTEE

The Committee shall:

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

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

(i) Appointment criteria and qualifications

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

(ii) Term / Tenure

Managing Director/Whole-time Director/Executive Director:

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

Independent Director:

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

(iii) **Evaluation**

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

(iv) **Removal**

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

(v) **Retirement**

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

6. POLICY RELATING TO THE REMUNERATION FOR MANAGERIAL PERSONNEL

(i) **General:**

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

The Committee while determining the remuneration shall ensure the following

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

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

a) Fixed pay:

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

b) Variable pay:

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

c) Minimum Remuneration for Managerial Personnel:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

d) Provisions for excess remuneration:

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

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

a) Sitting Fees:

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

b) Stock Options:

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

7. MEMBERSHIP

- a) The Committee shall consist of a minimum 3 non-executive directors out of which not less than one half shall be independent directors
- b) The quorum for the meeting shall be 1/3rd 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.

8. CHAIRPERSON

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

9. FREQUENCY OF MEETINGS

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

10. COMMITTEE MEMBERS' INTERESTS

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

.....XXXXX.....

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 endeavours 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) Community Development Projects as enumerated in CSR POLICY;
- ii) Contribution to the Prime Minister's National Relief Fund or other fund set-up by the Central Government or the State-Governments for the socio-economic developments and relief and funds for the welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.
- iii) Medical Research Institution

2. Composition of the CSR Committee:

The CSR Committee comprises of 5 members with 2 Independent Directors, 2 Non-Executive Directors and 1 Executive Director. The following are the Committee Members as on 31st March, 2019:

1.	Shri Anil Girotra- Independent Director	Chairman
2.	Shri Bibhas Kumar Srivastav- Independent Director	Member
3.	Shri P.J. Kumar- Non Executive Director	Member
4.	Shri Kulasekhara Chakravarthy- Non Executive Director	Member
5.	Shri B.S. Harilal- Managing Director	Member

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

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

(in Rs.)

Particulars	2017-18	2016-17	2015-16
Net profit under section 198	24,74,06,614	16,34,58,095	17,34,31,562
Avg.Net Profit	19,47,65,423.67		
Prescribed CSR Expenditure (2%)	38,95,308.47		

3. Details of CSR spent during the financial year:

(a) Prescribed CSR Expenditure

(i) For the financial year 2017-18

:- Rs. 38,95,308.47

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

:-Rs. 38,95,309.00

(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	Scientific research	Contribution to AIIMS for Scientific research	Rs. 38,95,309	Rs. 38,95,309	Rs. 38,95,309	Direct on 25/03/2019

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 : 10 July 2019

Sd/-
Anil Girotra
Independent Director
DIN:02221989

Sd/-
B. S. Harilal
Managing Director
DIN:07886919

Annexure-5

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, 2019 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 as on 31.03.2019
Central bank of India, Holding Company	OD facility	Reviewed and revised from time to time Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/MCLR	Rs.84.58 Cr.
Central Bank of India, Holding Company	Term Loan facility	Term loan repayable in 28 qtlly instalments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/ MCLR	Rs.70.24 Cr.
Central Bank of India, Holding Company	Term Loan facility	Term loan repayable in 60 monthly instalments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/MCLR	Rs.58.81 Cr.
Central Bank of India, Holding Company	Term Loan facility	Term loan repayable in 60 monthly instalments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/MCLR	Rs.60.71 Cr.
Central Bank of India, Holding Company	Term Loan facility	Term loan repayable in 60 monthly instalments Rs. 100 Cr.	Charge is created by way of specific lien on book debts of 1:1 times. Rate of interest is Base rate/MCLR	Rs.84.21 Cr.
National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 60 quarterly instalments Rs. 100 Cr.	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.74.36 Cr.

National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 60 quarterly instalments Rs.50 Cr.	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.2.70 Cr.
National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 60 quarterly instalments Rs.50 Cr.	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.26.26 Cr.
National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 60 quarterly instalments Rs.35 Cr.	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.28.71 Cr.
National Housing Bank, Promoter Institution	Refinance Limit	Repayable in 24 & 60 quarterly instalments Rs.150 Cr.	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.150 Cr.

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. B.S. Harilal, Managing Director	Appointment as Managing Director of the Company	5 years with effect from 31/08/2017	As per the Central Bank of India (Officers') Service Regulations	Rs.16.85 lac

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 company on deputation to the company	As long as company remains subsidiary of Central Bank of India	Staff will be on the rolls of Central Bank of India and will be under service conditions of the Bank. Bank may withdraw their staff at any point of time and replace with others.	Rs.14.47 lac

Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011
 Telephone No.0755-4019303, 4019309
 Website: www.cbhfl.com
 CIN: -U65922MP1991PLC006427

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 rate of Rs.1 lakh PM excluding electricity charges for an area of 3500 Sq.ft, which is payable on Quarterly basis.	Rs. 12.00 lac
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 rate of Rs.5000 PM excluding electricity charges for an area of 700 Sq.ft, which is payable on Quarterly basis.	Rs.60,000
Central Bank of India, Holding Company	Sub-letting part of its premises to the Branch Office of the Company at Pune	Nil	Bank shall recover maintenance charges at a rate of Rs.50215 PM excluding electricity charges for an area of 728 Sq.ft, which is payable on Quarterly basis.	Rs. 7,88,188

For and On Behalf of the Board

Place : **Mumbai**
Date : **10 July 2019**

Sd/-
P. Ramana Murthy
 Chairman
 DIN 07815852

Sd/-
B.S. Harilal
 Managing Director
 DIN 07886919

RELATED PARTY TRANSACTION POLICY

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

1) Definitions:

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

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

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

ii) Relative: [section 2(77)]

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

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

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

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

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

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

2) Related Party Transactions

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

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

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

3) Procedures:

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

Approval of Shareholders in certain transactions

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

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

4) Pre-Approved Transactions:

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

a) Managerial Remuneration

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

- To Key Managerial Personnel if the remuneration is required to be reported / circulated to the shareholders pursuant to requirement of the Companies Act, 2013 and such remuneration has been approved, or recommended to the Company's Board of Directors for approval, by Nomination and Remuneration Committee of the Board of Directors of the Company.
- b) Transactions that are in the Company's ordinary course of business such as the following:
 - Borrowing or Raising of funds in the nature of deposits, NCD, Bonds (Tier I or II, subordinate etc) including Term loans, OD facilities & other credit facilities for business of the company from the promoter(s) & their Associate Companies (including Body Corporates), repayment / payment of interest or principal towards secured or unsecured loans, deposits. Issue of equity shares, PTC and payment of interest or other return on such subscription
- c) Transactions that are in the nature of payment of rent, dividend, reimbursement of municipal taxes, reimbursement of electricity expenses, reimbursement of gratuity for staff on deputation from promoter(s) including payment for staff training, conference and towards renovation and repairs either to promoter or subsidiary or associate.
- d) Transactions that are in the nature of payment/reimbursement of rent, municipal taxes, electricity expenses with respect to premises of Promoters occupied by the branches/Head Office of the Company.

Disclosure:

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

Other Agreements:

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

Annexure-6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2019

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

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	:-U65922MP1991PLC006427
(ii)	Registration Date	:-07/05/1991
(iii)	Name of the company:	:- Cent Bank Home Finance Limited
(iv)	Category/Sub-Category of the company	:- Public Company/Company having Share Capital
(v)	Address of the Registered office and contact details	:-Central Bank of India Building,9,Arera Hills, Mother Teresa Road, Bhopal – 462011 Tel No:- 0755-4019303; Email-Id:- 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. Plot No. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad-500 081 Tel.: 040-23420815-24; Fax: 040-23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING,SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
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Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011
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 Website: www.cbhfl.com
 CIN: -U65922MP1991PLC006427

1	Central Bank of India Central Office Chandermukhi, Nariman Point, Mumbai – 400021	Not Applicable	Holding	64.40%	2(46)
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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/Fl	7200000	17800000	25000000	100%	24999900	100	25000000	100%	Nil
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1)	7200000	17800000	25000000	100%	24999900	100	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%	24999900	100	25000000	100%	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/FL	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-

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 CIN:-U65922MP1991PLC006427

d) State Govt(s)	--	--	--	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
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%	24999900	100	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

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 Telephone No.0755-4019303, 4019309
 Website: www.cbhfl.com
 CIN: -U65922MP1991PLC006427

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)				

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(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.N. Hirve & 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)	Decrease in Shareholding due to Transfer of 20 shares each to Shri B.K. Singal on 13/08/2018			
At the end of the year(or on the date of separation, if separated during the year)	0	0.00	0	0.00
Shri P.J. Kumar & Central Bank of India				
At the beginning of the year	30	0.00	30	0.00
Data wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ Transfer/bonus/ Sweat equity etc)	-	-	-	-
At the end of the year(or on the date of separation, if separated during the year)	30	0.00	30	0.00

Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011
 Telephone No.0755-4019303, 4019309
 Website: www.cbhfl.com
 CIN: -U65922MP1991PLC006427

Shri B.S. Harilal & Central Bank of India				
At the beginning of the year	30	0.00	30	0.00
Data wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. Allotment/ Transfer/bonus/ Sweat equity etc)	-	-	-	-
At the end of the year(or on the date of separation, if separated during the year)	30	0.00	30	0.00
Shri B.K. Singal & 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 20 shares of Shri R.N. Hirve on 13/08/2018			
At the end of the year(or on the date of separation, if separated during the year)	20	0.00	20	0.00

V. INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans Excluding deposits	Deposits (unsecured)	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Rs.6081261663/-	Rs.300000000/-	Rs.5428448548/-	Rs. 11809710211/-
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition	Rs.11243825396/-	-	Rs.1740114418/-	Rs.12983939814/-
• Reduction	Rs.10033456074/-		Rs.2345237877/-	Rs.12378693951/-
Net Changes	Rs. 1210369322/-	-	(Rs.605123459/-)	Rs.605245863/-

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Indebtedness at the end of the financial year				
i)Principal Amount	Rs.7291630985/-	Rs.300000000/-	Rs.4823325089/-	Rs.12414956074/-
ii) Interest due but not paid				
iii)Interest accrued but not due				
Total (i+ii+iii)	Rs.7291630985/-	Rs.300000000/-	Rs.4823325089/-	Rs.12414956074/-

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 B.S. Harilal
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.16,85,111/- Rs. 22,600/-
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.17,07,711/-
	Ceiling as per the Act	5% of the Net Profits

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors		Total Amount
	Shri Anil Girotra	Shri Bibhas Kumar Srivastav	
1. Independent Directors			
• Fee for attending board/committee meetings	Rs.4,40,000/-	Rs.3,00,000/-	Rs.7,40,000/-
• Commission	-	-	-
• Others, please specify	-	-	-
Total(1)	Rs. 4,40,000/-	Rs.3,00,000/-	Rs. 7,40,000/-

Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011
Telephone No.0755-4019303, 4019309
Website: www.cbhfl.com
CIN:-U65922MP1991PLC006427

2. Other Non-Executives Directors			
• Fee for attending board/committee meeting	Nil	Nil	Nil
• Commission	-	-	-
• Others, please specify	-	-	-
Total (2)	-	-	-
Total (B)=(1+2)	Rs. 4,40,000/-	Rs.3,00,000/-	Rs. 7,40,000/-
Total Managerial Remuneration	Rs.24,47,711/-		
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.8,24,292/-	Rs.26,79,577/-	Rs.35,03,869/-
			Nil	Nil	Nil
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Other, specify...	-	Nil	-	Nil
5.	Others, please specify	-	-	-	-
	Total	-	Rs. 8,24,292/-	Rs. 26,79,577/-	Rs. 35,03,869/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act 2013	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)

Registered Office: Central Bank of India Building, 9, Arera Hills, Mother Teresa Road, Bhopal – 462 011
 Telephone No.0755-4019303, 4019309
 Website: www.cbhfl.com
 CIN:-U65922MP1991PLC006427

A) COMPANY					
Penalty i) Short/ Non-payment of Service Tax	-	Owing to findings & observations of Service Tax Audit of the Company for the period from 2013-14 to 2017-18 conducted by Customs and Central Excise Department.	Rs. 3,10,970/-	Customs and Central Excise Department	-
iii) Penalty of Rs. 5000 for non compliance of NHB direction in the year 2016-17.	-	For not furnishing auditor's report as per Master Circular –HFC-Auditor's Report (NHB) Directions, 2016 along with the annual accounts for the year ended 2016-17.	Rs. 5000/-	National Housing Bank	
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	Section 441 read with Section 142, and 147	Compounding the default of payment of remuneration to statutory auditors in excess of what was approved by Shareholders in the 24th AGM held on 21st September 2015.	Rs.30,000/-	Regional Director, North Western Region	-
B) DIRECTOR					
Penalty	Nil				
Punishment					
Compounding					
C) OTHER OFFICERS IN DEFAULT:					
<ul style="list-style-type: none"> • Mr. Vijay Kumar Singh (Chief Financial Officer) 					
Penalty	NIL	-	-	-	-
Punishment	NIL	-	-	-	-
Compounding	Section 441 read with Section 142, and 147	Compounding the default of payment of remuneration to statutory auditors in excess of what was approved by Shareholders in the 24th AGM held on 21st September 2015.	Rs.10,000/-	Regional Director, North Western Region	-

For and On Behalf of the Board

Place : **Mumbai**
 Date : **10 July 2019**

Sd/-
P. Ramana Murthy
 Chairman
 DIN 07815852

Sd/-
B.S. Harilal
 Managing Director
 DIN 07886919

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE FOR 2018-19

CENT BANK HOME FINANCE LIMITED, its promoter institutions, Board of Directors and Management of the Company adopt the principles of corporate governance and endeavour to implement good corporate governance practices in the Company.

Cent Bank Home Finance Ltd. (CBHFL) is jointly promoted by four premier institutions of the country viz., Central Bank of India (CBI), Housing and Urban Development Corporation Limited (HUDCO), National Housing Bank (NHB) and Specified Undertaking of Unit Trust of India (SUUTI). All these institutions believe in strong Corporate Governance culture. We are not only following the regulatory requirements of corporate governance but also striving hard to achieve customer satisfaction, employees' satisfaction and stakeholders' satisfaction as well as regulatory compliance.

The Company and its Board of Directors strongly believe in the principles of transparency, accountability, integrity and maximization of shareholder's value. A brief report on the practices prevalent in Corporate Governance at CBHFL is given below:-

BOARD OF DIRECTORS:

a) COMPOSITION:

As on 31st March, 2019, there were nine Directors in the Board of the Company. Out of them, 6 were Non-Executive Nominee Directors, 2 were Non Executive Independent Directors and 1 was Executive Director i.e. Managing Director. Four Non-Executive Directors were Nominees of Central Bank of India and three Directors were Nominees of each Promoter Institution viz. SUUTI, HUDCO & NHB.

All the Directors are persons of eminence having vast and rich experience in the field of Banking & Finance, Housing, Law, Management and other relevant fields. The composition of Directors is in conformity with the Companies Act, 2013 and Articles of Association of the Company. The composition of Directors during the financial year ended 31st March 2019 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 P. Ramana Murthy	Non-Executive Director from	2	-	-	-	-	-

		CBI						
2.	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)	2	-	6	6	-	-
3.	Shri Bibhas Kumar Srivastav	Non Executive Independent Director (Appointed w.e.f. 13/08/2018 as independent director in terms of provisions of section 149 of the Act in 27 th AGM)	1	-	6	-	-	-
4.	Shri P.J. Kumar	Non Executive Director from CBI	-	30*	5	-	-	-
5.	Smt. Vasantha Govindan**	Non Executive Director from SUUTI	-	-	1	-	-	-
6.	Shri B.K. Singal	Non Executive Director from CBI (Appointed w.e.f.	3	20*	2	-	-	-

		13/08/2018 in place of Shri R.N. Hirve)						
7.	Shri N.S. Ganesh	Non Executive Director from HUDCO (Appointed w.e.f 07/12/2018 in place of Shri V.T. Subramanian)	-	-	2	1	-	-
8.	Shri Kulasekhara Chakravarthy	Non Executive Director from NHB (Appointed w.e.f 13/08/2018 in place of Shri Vineet Singhal)	-	-	3	-	-	-
9.	Shri B.S. Harilal	Managing Director	-	30*	6	-	-	-

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

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

** Smt. Vasantha Govindan resigned from the Board with effect from 03/04/2019 due to withdrawal of nomination.

b) RESPONSIBILITIES OF THE BOARD:

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

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

responsibilities of the Company as required under various statutes that are applicable to the Company.

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

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

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

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 2018-19, five meetings were held on April 17, 2018; August 13, 2018; December 07, 2018; January 10, 2019 and March 18, 2019. 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	5	4	Yes	100000
2.	Shri Bibhas Kumar Srivastav	3	3	Yes	80000
3.	Shri P. Ramana Murthy	5	5	Yes	-
4.	Shri B.K. Divakara	4	1	-	-
5.	Smt. Vasantha Govindan	5	3	-	-

6.	Shri Vineet Singhal	1	1	-	-
7.	Shri V.T. Subramanian	2	1	-	-
8.	Shri P.J. Kumar	5	4	-	-
9.	Shri R.N. Hirve	1	1	-	-
10.	Shri K. Chakravarthy	3	1	-	-
11.	Shri B.K. Singal	3	2	-	-
12.	Shri N.S. Ganesh	2	2	-	-
13.	Shri B.S. Harilal	5	5	Yes	-

*Shri Vineet Singhal resigned from the Board with effect from 28th June 2018 due to withdrawal of nomination. Shri V.T. Subramanian resigned from the Board with effect from 30th August 2018 due to withdrawal of nomination. Shri R.N. Hirve resigned from the Board with effect from 1st May 2018 due to superannuation. Shri B.K. Divakara resigned from the Board with effect from 22nd January 2019 due to superannuation.

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, 2019 the Audit Committee consists of 2 Non-Executive Independent Directors; 1 Non-Executive Director and 1 Executive Director. The Members of the Audit Committee as on March 31, 2019 are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav; Shri P.J. Kumar and Shri B.S. Harilal.

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 2018-19, four Audit Committee meetings were held i.e. on 12th April 2018; 13th August 2018; 07th December 2018 and 18th March 2019 to consider quarterly financial statements apart from other items.

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra	Independent Director	4	4	80000
2.	Shri Bibhas Kumar Srivastav	Independent Director	2	2	40000
3.	Shri P.J. Kumar	Nominee Director	2	2	-
4.	Shri B.S. Harilal	Managing Director	4	4	-

e) ASSET & LIABILITY COMMITTEE (ALCO):

As on March 31, 2019, the ALCO of the Company comprises of Shri B.S. Harilal, Managing Director; Shri Y. Srinivasulu, General Manager, Shri Vijay Kumar Singh, CFO; and Shri Manish Singh Payal, Company Secretary. ALCO Meetings are convened with an objective to review the asset liability match & mismatches and to decide interest rates on loans and deposits. The meetings are held at least once every month and recommendations are given to correct mismatches, if required, as observed in the ALM statements.

During the year the Committee met 18 times i.e. on 21st April 2018, 23rd May 2018, 26th June 2018, 26th July 2018, 03rd August 2018, 29th August 2018, 30th August 2018, 17th September 2018, 24th September 2018, 06th October 2018, 09th October 2018, 17th October 2018, 18th October 2018, 30th November 2018, 18th December 2018, 02nd January 2019 & 26th February 2019 and 20th March 2019.

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 with the 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 31, 2019, the Committee comprises of 5 members with 2 Non-Executive Independent Directors, 2 Non-Executive Directors and one Executive Director. The Members of the Committee are Shri Anil Girotra (Chairman); Shri Bibhas Kumar Srivastav; Shri P.J. Kumar; Shri B.K. Singal and Shri B.S. Harilal. Two meetings were held during the year i.e. on 17th April 2018 and 18th March 2019.

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	2	1	20000
2.	Shri Bibhas Kumar Srivastav	Independent Director	1	1	20000
3.	Shri P.J. Kumar	Nominee Director	2	1	-
4.	Shri R.N. Hirve*	Nominee Director	1	1	-
5.	Shri B.S. Harilal	Managing Director	2	2	-
6.	Shri B.K. Singal	Nominee Director	1	1	-

* Shri R.N. Hirve resigned from the Board with effect from 1st May 2018 due to superannuation

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

As on March 31st 2019, the Committee consists of 7 Members with 2 Non-Executive Independent Directors, Four Non-Executive Directors and one Executive Director.

During the year, the Committee met twice i.e. on 13th August 2018 and 07th December 2018. The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	2	2	40000
2.	Shri Bibhas Kumar Srivastav	Independent Director	1	1	20000
3.	Shri V.T. Subramanian	Nominee Director	1	0	-
4.	Smt. Vasantha Govindan	Nominee Director	2	2	-
5.	Shri P.J. Kumar	Nominee Director	2	2	-
6.	Shri Kulasekhara Chakravarthy	Nominee Director	1	1	-
7.	Shri N. S. Ganesh	Nominee Director	-	-	-
8.	Shri B.S. Harilal	Managing Director	2	2	-

* Shri V.T. Subramanian resigned from the Board with effect from 30th August 2018 due to withdrawal of nomination.

h) NOMINATION & REMUNERATION COMMITTEE:

The Company had constituted Remuneration Committee in terms of provisions of Schedule XIII of the Companies Act, 1956. The Committee was renamed as Nomination & Remuneration Committee and reconstituted in terms of the provisions of section 178 of the Companies Act, 2013. As on 31st March, 2019 the Committee comprises of four members with 2 Non-Executive Directors and 2 Non-Executive Independent Directors. The Committee met twice during the year i.e. on 13th August 2018 and 07th December 2018. The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	2	2	40000
2.	Shri Bibhas Kumar Srivastav	Independent Director	1	1	20000
3.	Shri B.K. Divakara	Nominee Director	2	-	-
4.	Shri P.J. Kumar	Nominee Director	1	1	-
5.	Shri Kulasekhara Chakravarthy	Nominee Director	1	1	-

* Shri B.K. Divakara resigned from the Board with effect from 22nd January 2019 due to superannuation.

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

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 follows:

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

As on 31st March 2019, the Committee comprises of five members with 2 Non-Executive Independent Directors and 2 Non-Executive Directors and one Executive Director. The Committee met once during the year i.e. on 07th December, 2018. The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra	Independent	1	1	20000

		Director			
2.	Shri Bibhas Kumar Srivastav	Independent Director	1	1	20000
3.	Shri P.J. Kumar	Nominee Director	1	1	-
4.	Shri Kulasekhara Chakravarthy	Nominee Director	1	1	-
5.	Shri B.S. Harilal	Managing Director	1	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, 2019. The Committee consists of three members chaired by Shri N.S. Ganesh, 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. The Committee met once during the year on 17th April 2018.

k) RISK MANAGEMENT COMMITTEE:

During the year, Company constituted Risk Management Committee to oversee management of various risks to which the Company is exposed to. The Committee met twice during the year i.e. on 07th December 2018 and 18th March 2019. The following members were present:

S. No.	Name of Director	Category	Committee Meetings held during tenure	No. of Meetings Attended	Sitting Fee Paid
1.	Shri Anil Girotra, Chairman	Independent Director	2	2	40000
2.	Shri Bibhas Kumar Srivastav	Independent Director	2	2	40000
3.	Shri P.J. Kumar	Nominee Director	2	2	-
4.	Shri B.K. Singal	Nominee Director	2	1	-
5.	Shri B.S. Harilal	Managing Director	2	2	-

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
2017-18	27 th AGM	24 th September 2018	Registered Office, Bhopal	-Alteration of Articles of Association of the Company - To increase Borrowing Limits of the Company
2016-17	26 th AGM	26 th December 2017	Registered Office, Bhopal	-
2015-16	25 th AGM	30 th August 2016	Registered Office, Bhopal	

b) EXTRA-ORDINARY GENERAL MEETINGS:

Financial Year	Particulars	Date & Time	Venue	Special Resolution Passed
2018-19	Nil	Nil	Nil	Nil
2017-18	Nil	Nil	Nil	Nil
2016-17	Nil	Nil	Nil	Nil

Disclosures:

- a) None of the transactions with any of the related parties were in conflict with the interests of the Company. Details of related party transactions as per Accounting Standard – 18 are included in Notes to the Accounts.
- b) There were no instances of non-compliance of any matter related to capital markets during the last three years.
- c) The Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.
- d) The Company has laid down procedures regarding key risk assessment and risk mitigation mechanisms wherever it is required.
- e) The Non-Executive Independent Directors of the Company are paid only sitting fees for attending meetings of the Board and Committees.
- f) Your Company has no subsidiaries and as such the requirement relating to certain compliances as prescribed are not applicable.
- g) The Board of Directors of your Company is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the Going Concern concept in preparing its financial statements.

- h) There are no adverse remarks on the financial statements for the financial year 2018-19 of the Company.

Share Capital & Shareholding pattern of the Company as on March 31, 2019:

The shareholding pattern of the Company as on March 31, 2019 is given below:

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

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

Scrutiny by National Housing Bank:

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

Review and Monitoring by Central Bank of India:

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

For and On Behalf of the Board

Place : Mumbai
Date : 10 July 2019

Sd/-
P. Ramana Murthy
Chairman
DIN 07815852

Sd/-
B.S. Harilal
Managing Director
DIN 07886919

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 rich with the presence of both banking and non-banking financial institutions. Housing Finance Companies (HFCs) being non-banking financial institutions are playing an important role in the housing sector.

Housing and housing finance activities in India have witnessed tremendous growth over the years. Some of the factors that have led to this growth are - tax concessions to borrowers, increase in disposable income levels, changing age profile of the borrowers, easy availability of loans, nuclear families, urbanization, etc. The proportion of Mortgages to the Gross Domestic Product (GDP) ratio for India is much lower than that for developed countries. According to KPMG estimates, there would be a total requirement of 48 Million units of urban dwellings by 2022.

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)
- In March 2018, the Union Cabinet approved creation of National Urban Housing Fund (NHUF) of Rs. 60,000 crore for speedy implementation of PMAY (URBAN).

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) Further initiatives such as Real Estate(Regulation and Development) Act, 2016, 100% tax exemption to developers on profit from building affordable housing and other tax exemptions are expected to give a further push to the segment growth.
- (iv) GST on affordable & non affordable housing has been reduced to 1% and 5%.
- (v) Interim Budget as presented by the Union Government exempted tax on notional rent on second self occupied house under “Income from House Property” (upto two self occupied house properties now considered for exemption). Standard deduction for the salaried class has been increased from Rs. 40,000 to Rs. 50,000.

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

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

Key Challenges for HFCs

- 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.
- Rising level of NPAs hurting the profit making capacity of HFCs.

Segment-wise or product-wise performance

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

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

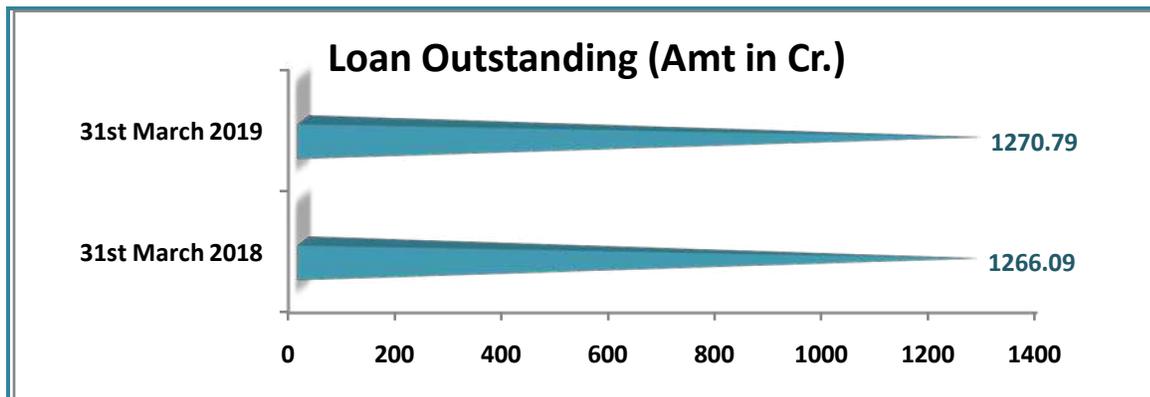
During the year Company has also adopted a new reference rate called Base Rate for pricing its loan products transparently.

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

Loan Outstanding

Total Advances stood at Rs. 1270.79 Cr. as on March 31, 2019 as against Rs. 1266.09 Cr. as on March 31, 2018.

- Out of above Advances, Housing loans stood at Rs.970.78 crore as on March 2019 as against Rs.1024.57 crore as on March 2018 and;
- Non-Housing loans stood at Rs.300.01 crore as on March 2019 from as against Rs. 241.52 crore as on March 2018.

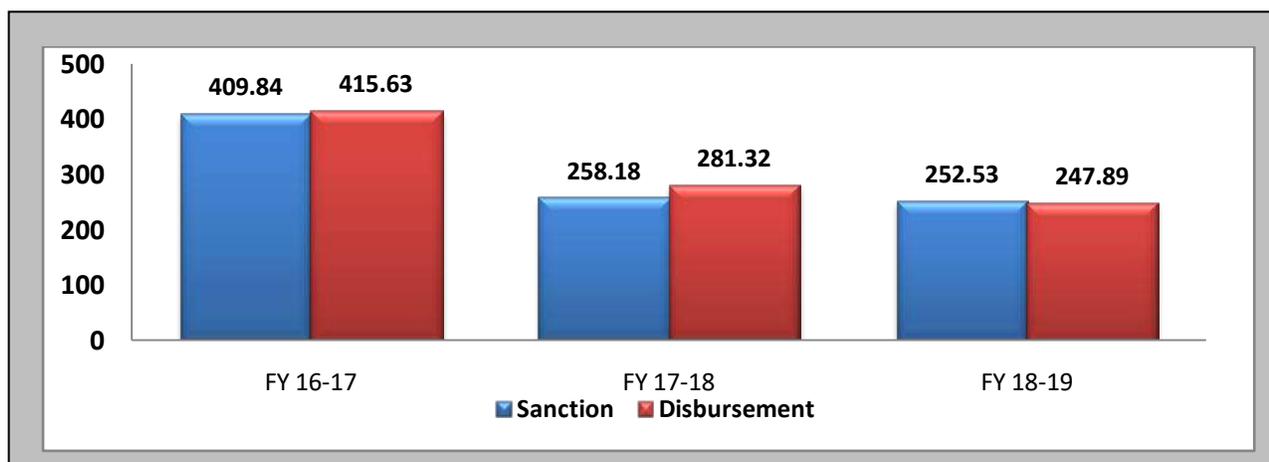


SANCTIONS & DISBURSEMENTS

The Sanctions and Disbursements of housing/other property loans during the financial year ended March 31, 2019 were Rs. 252.53 crore and Rs. 247.89 crore respectively vis-à-vis Rs. 258.18 crore and Rs. 281.32 crore respectively in the previous financial year.

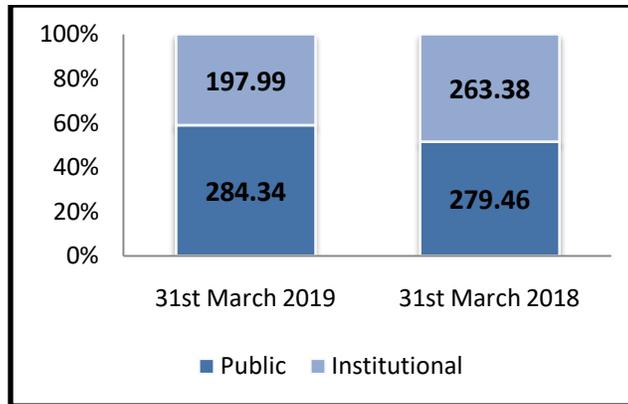
SANCTIONS & DISBURSEMENTS

(Rs. in crore)



Deposits

As on 31.03.2019, the total deposits of your Company are Rs.482.33 crore (which includes public deposits of Rs.284.34 crore and institutional deposits of Rs.197.99 Crore) as compared to Rs. 542.84 crore (which includes Public deposits of Rs. 279.46 crore and institutional deposits of Rs.263.38 Crore) at the end of the previous year.



Outlook

Not only is housing an indicator of social wellbeing, but 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 prospect 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. The Reserve Bank of India (RBI) continued to keep an eye on inflation and therefore did not lower the benchmark rates significantly during the year.

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 lower demand for housing and pressure to grow has compelled lenders to opt for loan takeovers resulting in higher prepayments. HFCs are being more impacted by the prepayments further putting pressure on their capability and challenging their ability to withstand the price war.

The Management is confident that the 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. Revamped Credit policy of the Company is expected to give new directions and help the Company to achieve its target more effectively and efficiently.

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 makes sure to maintain proper balance between risks and returns. During the year the Company has constituted Risk Management Committee to foresee and manage the risks which the Company may face. The ALCO committee of your company periodically reviews liquidity & interest rate risks and specifies the pricing of products accordingly. Credit risk is the risk of loss due to failure of a borrower to meet the contractual obligation of repaying debt which is also commonly known as risk of default. Your Company has constituted Credit Management Committee of the Board in order to mitigate such risk. Operational Risk Management Committee (ORCO) was established via introduction of a revamped Operational Risk

Management Policy. ORCO endeavors to mitigate operational risk by maintaining a system of internal control by establishing a system to monitor transactions and maintaining back-up at regular intervals.

Internal Control System and their adequacy

Internal control is a process for ensuring 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 addresses discrepancies, if any, noticed during inspections.

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. 140.85 crore against Rs. 150.57 crore in the previous year.

Despite challenges, your Company's profit before tax for the year ended 31st March 2019 stood at Rs 24.02 Crore as against Rs 26.60 Crore in the previous year. Your Company's profit for the year (after adjustments related to previous year) stood at Rs 16.28 Crore as against Rs 16.84 Crore in the previous year.

Further, your Company is relentlessly working on reduction of NPAs which stood at Rs 27.97 Crore as on 31st March 2019 compared to Rs 26.90 Crore in the previous year ended 31st March 2018. Company focused on recovery in prudentially written off accounts of earlier years. During the year, recovery in Written off accounts was Rs. 1.38 Crore as compared to Rs. 1.18 Cr in the FY 2017-18.

BALANCE SHEET MOVEMENT:

The summary of the Company's balance sheets as at March 31, 2018 and 2019 is given below:

	(Rs. in Crore)	
Particulars	31st March 2019	31st March 2018
EQUITY AND LIABILITIES		
Share Capital	25.00	25.00
Reserves and Surplus	92.07	81.82
Long-Term Borrowings	792.59	776.57
Deferred Tax Liabilities (Net)	12.51	11.01
Long-Term Provisions	13.77	12.67
Short-Term Borrowings	311.63	292.57
Other Current Liabilities	146.57	124.66
Short-Term Provisions	5.97	6.94
Total Liabilities	1400.11	1331.24
ASSETS		
Fixed Assets	0.62	0.53

Non-Current Investments	29.76	29.76
Long-Term Loans and Advances	1062.72	1058.93
Other Non-Current Assets	3.29	3.58
Cash and cash equivalents	87.39	23.34
Short-Term Loans and Advances	210.38	208.22
Other Current Assets	5.95	6.88
Total Assets	1400.11	1331.24

** Net owned fund of the Company as on 31.03.2019 and 31.03.2018 are Rs. 111.57 Crore and Rs. 99.46 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, 2019 for your Company increased by Rs.10.25 crore to Rs.92.07 crore as against Rs. 81.82 crore in the previous financial year. Your Company has transferred Rs.5.35 crore to Special Reserve and Statutory reserve u/s 29C of National Housing Bank Act and an amount of Rs.1.34 cr. to General Reserve. Net owned fund of the Company as on 31.03.2019 and 31.03.2018 are Rs.111.57 Crore and Rs. 99.46 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

Considering the performance of your Company during the year 2018-19, your Directors are pleased to recommend a final dividend @ 20% (i.e. Rs.2.00 per share of face value of Rs.10 each) for the year ended 31st March 2019.

CAPITAL ADEQUACY

During the Financial Year 2018-19 Net worth of the company stood at Rs.111.57 Cr as against Rs.99.46 Cr for the Financial Year 2017-18. The Capital Adequacy Ratio of your company is at 18.56% as against the minimum requirement of 12 percent as stipulated by the National Housing Bank (NHB).

BORROWINGS

Term Loans from Banks:

During the financial year 2018-19 your Company raised Rs. 60 Crore through term loans from Central Bank of India. The loan is secured by pari-passu charge created on the Company's present and future receivables including book debts in favour of lenders.

Refinance From NHB:

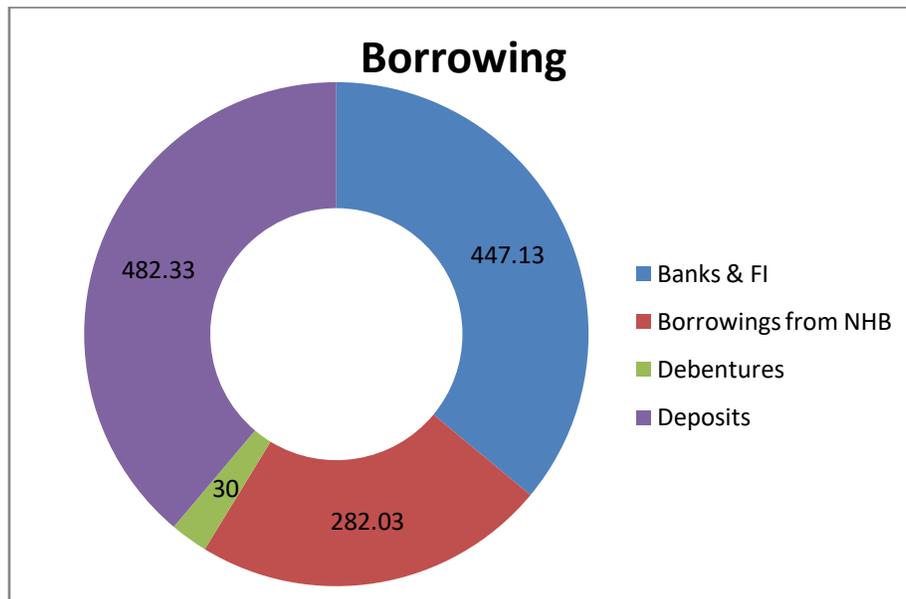
In the Financial Year 2018-19, your Company has availed refinance amounting to Rs. 150.00 Crore from the National Housing Bank. The amount of refinance outstanding as of 31.03.2019 from the National Housing Bank was Rs. 282.03 crore.

Unsecured Non Convertible Debentures:

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

Public (fixed) deposits:

The Company took several initiatives during the year to extend its reach by expanding network and connecting with customers. As on 31.03.2019, the total deposits of your Company are Rs. 482.33 crore (which includes public deposits of Rs. 284.34 crore and institutional deposits of Rs. 197.99 Crore) as compared to Rs. 542.84 crore (which includes Public deposits of Rs. 279.46 crore and institutional deposits of Rs. 263.38 Crore) at the end of the previous year.



FIXED ASSETS

The Company's investments in tangible assets represents cost of computers, office equipments, furniture & fixtures and vehicle. During the financial year under review your Company's gross block increased by Rs. 29.46 lakh 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, 2019 the investment portfolio stood at Rs. 114.76 crore as against Rs. 50.26 crore in the previous year.

Housing Finance Companies (HFCs) are required to maintain Statutory Liquidity Ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 13% of public deposits. As on March 31, 2019 your Company had invested Rs. 29.76 crore in approved securities and Rs. 85 crore in bank deposits.

PROFIT AND LOSS STATEMENT:

(Rs. in Crore)		
Particulars	31 st March 2019	31 st March 2018
INCOME		
Revenue from Operations	139.10	149.37
Other Income	1.74	1.19
Total Revenue	140.84	150.57
EXPENSES		
Interest & Finance Cost	95.33	105.39
Employees Remuneration & Benefits	8.45	7.62
Administrative & Other Expenses	10.24	9.33
Depreciation & Amortisation	0.20	0.17
Provision for Standard Assets	(0.82)	(0.79)
Provisions for Doubtful Debts	1.86	1.95
Write Off	0.37	0.00
Total Expenses	115.63	123.67
Profit Before Tax Provision and Exceptional Item	25.21	26.90
Exceptional items	1.20	0.30
Profit Before Tax and after Exceptional Item	24.01	26.60
Tax Expense (including Deferred Tax)	7.73	9.76
Profit For The Year	16.28	16.84

INCOME FROM OPERATIONS

Your Company's income from operations during the FY 2018-19 was Rs. 140.84 Cr as against Rs. 150.57 Cr for the FY 2017-18.

INTEREST AND FINANCE COST

Your Company's interest & finance expenses decreased by 9.5% from Rs.105.39 crore in the financial year 2017-18 to Rs. 95.33 crore for the financial year ended March 31, 2019.

EMPLOYEES' REMUNERATION & BENEFITS

Employee costs increased by 10.89% from Rs. 7.62 crore for the financial year ended March 31, 2018 to Rs. 8.45 crore for the financial year ended March 31, 2019.

OTHER EXPENSES

The operating expenses increased by 9.75% from Rs. 9.33 crore for the financial year ended March 31, 2018 to Rs.10.24 crore for the financial year ended March 31, 2019 owing to an increase in rent, rates, taxes, bank charges and miscellaneous expenditure.

DEPRECIATION & AMORTISATION

Depreciation charged on fixed assets was Rs. 0.20 crore in the financial year 2018-19 vis-à-vis Rs. 0.17 crore during the financial year 2017-18.

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. 10.77 crore for NPA.

NET PROFIT

Your Company has made net profit of Rs.16.28 crore in the financial year ended March 31, 2019 as against Rs. 16.84 crore for the financial year ended March 31, 2018.

NON PERFORMING ASSETS

Your Company is implementing every available option to recover its dues from non-performing accounts. The gross NPA stood at Rs. 27.97 crore as against Rs. 26.89 Crore for the previous financial year ended 31st March 2018.

With due provisions the net NPA stood at Rs. 15.86 Crore as on 31st March 2019 as against Rs. 16.72 Crore as on 31st March 2018.

NPA Ratios:

Particulars	31st March 2019	31st March 2018
% of Gross NPA to Gross Advances	2.20%	2.12%
% of Net NPA to Net Advance	1.26%	1.33%

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 laws 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, by providing with training and physical amenities at periodic intervals.

Company has tie up with a Man-Power outsourcing agency in order to attract capable talent. The Company also has its own recruitment policy approved by the Board and has its own interview committee to select the potential aspirants. The recruitment process of the Company is carried out through Institute of Banking Personnel Selection (IBPS).

The Company recruited 23 persons in Officer cadre during the year. Elevation in cadre through promotions was given to 32 serving employees during the year.

As on March 31, 2019, the Company had 78 on roll employees and 69 off roll employees.

Vigilance Oversight

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

गोपनीय



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

संख्या/ No MAB-III/Rep./01- 15/A/cs-CBHFL/2019-20/189

भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय
प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III
नई दिल्ली

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III
NEW DELHI

दिनांक/Dated: 21/06/2019

सेवा में,

अध्यक्ष,
सेन्ट बैंक होम फायनेंस लिमिटेड
भोपाल।



महोदय,

विषय: 31 मार्च 2019 को समाप्त वर्ष के लिये सेन्ट बैंक होम फायनेंस लिमिटेड, भोपाल के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियों।

मैं, सेन्ट बैंक होम फायनेंस लिमिटेड, भोपाल, के 31 मार्च 2019 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न: यथोपरि

भवदीया,
प्राची पाण्डेय
21-6/2019
(प्राची पाण्डेय)
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 2019**

The preparation of financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2019 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 the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22.04.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Cent Bank Home Finance Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Balance Sheet

Assets

Non-current investments (Note – 10): ₹2976.04 lakh

The above includes two investments of ₹250.55 lakh (M. P. Govt. securities 2020: ₹100.60 lakh and UP Govt. Securities 2020: ₹149.95 lakh) which are maturing in March 2020 i.e. within 12 months from the reporting date, hence should be classified under current investment as per General Instructions for Preparation of Balance Sheet under Schedule III of the Companies Act, 2013. This resulted in overstatement of Non-current investment and understatement of Current investment by ₹250.55 lakh.

B. Independent Auditor's report

Annexure A to the Auditor's Report

As per Clause 3 (x) of Companies Auditor Report Order (CARO) Rules, 2016, the Statutory Auditor is required to report whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. If yes, the Auditor is required to indicate the nature and the amount involved in the auditor's report.

The company lodged a first information report (FIR) on 21.09.2018 against two of its borrowers and two of its ex-employees under Section 420 and 34 of the IPC for disbursement of loan of ₹24.25 lakh on the basis of forged documents. As per NHB 'Guidelines on Monitoring of Frauds in Housing Finance Companies' cheating and forgery should be deemed as fraud. The Statutory Auditor has however, reported that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year. This has resulted in incorrect reporting under Clause 3 (x) of CARO 2016.

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

Prachi Pandey
21.6/19

(Prachi Pandey)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 21 June 2019

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 comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

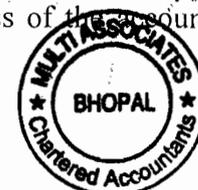
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("*the Act*") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

Our opinion is not modified in respect of these matters.

Emphasis of Matters

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

- (a) Note 23 (04) in the financial statements which indicate that the company has created Deferred Tax Liability on Special Reserves to the tune of Rs 1,56,07,803/- (Previous year 1,97,78,094/-) in pursuance with NHB guidelines NHB(ND)/DRS/Policy Circular 65/2014-15 through P/L Appropriation .
- (b) Note 23 (12) 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(12) indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern . However , the 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.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors 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 the Housing Finance Companies- Auditors Report (National Housing Bank) Directions 2016 issued by the National Housing Bank vide Notification No NHB.HFC.AR- DIR.1/MD & CEO/2016 Dated 3-2-2017 , we give in the “Annexure - C” statement on the matters specified in paragraphs 3A and 3 B.
3. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) 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) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.



h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Auditor's report) order, 2016, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 23 (5) to the financial statements;
- ii. The Company has not entered into any long term contract including derivative contract which may have any material foreseeable losses hence there is no need to create any provision, required under the applicable law or accounting standards,– Refer Note 23(19) to the financial statements;
- iii. The company is not required to transfer any amount to the Investor Education and Protection fund.

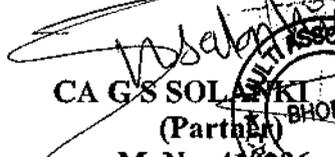
4. Our views on Directions under section 143(5) of the Companies Act 2103 By C&AG is enclosed as "Annexure "D".

5. 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 BHOPAL

Date: 22nd April 2019

For, Multi Associates
Chartered Accountants


CA G S SOLANKI
(Partner)
M. No. 410286
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 2019, 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.
- (b) Clause 5 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) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year
- (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.

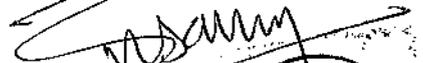


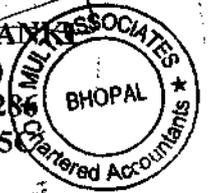
(xvi) In our opinion and according to the explanations given to us the Company is a Housing Finance Company registered with National Housing Bank and is exempted to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place BHOPAL

Date: 22nd April 2019

For, Multi Associates
Chartered Accountants


CA G S SOLANKI
(Partner)
M. No. 410286
FRN 509955C



Annexure B to the Independent Auditors' Report

**(Referred to in paragraph 3(g) 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 2019 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

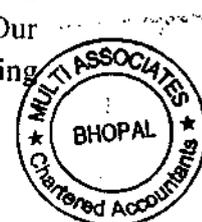
Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls 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;

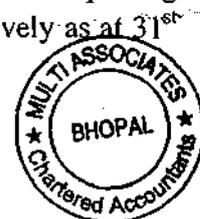
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance 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 2019, 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, 2019:

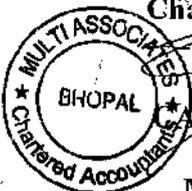
- i. Books of accounts of the company are maintained in a computer software for Head office and branches separately. In books of accounts for the year ending 31st March,2018 the closing entries are passed in the month of July-August,2018 in the said software. Hence the opening balance in the books of accounts as on 1st April,2018 does not tally with the audited Balance sheet as on 31st March,2018 . The accounting software used by the company needs immediate changes as the same does not allows closing entries to be made on the desired dates. Secondly the software should prepare at least final accounts as per the provisions of Companies act. However the accounts have been closed in the software for the year ending 31st March,2019.
- ii. 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 . However the finance has been done on the actual transaction price after deducting the margin money. 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.
- iii. 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.
- iv. 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, 2019 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

Place: BHOPAL

Date: 22nd April 2019

For, Multi Associates
Chartered Accountants



G S Solanki
G S SOLANKI
(Partner)
M. No. 410286

Annexure C to the Independent Auditors' Report

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" of our Audit Report of even date)

The company is registered with NHB vide registration certification No. 01.0004.02 dated 31.07.2001.

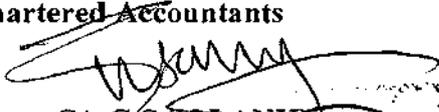
- i. Company is meeting the required Net Owned Fund (NOF) requirement as prescribed under Section 29 A of National Housing Bank Act, 1987.
- ii. The company has complied with the provisions of section 29C of National Housing Bank Act, 1987 with regard to the requirement of the reserve fund.
- iii. The 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 paragraph 3 clause B & sub-section (ii) of Notification No.NHB.HFC.AR-DIR.1/MD&CEO/2016, 1934 are within the limits prescribed in the said directions.
- iv. The public deposits accepted by the company are within the admissible limits.
- v. The credit rating for deposits i.e. "FA-" with Outlook STABLE 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.
- vi. 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.
- vii. The total borrowings of the company are within the limits prescribed under paragraph 3(2) of the Housing Finance Companies (NHB) Directions, 2010.
- viii. The company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Housing Finance Companies (NHB) Directions, 2010 .
- ix. The capital adequacy ratio as disclosed in the Schedule-II return submitted to the National Housing Bank in terms of the Housing Finance Companies (NHB) Directions, 2010 has been correctly determined and whether such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR) prescribed therein;



- x. The company has furnished to the Bank within the stipulated period the Schedule-II return as specified in the Housing Finance Companies (NHB) Directions, 2010.
- xi. The company has complied with the liquid assets requirement as prescribed by the National Housing Bank in exercise of powers under section 29B of the National Housing Bank Act, 1987 and the requirements as specified in paragraphs 14 and 15 of the Housing Finance Companies (NHB) Directions, 2010.
- xii. The company has furnished to the National Housing Bank within the stipulated period the Schedule-III return on Statutory Liquid Assets as specified in the Housing Finance Companies (NHB) Directions, 2010;
- xiii. The company has complied with the provisions contained in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010;
- xiv. The company has not violated any provisions contained under restriction on acceptance of public deposits, period of public deposits, Joint public deposit, particulars to be specified in application form soliciting public deposits, ceiling on the rate of interest and brokerage and interest on overdue public deposits, renewal of public deposits before maturity as provided in Housing Finance Companies (NHB) Directions, 2010.

Place: BHOPAL
Date: 22nd April 2019

For, Multi Associates
Chartered Accountants


CA G S SOLANKI
(Partner)
M. No. 410286
FRN 509955C



Annexure D to the Independent Auditor's Report

(Referred to in paragraph 4 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. Whether the company has system in place to process all the accounting transactions through IT system ? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated..

Ans: The Company is using CBS software designed by Intellect Design for recording all the accounting transactions . No accounting transaction is recorded out of this software. .

2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc made by a lender to the company due to the company's inability to repay the loan ? If yes, the financial impact may be stated.

Ans: During the year the Company has not defaulted in repaying any loan or its instalment. Hence there is no question of waiver/write off.

3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for /utilized as per its terms and conditions ? List the cases of deviation..

Ans: The Company has not received or likely to receive any fund for any scheme from any Central/state agencies. .

Place: BHOPAL
Date: 22/04/2019

For, Multi Associates
Chartered Accountants


CAG S SOLANKI
(Partner)
M No 410286 BHOPAL
FRN 5099556



Balance Sheet as at 31 March, 2019

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

Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
		Rs In Lakhs	Rs In Lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	2,500.00	2,500.00
(b) Reserves and surplus	3	9,207.09	8,182.25
		11,707.09	10,682.25
2 Non-current liabilities			
(a) Long-term borrowings	4	79,258.76	77,656.69
(b) Deferred tax liabilities	3a	1,250.88	1,101.24
(c) Long-term provisions	5	1,376.85	1,266.91
		81,886.49	80,024.84
3 Current liabilities			
(a) Short-term borrowings	6	31,163.24	29,256.75
(b) Other current liabilities	7	14,657.22	12,466.38
(c) Short-term provisions	8	597.52	693.88
		46,417.98	42,417.02
TOTAL		1,40,011.56	1,33,124.10
B ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment			
(i) Tangible assets	9	61.60	52.50
(b) Non-current investments	10	2,976.04	2,976.04
(c) Long-term loans and advances	11	1,06,272.51	1,05,892.54
(d) Other Non-current assets	12	329.23	357.85
		1,09,639.38	1,09,278.93
2 Current assets			
(a) Cash and cash equivalents	13	8,739.85	2,334.73
(b) Short-term loans and advances	14	21,037.69	20,822.18
(c) Other current assets	15	594.64	688.27
		30,372.18	23,845.17
TOTAL		1,40,011.56	1,33,124.10
Significant Accounting Policies	1		
Notes to accounts	23		
Disclosure as per NHB	24		

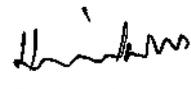
As per our report of even date

For Multi Associates
Chartered Accountants


CA G. S. Solanki
 Partner
 M No 410296
 FRN 509955C



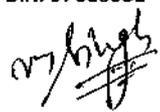
Place: Bhopal
Date: 22-04-2019


B.S. Harilal
 Managing Director
 DIN: 07886919


Manish Singh Payal
 Company Secretary




P. Ramana Murthy
 Chairman
 DIN: 07815852


Vilay Kumar Singh
 Chief Financial Officer

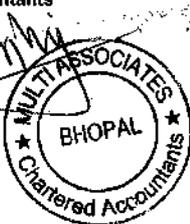
Statement of Profit and Loss for the year ended 31 March, 2019
 Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

	Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A	INCOME		Rs in Lakhs	Rs in Lakhs
1	Revenue from operations	16	13,910.49	14,937.59
2	Other income	17	174.63	119.47
3	Total revenue (1+2)		14,085.12	15,057.06
B	Expenses			
4	(a) Employee benefits expense	18	844.80	761.52
	(b) Finance costs	19	9,532.74	10,539.16
	(c) Depreciation and amortisation expense	9	20.36	17.10
	(d) Other expenses	20	1,024.27	933.45
	(e) Provision for Standard Assets	21	-82.49	-79.66
	(f) Provisions for Doubtful Debts		185.98	195.38
	(g) Written off		37.57	0.00
	Total expenses		11,563.22	12,366.95
5	Profit before tax and extraordinary items		2,521.90	2,690.10
6	Extraordinary items			
	Add - Extraordinary Item	22	0.00	0.00
	Less - Prior period adjustments		120.34	30.43
7	Profit / (Loss) before tax (5-6)		2,401.56	2,659.67
8	Tax expense:			
	(a) Current year tax expense		624.31	791.12
	(b) Provision for tax of previous years		0.00	80.90
	(c) Deferred tax of current year		-6.44	-93.73
	(d) Deferred tax on special reserves		156.08	197.78
			773.95	976.08
9	Profit from continuing operations (7-8)		1,627.61	1,683.59
10	Profit for the year		1,627.61	1,683.59
12	Earnings per share (of Rs.10/- each):			
	(a) Basic	23.7	6.51	6.73
	(b) Diluted	23.7	6.51	6.73
	See accompanying notes forming part of the financial statements	23		

As per our report of even date

For Multi Associates
Chartered Accountants

CA G. S. Solanki
Partner
M No 410286
FRN 509955C



Place: Bhopal
Date: 22-04-2019

B.S. Harilal
Managing Director
DIN: 07886919

Manish Singh Payal
Company Secretary



P. Ramana Murthy
Chairman
DIN: 07815852

Vijay Kumar Singh
Chief Financial Officer

Cash Flow Statement for the year ended 31 March, 2019
Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars		For the year ended 31 March, 2019		For the year ended 31 March, 2018	
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
A. Cash flow from operating activities					
Net Profit / (Loss) before extraordinary items and tax			2,521.90		2,690.10
<i>Adjustments for:</i>					
Depreciation and amortisation	(+)	20.36		17.10	
Provision for NPA and other	(+)	148.41		195.38	
Provision for Standard Asset	(+)	(82.49)		(79.66)	
Bad debts written off	(+)	37.57		-	
Profit on sale of Property, Plant and Equipment	(-)	-		0.65	
Loss on sale of Property, Plant and Equipment	(+)	-		-	
Prior period Adj.	(+)	(120.34)		(30.43)	
Operating profit / (loss) before working capital changes			2,525.41		2,791.84
<i>Changes in working capital:</i>					
<i>Adjustments for (increase) / decrease in operating assets:</i>					
Inventories					
Short-term loans and advances		(215.51)		(1,581.03)	
Long-term loans and advances		(379.97)		7,520.70	
Other current assets		93.63		(35.20)	
Other non-current assets		28.82		131.79	
-					
<i>Adjustments for increase / (decrease) in operating liabilities:</i>					
Deferred Tax Liabilities		149.64		104.05	
Other current liabilities		2,199.94		(330.94)	
Short-term provisions		-		-	
Long-term provisions		-		-	
Cash flow from extraordinary items			1,876.34		5,809.37
Cash generated from operations			4,401.75		8,601.21
Net income tax (paid)		(773.95)		(976.08)	
Net cash flow from / (used in) operating activities (A)			3,627.80		7,625.13



Cash Flow Statement for the year ended 31 March, 2019 (Contd.)
Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
B. Cash flow from investing activities				
Capital expenditure on Property, Plant and Equipment, including capital	(29.46)		(10.80)	
Proceeds from sale of Property, Plant and Equipment	-		0.65	
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	-		100.00	
- Proceeds from sale	-		-	
	-		-	
Net cash flow from / (used in) investing activities (B)	-	(29.46)		89.85



Cash Flow Statement for the year ended 31 March, 2019 (Contd.)
 Registered Office: # 9, Central Bank of India Building, Arera Hills, Jail Road, Bhopal

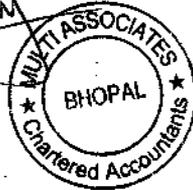
Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
C. Cash flow from financing activities				
Payment of CSR fund	-	-	-	-
Appropriation of DTL on Special reserves from Reserves and Provision of Income Tax of previous years	-	-	-	-
Proceeds (+)/Repayment (-) of long-term borrowings	1,602.08	-	(11,239.03)	-
Proceeds from other short-term borrowings	1,806.49	-	2,790.80	-
Repayment of other short-term borrowings	-	-	-	-
Dividends paid	(500.00)	-	(125.00)	-
Tax on dividend	(101.79)	-	(25.45)	-
	-	-	-	-
Net cash flow from / (used in) financing activities (C)		2,806.78		(8,598.67)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		6,405.13		(883.69)
Cash and cash equivalents at the beginning of the year		2,334.73		3,218.42
Cash and cash equivalents at the end of the year		8,739.85		2,334.73

See accompanying notes forming part of the financial statements

As per our report of even date

For Multi Associates
Chartered Accountants

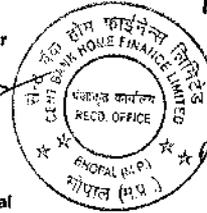
CA. G. S. Solanki
Partner
M No 410286
FRN 509955C



Place : Bhopal
Date : 22-04-2019

B.S. Harilal
Managing Director
DIN: 07886919

Manish Singh Payal
Company Secretary



P. Ramana Murthy
Chairman
DIN: 07815852

Vijay Kumar Singh
Chief Financial Officer

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

Note 2 Share capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Rs In Lakhs	Number of shares	Rs In Lakhs
(a) Authorised Equity shares of Rs.10/- each	5,00,00,000	5,000	5,00,00,000	5,000
(b) Issued Equity shares of Rs.10/- each	2,50,00,000	2,500	2,50,00,000	2,500
(c) Subscribed and fully paid up Equity shares of Rs.10/- each	2,50,00,000	2,500	2,50,00,000	2,500
Total	2,50,00,000	2,500	2,50,00,000	2,500

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, 2019								
- Number of shares	2,50,00,000	-	-	-	-	-	-	2,50,00,000
- Amount (In Rs.)	2,500	-	-	-	-	-	-	2,500
Year ended 31 March, 2018								
- Number of shares	2,50,00,000	-	-	-	-	-	-	2,50,00,000
- Amount (In Rs.)	2,500	-	-	-	-	-	-	2,500

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

Particulars	Equity shares	Equity shares with differential voting rights	Compulsorily convertible preference shares	Optionally convertible preference shares	Redeemable preference shares
	Number of shares				
As at 31 March, 2019	Nos.				
Central Bank of India, the holding company	1,61,00,000	-	-	-	-
the ultimate holding company	-	-	-	-	-
Subsidiaries of the holding company	-	-	-	-	-
Associates of the holding company	-	-	-	-	-
Subsidiaries of the ultimate holding company	-	-	-	-	-
Associates of the ultimate holding company	-	-	-	-	-
As at 31 March, 2018					
Central Bank of India, the holding company	1,61,00,000	-	-	-	-
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 "CBF" 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, 2019		As at 31 March, 2018	
	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, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Securities Premium	690.00	690.00
Closing balance	690.00	690.00
(b) General reserve		
Opening balance	681.47	538.61
Add: Transferred from Statement of Profit and Loss	134.00	142.86
Closing balance	815.47	681.47
(c) Special Reserve (Special Reserve created in terms of Section 36(1)(viii) of IT Act, 1961 and as per Section 29 C of NHB Act.)		
Opening balance	3,990.31	3,418.85
Add: Additions / transfers during the year	535.98	571.46
Closing balance	4,526.29	3,990.31
(d) Additional Reserve (Created under section 29C of NHB Act 1987)		
Opening balance	300.00	300.00
Add: Additions / transfers during the year	-	-
Closing balance	300.00	300.00
(e) Surplus in Statement of Profit and Loss	2,875.33	2,520.47
Opening balance	2,520.47	2,152.99
Add: Profit for the year	1,627.61	1,683.69
Amounts transferred from:	-	-
General reserve	-	-
Other reserves (give details)	-	-
Less: Appropriations	-	-
a) Proposed Dividend	500.00	500.00
b) Tax on dividend	102.78	101.79
c) Provision for Income Tax of previous years	-	-
d) Appropriation of DTL on Specials Reserves as per NHB guidelines	-	-
e) Amount spent on CSR activity	-	-
Transferred to:	-	-
General reserve	134.00	142.86
Special Reserve	535.98	571.46
Additional reserve u/s 29C of NHB Act	-	-
Closing balance	2,875.33	2,520.47
Closing Balance	9,207.09	8,182.25

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

Dividend per share (of Rs.10/- each):	(Rs)	(Rs)
Dividend per Share	2	2



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

Note 3a Deferred Tax Liabilities

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Deferred Tax Asset (A)				
Provision for NPA's				
Standard Assets	418.66		461.77	
Others	9.87		8.58	
Depreciation	0.00	428.52	3.46	473.81
Deferred Tax Liability (B)			-	
Special Reserve	1,518.30		1,362.23	
Others	160.25		212.82	1,575.05
Depreciation	0.85	1,679.40		
(A)-(B)= DTL		1,250.88		1,101.24

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, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Non Convertible Debentures #		
Unsecured	3,000.00	3,000.00
	-	-
(b) Term loans		
From banks		
Secured	50,731.47	43,575.45
Unsecured	-	-
(c) Deposits *		
Secured	-	-
Unsecured	25,527.29	31,081.23
Total	79,258.76	77,656.69

*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 2019, 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%.



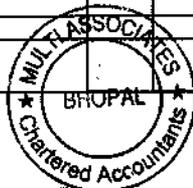
Particulars

(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, 2019		As at 31 March, 2018	
	Secured Rs in Lakhs	Unsecured Rs in Lakhs	Secured Rs in Lakhs	Unsecured Rs in Lakhs
Term loans from banks:				
Refinance from National Housing Bank	24,692.99	-	13,201.53	-
Central Bank of India	22,040.74	-	21,516.83	-
HDFC Bank	2,284.44	-	5,715.56	-
BoB	1,713.29	-	3,141.54	-
Total - Term loans from banks	50,731.47	-	43,575.45	-
Deposits:				
Deposits	-	25,527	-	31,081.23
Total - Deposits	-	25,527.29	-	31,081.23

Below are the details of all loans/Refinance outstanding.

Name of Institution / (Security for loan)	Amt sanctioned Rs in Lakhs	Amt. outstanding as on 31st March 2019 Rs in Lakhs	Rate of Interest	Repayment terms
NHB Refinance	126.00	22.60	8.25	28 Qtrly Inst
	551.00	101.98	8.5	28 Qtrly Inst
Specific Charge over book debts of company	328.00	60.70	8.75	28 Qtrly Inst
	230.00	58.00	8.75	28 Qtrly Inst
	95.00	26.60	7.1	28 Qtrly Inst
	1,091.00	394.00	8.2	28 Qtrly Inst
	886.00	391.00	6.87	28 Qtrly Inst
	34.00	14.50	6.87	28 Qtrly Inst
	598.00	365.50	6.87	40 Qtrly Inst
	2,391.00	1,461.00	6.87	40 Qtrly Inst
	150.00	99.95	6.87	40 Qtrly Inst
	2,850.00	1,899.70	6.87	40 Qtrly Inst
	2,196.00	1,749.00	9.1	60 Qtrly Inst
	2,058.00	1,638.00	8.95	60 Qtrly Inst
	1,017.00	810.00	8.85	60 Qtrly Inst
	1,729.00	1,239.50	6.12	28 Qtrly Inst
	3,500.00	2,871.40	5.11	60 Qtrly Inst
	3,010.00	3,010.00	9.55	60 Qtrly Inst
	2,900.00	2,900.00	9.55	60 Qtrly Inst
	1,300.00	1,300.00	9.55	60 Qtrly Inst
	800.00	800.00	9.55	60 Qtrly Inst
	1,000.00	1,000.00	9.65	60 Qtrly Inst
	5,040.00	5,040.00	4.93	28 Qtrly Inst
	950.00	950.00	4.93	28 Qtrly Inst
Central Bank of India				
Specific Charge over book debts of company	10,000.00	5,880.95	8.6	60 monthly Inst
	10,000.00	6,071.18	8.7	60 monthly Inst
	10,000.00	7,023.72	8.7	28 Qtrly Inst
	10,000.00	8,421.75	8.3	60 monthly Inst
HDFC Bank				
Specific Charge over book debts of company	100.00	30.00	8.35	20 Qtrly Inst
	1,187.50	40.00	8.35	20 Qtrly Inst
	1,187.50	50.00	8.35	20 Qtrly Inst
	937.50	90.00	8.35	20 Qtrly Inst
	937.50	40.00	8.35	20 Qtrly Inst
	250.00	60.00	8.35	20 Qtrly Inst
	937.50	100.00	8.35	20 Qtrly Inst
	360.00	55.56	8.35	20 Qtrly Inst
	200.00	875.00	8.35	20 Qtrly Inst
	1,750.00	875.00	8.35	20 Qtrly Inst
	1,750.00	500.00	8.35	20 Qtrly Inst
	270.00	500.00	8.35	20 Qtrly Inst



Particulars					
		120.00	500.00	8.35	20 Qtrly Inst
		450.00	500.00	8.35	20 Qtrly Inst
		180.00	750.00	8.35	20 Qtrly Inst
		180.00	750.00	8.35	20 Qtrly Inst
Bank of Baroda		10,000.00	3,141.41	9.45	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 5 Long-term provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Provision for Bad & Doubtful debts	1,077.30	891.32
(b) Provision on Standard asset as per NHB norms	299.55	375.59
Total	1,376.85	1,266.91

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 @ 0.25%,0.40%,0.75% and 1%



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

Note 6 Short-term borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Loans repayable on demand		
From banks		
Secured #	8,458.33	6,053.50
(b) Deposits *		
Unsecured	22,704.91	23,203.25
Total	31,163.24	29,256.75

Notes:

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

Particulars	Nature of security	As at 31 March, 2019	As at 31 March, 2018
		Rs in Lakhs	Rs in Lakhs
<u>Loans repayable on demand</u>			
from banks:#			
Central Bank of India	Book Debts assigned	8,458.33	6,053.50
<u>Total - from banks</u>			

Short term borrowings is overdraft facility (Limit of Rs.100 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.



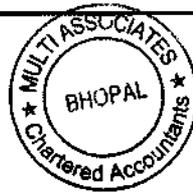
Cent Bank Home Finance Limited
Notes forming part of the financial statements

Note 7 Other current liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Current maturities of long-term debt (Refer Note below)	13,726.54	11,183.67
(b) Unpaid matured deposits and interest accrued thereon	427.60	648.99
(c) Other payables	-	-
(i) Contractually reimbursable expenses	3.80	5.04
(ii) Advances from customers	-	1.33
(iii) Bank balance	-	-
(iv) Others \$	499.29	627.36
(includes sundry creditors, provision for salary, CERSAI payable, Earnest money deposits other misc payables.	-	-
Total	14,657.22	12,466.38

Note:	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Term loans		
From banks		
Secured	13,726.54	11,183.67
Unsecured	-	-
Total	13,726.54	11,183.67

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, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Provision - Others:		
(i) Provision for proposed equity dividend	500.00	500.00
(ii) Provision for tax on proposed dividends	2.78	101.79
(iii) Provision on Standard asset as per NHB norms	60.85	67.30
(iv) Provision for dimunation in Investments	-	-
(v) Provision for other employee benefits#	33.89	24.79
(vi) CSR expenses provided for	-	-
Total	597.52	693.88

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



Note 9 Property, Plant and Equipment

Tangible assets	Gross block					Accumulated depreciation and Impairment							
	Balance as at 1 April, 2018	Additions	Disposals	Acquisitions through business combinations	Other adjustments	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Depreciation Rate	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2019	Balance as at 31 March, 2019 (Net Block)	Balance as at 31 March, 2018 (Net Block)
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	%	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(a) Furniture and Fixtures Owned	105.23	0.95	-	-	-	106.18	79.55	9.50%	3.64	-	83.19	22.99	25.68
(b) Vehicles Owned	11.66	-	-	-	-	11.66	3.19	11.88%	1.38	-	4.57	7.09	8.47
(c) Office equipment Owned	29.15	0.89	-	-	-	29.84	20.39	19.00%	3.58	-	23.98	5.86	8.45
(d) Computer	95.26	27.81	-	-	-	123.07	85.66	31.67%	11.76	-	97.42	25.65	9.60
Total	241.29	29.46	-	-	-	270.75	188.79		20.36	-	209.15	61.60	52.20
Previous year	248.25	11.15	18.11	-	-	241.29	185.44		17.10	17.76	188.79	52.50	58.80



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

Note 10 Non-current investments

Particulars	As at 31 March, 2019			As at 31 March, 2018		
	Quoted # Rs in Lakhs	Unquoted # Rs in Lakhs	Total Rs in Lakhs	Quoted Rs in Lakhs	Unquoted Rs in Lakhs	Total Rs in Lakhs
(a) (i) of subsidiaries (ii) of associates Total - Trade (A)	-	-	-	-	-	-
Particulars	As at 31 March, 2019			As at 31 March, 2018		
	Quoted Rs in Lakhs	Unquoted Rs in Lakhs	Total Rs in Lakhs	Quoted Rs in Lakhs	Unquoted Rs in Lakhs	Total Rs in Lakhs
(b) Investment in government or trust securities (i) government securities (ii) trust securities	-	2,976.04	2,976.04	-	2,976.04	2,976.04
Particulars	As at 31 March, 2019			As at 31 March, 2018		
	Quoted Rs in Lakhs	Unquoted Rs in Lakhs	Total Rs in Lakhs	Quoted Rs in Lakhs	Unquoted Rs in Lakhs	Total Rs in Lakhs
(c) Other non-current investments (specify nature)	-	-	-	-	-	-
Aggregate amount of quoted investments	-	-	-	-	-	-
Aggregate amount of unquoted investments	-	2,976.04	2,976.04	-	2,976.04	2,976.04
	-	2,976.04	2,976.04	-	2,976.04	2,976.04

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 2019 Rs in Lakhs	31st March 2018 Rs in Lakhs
1 100589, 8.54% Govt. Securities 2020 @ Rs.100/- each State Govt. Security (MP.GS 2020)	100.60	100.60
2 8.38% U.P. Govt. Securities 2020 @ Rs.100/- each U P SDL 2020	149.95	149.95
3 8.28% Central Govt. Securities 2027 @ Rs.100/- each (GOI 2027)	116.51	116.51
4 8.28% Central Govt. Securities 2027 @ Rs.100/- each (GOVT. STOCK 2027)	194.83	194.83
5 8.30% Central Govt. Securities 2042 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	246.28	246.28
6 8.28% Central Govt. Securities 2027 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	505.25	505.25
7 8.15% Central Govt. Securities 2026 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	100.20	100.20
8 8.24% Central Govt. Securities 2033 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	505.95	505.95
9 8.24% Central Govt. Securities 2033 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	253.10	253.10
10 7.88% Central Govt. Securities 2030 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	500.88	500.88
11 7.88% Central Govt. Securities 2030 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	200.35	200.35
12 7.61% Central Govt. Securities 2030 @ Rs.100/- each (CENT GOVT.) (GOIBONDS)	100.14	100.14
Grand Total	2,976.04	2,976.04



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

Note 11 Long-term loans and advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Security deposits		
Secured, considered good	39.49	39.79
(b) Loans and advances to employees		
Secured, considered good	0.41	25.63
Less: Provision for doubtful loans and advances	0.00	0.06
(c) Prepaid expenses - Unsecured, considered good Insurance	0.41	25.57
(d) Refund due from Revenue Authorities	316.72	179.42
(e) HOUSING LOANS & NON-HOUSING LOANS		
Secured by tangible assets, considered good	1,03,253.64	1,02,957.87
Substandard	857.85	844.35
Doubtful & Loss	1,804.41	1,845.48
Total (f)	1,05,915.89	1,05,647.70
Less: Provision for loans and advances	1,376.85	1,266.91
	1,04,539.04	1,04,380.79
Total (a+b+c+d+e+f)	1,06,272.51	1,05,892.54

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



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

Note 12 Other non-current assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Unamortised expenses: Loan acquisition cost		
(i) Unamortized Loan acquisition cost	561.91	611.69
Add: Expenses during the year	135.65	146.96
Less: Amortized during the year	188.08	196.74
Closing Balance	509.47	561.91
Less: To be Amortized during next year, (Current Portion)	204.05	206.39
Balance Current	305.42	355.52
(b) Unamortised expenses: Brokerage on borrowings		
(i) Unamortized Brokerage on borrowings	53.01	149.40
Add: Expenses during the year	38.23	8.48
Less: Amortized during the year	50.42	104.86
Closing Balance	40.82	53.01
Less: To be Amortized during next year (Current Portion)	17.01	50.69
	23.81	2.33
TOTAL	329.23	357.85



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

Note 13 Cash and cash equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Cash on hand	36.44	21.02
(c) Balances with banks	-	-
(i) In current accounts	203.42	263.60
(ii) In deposit accounts (Refer Note (i)# (ii)below)	8,500.00	2,050.10
Total	8,739.85	2,334.73
(i)# The whole amount denotes cash & cash equivalents as per AS-3 cash flow statements		

(ii) Bank deposit classification

Maturity Period	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
With in 3 Months	1,000.00	1,551.00
Less than 12 Months	7,500.00	499.10
Total	8,500.00	2,050.10



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

Note 14 Short-term loans and advances

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Loans and advances		
Secured, considered good	21,028.53	20,804.53
Less: Provision for doubtful loans and advances/standard	60.85	67.29
	20,967.68	20,737.24
(b) Loans and advances to employees		
Secured, considered good	-	4.44
Unsecured, considered good	0.00	0.02
Less: Provision on loans and advances (Standard)	0.09	0.01
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, Advance rent etc.)	9.16	13.19
Total	21,037.69	20,822.18

Note: Amount shown in balance sheet is without provision. Provision have been shown in short term provision .
 Rs 2102852754 is taken under short term loan & advances and Rs 6084838 taken to short term provision.



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

Note 15 Other current assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Accruals		
(i) Interest accrued on deposits	200.31	196.78
(ii) Interest accrued on investments	39.02	39.02
	-	-
	-	-
(b) Others		
(i) Unamortized loan acquisition cost	204.05	206.39
(ii) Unamortized Brokerage on Borrowings	17.01	50.69
(iii) Others (Includes SARFAESI Charges Recoverable, CERSAI charges recoverable & misc receivable also)	134.24	195.39
Total	594.64	688.27
Grand Total	594.64	688.27



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

Note 16 Revenue from operations

	Particulars	For the year ended	For the year ended
		31 March, 2019	31 March, 2018
		Rs in Lakhs	Rs in Lakhs
(a)	Interest income on individual loans & project loans	12,962.14	14,080.11
(b)	Interst on Bank deposits and Investment	495.68	453.38
(c)	Other operating revenues		
	Interest on demand loan, vehicle loans, personal loan, fees & other charges	452.67	404.11
		13,910.49	14,937.59
	Total	13,910.49	14,937.59

Details of revenue from operations:

	Particulars	For the year ended	For the year ended 31
		31 March, 2019	March, 2018
		Rs in Lakhs	Rs in Lakhs
(i)	Interest Income comprises:		
	Individual Loans	12,942.13	14,034.88
	Corporate bodies/builders	20.01	45.23
	Total	12,962.14	14,080.11
(ii)	Other operating revenues comprise:		
	Processing, Administration fees and other charges	450.87	401.48
	Interest on demand loan against fixed deposit	1.80	2.62
	Interest on Vehicle loan	-	-
	Interest on personal loan	0.00	0.01
	Total - Other operating revenues	452.67	404.11



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

Note 17 Other income

	Particulars	For the year ended	For the year ended 31
		31 March, 2019	March, 2018
		Rs in Lakhs	Rs in Lakhs
(a)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	152.37	119.47
(b)	SGST Collected	11.13	0.00
(c)	CGST Collected	11.13	0.00
Total		174.63	119.47

Note	Particulars	For the year ended	For the year ended 31
		31 March, 2019	March, 2018
		Rs in Lakhs	Rs in Lakhs
(i)	Other non-operating income comprises:		
	Profit on sale of fixed assets	0.00	0.65
	Miscellaneous income	152.37	118.82
Total - Other non-operating income		152.37	119.47



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

Note 18 Employee benefit expense

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
	Rs in Lakhs	Rs in Lakhs
Salaries and wages#	806.06	721.28
Contributions to provident and other funds	24.76	29.50
Staff welfare expenses	13.98	10.74
Total	844.80	761.52

Salary & wages includes salaries of Cent Bank, outsourced employees and Central Bank employees on deputation to the company.



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

Note 19 Finance Costs

Particulars	For the year ended 31	For the year ended 31
	March, 2019	March, 2018
	Rs in Lakhs	Rs in Lakhs
(a) Interest expense on Borrowings #	9,515.64	10,516.94
(b) Other borrowing costs (Bank Charges)	17.10	22.22
Total	9,532.74	10,539.16

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



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

Note 20 Other expenses

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
Power and fuel/electricity expenses	25.26	22.03
Rent including lease rentals	150.19	133.10
Repairs and maintenance - Buildings	12.97	12.00
Repairs and maintenance - Others	8.84	8.04
Insurance	3.27	3.02
Communication	19.16	18.51
Travelling and conveyance	51.13	42.38
Printing and stationery	12.54	11.23
Office Expenses*	65.31	27.44
Penalty on sevice tax	3.20	0.00
Advertisement & Publicity	5.74	3.64
CGST Paid	11.13	0.00
SCGT Paid	11.13	0.00
Legal and professional	135.51	139.60
Payments to auditors (Refer Note (i) below)	7.25	7.26
Internal audit expenses/stock audit fees	14.79	15.31
CSR Expenditure	38.95	33.03
CSS Implementation and support charges	102.39	101.24
RCU/FI verification Expenses	29.99	38.27
Directors Sitting fees	8.73	7.43
Miscellaneous expenses #	68.27	8.32
Brokerage	50.42	104.86
DSA Commission (amount amortized)	188.08	196.74
Sub -Total	1,024.27	933.45

* Office expense includes Service tax demand of Rs 3883785

Misc exp includes reversal of Sarfesa) and Recovery Charges Rs 2699723 and Fee reversal of PMAY Rs 847340

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
(i) Payments to the auditors comprises :-		
Fees Paid		
For statutory audit	3.00	3.00
For tax audit	1.50	1.00
For Certification	2.75	3.26
Total	7.25	7.26



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

Note 21. Provision for Standard Assets

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
Provision on standard assets as per NHB norms	(82.49)	(79.66)
Total	(82.49)	(79.66)

Note :- As per NHB Norms provision on standard assets is to be created by 0.25%, 0.40%, 0.75% and 1%

Note 22. Extra Ordinary Items

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	Rs in Lakhs	Rs in Lakhs
	-	-
Total	-	-



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 commenced its business on June 18, 1991 and obtained the certificate of registration from the National Housing Bank (NHB) as required under Section 29A of the NHB Act, 1987 on July 31, 2001. The Company is a Subsidiary of Central Bank of India jointly promoted by National Housing Bank, HUDCO and SUUTI. The main objects of the Company, inter alia are to carry out the business of providing long term finance to individuals, companies, corporations, societies or associations of persons for purchase/construction/repair and renovation of new/ existing flats/ houses for residential purposes and provide loans against property and loan for purchase of Commercial property. The Company is currently operating with 18 branches and 2 representative offices.

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 consistent with those followed in previous year.

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

2. Use of Estimates

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

3. Revenue Recognition

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



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

4. 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 invested in Group Gratuity Scheme administered by the Life Insurance Corporation of India. Company's contribution in respect of Employees' Provident Fund is made to Employees' Provident Fund Scheme of EPFO and is charged to the Statement of Profit & Loss.

8. Earnings Per Share

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



9. Income Tax

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

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

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

10. Provisions for Contingencies

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

Contingent Liability policy

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

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

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



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

S.No	Contingent Liability	Brief Description
1	Claims against the Company, not acknowledged as debt	This item represents certain demands made in certain tax and legal matters against the Company in the normal course of business. In Accordance with the 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 contingently liable primarily include the estimate amount of contracts remaining to be executed on Capital Account and not provided for

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

12. Unclaimed Deposits

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

13. 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.

14. Cash Flow Statement.

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



Additional Information on the Financial Statements

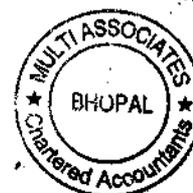
Note 23

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

(Rs in Lakhs)

	For the year ended 31-03-2019		For the year ended 31-03-2018	
	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs
HOUSING LOAN:				
To Individuals				
Standard Assets	95024.48	237.56	100430.26	342.03
Sub-Standard Assets	720.06	108.01	622.06	93.31
Doubtful Assets	1156.94	572.03	1008.27	477.53
Loss Assets	5.11	5.11		
To Non-Individuals				
Standard Assets	73.18	0.46	149.28	1.12
Sub-Standard Assets				
Doubtful Assets			160.90	64.36
Loss Assets				
Floating provision				
Total (A)	96979.77	923.17	102370.77	978.35

	For the year ended 31-03-2019		For the year ended 31-03-2018	
	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs	Outstanding Rs. In Lakhs	Provision Rs. In Lakhs
NON HOUSING LOAN:				
To Individuals				
Standard Assets	29063.23	121.90	23340.59	99.68
Sub-Standard Assets	137.79	20.67	173.05	25.97
Doubtful Assets	642.35	371.47	597.90	230.21
Loss Assets	0.004	0.004		
To Non-Individuals				
Standard Assets	121.69	0.49	-	-
Sub-Standard Assets			-	-
Doubtful Assets			-	-



Loss Assets			-	-
Floating provision			-	-
Total (B)	29965.06	514.53	24111.54	355.86
TOTAL (A+B)	126944.83	1437.70	126482.31	1334.21

The above NPA Balances are net of unrealized interest of Rs.13441943/-

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

	As at 31-03-2019 (Rs in Lakhs)	As at 31-03-2018 (Rs in Lakhs)
Cumulative Interest B/F from last Balance Sheet	127.63	84.21
Outstanding derecognized Interest		
- Sub Standard Assets(Net)	46.15	49.24
- Doubtful/Loss Assets	88.27	78.39
Total Interest Derecognized	134.42	127.63

- 4) 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:

		(Rs in Lakhs)			
		As at 31st March 2019		As at 31st March 2018	
A)	Deferred Tax Asset	Amount	Amount	Amount	Amount
	Provision for NPA's				
	Standard Assets	418.66		461.77	
	Others	9.87		8.58	
	Depreciation	(0.85)	427.68	3.46	473.81
B)	Deferred Tax Liability				
	Special Reserve				
	• Opening Amt	1362.23		1164.44	
	• Transfer during the year				
	• From Surplus	-		-	
	• From P&L	156.08		197.79	
			1518.31	197.79	1362.23
	Others	160.25	1678.56	212.82	1575.05
	(B)-(A)		1250.88		1101.24



5) Contingent Liabilities and Commitments

(Rs in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Claims against the Company, not acknowledged as debts	Nil	Nil
Contingent liability on account of income tax.	----*	14.19

*Detail provided below

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

S.No.	A.Y.	Returned Income	Addition to the Income	Demand	Reason
1	2010-11	5,59,38,758	38,22,781	14,18,840	The demand is incorrect and it comes under the classification of apparent error from the department. Rectification has been filed.
2	2015-16	11,48,57,600	67,29,959	Nil	Case was selected for Scrutiny Assessment u/s 143(3). An addition of Rs. 67,29,959/- was made to the returned income. Appeal before CIT (Appeals) has been filed against the Assessment Order u/s 143(3) on 14.12.2017 and is pending disposal.
3	2016-17	11,42,95,430	1,91,69,170	14,70,808	Case was selected for Scrutiny Assessment u/s 143(3). An addition of Rs. 1,91,69,170/- was made to the returned income out of which Rs. 1,06,90,816/- is disputed on account of bad debt written off by the Company. Appeal before CIT (Appeals) has been filed against the Assessment Order u/s 143(3) on 18.12.2018 and is pending disposal.



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

Details of Related Party:

- (a) Holding Company:
Central Bank of India

The related Party Transaction with holding company is furnished below:

Description	Rs in Lakhs	
	2018-19	2017-18
Central Bank of India		
Interest on overdraft	367.49	331.58
Interest on Term Loan	2187.90	1531.93
Term Loan balance*	27397.61	25802.55
Overdraft Sanctioned	10000.00	10000.00
Dividend	387.54	96.88
Repair and Maintenance (Rent)	12.00	12.00
Salary of staff on Deputation	31.54	24.72

* Term loan balance includes outstanding balance out of sanctioned term loans of Rs 400cr. In current year Rs 100cr fresh sanction was availed.

(b) Key Managerial Personnel

- (i) Shri B.S. Harilal, Managing Director
(ii) Shri Vijay Kumar Singh, Chief Financial Officer
(iii) Shri Manish Singh Payal, Company Secretary

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

Description	Rs in Lakhs	
	2018-19	2017-18
Salary and Allowances, cont. to PF etc of Key Managerial Personnel	53.45	50.57

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

	(Amt In Rs.)	
	As on 31-03-2019	As on 31-03-2018
a) Profit/Loss after Tax (in Rs.)	162761277	168358963
b) No. of shares (In Nos.)	25000000	25000000
c) Weighted Average number	25000000	25000000



of equity shares for Basic EPS		
d) Basic EPS (a/c)	6.51	6.73
e) Diluted EPS (a/c)	6.51	6.73

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

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

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

(Rs in Lakhs)

(a) Movement of provision	As on 31-03-2019	As on 31-03-2018
Opening Provisions on Bad & Doubtful Debts	891.32	695.94
Less: Reversal due to accounts written-off	-	-
Add: Addition on account of fresh slippage (net of reduction due to recovery)	185.98	195.38
Closing Provision on Bad & Doubtful Debts	1077.30	891.32

(Rs in Lakhs)

(b) Net of amount written-off (Details)	As on 31-03-2019	As on 31-03-2018
Bad Debts Written-off	37.57	-
Reversal due to accounts written-off	-	-
Addition due to Slippage/ Reversal on account of recovery (net-off)	185.98	195.38
Total	223.55	195.38
Reversal of Provision Net of amount written off	-	-

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

11) Provision and Contingencies

(Rs in Lakhs)

Break up of 'Provision and Contingencies' shown under the head Expenditure in Profit and Loss Account	As on 31-03-2019	As on 31-03-2018
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	624.31	791.12



3. Provision towards NPA	1077.30	891.32
4. Provision for Standard Assets (with details)	360.40	442.79
5. Other Provision and Contingencies (with details)	268.84	230.00

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

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

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

- i. The Company makes its share of contributions to the Employees' Provident Fund organization as per defined contribution plan. The Company has no further obligation apart from its contribution. Such contributions are recognized as expenditure in the Profit & Loss account.
- ii. The Provision of leave encashment liability is calculated on the balance-privilege leave of the employees as on 31-03-19. The same has been provided for the year ended 31-03-2019.
- iii. For the staff deputed from Central Bank of India the gratuity liability and leave encashment are met/to be met by Central Bank of India. In respect of the eligible retirement/terminal benefits like gratuity, pension and encashment of leave, the same is provided for by Central Bank of India.
- iv. Gratuity:- In accordance with the payment of Gratuity Act 1972, the Company provides for Gratuity covering eligible employees. To fund its liability the Company has taken two policies with Life Insurance Corporation of India to cover the accumulated gratuity liability of its employees and the premium paid on this policy has been charged to Profit & Loss account. Disclosure as per para 119 and 120 of the AS-15:-

The following table sets out the funded status of the Gratuity and the amount recognized in Financial Statements as on 31-3-2019 .

1 Actuarial Assumptions

(Amt in Rs.)

Particulars	Policy 1	Policy 2
Discounted Rate	7.50%	7.50%
Salary Escalation	8%	8%



2. Changes in Present Value of Obligations:**(Amt in Rs.)**

Particulars	Policy 1	Policy 2
Present value of obligations at the beginning of the Year	1669884	2623747
Interest Cost	125241	196781
Current Service Cost	600587	136723
Benefits Paid	0	0
Actuarial (Gain)/Losses on Obligations	(450462)	250951
Present value of obligations at the end of the Year	1945250	3208202

3. Changes in Fair Value of Plan Assets**(Amt in Rs.)**

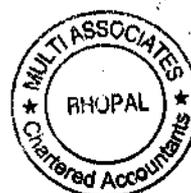
Particulars	Policy 1	Policy 2
Fair Value of Plan Assets at the beginning of the Year	1969417.44	2713548
Expected return on Plan Assets	170234.70	209690.90
Contributions	252413.11	46922
Benefits Paid	0	0
Actuarial (Gain)/Losses on Plan Assets	0	0
Fair Value of Plan Assets at the end of the Year	2392065.34	2970160.97

4 Table Showing Fair Value of Plan Assets**(Amt in Rs.)**

Particulars	Policy 1	Policy 2
Fair Value of Plan Assets at the beginning of the Year	1969417.44	2713548
Actual return on Plan Assets	170234.79	209690.97
Contributions	252413.11	46922
Benefits Paid	0	0
Fair Value of Plan Assets at the end of the Year	2392065.34	2970160.97
Funded Status	446815.34	(238041.03)
Excess of Actual over estimated return on Plan assets	0	0

5 Actuarial Gain/Loss recognized**(Amt in Rs.)**

Particulars	Policy 1	Policy 2
-------------	----------	----------



Actuarial (gain)/Loss on obligations	450462	(250951)
Actuarial (gain)/Loss for the Year- Plan Assets	0	0
Actuarial (gain)/Loss on obligations	(450462)	250951
Actuarial (gain)/Loss recognized in the Year	(450462)	250951

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

Particulars	Policy 1	Policy 2
Present value of obligations as at the end of the Year	1945250	3208202
Fair value of plan Assets as at the end of the Year	2392065.34	2970160.97
Funded Status	446815.34	(238041.03)
Net Assets/ (Liability) recognized in balance sheet	446815.34	(238041.03)

**7. Expenses Recognized in Statement of Profit & Loss
(Amt in Rs.)**

Particulars	Policy 1	Policy 2
Current Service Cost	600587	136723
Interest Cost	125241	196781
Expected return on plan assets	(170234.79)	(209690.97)
Net Actuarial (gain)/Loss recognized in the Year	(450462)	250951
Expenses Recognized in Statement of Profit & Loss	105131	374764

15) 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 31-03-2019 is Rs Nil , (Previous Year - Rs.Nil).

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



17) Previous Year Figures

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

18) Corporate Social Responsibility

During the year the Company has spent Rs.38,95,309/- towards Corporate Social Responsibility under section 135 of Companies Act, 2013 and rules thereon.

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



Note 24**Disclosures required by National Housing Bank****1. Capital**

Capital to Risk Assets Ratio (CRAR)

(Rs in Lakhs)

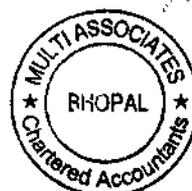
	As at 31-03-2019	As at 31-03-2018
i) CRAR(%)	17.88%	18.76%
ii) CRAR-Tier I Capital	15.69%	13.98%
iii) CRAR-Tier II Capital	2.19%	4.78%
iv) Amount of Subordinate debt raised as Tier-II Capital	3000.00	3000.00
v) Amount raised by issue of Perpetual Debt Instruments	0.00	0.00

2. Reserve Fund u/s 29C of NHB Act, 1987

As per Section 29 C of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1) (vii) of Income Tax Act, 1961 is considered to be an eligible transfer. Accordingly, the Company has transferred Rs.53598225.2 to Special Reserve U/s 36(1)(VIII) of Income Tax Act, 1961 during the year.

(Rs in Lakhs)

Statement as per NHB circular No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated 9 th February, 2017		
Particulars	Amount 2018-19	Amount 2017-18
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	300.00	300.00
b) Amount of special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987.	3990.31	3418.85
c) Total	4290.31	3718.85
Addition/Appropriation/ Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987		-
b) Amount of special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	535.98	571.46
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	300.00	300.00
b) Amount of special reserve u/s 36(1)(vii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	4526.29	3990.31
c) Total	4826.29	4290.31

3. Investment****

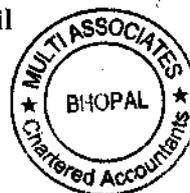
(Rs in Lakhs)

Particulars	As at 31-03-2019	As at 31-03-2018
Value of Investments	2976.04	2976.04
i) Gross value of Investments	2976.04	2976.04
a) In India	2976.04	2976.04
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	2976.04	2976.04
a) In India	2976.04	2976.04
b) Outside India	0	0
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

**** Investments are exclusive of Bank Deposits held for SLR purpose.

4) Derivatives

- i) Forward Rate Agreement(FRA)/Interest Rate Swap (IRS)- Nil
- ii) Exchange Traded Interest Rate (IR) derivative- Nil
- iii) Disclosure on Risk exposure in derivatives
 - a) Qualitative Disclosure- Nil
 - b) Quantitative Disclosures- Nil



4.1 Forward Rate Agreement (FRA)/Interest Rate Swap (IRS)

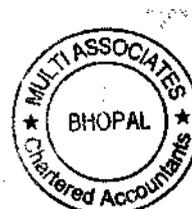
(Rs in Lakhs)

Particulars	2018-19	2017-18
(i) The notional principal of swap agreements	NIL	
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		
(iii) Collateral required by the HFC upon entering into swaps		
(iv) Concentration of credit risk arising from the Swaps \$		
(v) The fair value of the swap book @		
Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed		
\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies		
@ If the swaps are linked to specific assets, liabilities or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the Balance Sheet date		

4.2 Exchange Traded Interest Rate (IR) Derivative

(Rs in Lakhs)

Particulars	Amount
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	
(a)	NIL
(b)	
(c)	
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31 st March 2019 (instrument-wise)	
(a)	NIL
(b)	
(c)	
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
(a)	NIL
(b)	
(c)	
(iv) Mark-to-Market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
(a)	NIL
(b)	
(c)	



4.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure-Not Applicable

B. Quantitative Disclosure

(Rs in Lakhs)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	NIL	NIL
(ii) Marked to Market Positions [1]	NIL	NIL
(a) Assets (+)		
(b) Liability (-)		
(iii) Credit Exposures [2]	NIL	NIL
(iv) Unhedged Exposures	NIL	NIL

5.1 Securitisation

(Rs in Lakhs)

Particulars		No./Amount
1.	No of SPVs sponsored by the HFC for securitization transactions*	
2.	Total amount of securitized assets as per books of the SPVs sponsored	NIL
3.	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	NIL
(I)	Off-balance sheet exposures towards Credit Enhancements	
	a)	NIL
	b)	
(II)	On-balance sheet exposures towards Credit Enhancements	
	a)	NIL
	b)	
4.	Amount of exposures to securitization transactions other than MRR	
(I)	Off-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	NIL
	i)	
	ii)	
	b) Exposure to third party securitisations	NIL
	i)	
	ii)	
(II)	On-balance sheet exposures towards Credit Enhancements	
	a) Exposure to own securitizations	NIL
	i)	
	ii)	
	b) Exposure to third party securitisations	NIL
	i)	
	ii)	



*Only the SPVs relating to outstanding securitization transaction may be reported here

5.2 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

(Rs in Lakhs)

Particulars	As at 31-03-2019	As at 31-03-2018
(i) No. of accounts	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value		

5.3 Details of Assignment transactions undertaken by HFCs

(Rs in Lakhs)

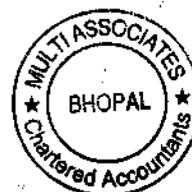
Particulars	As at 31-03-2019	As at 31-03-2018
(i) No. of accounts	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts assigned		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value		

5.4 Details of non-performing financial assets purchased/sold

A. Details of Non-performing financial assets purchased:

(Rs in Lakhs)

Particulars	As at 31-03-2019	As at 31-03-2018
(a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding		
(a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding		



B. Details of Non-performing Financial Assets sold:

(Rs in Lakhs)

Particulars	As at 31-03-2019	As at 31-03-2018
1. No. accounts sold	Nil	
2. Aggregate outstanding		
3. Aggregate consideration received		

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

(Rs in Lakhs)

Items/time buckets	1 to 14 days	Over 14 days to 1 month	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
A. Total Outflows - Liabilities (A)	800	1800	2300	7100	11900	16600	37000	27300	13100	9700	17200	144800
B. Total Inflows- Asset (B)	1600	2500	3200	8000	12100	17900	37500	28300	13900	10700	18000	153700
C. Mismatch (B-A)	800	700	900	900	200	1300	500	1000	800	1000	800	8900
D. Cumulative Mismatch	800	1500	2400	3300	3500	4800	5300	6300	7100	8100	8900	

5.6 Exposure

5.6.1 Exposure to Real Estate Sector

(Rs in Lakhs)

S.No	Category	As at 31-03-2019	As at 31-03-2018
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.	126015.81	125147.90
	Out of which Individuals Housing Loans upto Rs.15 lakhs	50408.95	49653.09
ii)	<u>Commercial Real Estate</u> 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	1056.30	1406.97



	non fund based (NFB) limits		
iii)	Investment in Mortgage Backed Securities (MBS) and other securitized exposures-		
	a) Residential	0	0
	b) Commercial Real Estate	0	0
B	Indirect Exposure		
	Fund Based and non Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0	0

5.6.2 Exposure to Capital Market

(Rs in Lakhs)

S.No	Particulars	As at 31-03-2019	As at 31-03-2018
(i)	Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in Corporate debt	Nil	Nil
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii)	bridge loans to companies against expected	Nil	Nil



	equity flows / issues;		
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total Exposure to Capital Market	Nil	Nil

5.7 Details of Financing of parent company products-Nil

5.8 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC-Nil

5.9 Unsecured Advances-Nil

6 Miscellaneous

6.1 Registration obtained from other Financial Sector Regulators: Nil

6.2 Disclosure of Penalties imposed by NHB and Other Regulators:

- i) **Disclosure of Penalty imposed by Service Tax authorities - In Service Tax Audit 2000, for October 2013 to June 2017, penalty imposed of Rs 320433.**

6.3 Related Party Transactions:

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

The related Party Transaction with holding company is furnished below:

Description	(Rs in Lakhs)	
	2018-19	2017-18
Central Bank of India		
Interest on overdraft	367.49	331.58
Interest on Term Loan	2187.90	1531.93
Term Loan balance*	27397.61	25802.55
Overdraft Sanctioned	10000.00	10000.00
Dividend	387.54	96.88
Repair and Maintenance (Rent)	12.00	12.00
Salary of staff on Deputation	31.54	24.72

* Term loan balance includes outstanding balance out of sanctioned term loans of Rs 400cr. In current year Rs 100 cr fresh sanction was availed.

- c) The Company has displayed the policy on Related Party Transactions on its website and also in the Annual Report.



6.4 Rating assigned by Credit Rating Agencies and Migration of Rating during the Year:

Agency	Purpose	Rating
CARE	Debenture	CARE BBB+; Outlook- Stable
CARE	Long term Bank Facilities	CARE BBB+; Outlook- Stable
CRISIL	Long term Bank Facilities	CRISIL BBB+; Outlook- Stable
CRISIL	Deposit	CRISIL FA-/stable

Migration of rating during the Year:

Instrument	Agency	2017-18	2018-19	Remarks
Deposits	CRISIL	FA-/stable	FA-/stable	Rating Reaffirmed (28-Nov-2018)
Debenture	CARE	Care A-; Negative	CARE BBB+; Outlook- Stable	Change During the Year:
				CARE BBB+ Outlook - Stable (28-Mar-19)
Long term bank Facilities	CARE	CARE A; Outlook Negative	CARE BBB+; Outlook- Stable	CARE BBB+; Outlook - Stable (28-Mar-19)
Long term bank Facilities	CRISIL	-	BBB+; Outlook- Stable	BBB+; Outlook - Stable (28-Nov -18) Rating obtained during 2018-19 and witnessed no changes

6.5 Remuneration of Directors

All pecuniary relationship or transaction of the non-executive directors vis-à-vis the Company will be disclosed in the Annual Report.

6.6 Management

As part of the Directors' report or as an addition thereto, a Management Discussion and Analysis report would form part of the Annual Report to shareholders. This Management Discussion and Analysis would include discussion on the following matters within the limits set by the Company's competitive position:

1. Industry structure and developments
2. Opportunities and Threats
3. Segment-wise or product-wise performance
4. Outlook
5. Risks and Concerns



6. Internal control systems and their adequacy
7. Discussion on financial performance with respect to operational performance.
8. Material developments in Human Resources/Industrial Relations front, including number of people employed.

(All the above points will be included in annual report.)

6.7 Net Profit of Loss for the period, prior period items and changes in accounting policies

6.7.1 Prior Period Item: Prior Period item having total amount of Rs. 12034145.75 includes reversal of old liability/income and write off of opening balance difference Rs. 12795228.13 and Assets/Expenses of Rs. 761082.38 relating to previous years.

6.8 Revenue Recognition

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

6.9 Accounting Standard 21- Consolidated Financial Statements (CFS)- Nil

7. Additional Disclosures:

7.1 Provisions and Contingencies

(Rs in Lakhs)

Break up of 'Provision and Contingencies' shown under the head Expenditure in Profit and Loss Account	As on 31-03-2019	As on 31-03-2018
1 Provisions for depreciation on Investment	-	-
2 Provision made towards Income tax	624.31	791.12
3 Provision towards NPA (with details)*	1077.30	891.32
4 Provision for Standard Assets (with details)*	360.40	442.79
5 Other Provision and Contingencies (with details)#	268.84	230

*Detail of provision towards NPA and Standard Assets:-

(Rs in Lakhs)

Break up of Loan and Advances and Provision thereon	Housing		Non Housing	
	As on 31-03-2019	As on 31-03-2018	As on 31-03-2019	As on 31-03-2018
Standard Assets				
a) Total Outstanding Amount	95097.66	100579.54	29184.92	23340.59
b) Provisions Made	238.01	343.15	122.39	99.68
Sub-Standard Assets				
a) Total Outstanding Amount	720.06	622.06	137.79	173.05



b) Provisions Made	108.01	93.31	20.67	25.97
Doubtful-1 Category-I				
a) Total Outstanding Amount	407.41	314.62	88.22	211.21
b) Provisions Made	101.88	78.67	22.06	52.82
Doubtful Assets- Category-II				
a) Total Outstanding Amount	474.48	652.24	341.19	348.85
b) Provisions Made	195.11	260.91	136.48	139.55
Doubtful Assets - Category-III				
a) Total Outstanding Amount	275.04	202.31	212.94	37.84
b) Provisions Made	275.05	202.31	212.94	37.84
Loss Assets				
a) Total Outstanding Amount	5.11	0	0.00	0
b) Provisions Made	5.11	0	0.00	0
Total				
a) Total Outstanding Amount	96979.75	102370.77	29965.07	24111.54
b) Provisions Made	923.17	978.35	514.53	355.86

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 asset has been considered as doubtful	Category
Up to one Year	Category-I
One to three Years	Category-II
More than three years	Category-III

#Other Provision and Contingencies

Particulars	Amount in Rs.
Debenture Interest	19791781
DSA bills	4159245
Valuation charges	1251676
HO expenses	512733
Legal bills	453080
Internal Audit	259200
FI/RCU Bills	197687
Electricity expense	102138
Brokerage Bills	43772



Telephone bills	35548
Conveyance expense	25889
Travelling expenses	14169
Courier Charges	9350
Office expense	8275
Stationery expenses	8177
Water expenses	8042
Newspaper & periodicals	2995
Total	26883757

7.2 Draw Down from Reserves-NIL

7.3 Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposit: (Rs in Lakhs)

Particulars	As on 31-03-2019	As on 31-03-2018
Total Public Deposits of twenty largest depositors	7455.95	9775.88
Percentage of Total Public Deposits of the HFC	15.32%	29.88%

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

Particulars	As on 31-03-2019	As on 31-03-2018
Total Loans and Advances to twenty largest borrowers	2131.25	2030.19
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	1.68%	1.60%

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

(Rs in Lakhs)

Particulars	As on 31-03-2019	As on 31-03-2018
Total Exposure to Twenty largest borrowers/Customers	2257.75	2540.38
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/customers	1.78%	2.00%

iv) Concentration of NPAs

(Rs in Lakhs)

Particulars	As on 31-03-2019	As on 31-03-2018
Total Exposure to top ten NPA accounts	417.75	512.30

v) Sector-wise NPAs :

Percentage of NPAs to total Advances in that Sector

S.No	Sector	As on 31-03-2019	As on 31-03-2018
A	Housing Loans		
1.	Individuals	2.04%	1.68%



2.	Builders loan	-	51.94%
3.	Corporates	-	-
4.	Others(Specify)	-	-
B	Non-Housing Loans:		
1.	Individuals	2.73%	3.36%
2.	Builders	-	-
3.	Corporates	-	-
4.	Others(Specify)	-	-

7.4 Movement of NPAs

(Rs in Lakhs)

	Movement of NPA	As on 31-03-2019	As on 31-03-2018
(I)	Net NPAs to Net Advance (%)	1.26%	1.33%
(II)	Movement of NPAs (Gross)		
a	Opening Balance	2689.82	2148.52
b	Additions during the year	876.96	1018.11
c	Reduction during the year	770.11	476.81
d	Closing balance	2796.67	2689.82
(III)	Movement of Net NPAs		
a	Opening Balance	1670.86	1452.58
b	Additions during the year	491.48	720.32
c	Reduction during the year	577.35	502.04
d	Closing balance Including net off URI	1584.99	1670.86
(IV)	Movement of provisions for NPAs(excluding provisions on standard assets)		
a	Opening Balance	891.32	695.94
b	Additions during the year	385.48	297.79
c	Reduction during the year	199.51	102.41
d	Closing balance	1077.29	891.32

7.5 Overseas Assets

(Rs in Lakhs)

Particulars	As on 31-03-2019	As on 31-03-2018
NIL		

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

Name of the SPV sponsored	
Domestic	Overseas
NIL	



8. Detail of complaints received:-

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

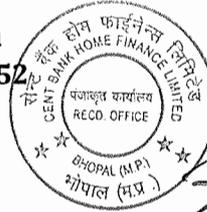
As per our report of even date


P. Ramana Murthy


B.S. Harilal

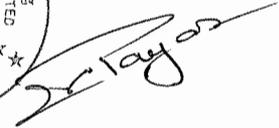
Chairman
DIN:07815852

Managing Director
DIN:07886919





Vijay Kumar Singh
Chief Financial Officer



Manish Singh Payal
Company Secretary

For Multi Associates
Chartered Accountants

CA G. S. Solanki
Partner
M. No. 410286

FRN 509955C

Place: Bhopal

Date: 22-4-2019

