Aao milkar ghar banaye

TOGETHER TOWARDS TOMORROW

Centrum Housing Finance Limited

6th Annual Report
2020-2021

Corporate Information

Board of Directors

Mr. Sridar Venkatesan
Chairman and Independent Director

Mr. Mohan Tanksale
Independent Director

Ms. Anjali Seth
Independent Director

Mr. Vivek Vig
Non-Executive Director

Mr. Rajendra Naik
Non-Executive Director

Mr. Arjun Saigal
Non-Executive Director

Mr. Sanjay Shukla
Managing Director & CEO

Chief Financial Officer
Mr. Mehul Jatania

Company Secretary
Mr. Alpesh Shah

Registered & Corporate Office
Centrum Housing Finance Limited
Unit-801, Centrum House,
CST Road, Vidyanagari Marg,
Kalina, Santacruz (East),
Mumbai - 400 098
Tel: +91 22 4215 9100
Email: query.chfl@centrum.co.in
Website: www.chfl.co.in
(CIN No.: U65922MH2016PLC273826)

Statutory Auditors
M/s. Haribhakti & Co. LLP
Chartered Accountants
705, Leela Business Park,
Andheri Kurla Road,
Andheri (East),
Mumbai - 400059

Bankers
Allahabad Bank (Now Indian Bank)
Andhra Bank (Now Union Bank of India)
Bank of Baroda
Bank of Maharashtra
Canara Bank
DCB Bank Limited
Federal Bank Limited
Karur Vysya Bank
South Indian Bank
Union Bank of India
Yes Bank Limited

Debenture Trustee
IDBI Trusteeship Services Limited
Asian Building, 17
R.Kamani Marg,
Ballard Estate,
Mumbai 400 001

REGISTRAR AND SHARE TRANSFER AGENTS
Link Intime India Private Limited
C–101 , 247 park L B Marg,
Vikhroli West, Mumbai 400 083
Tel. No. 022 – 4918 6000
Fax No.: 022 – 4918 6060
Website : www.linkintime.co.in

NSDL Database Management Limited
4th Floor, Trade World A Wing,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013
Tel No: 022 4914 2597
Website: www.nsdl.co.in
www.ndml-nsdl.co.in

DIRECTORS' REPORT

To The Members,

Your Directors are pleased to present before you the 6th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2021.

A) BACKGROUND

Centrum Housing Finance Limited ("CHFL" or "Company") is a Housing Finance Company ("HFC") registered under Section 29A of the National Housing Bank Act, 1987 vide Certificate of Registration No. 11.0147.16. The Company primarily caters to 'middle class' India and provides financial inclusion to Lower and Middle Income (LMI) families by providing them access to hassle free, long term housing finance.

CHFL is a subsidiary of Centrum Capital Limited ("CCL") which is listed on BSE and NSE.

B) STATE OF COMPANY'S AFFAIRS

1) Financial Results:

The financial performance of the Company for the financial year ended 31st March, 2021 is as summarized below:

(₹ in lakh)

Particulars	***Year ended 31st March, 2021**	***Year ended 31st March, 2020**
Total Income	6,862.47	5,209.30
Total expenditure	5,336.17	4,949.46
Profit Before Tax	1,526.30	259.84
Less: Provision for Tax	338.11	79.52
Profit After Tax	1,188.19	180.32
Other Comprehensive income (OCI)	4.37	3.20
Total Comprehensive income for the year	1,192.56	183.53
Transfer to statutory reserve u/s 29C of the NHB Act, 1987	19.95	3.38
Transfer to special reserve u/s 36(1)(viii)of Income Tax Act, 1961 read with section 29C of the NHB Act, 1987	217.68	32.69
Balance carried to Balance Sheet	13,379.90	12,072.00

*The financial statements have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

2) Financial Highlights:

During the year, the Company has earned a total income of ₹6,862.47 lakh as compared to ₹5,209.30 lakh in the previous year, recording a growth of 31.73%. Total expenses, provisions and write offs during the year were ₹5,336.17 lakh as compared to ₹ 4,949.46 lakh in the previous year, a growth of 7.81%.

During the year, the Company has earned pre-provisioning operating profit (PPOP) of ₹2,078.87 lakh as compared to ₹ 570.02 lakh in the previous year, recording a growth of 264.70%. The net profit after tax for the year was ₹ 1,188.19 lakh as compared to ₹ 180.32 lakh in the previous year, a growth of 558.93%.

3) Nature of Business:

There has been no change in the nature of business of your Company during the year under review.

4) Borrowings:

As on March 31, 2021, the Company's outstanding term loans/CC from banks stood at ₹17,321.90 lakh as compared to ₹20,320.64 lakh in the previous year. Apart from bank borrowing company has raised the funds through issue of Non-convertible debentures (NCD). The outstanding NCDs as on March 31, 2021 was ₹ 3500.00 lakh. The Company's bank borrowings & NCDs enjoy a rating of CARE A-(Credit watch).*

** Reaffirmed and removed from credit watch with developing implications, stable outlook assigned on April 28, 2021.*

5) Listing:

Non-Convertible Debenture issued by the Company are listed with BSE Limited. The annual Listing fees for FY2021-22 have been paid by the Company.

6) NHB Refinance:

During the year under review, your Company has been granted refinance sanction amounting to ₹ 6,000 lakh by the National Housing Bank ('NHB') including ₹ 1,000 lakh under the Additional Special Refinance Facility (ASRF) scheme.

7) Transfer To Reserves:

The Company has transferred an amount of ₹19.95 lakh to the statutory reserve as per the requirement of the section 29C of National Housing Bank Act, 1987 and section 36(1)(viii) of the Income Tax Act, 1961.

8) Dividend:

With a view to conserve the resources of the Company and building up its reserves, your Directors do not propose any dividend for the year under review.

9) Changes In Share Capital:

During the Financial Year there was no changes in Authorised Equity Share Capital and paid up equity share capital.

The Company has neither issued sweat equity nor equity shares with differential voting rights as on March 31, 2021. None of the Directors of the Company hold convertible instruments of the Company.

10) ESOP:

No ESOPs were granted during the Financial Year 2020-2021

The details of ESOP are shown in the note no. 46 of Notes to the Accounts, forming part of the Financial Statements.

11) Capital Adequacy Ratio:

As per the Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 prescribed by the Reserve Bank of India ("RBI") for Housing Finance Companies, the Company, being a Housing Finance Company ("HFC"), was required to maintain a minimum Capital Adequacy Ratio ("CAR") of 14% on or before March 31, 2021, and 15% on or before March 31, 2022, on a stand-alone basis, of which the Tier- I capital, at any point of time, shall not be less than 10% and Tier-II capital, at any point of time, shall not exceed 100% of Tier-I capital.

The Company's total CRAR stood at 150.32% for the financial year ended March 31, 2021.

C) REGULATORY GUIDELINES

(i) The Company is registered as a Non- Deposit Taking Housing Finance Company under Section 29A of the National Housing Bank Act, 1987.

(ii) Regulatory Directions Applicable to the Housing Finance Companies ("HFCs"):

In August 2019, the Government of India conferred the authority of regulation of HFCs to the Reserve Bank of India ("RBI") from National Housing Bank ("NHB"). However, the NHB continues to carry out supervision of HFCs.

In exercise of powers conferred under National Housing Bank Act, 1987, and Reserve Bank of India Act, 1934, and in supersession of relevant regulations issued by the NHB, in October 2020, the RBI issued various regulatory instructions to the HFCs in supersession of the corresponding regulations by NHB. The objective of these regulatory instructions was to facilitate regulatory transition in a phased manner with least disruption.

Subsequently, on February 17, 2021, the RBI issued revised regulatory framework and the Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 ("**RBI HFC Directions**") for HFCs, repealing various instructions/ guidelines/ circulars issued by the NHB in the past.

The Company has been taking requisite actions to comply with the applicable regulatory requirements/ directions and the regulatory/ supervisory instructions received, from time to time. Key regulatory requirements/ directions and regulatory/ supervisory instructions are also placed before the Board of Directors at regular intervals to update the members on the requirements and status of the compliance of the same.

During the financial year, the Company has also complied with the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.

D) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Macroeconomic Outlook:

During FY2020-21, COVID-19 pandemic unleashed a once-in-a-lifetime crisis on the global economy. The pandemic also hugely impacted Indian economy and led to psychological, physical, financial, professional suffering for the people and impacted almost all sections of the economy. Thereafter, second wave of the COVID-19 pandemic started in March 2021. By April and May, 2021, most of the country was reeling under the devastating effect of the second wave. It was deadlier than the first wave and caused more deaths. However, as the latest restrictions have been more targeted, localised and less stringent, it is assessed that the overall economic effect of the second wave would be softer than that during the first wave of pandemic last year, although delivery of and access to vaccines will determine the durability of recovery. Further, this time, consumers and businesses have been better prepared and could adapt better to such lockdowns & restrictions.

The Union Budget presented in January 2021 had estimated the Indian economy to grow by 10.5% in FY 2021-22. This, however, may be impacted due to the second wave of COVID-19 infections which did impact economic activity and the financial sector. As per the provisional estimates of national income released by the National Statistical Office (NSO) on May 31, 2021, India's real Gross Domestic Product (GDP) contraction is estimated at 7.3 per cent for FY2020-21, the first contraction since 1980-81 and the severest since national accounts have been compiled in India.

The Government of India ("GoI") and the RBI took several measures in FY 2020-21 and in during first quarter of the FY 2021-22 to support the economy over the crisis and to ensure availability of sufficient liquidity in the system. As such, the total liquidity support announced by RBI since February 6, 2020 up to March 31, 2021, amounted to ₹13.6 lakh crore. Some of such steps taken were as under:

(i) RBI announced a regulatory package and provided a window to banks, Non- Banking Finance Companies (NBFCs), Housing Finance Companies (HFCs) etc. ("lenders") to grant moratorium up to 6 months from March 2020 to August 2020.

(ii) Additional credit was provided to the lenders through measures like Targeted Long Term Repo Operation (TLTRO). The same is, currently, available till September 30, 2021.

(iii) The GoI launched Emergency Credit Line Guarantee Scheme ("ECLGS") of up to ₹3 lakh crore on collateral-free fresh loans to Micro, Small & Medium Enterprises ("MSMEs").

(iv) NHB was provided funds of ₹15,000 crore in FY 2019-20 and ₹10,000 crore in FY 2021-22 for onward lending including special refinance facilities.

(v) The RBI, in FY 2020-21 as well as in FY 2021-22, provided a window to the lenders so that they could do one-time resolution to borrowers without impacting the asset classification of such borrowers.

(vi) The GoI had announced a scheme for COVID-19 Relief by grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts.

2) Industry Structure and Developments:

The slowdown in the housing market witnessed even before the onset of the pandemic bottomed out in Q1, FY2020-21. During Q3 and Q4 of FY2020-21, residential housing property registration and sales across major cities exceeded their pre-pandemic average levels. This was largely aided by:

(a) Stamp duty cuts by some states.

(b) Unmet demand during the COVID-19 related restrictions in the first half year, FY2020-21.

(c) Moderation in interest rates.

In last one decade or so, the Affordable Housing Finance ("AHF") segment has witnessed good amount of traction and many new HFCs ("AHF HFCs") have been established with primary objective to fulfil housing credit needs of first-time borrowers or other eligible borrowers from Economically Weaker Section (EWS), Low Income Group (LIG) and lower earning segment of Middle-Income Group (MIG). Traditionally, most of the larger HFCs/ lenders did not cater to this segment. However, lately, even bigger lenders have been trying to get into AHF segment by setting up dedicated verticals focused on the AHF segment.

It may be pertinent to note that, since September 2018, fund flow to the NBFC/ HFC sector had slowed down due to increased risk perception for the sector. Consequently, the lending entities which were largely dependent on banks and larger HFCs for meeting their funding requirement were severely impacted and their business growth tapered. The growth further slowed down further in the FY2020-21 due to onslaught of COVID 19 pandemic and consequent lockdown. The pandemic and consequent containment measures not only impacted business origination but also impacted collections and customer service. It has also impacted earnings and savings of the target borrowers' segment (largely self-employed and middle-to-low-income borrowers) of the AHF segment, leading to the deferment of home purchases by such borrowers and slackness in business activities/ consumption.

Nonetheless, in last many years, the portfolio of AHF HFCs have grown much faster than the overall HFC portfolio, aided by the lower base and support from the Government's thrust on its "Housing for All" scheme. The same substantially slowed down in FY 2020-21 but remained higher than overall HFCs supported by robust demand and liquidity support from NHB and banks. This has led to a growth of almost 8% for AHF HFCs in the first 9 months of FY 2020-21. During FY2020-21, the overall growth rate for the AHF HFCs is expected to be around 8-10% against 18% during FY 2019-20 and much higher before that.

Even though, the second wave of COVID19 pandemic in FY 2021-22 has posed challenges again and is likely to impact the recovery process and create new uncertainties for the business but, overall, domestic monetary/ financial/ regulatory initiatives and fiscal & political efforts have remained highly accommodative and supportive of economic activities. It is expected that the vaccination process will be accelerated further in future and the same would aid in normalising the economic activity sooner. Accordingly, we expect that growth for the Housing Finance sector, especially AHF segment, should be better in FY 2021-22 than that in FY 2020-21.

3) <u>Regulatory/ Supervisory Structure and Developments</u>

After taking over regulation of HFCs from the NHB, the RBI issued revised regulatory framework and the Non-Banking Financial Company- Housing Finance Company (Reserve

Bank) Directions, 2021 for HFCs on February 17, 2021. The major changes included the following:

(i) Classification of an HFC as a category of NBFC.

(ii) Principal Business Criteria prescribed to qualify for HFCs.

(iii) Increase in Minimum Net Owned Fund required for an HFC from ₹10 crore to ₹20 crore.

(iv) Introduction of Liquidity Risk Management Framework and Outsourcing guidelines for HFCs.

The above regulatory developments are expected to bring more robustness and stability in the housing finance sector business and are unlikely to be detrimental for the Company in any case.

4) <u>Opportunities and Threats</u>

Housing is a basic human need, and, in India, its demand is likely to grow steadily due to the following factors:

(i) Housing shortage/ low mortgage penetration.

(ii) Favourable demographic profile.

(iii) Increasing disposable income.

(iv) Increasing aspirational population.

(v) Government support in the form of tax sops and subsidies.

Due to the COVID-19 pandemic and resultant economic slow-down, overall credit markets are likely to grow slowly, and the returns/ profitability in this sector is likely to be impacted. For non- banking lenders like the Company, the following parameters will be important to watch:

(a) Access to adequate funds at appropriate pricing.

(b) Collection and recovery.

(c) Sourcing of new business.

(d) Cost management and efficiency of business.

It is expected that, subject to recovery of the economy from COVID-19 pandemic, demand/ growth in the housing finance sector including AHF segment will move-up further due to the following reasons:

(a) In comparison to developed and other developing countries, the mortgage penetration in India as 'Mortgage to GDP ratio' is around 10% which is quite low.

(b) Urbanisation is increasing and nuclear families are on rise.

(c) The GoI has continued to focus on the affordable housing sector by extending the additional income tax deduction of up to Rs.1.5 lakh for interest paid on loans taken for the purchase of an affordable house till March 31, 2022, and, thereby, supporting demand in the AHF category.

(d) On the supply side, the GoI has acted favourably by extending the tax holiday currently available to developers of affordable housing projects by one more year.

(e) The GoI has continued to promote the affordable/ low- income housing segments with schemes like Pradhan Mantri Awas Yojna, Credit Linked Subsidy Scheme ("CLSS") for the EWS and LIG segments.

5) Segment–wise/ Product-wise Performance and Discussion on Financial Performance with respect to the Company's Operations

(a) Sanctions and Disbursement

During the year the Company has sanctioned total loans to the tune of ₹112.70 crore as against total sanction of ₹156.52 crore during previous year. Further, loans to the tune of ₹88.22 crore have been disbursed during the current year as against total loans of ₹123.89 crore during previous year.

(b) Housing Loans and Non- Housing Loans

Housing loans outstanding as on March 31, 2021 are ₹386.40 crore as against ₹355.84 as on March 31, 2020. Non-housing loans outstanding as on March 31, 2021 are₹ 93.82 crore as against ₹80.93 crore as on March 31, 2020.

(c) Income, Expenditure and Profits

During the year, the Company has earned a total income of ₹6,862.47 lakh as compared to ₹5,209.30 lakh in the previous year, recording a growth of 31.73%. Total expenses, provisions and write offs during the year were ₹5,336.17 lakh as compared to ₹4,949.46 lakh in the previous year, a growth of 7.81%.

During the year, the Company has earned pre-provisioning operating profit (PPOP) of ₹2,078.87 lakh as compared to ₹ 570.02 lakh in the previous year, recording a growth of 264.70%. The net profit after tax for the year was ₹1,188.19 lakh as compared to ₹180.32 lakh in the previous year, a growth of 558.93%.

(d) Net Owned Fund and Capital Adequacy

Net owned fund of the Company stood at ₹396.69 crore as on March 31, 2021 (previous year ₹385.23 crore). The Company's total CRAR stood at 150.32% for the financial year ended March 31, 2021 (previous year 174.52%).

(e) Income Recognition, Asset Classification and Provisioning

The Company has made provisions as per ECL model prescribed under Ind AS 109 for impairment on financial instruments. The Company has made a total provision of ₹7.43 Crore during the year.

(f) Borrowings including NHB Refinance

During the year under review, your Company has been granted refinance sanction amounting to ₹ 6,000 lakh by the National Housing Bank ('NHB') including ₹ 1,000 lakh under the Additional Special Refinance Facility (ASRF) scheme. The total borrowing as at March 31, 2021 stood at ₹25,428.90 lakh.

6) Outlook

The Company, considering the following facts, is well- placed to grow at a robust pace:

(i) Well capitalised balance with good equity support from its promoters and investors.

(ii) The Company has good mix of funding resources/ borrowings from multiple banks/ lenders. The Company also has un-availed approved bank/ credit lined available with it.

(iii) Well qualified and experienced professional management- The Company's management team has a strong execution track record with domain expertise in the Housing Finance business. The management team is young, well qualified and agile with high degree of professional competency.

(iv) The Company has adopted best practices, robust risk management framework, effective governance structure, requisite policies and processes under overall guidance of a highly qualified and experienced Board of Directors.

(v) The Company has invested in efficient technology.

7) Risks and Concerns

Risk management framework is an integral part of the Company's business. As a lending institution, the Company is exposed to various risks that are related to its ending business and operating environment; like credit risk, liquidity risk, interest rate risk, operational risk (comprising of risks relating to technology, employees, reputation etc.), legal risk, compliance risk etc. To manage these risks, the Company has adopted a Risk Management Policy which defines various risks and also a framework to manage/ mitigate/ address each of such risks. Further, the Company has a framework of policies and processes for efficient functioning of its business.

The Company has a Risk Management Committee in place. The Risk Management Committee assists the Board in its oversight of various risks and review of compliance with risk policies, monitoring risk tolerance limits, reviewing and analysing risk exposures related to specific issues and provide oversight of risk across the organisation

8) Internal Control Systems and their Adequacy

The Company has put in place a robust internal control system commensurate with the size, business model and complexity of its operations. The internal controls framework is backed by well-defined organisational structure, proper documentation and requisite authority matrix and it has been put into the place to promote good governance, proper risk management and compliance with the applicable laws/ regulations, policies & procedures. The Company has proper management information system, escalation and review systems for various important aspects of the Company's business.

The Company has a proper system of checks and balances. It has Internal Audit framework with defined scope of audit. The Internal Auditors are required to assess the existing internal control framework at entity as well as process levels with an objective to achieve operational excellence. The Internal Auditors are required to report all major audit observations and follow-up actions thereon to the Audit Committee on periodical basis.

9) HUMAN RESOURCE AND EMPLOYEE RELATIONSHIP:

Human resources are the most valuable assets of the Company. The Company has hired professionals at various positions based on relevant industry experience and qualification relating to various domains of the housing finance business. The Company is focused on continuously training and upgrading the work skills of its staff across the organization. During the Financial Year, new recruits participated in an induction programs conducted by the Company.

The Company ensures prevention, prohibition and redressal of Sexual Harassment complaints at workplace, as per the policy and procedure with the approval of Board During the year under review, the committee received no complaint. The Company had a total of 129 full time employees on its rolls, as on March 31, 2021.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Sanjay Shukla is the Managing Director and CEO of the Company, Mr. Mehul Jatania is the Chief Financial Officer and Mr. Alpesh Shah is the Company Secretary of the Company.

Appointment and Cessation

No Director was appointed nor any director resigned during the year under review

Re-appointment of Director

In accordance with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Articles of Association of the Company Mr. Sanjay Shukla, Executive Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Sanjay Shukla was reappointed as MD & CEO, for the second term for the period of 5 years from December 07, 2021 to December 06, 2026.

Mr. Sridar Venkatesan's (DIN 02241339), first term as an independent Director of the Company, ends on December 06, 2021. Your Directors recommend the re-appointment of Mr. Sridar Venkatesan (DIN 02241339) for a second term, as an Independent Director, at the ensuing Annual General Meeting, for a further period of 3 years from December 07, 2021 upto December 06, 2024. Mr. Sridar Venkatesan, has consented to be re-appointed as an Independent Director of the Company and a declaration under Section 164 of the Companies Act, 2013 and other statutory disclosures/declarations has been given by him to the Company.

The necessary resolutions and the profile for re-appointment have been included in the notice and in the explanatory statement annexed to the notice convening the Annual General Meeting.

BOARD MEETINGS:

The Board is chaired by Mr. Sridar Venkatesan, and comprises of other Directors who are experts from various fields like banking sector, corporate affairs etc. The Board met 6 (six) times during the financial year. The Company held a minimum of one board meeting in every quarter with a gap not exceeding 120 days between two consecutive board meetings, the details of which are given as under:

Sr.No	Board Meeting date	Quarter	Number of days from previous Board meeting
1.	June 03, 2020	April- June	113
2.	August 05, 2020	July- September	63
3.	October 13, 2020	October-December	69
4.	November 11, 2020	October-December	29
5.	December 21, 2020	October-December	40
6.	February 12, 2021	January-March	53

Attendance of Directors at the Board Meetings are as under:

Sr.No	Name of Director	Board Meeting held in Directors tenure	Board Meeting attended
1	Mr. Sridar Venkatesan (Chairman and Independent Director)	6	6
2	Mr. Mohan Tanksale (Independent Director)	6	6
3	Ms. Anjali Seth (Independent Director)	6	6
4	Mr. Vivek Vig (Non-Executive Director)	6	6
5	Mr. Rajendra Naik (Non-Executive Director)	6	6
6	Mr. Sanjay Shukla (Managing Director and CEO)	6	6
7	Mr. Arjun Saigal (Nominee Director)	6	5

The Company has paid sitting fees of ₹ 6.90 lakh to Mr. Sridar Venkatesan, ₹ 6.90 lakh to Ms. Anjali Seth, and ₹ 6.90 lakh to Mr. Mohan Tanksale for the meetings attended by them during the financial year.

AUDIT COMMITTEE:

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies act, 2013. During the year under review, the Audit Committee met 5 times on June 03, 2020, August 05, 2020, November 11, 2020, February 12, 2021 and February 18, 2021, as on March, 2021. The Committee comprises Ms. Anjali Seth as the Chairperson, and Mr. Sridar Venkatesan, Mr. Mohan Tanksale, and Mr. Rajendra Naik as the other members. All the members were present for the meetings held during their tenure.

NOMINATION AND REMUNERATION COMMITTEE:

During the year under review, the Committee met 2 times on January 03, 2020 and on February 11, 2021. As on 31st March, 2021 the Committee comprises Mr. Mohan Tanksale as the Chairman, and Mr. Sridar Venkatesan, Ms. Anjali Seth, and Mr. Vivek Vig as the other members. All the members were present for the meetings held during their tenure.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management Employees. This Policy lays down the process of appointment of Directors, Key Managerial Personnel and Senior Management Employees and norms for determining qualifications, positive attributes and independence of a director and other matters. The policy is approved by the Nomination and Remuneration Committee and the Board and reviewed from time to time.

BOARD EVALUATION:

The Board, at its meeting held on 13th June, 2021 carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual directors, including the Chairperson of the Board for the financial year 2020-2021 and expressed its satisfaction as to their performance. This exercise was carried out through a structured questionnaire prepared separately for Board, Committees and individual Directors. The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as adequacy of the composition and role of the Board, Board meeting and reporting process, effectiveness of strategies, risk management systems, external relationships, ethics and governance framework. Performance of the Committees were evaluated on the basis of their composition, effectiveness in carrying out their mandates, relevance of their recommendations and allocation of adequate time to fulfil their mandates.

INDEPENDENT DIRECTORS:

The Board of Directors of the Company, comprises of three Independent Directors, they are 1) Mr. Sridar Venkatesan, 2) Ms. Anjali Seth and 3) Mr. Mohan Tanksale. The Company has received intimations from all three Directors regarding their registration on the Independent Director's Databank maintained by the Indian Institute of Corporate Affairs.

Pursuant to Schedule VII of the Companies Act, 2013, the independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. Owing to the outbreak of the COVID-19 pandemic the Independent Directors meeting could not be held before the end of the financial year 2020-2021. Further, pursuant to the General Circular No.11/2020 issued by the Ministry of Corporate Affairs, the Directors vide Video Conference, held their meeting on 13th June, 2020.

DISCLOSURE BY DIRECTORS:

The Company has received notices under Section 184(1) and intimations under Section 164(2) from all the Directors, and the necessary declaration from each Independent Director under Section 149(7) of the Act that he/she meets the criteria of Independence laid down in Section 149(6) of the said Act.

The Managing Director of the Company does not receive any remuneration or commission from the Holding Company hence, provision of Section 197(14) of the Act is not applicable to the Company.

AUDITORS AND AUDITORS' REPORT:

M/s. Haribhakti & Co LLP, Chartered Accountants, having firm registration number 103523W/W100048, were appointed as the Statutory Auditors of the Company for a term of 5 years commencing from the conclusion of the 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting.

They have audited the financial statements for FY 2021 and their report enclosed to the financial statements, forms part of this report The Report of Statutory Auditors on annual accounts is enclosed along with Directors' Report.

All observations made in the Audit Report on Standalone Financial Statements are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013.

There are no qualification, reservations or adverse remarks/ observations made in the Auditors' Report.

Audit Committee and Board recommend the appointment of M/s. Chaturvedi & Co., Chartered Accountants in place of Haribhakti & Co, LLP, for a term of three years, till the conclusion of 9th Annual General Meeting subject to Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/ SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/'Guidelines') issued by Reserve Bank of India.

SECRETARIAL AUDIT:

Pursuant to the provisions of section 204 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed Mr. Umesh P Maskeri, Company Secretary in practice to conduct secretarial audit for the financial year ended 31st March, 2021. The report of the Secretarial Auditor is provided as **Annexure A** to this report, as

NON PERORMING ASSETS AND PROVISION FOR CONTINGENCY

Your Company has adhered to the Prudential guidelines for Non-Performing Assets ("NPAs") issued by NHB/RBI. The recognition of NPA and provision on Standard and Non-Performing Loans is made as per the prudential norms prescribed by the regulator.

The amount of Gross Non- Performing Assets (NPAs) as at March 31, 2021 Rs. 1,394.98 Lakh which is equivalent to 2.90 % of the loan portfolio of the Company, as against Rs. 645.07 Lakh i.e. 1.48 % of the portfolio as at March 31, 2020. The Net NPA as at March 31, 2021 Rs.981.96 Lakh i.e. 2.06 % of the NPA as against Rs.481.81 Lakh i.e. 1.11% of the NPA as at March 31, 2020.The total cumulative provisions towards loan and other assets as at March 31, 2021 is Rs. 743.08 Lakh as against Rs. 333.25 Lakh in the previous year.

INTERNAL AUDITOR:

Mr. Ganesh Nema is the Internal Auditor to conduct Internal Audit of the Company.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditors have reported any instances of fraud against the Company by its officers or employees as laid down under Section 143(12) of the Act, details of which would need to be mentioned in the Board's report.

AUDITOR'S QUALIFICATION/RESERVATION /ADVERSE REMARK:

Neither of the aforesaid auditors have expressed any adverse qualification/ reservation/ remark in their report for financial year 2020-2021 which requires any explanation or comments from the Board. The Notes on financial statements referred to in the Auditors' Report are self- explanatory and do not call for any further comments and explanations.

INTERNAL FINANCIAL CONTROL AND ADEQUACY:

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control commensurate with the size and nature of the Company's business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies.

RISK MANAGEMENT POLICY:

The Company is committed to manage its risk in a proactive manner and has adopted a structured and disciplined approach of risk management by developing and implementing a risk management framework. With a view to manage its risk effectively, the Company has in place a Comprehensive Risk Management Framework.

The Company’s Risk Management Framework provides the mechanism for risk assessment and mitigation. The Company has a Risk Management Committee in place. The Risk Management Committee assists the Board in its oversight of various risks and review of compliance with risk policies, monitoring risk tolerance limits, reviewing and analysing risk exposures related to specific issues and provide oversight of risk across the organisation.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) of the Act and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism and adopted a Whistle Blower Policy which provides a formal mechanism for all Directors and employees to approach the Chairperson of the Audit Committee and make protective disclosures about the actual or suspected fraud and other unethical events set out in Vigil Mechanism Policy.

During the year under review, the Company did not receive any complaints under Vigil Mechanism Policy.

CONTRACTS/ ARRANGEMENT WITH RELATED PARTY:

In line with the requirements of the Act and the directions issued by the National Housing Bank, your Company has formulated a policy on Related Party Transactions, which describes the transactions requiring requisite approvals and requirements of appropriate reporting and disclosure of transaction between the Company and its related parties. The said policy has also been uploaded on the Company’s website www.chfl.co.in

All Related Party Transactions (RPT’s) that are entered into by the Company are placed before the Audit Committee for review and approval, before approval by Board, as per requirements of Section 188 of the Act. There was no materially significant related party transaction entered by the Company during the year under review as per the provisions of sub-section (1) of Section 188 of the Act. Accordingly, particulars of contracts or arrangements with related party referred to in Section 188(1) along with the justification for entering into such contract or arrangement in form AOC-2 does not form part of the report.

Apart from payment of sitting fees to Independent/ there is no pecuniary relationship or transactions of the Company with the Independent/ Non-Executive Directors.

Pursuant to the Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021, the Related Party Transaction Policy of the Company forms part of this Directors' Report.

The RPT Policy is part of the Directors' Report and is provided as **Annexure B** to this report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The Company had a total of 129 full time employees on its rolls, as on March 31, 2021. There are no employees whose remuneration exceed the limits prescribed in accordance with the provision of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DEPOSITS

The Company is a Non- Deposit Taking Housing Finance Company. Accordingly, it neither held any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review. Accordingly, the disclosure required as per the Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021 is not applicable on the Company.

HOLDING, SUBSIDIARIES, JOINT VENTURE, AND ASSOCIATE COMPANIES:

Centrum Capital Limited is the holding company. The Company does not have any subsidiary, joint venture or associate Company as on the date of end of the Financial Year, hence AOC-1 does not form part of the report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(3)(c) of the Act and based on the information provided by the management, your directors state that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed;
b. the Company has 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 on 31st March , 2021 and of the profit and loss account for the Financial Year ended 31st March 2021;
c. the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the Company has prepared the annual accounts on a going concern basis;
e. the Company has laid down internal financial controls which are adequate and operating effectively;
f. the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN, AND SECURITIES PROVIDED:

Details of loans, guarantees and investments have been disclosed in the Financial Statements forming part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provisions of section 135 and Schedule VII of the Act are not applicable to the Company for the Financial Year 2020-2021 and hence the Company has not developed and implemented any Corporate Social Responsibility initiative.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY

The Company's' operations call for nominal energy consumption cost and there were no major areas where conservation measures could be applied on. However, the Company is making continuous efforts to conserve energy and optimize energy consumption practicable by economizing the use of power.

B. TECHNOLOGY ABSORPTION

The Company has always been using the latest technology available in the industry. Accordingly, efforts are made to maintain and develop the quality of the product to meet the expectations of the market.

C. FOREIGN EXCHANGE EARNINGS AND OUTFLOW

There were no foreign exchange earnings and outflow during the Financial Year under review.

EXTRACT OF ANNUAL RETURN:

As required under section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form No. MGT- 9 as a part of the Directors’ Report is provided as **Annexure C** to this report.

An extract of annual return in Form MGT-9 is uploaded on the website of the Company, i.e., www.chfl.co.in

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

MATERIAL CHANGES AND COMMITMENTS:

There were no material changes or commitments affecting the financial position of the Company between the end of financial year and date of the report.

GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the Financial Year under review.

i. Details relating to Deposits covered under Chapter V of the Act.
ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.
iii. Issue of equity shares (including sweat equity shares) and ESOS to employees of the Company under any scheme.
iv. There was no instance of non-exercising of voting rights in respect of shares purchased directly by the employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 and hence no information has been furnished.
v. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, is not required by the Company and accordingly such accounts and records are not made and maintained.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from customers, shareholders, business partners, all bankers, and National Housing Bank and Reserve Bank of India.

Your Directors also wish to place on record their deep sense of appreciation for the commitment, hard work and dedication displayed by all executives, officers and employees of the Company during the financial year. Your Directors look forward to the continued support of all stakeholders in the future.

By order of the Board
For Centrum Housing Finance Limited

Mr. Sridar Venkatesan
DIN: 02241339
Chairman

Place: Bangalore
Date: July 30,2021

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2021
Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & Regulation 24 -A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members,
Centrum Housing Finance Limited
Registered Office, Unit 801, Centrum House, CST Road
Vidyanagari Marg, Kalina, Santa Cruz (East)
Mumbai-400098

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Centrum Housing Finance Limited** (hereinafter called "the Company") incorporated on March 3, 2016, having CIN U65922MH2016PLC273826 and Registered Office at Unit 801, Centrum House, CST Road, Vidyanagari Marg, Kalina, Santa Cruz (East), Mumbai- 400098 for the financial year ended on March 31, 2021**.** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):,

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(e) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(h) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from December 1, 2015.

I have relied on the representation made by the Company and its officers for the systems and the mechanism formed by the Company for the compliances under the applicable Acts/laws and regulations to the Company. The list of major head/groups of Acts/laws and regulations specifically applicable to the Company is furnished below :

i) The National Housing Bank Act, 1987
ii) The Housing Finance Companies (NHB) Directions, 2010
iii) Guidelines prescribed by the National Housing Bank for Housing Finance Companies
iv) The Reserve Bank of India Act, 1934
v) Regulatory framework for Housing Finance Companies prescribed by the Reserve Bank of India

vi) Guidelines issued by the Reserve Bank of India for Housing Finance Companies including Master Directions

vii) Master Directions- Non Banking Financial Company (Reserve Bank) Directions, 2021

viii) Credit Information Companies (Regulation) Act, 2015 and Rules made thereunder

ix) The Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005

x) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

xi) Master Directions- External Commercial Borrowings, Trade Credits and Structured Obligations issued by the Reserve Bank of India

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India: Applicable with effect from July 1, 2015

(ii) The Listing Agreement entered into by the Company with BSE Limited and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Not applicable-

During the year under review, the Shareholders of the Company, at the Extra Ordinary General Meeting held on March 02, 2021 approved the following matter by way of Special Resolutions:

i) To approve payment of Performance bonus to Mr. Sanjay Shukla, Managing Director and CEO of the company amount of Rs. 75 lakhs, for the financial year 2019-2020

ii) To re-appoint Mr. Sanjay Shukla (DIN: 06577462) as the Managing Director & Chief Executive Officer (MD & CEO) of the Company for the period of 5(five) years from December 07, 2021, to December 06, 2026and to fix his remuneration for a period of 5 (five) years.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors including the woman director, except as mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the requirement of the regulations, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through /recorded as part of the minutes. All the resolutions were passed unanimously.

I further report that based on review of compliance mechanism established by the Company, I am of the opinion that the Company has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
COP No. 12704 FCS No 4831
ICSI UDIN F004831C000474344

Place : Mumbai
Date : June 16, 2021

Note: This report is to be read with our letter of even date which is annexed as **ANNEXURE I** *and forms an integral part of this report.*

ANNEXURE I

To
The Members,
Centrum Housing Finance Limited
Unit 801, Centrum House, CST Road
Vidyanagari Marg, Kalina, Santa Cruz (East)
Mumbai-400098

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

UMESH P MASKERI
PRACTICING COMPANY SECRETARY
FCS No 4831 COP No. 12704

Place: Mumbai
Date*:* June 16, 2021

1. Annexue -B - Policy on Related Party Transaction

1. Introduction & Purpose:

The Board of Directors (the "Board") of Centrum Housing Finance Limited (the "Company") has adopted the following policy and procedures ("Policy") with regard to Related Party Transactions (RPTs) w.e.f. September 1, 2017 (duly approved by the Board at its meeting held on August 28, 2017). This policy is framed as per requirement of the National Housing Bank (NHB) Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017. The objective of this policy and procedure is to ensure that transactions between the Company and its related parties are based on principles of transparency and arm's length pricing as provided under the section 188 of the Companies Act 2013. Likewise, this policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties. As the Audit Committee of the Board is entrusted with the task of reviewing and approving transaction with Related Parties or any subsequent modifications thereof, the Audit Committee shall be the reviewing authority with respect to this Policy at such intervals as it may deem necessary and shall recommend amendments thereof for approval of the Board.

The Executive Management of the Company comprising Managing Director & CEO/Whole Time Director and Executive Director(s) shall have the authority, to issue such guidance and clarifications as may be deemed necessary for the implementation of this Policy. They are also authorized to delegate such powers as may be considered necessary and appropriate for effective administration and enforcement of this Policy to any officer(s) of the Company

This policy may be amended by the Company from time to time and is subject to all laws and regulations applicable to the Company from time to time.

2. Definitions

"Annual Consolidated Turnover" or "Turnover" is defined as Total Income (i.e. Interest earned plus Other Income) of the last audited Consolidated Financial Statements of the Company

"Audit Committee" means Committee of Board of Directors of the Company constituted under Section 177 of the Companies Act, 2013

"Board" means the board of directors of the Company

"Key Managerial Personnel" or "KMP" shall have the same meaning as in Companies Act, 2013

"Material Related Party Transaction" means such Related Party Transactions where the aggregate value of transactions entered, or likely to be entered into, with a related party during the current financial year, is likely to exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Ordinary Course of Business" means transactions that are necessary, normal and incidental to the business, the objects of the Company permit such activity, there is a historical practice and pattern of frequency (not an isolated transaction), has connection with the normal business carried on by the Company.

"Related Party" means, an entity is:

(i) a related party under Section 2(76) of the Companies Act, 2013; or

(ii) a related party under the applicable accounting standards

"Related Party Transaction" or "RPT" means any transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged.

"Relative" means relative as defined under the Companies Act, 2013.

3. General Guidelines

All Related Party Transactions must be reported to the Audit Committee and referred by the Audit Committee to the Board for approval in accordance with this Policy.

All Material Related Party Transactions shall require approval of the shareholders vide an ordinary resolution and all the Related Parties of the Company shall abstain from voting on such resolutions irrespective of whether they are interested in that particular Material Related Party Transaction.

Provided however that the transactions entered into between the Company and a wholly owned subsidiary of the Company where

(i) the accounts of the subsidiary are consolidated with the Company; and

(ii) approved by the shareholders at a general meeting

shall not require approval of either Audit Committee or the shareholders.

4. Identification of RPTs

4.1. Each Director and "KMP" and other Related Party shall promptly notify the Audit Committee of any material interest that such person or relative of such person had, has or may have in a RPT, by providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her Relative together with Committee reasonably request.

4.2. The Company prefers that notice of any RPT is given well in advance, so that the Audit Committee/the Board has adequate time to obtain and review information about the proposed RPT.

4.3. The Board / Audit Committee shall determine whether a transaction does, in fact, constitute a RPT requiring compliance with the Policy.

4.4. A Related Party will be brought to the attention of the Management and the Board/Audit Committee's attention by the Secretarial Department at least on an annual basis, as on 1st April every year. The Secretarial Department needs to inform any change in the Related Party List to functional teams of the Company to identify the Related Party Transactions.

5. Review & Approval of RPTs

All Related Party Transactions will be subject to following approval matrix, as may be applicable.

5.1. Transactions in the ordinary course of business and on arm's length basis

Ceiling on Amount	Approval Required		
	Audit Committee	**Board of Directors**	**Shareholders (Ordinary resolution)**
less than 10% of the annual turnover of the company	√	-	-
In excess of the above limits	√	√	√ (all related parties to abstain from voting)*

5.2. Transactions either not in the ordinary course of business or on arm's length basis

Nature of Transaction	Approval Required		
	Audit Committee	**Board of Directors**	**Shareholders (Ordinary resolution)**
Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	√	√	10% or more of the turnover **Note:** Related Parties that are parties to the contract shall abstain from voting.*
Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent.	√	√	10% or more of the net worth **Note:** Related Parties that are parties to the contract shall abstain from voting.*
Leasing of property of any kind.	√	√	10% or more of the turnover **Note:** Related Parties that are parties to the contract shall abstain from voting.*
Availing or rendering of any services, directly or through appointment of agent.	√	√	Exceeding 10% of the turnover **Note:** Related Parties that are parties to the contract shall abstain from voting. *

Appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company.	√	√	Monthly remuneration exceeding two and half lakh rupees. * **Note:** Related Parties that are parties to the contract shall abstain from voting*
Underwriting the subscription of any securities or derivatives thereof, of the Company.	√	√	Remuneration exceeding 1% of net worth **Note:** Related Parties that are parties to the contract shall abstain from voting.*
Any other transaction with related parties, other than those covered above, resulting in transfer of resources, obligations or services	√	√	Exceeding 10% of the turnover or Rs. 100 crore, whichever is lower **Note:** Related Parties that are parties to the contract shall abstain from voting. *

* *However, related parties can vote if ninety per cent or more members, in numbers, are relatives of promoters or are related parties.*

Note: Limits specified shall apply for transaction to be entered into either individually or taken together with the previous transaction during a financial year.

6. Criteria for approving RPTs

In determining whether to approve a RPT, the Audit Committee shall consider the following factors, among others subject to the threshold limits specified in this Policy, to the extent relevant to the RPT:

6.1. Whether the terms of the RPT are fair and on ‘arm’s length basis’ to the Company and would apply on the same basis if the transaction did not involve a Related Party;
6.2. Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
6.3. Whether the RPT would affect the independence of an independent director;
6.4. Whether the proposed RPT includes any potential reputational risk issues that may arise as a result of or in connection with the proposed RPT;
6.5. Whether subsequent ratification of the proposed RPT is allowed and would be detrimental to the Company; and
6.6. Whether the RPT would present an improper conflict of interest for any director or KMP of the Company, taking into account the size of the transaction, the overall financial position of the director, KMP or other Related Party, the direct or indirect nature of director’s, KMP’s or other Related Party’s interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee deems relevant;
6.7. If the Audit Committee determines that a RPT should be brought before the Board, or if the Board in any case elects to review any matter or it is mandatory under any law for the Board to approve the RPT, then the considerations set forth above shall apply to the Board’s review and approval

of the matter, with such modifications as may be necessary or appropriate under the circumstances.

7. RPTs that do not require prior Audit Committee review

7.1. The Audit Committee shall also be entitled to grant omnibus approval ("Omnibus Approval") for a class of transactions which are repetitive in nature as per the procedure specified for approving RPTs in this Policy.

7.2. In addition to the criteria specified in paragraph 7.1 above, the Audit Committee shall be required to specify in the Omnibus Approval:

(i) Name(s) of the Related Party, nature, period of transaction and maximum amount of the proposed RPT;

(ii) the indicative base price/current contracted price and the formula for variation in the price if any;

(iii) and such other conditions as the Audit Committee may deem fit;

(iv) in the event the need for a class of RPTs cannot be foreseen or the details specified in (i) to (iii) above are not available, the Audit Committee may grant Omnibus Approval for such RPTs provided each transaction does not exceed INR 1,00,00,000 (Rupees one crore).

7.3. Maximum value of transactions in aggregate in a year which can be allowed under Omnibus route is Rs. 1 (One)Crores.

7.4. Transactions mentioned in Para 5.2 cannot be approved under omnibus mode.

7.5. Audit Committee shall review, the details of the actual RPTs entered into by the Company pursuant to each of the Omnibus Approvals on a quarterly basis.

7.6. The Omnibus Approvals shall be valid for a period not exceeding one year and shall require fresh approvals from the Audit Committee after the expiry of 1 (one) year from the grant of each approval.

7.7. Any transaction that involves the providing of compensation to a director or KMP in connection with his or her duties to the Company or any of its subsidiaries or associates including the reimbursement of reasonable business and travel expenses incurred in the Ordinary Course of Business.

7.8. Any transaction that involves the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

7.9. Any transaction arising out of Compromises, Arrangements, and Amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013.

7.10. Reimbursement of pre-incorporation expenses incurred by a Related Party as approved by the Board of Directors.

7.11. Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder.

7.12. Any transaction that involves providing corporate guarantee to Banks/Financial Institution, from Centrum Group Companies , for credit facilities availed by the Company from Banks/Financial Institutions.

8. RPTs not approved under this Policy

8.1. In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy by the Audit Committee, prior to its consummation, it shall report such transaction to the Audit Committee which shall follow the procedure laid down in thisPolicy. Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it.

8.2. In any case, save as otherwise provided in the Policy, where the Audit Committee determines not to ratify a RPT that has been commenced without its prior approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission or revision of the transaction.

Annexure - C to the Directors Report

Extract of Annual Return as on the financial year ended on 31st March, 2021

FORM No. MGT-9

[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	**U65922MH2016PLC273826**
ii.	Registration Date	3rd March, 2016
iii.	Name of the Company	Centrum Housing Finance Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	Registered Office : Unit 801, Centrum House, Vidyanagari Marg, Kalina , Santacruz (East), Mumbai 400098. Contact : Tel Number : 022 4215 9000
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Contact : 022 - 4918 6270

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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Carrying out activities of Housing Finance Companies Housing loan and non-housing loan	63912	81.24

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Centrum Capital Limited Corporate Office :Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai- 400098	L65990MH1977PLC019986	Holding	56.39	2(46)

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

i. *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of 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. Promoter (including promoter group)									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	197,274,373	-	73.92	100	197,274,373	-	197,274,373	73.92	--

e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**197,274,373**	**-**	**197,274,373**	**73.92**	**197,274,373**	**-**	**197,274,373**	**73.92**	**-**
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total **(**A)(2):-	-	-	-	-	-	-	-	-	-
Total Promoter holding (A)= (A1+A2)	**197,274,373**	**-**	**197,274,373**	**73.92**	**197,274,373**	**-**	**197,274,373**	**73.92**	**-**
B. Public Shareholding									
1. *Institutions*									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	66,690,413	-	66,690,413	24.99	66,690,413	-	66,690,413	24.99	-
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	29,03,613	-	29,03,613	1.09	29,03,613	-	29,03,613	1.09	-
c) Others(Specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(2)	69,594,026	-	69,594,026	26.08	69,594,026	-	69,594,026	26.08	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**69,594,026**	**-**	**69,594,026**	**26.08**	**69,594,026**	**-**	**69,594,026**	**26.08**	**-**

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**266,868,399**	**-**	**266,868,399**	**100**	**266,868,399**	**-**	**266,868,399**	**100**	**0**

ii.*Shareholding of Promoters (including promoter group)*

Sr. No	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of 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	% change in share holding during the year
1.	Centrum Capital Limited (Promoter)	150,479,986	56.39	-	150,479,986	56.39	-	-
2.	*BG Advisory Services LLP	46,794,387	17.53	-	46,794,387	17.53	--	
	Total	**197,274,373**	**73.92**	**-**	**197,274,373**	**73.92**	_	-

*Forms part of Promoter group.

iii.*Change in Promoters' (including promoter group) Shareholding (please specify, if there is no change)*

There is no change in Promoters Shareholding

iv.Shareholding Pattern of top ten Shareholders (other than Directors, Promoters (including Promoter Group) (and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Date	Increase / decrease	Reason	Cumulative	
		No of Shares at the beginning	% of total shares of the /company				No of shares	% of total shares of the Company
1.	NHPEA Kamet Holding BV	66,690,413	24.99	--	-	-	66,690,413	24.99

v.Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase / decrease	Reason	Cumulative	
		No of Shares at the beginning	% of total shares of the /company				No of shares	% of total shares of the Company
1.	Mr.Vivek Vig	29,03,613	1.09	-	-	-	29,03,613	1.09

V. INDEBTEDNESS

(Amount in Rs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (1.04.2020)				
i) Principal Amount	2,05,21,16,869			2,05,21,16,869
ii) Interest due but not paid	89,10,226			89,10,226
iii) Interest accrued but not due	1,45,173			1,45,173
Total (i+ii+iii)	**2,06,11,72,267**			**2,06,11,72,267**
Change in Indebtedness during the financial year				
- Addition	1,19,00,00,000			1,19,00,00,000
- Reduction	723256741			723256741
Net Change	**46,67,43,259**			**46,67,43,259**
Indebtedness at the end of the financial year (31.03.2021)				
i) Principal Amount	2,54,28,89,628			2,54,28,89,628
ii) Interest due but not paid	54,87,314			54,87,314
iii) Interest accrued but not due	95,38,584			95,38,584
Total (i+ii+iii)	**2,55,79,15,526**			**2,55,79,15,526**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in Rs)

Sl. No.	Particulars of Remuneration	Mr. Sanjay Shukla (MD and CEO)
1.	Gross salary	1,64,25,861
	(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	5,74,882
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify…	-
5.	Others, please specify	-
6.	Total (A)	1,70,00,743
	Ceiling as per the Act	-

B. Remuneration to other directors: **(Amount in Rs)**

Sl. No.	Particulars of Remuneration	~~Name of MD/WTD/ Manager~~			Total Amount
	Independent Directors	**Mr.Sridar Venkatesan**	**Mr.Mohan Tanksale**	**Ms. Anjali Seth**	
	· Fee for attending board committee meetings	6,90,000	6,90,000	6,90,000	20,70,000
	· Commission	NIL	NIL	NIL	NIL
	· Others, please specify	NIL	NIL	NIL	NIL
	Total (1)				

	Other Non-Executive Directors	**Mr.Rajendra Naik**	**Mr.Vivek Vig**	**Mr.Arjun Saigal**	-
	· Fee for attending board committee meetings	NIL	NIL	NIL	-
	· Commission	NIL	NIL	NIL	-
	· Others, please specify	NIL	NIL	NIL	-
	Total (2)	NIL	NIL	NIL	-
	Total (B)=(1+2)	**6,90,000**	**6,90,000**	**6,90,000**	
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

***C.* Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD** **(Amount in Rs)**

Sl. no.	**Particulars of Remuneration**	**Key Managerial Personnel**
		Mehul Jatania (CFO)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	77,81,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,92,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify…	-
5.	Others, please specify	-
6.	Total	79,73,600

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By Order of the Board
For Centrum Housing Finance Limited

Mr.Sridar Venkatesan
DIN: 02241339
Chairman
Place : Bangalore
Date : July 30, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Centrum Housing Finance Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Centrum Housing Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder, 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 on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 49 to the Ind AS financial statements, which explains the uncertainties and the management's evaluation of the financial impact on the Company due to lockdown and other restrictions on account of COVID-19 Pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	**How our audit addressed the key audit matter**
Impairment of loans and advances to customers **(Refer to the accounting policies in "Note 3.6 to the Ind AS financial statements)**	
Ind AS 109 requires the Company to provide for impairment of its loan receivables using the expected credit loss (ECL) approach. ECL involves significant judgment and estimates. In the process, a significant degree of judgment has been applied by the Management for Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; Grouping of borrowers based on homogeneity by using appropriate statistical techniques; Estimation of behavioral life; Determining macro-economic factors impacting credit quality of receivables; Estimation of losses for loan products with no/minimal historical defaults. Additional considerations on account of COVID-19 Pursuant to the Reserve Bank of India circular dated 27 March 2020 , April 17, 2020 and 23 May 2020 ('RBI circular') allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between 1 March 2020 and 31 August 2020, the Company has extended moratorium to its borrowers in accordance with its approved Board policy. In Management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. Further, RBI has approved Resolution Framework to allow one time restructuring to its borrowers who are undergoing stress on account of COVID. The staging for these borrower accounts is based on the Board Approved	We have started our audit procedures with understanding of the internal control environment related to Impairment loss allowance. Our procedures over internal controls focused on recognition and measurement of impairment loss allowance. We assessed the design and tested the operating effectiveness of the selected key controls implemented by the Company. For loans and advances which are assessed for impairment on a portfolio basis we performed particularly the following procedures: • We tested the reliability of key data inputs and related management controls; • We checked the stage classification as at the balance sheet date as per the definition of Default of the Company; • We recalculated the ECL provision for selected samples; • We have reviewed the process of the Company to grant moratorium to the borrowers as per the Regulatory Package announced by the Reserve Bank of India (RBI). Further, we have relied on the assumption of the management that there will be no significant increase in the credit risk in the cases where moratorium is given and that the staging based on the days past due (DPD) will be considered as per the RBI COVID-19 Regulatory Package. We have tested on samples basis the DPD freeze for cases where moratorium is provided and not provided in accordance with RBI COVID-19 Regulatory Package; • We have checked that the stage classification for the borrowers has been given in accordance with the Resolution Framework issued by Reserve Bank of India (the 'RBI') and the Board approved policy for ECL provisioning and stage classification with respect to such accounts

Policy and has not been regarded to result in significant increase in credit risk. The Company has considered the moratorium, one time restructuring, collection efficiencies post moratorium period and various other measures taken by Government and regulators and have assessed that no further provisioning on account COVID 19 is required at this time in the Statement of Profit and Loss. In view of the high degree of Management's judgment involved in estimation of ECL, accentuated by the COVID-19 pandemic, impairment of loans and advances has been identified as a key audit matter.	• We have checked the provision on Loan Assets as per IRACP norms as required under RBI circular dated March 13, 2020. We have checked the DPD and provision in accordance with the RBI regulations in that regard further considering the COVID related Regulatory Packages issued by RBI and • With respect to impact assessment on provision for ECL on account of the impact of COVID-19 pandemic, we broadly reviewed the underlying assumptions and estimates used by the management for the same as the extent of impact is dependent on future developments which are highly uncertain, we have primarily relied on those assumptions and estimates. These assumptions and estimates are a subject matter of periodic review by the Company.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report and Management Discussion Analysis, but does not include the Ind AS financial statements and our auditor's report thereon. The said information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Directors Report and Management Discussion Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to the Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

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

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

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Snehal Shah
Partner
Membership No.: 048539

UDIN: 21048539AAAABP2980

Place: Mumbai
Date: May 20, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Centrum Housing Finance Limited** on the Ind AS financial statements for the year ended March 31, 2021]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of **Centrum Housing Finance Limited** ("the Company") and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable property. Accordingly, clause 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company is in the business of providing services and does not have any inventory. Accordingly, clause 3(ii)(c) of the Order is not applicable to the Company.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Act. However, the Company has not granted any secured or unsecured loans to firms, Limited Liability Partnerships or other parties.

(a) The terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.

(b) The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts of principal amounts and interest are regular.

(c) In respect of the aforesaid loans, there is no overdue amount in respect of loans granted to companies listed in the register maintained under section 189 of the Act.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. Further, the Company has complied with the provisions of section 186 of the Act.

(v) The Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii)

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty which have not been deposited on account of any dispute.

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to banks, financial institution or dues to debenture holders. Further, the Company has not taken any loan or borrowing from government during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has made private placement of non-convertible debentures during the year and in our opinion, the requirement of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

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Snehal Shah
Partner
Membership No.: 048539

UDIN: 21048539AAAABP2980

Place: Mumbai
Date: May 20, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT
[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Centrum Housing Finance Limited** on the Ind AS financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Centrum Housing Finance Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 control with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Snehal Shah
Partner
Membership No.: 048539

UDIN: 21048539AAAABP2980

Place: Mumbai
Date: May 20, 2021

Centrum Housing Finance Limited
Statement of Profit and Loss for the year ended March 31, 2021

Rs. in lakh

	Particulars	Note	For the Year ended 31-Mar-21	For the Year ended 31-Mar-20
(1)	**Revenue from operations**			
(a)	Interest income	25	6,699.05	4,928.69
(b)	Fees income	26	67.73	105.19
(c)	Net gain on Fair value changes	27	32.55	80.41
	Total revenue from operations (a)+(b)+(c)		**6,799.33**	**5,114.29**
(2)	Other income	28	63.14	95.01
(3)	**Total income (3) = (1) + (2)**		**6,862.47**	**5,209.30**
(4)	**Expenses**			
(a)	Finance costs	29	2,216.24	2,239.01
(b)	Impairment on financial instruments and written off	30	411.52	178.29
(c)	Employee benefits expenses	31	1,295.96	1,309.08
(d)	Depreciation, amortisation and impairment	13 to 15	141.05	131.89
(e)	Others expenses	32	1,271.40	1,091.19
	Total expenses (a)+(b)+(c)+(d)+(e)		**5,336.17**	**4,949.46**
(5)	**Profit before exceptional Items and tax (3) - (4)**		**1,526.30**	**259.84**
(6)	Exceptional Items		-	-
(7)	**Profit before tax (5)-(6)**		**1,526.30**	**259.84**
(8)	**Income tax expense:**			
(a)	- Current tax	34	465.51	130.83
(b)	- Deferred tax	34	(127.40)	(51.31)
	Total tax expense (a)+(b)		**338.11**	**79.52**
(9)	**Profit after tax (7) - (8)**		**1,188.19**	**180.32**
(10)	**Other comprehensive income**			
(a)	Items that will not be reclassified to profit or loss			
	- Remeasurements gain/(loss) on defind benefit Plans	38	5.84	4.28
	- Income tax relating to these items		(1.47)	(1.08)
(b)	Items that will be reclassified to profit or loss		-	-
	Other comprehensive income (a)+(b)		**4.37**	**3.20**
(11)	**Total comprehensive income (9) + (10)**		**1,192.56**	**183.52**
(12)	**Earnings per equity share (Face value Rs 10 each)**			
	- Basic (Rs.)	36	0.445	0.102
	- Diluted (Rs.)	36	0.445	0.102

See accompanying notes forming part of the financial statement
As per our report of even date attached.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No 48539

Place : MUMBAI
Date : May 20, 2021

For and on behalf of The Board of Centrum Housing Finance Limited

Sd/-
Sridar Venkatesan
Chairman
DIN 02241339

Sd/-
Sanjay Shukla
Managing Director & CEO
DIN 06577462

Sd/-
Mehul Jatania
Chief Financial Officer

Sd/-
Alpesh Shah
Company Secretary
Membership No- 16017

Centrum Housing Finance Limited

Statement of Profit and Loss for the year ended March 31, 2021

Rs. in lakh

	Particulars	Note	For the Year ended 31-Mar-21	For the Year ended 31-Mar-20
(1)	**Revenue from operations**			
(a)	Interest income	25	6,699.05	4,928.69
(b)	Fees income	26	67.73	105.19
(c)	Net gain on Fair value changes	27	32.55	80.41
	Total revenue from operations (a)+(b)+(c)		**6,799.33**	**5,114.29**
(2)	Other income	28	63.14	95.01
(3)	**Total income (3) = (1) + (2)**		**6,862.47**	**5,209.30**
(4)	**Expenses**			
(a)	Finance costs	29	2,216.24	2,239.01
(b)	Impairment on financial instruments and written off	30	411.52	178.29
(c)	Employee benefits expenses	31	1,295.96	1,309.08
(d)	Depreciation, amortisation and impairment	13 to 15	141.05	131.89
(e)	Others expenses	32	1,271.40	1,091.19
	Total expenses (a)+(b)+(c)+(d)+(e)		**5,336.17**	**4,949.46**
(5)	**Profit before exceptional Items and tax (3) - (4)**		**1,526.30**	**259.84**
(6)	Exceptional Items		-	-
(7)	**Profit before tax (5)-(6)**		**1,526.30**	**259.84**
(8)	**Income tax expense:**			
(a)	- Current tax	34	465.51	130.83
(b)	- Deferred tax	34	(127.40)	(51.31)
	Total tax expense (a)+(b)		**338.11**	**79.52**
(9)	**Profit after tax (7) - (8)**		**1,188.19**	**180.32**
(10)	**Other comprehensive income**			
(a)	Items that will not be reclassified to profit or loss			
	- Remeasurements gain/(loss) on defind benefit Plans	38	5.84	4.28
	- Income tax relating to these items		(1.47)	(1.08)
(b)	Items that will be reclassified to profit or loss		-	-
	Other comprehensive income (a)+(b)		**4.37**	**3.20**
(11)	**Total comprehensive income (9) + (10)**		**1,192.56**	**183.52**
(12)	**Earnings per equity share (Face value Rs 10 each)**			
	- Basic (Rs.)	36	0.445	0.102
	- Diluted (Rs.)	36	0.445	0.102

See accompanying notes forming part of the financial statement

As per our report of even date attached.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No 48539

Place : MUMBAI
Date : May 20, 2021

For and on behalf of The Board of Centrum Housing Finance Limited

Sd/-
Sridar Venkatesan
Chairman
DIN 02241339

Sd/-
Sanjay Shukla
Managing Director & CEO
DIN 06577462

Sd/-
Mehul Jatania
Chief Financial Officer

Sd/-
Alpesh Shah
Company Secretary
Membership No- 16017

Centrum Housing Finance Limited
Statement of Cash Flow for the year ended March 31, 2021

Rs. in lakh

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,526.30	259.84
Adjustments for :	-	-
Depreciation and amortisation	141.05	131.89
Loss/(profit) on sale of investments	-	(82.21)
Net gain on fair value changes	(32.55)	1.80
Impairment on financials instruments (ECL)	411.52	178.29
Employee stock option Scheme	106.57	105.16
	626.60	334.93
Adjustments for :		
Increase / (Decrease) in financial asset	(2,187.28)	(23,880.26)
Increase / (Decrease) in Other financial asset	(168.39)	(21.00)
Increase / (Decrease) in Non financial asset	(104.63)	(59.17)
Increase in Trade payables	27.68	1.60
Increase /(Decrease) in Other financial liabilities	(1,136.11)	1,540.91
Increase / (Decrease) in Provisions	9.89	17.44
Increase /(Decrease) in Non financial liabilities	(57.41)	23.00
Cash used in operations	(3,616.25)	(22,377.49)
Taxes paid (net off refunds)	(418.29)	(120.07)
Net Cash Used In Operating Activities (A)	**(1,881.64)**	**(21,902.80)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (Including capital work in progress and capital advance)	(58.98)	(53.35)
Interest received from ICDs	239.77	174.01
Purchase of mutual fund units	(1,000.00)	(16,185.00)
Sale proceeds from mutual fund units	-	17,056.09
Net Cash Used In Investing Activities (B)	**(819.21)**	**991.75**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of shares (including Security premium)- Net	-	18,714.47
Lease payments	(96.27)	(90.02)
Proceeds from Borrowings	8,400.00	9,100.00
Repayment of Borrowings	(6,983.51)	(5,024.48)
Proceeds from Debt securities	3,500.00	-
Dividend Paid (Including Dividend Distribution Tax)	-	(12.06)
Net Cash Generated From Financing Activities (C)	**4,820.22**	**22,687.92**
Net Increase / (Decrese) In Cash And Cash Equivalents (A+B+C)	2,119.36	1,776.86
Cash And Cash Equivalents As At The Beginning Of The Year	2,919.77	1,142.90
Cash And Cash Equivalents As At The End Of The Year	**5,039.12**	**2,919.76**
Operating cash flow from interest	4,570.71	2,694.99
Interest Paid	2,128.34	2,630.36
Interest Received	6,699.05	5,325.35
Component of Cash and Cash Equivalents		
Cash on hand	36.55	5.85
Cheques on hand	1,690.00	-
Balance with Bank on Current Account	1,256.45	323.97
Balance with Bank on Fixed Deposits Accounts with original maturiy of less than 3 months	2,056.12	2,589.94
Total Cash and Cash Equivalents for the year ended	**5,039.12**	**2,919.77**

Note-1 For disclosure relating to changes in liability arising from financing activity - Refer note no. 35
Note-2 The above cash flow statements have been prepared under the indirect method set out in in Ind AS 7 on 'Statement of Cash Flows'.

Date : May 20, 2021
As per our report of even date attached.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Sd/-
Snehal Shah
Partner
Membership No 48539

Place : MUMBAI
Date : May 20, 2021

For and on behalf of The Board of Centrum Housing Finance Limited

Sd/-
Sridar Venkatesan
Chairman
DIN 02241339

Sd/-
Sanjay Shukla
Managing Director & CEO
DIN 06577462

Sd/-
Mehul Jatania
Chief Financial Officer

Sd/-
Alpesh Shah
Company Secretary
Membership No- 16017

Centrum Housing Finance Limited
Statement of changes in equity

Rs. in lakh

(a) Equity Share Capital

Particulars	Outstanding as on April 01, 2019	Issued during the year	Outstanding as on March 31, 2020	Issued during the year	Outstanding as on March 31, 2021
Issued, Subscribed and Paid up (Equity shares of Rs. 10 each)	10,000.00	16,686.84	26,686.84	-	26,686.84
Total	10,000.00	16,686.84	26,686.84	-	26,686.84

(b) Other equity

Particulars	Reserves and surplus						
	Statutory reserve created under section 29C of the National Housing Bank Act, 1987	Special Reserve Created under of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987	Security Premium	Retained Earnings	Employee stock option reserve	Deemed Capital Contribution	Total other equity
As at April 01, 2019	5.99	28.73	-	(133.54)	-	43.13	(55.69)
Profit for the year	-	-	-	180.32	-	-	180.32
Dividends	-	-	-	(12.06)	-	-	(12.06)
Employee Stock Option	-	-	-	-	105.16	-	105.16
Financial Guarantee	-	-	-	-	-	23.45	23.45
Other comprehensive income	-	-	-	3.20	-	-	3.20
Issue of equity instrument	-	-	12,337.73	-	-	-	12,337.73
Less-Share issue expenses	-	-	(510.10)	-	-	-	(510.10)
Total comprehensive income for the year	-	-	11,827.63	171.46	105.16	23.45	12,127.70
Transfer to Statutory Reserve	3.38	-	-	(3.38)	-	-	-
Transfer to Special Reserve	-	32.69	-	(32.69)	-	-	-
As at March 31,2020	9.37	61.42	11,827.63	1.86	105.16	66.58	12,072.00
Profit for the year	-	-	-	1,188.19	-	-	1,188.19
Employee Stock Option	-	-	-	-	106.57	-	106.57
Financial Guarantee	-	-	-	-	-	8.77	8.77
Other comprehensive income	-	-	-	4.37	-	-	4.37
Total comprehensive income for the year	-	-	-	1,192.56	106.57	8.77	1,307.90
Transfer to Statutory Reserve	19.95	-	-	(19.95)	-	-	-
Transfer to Special Reserve	-	217.68	-	(217.68)	-	-	-
As at March 31, 2021	29.32	279.10	11,827.63	956.78	211.73	75.34	13,379.90
See accompanying notes forming part of the financial statement				9.57			

As per our report of even date attached.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Sd/-
Snehal Shah
Partner
Membership No 48539

Place : MUMBAI
Date : May 20, 2021

For and on behalf of The Board of Centrum Housing Finance Limited

Sd/-
Sridar Venkatesan
Chairman
DIN 02241339

Sd/-
Sanjay Shukla
Managing Director & CEO
DIN 06577462

Sd/-
Mehul Jatania
Chief Financial Officer

Sd/-
Alpesh Shah
Company Secretary
Membership No- 16017

1. Corporate Information:

Centrum Housing Finance Limited ("the Company") was incorporated on March 03, 2016 under the provisions of Companies Act 2013. The Company has received certificate of registration, under Section 29A of the National Housing Bank (NHB) Act, 1987 from the NHB on November 10, 2016 to carry on the business of a housing finance institution without accepting public deposits. The Company is a subsidiary of Centrum Capital Limited.

The main objects of the Company, inter alia, are to carry on the business of making loans and advances, providing financial and consultancy services to manage, invest in, acquire, and hold, sale, buy, or otherwise to deal in houses, apartments, flats, real estate and building of all descriptions.

2. Basis of preparation:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period as explained in the accounting policies below. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest rupee except when otherwise indicated.

The financial statements are prepared and presented on going concern basis and the relevant provisions of the Act and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

2.1 Presentation of financial statements:

The Company presents its balance sheet in order of liquidity in compliance with Division III of the Schedule III to the Act. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in 'Note No. 39 Maturity Analysis of assets and liabilities"

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and or its counterparties

3. Significant accounting policies:

3.1 Recognition of Interest income and Fees income:

3.1.1 Effective Interest Rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the net carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

3.1.2 Interest Income:

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Default Interest income on delayed **EMI /** pre EMI is recognised on receipt basis.

3.1.3 Fees Income:

Fees income, i.e., login fee, pre-payment / other charges etc. (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable when the Company satisfies the performance obligation.

3.2 Financial Instruments:

3.2.1 Date of recognition:

Financial assets and liabilities with exception of loans and borrowings are initially recognized on the trade date, i.e., the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account or cheques are issued to the customer. The Company recognises borrowings when funds are available for utilisation to the Company.

3.2.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit and loss account.

3.2.3 Classification and Measurement categories of financial assets and liabilities:

The Company classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Financial assets carried at amortised cost (AC):

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets are recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets are recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories is measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets are recognised in profit and loss account.

3.3 Financial Assets and Liabilities:

3.3.1 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which their evidence of a recent pattern of short-term profit is taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recoganised in net gain on fair value changes.

3.3.2 Debt securities and other borrowed funds:

The Company measures debt issued and other borrowed funds at Amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

3.3.3 Financial Guarantee:

Financial guarantees are contract that requires the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

3.3.4 Loan Commitments:

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer over the duration of the commitment. Undrawn loan commitments (Loan sanctioned and partially disbursed) are in the scope of the ECL requirements.

3.4 Reclassification of Financial assets and liabilities:

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company didn’t reclassify any of its financial assets or liabilities in current year and previous year.

3.5 Derecognition of financial instruments:

3.5.1 Derecognition of financial asset:

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive contractual cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- the Company has transferred the rights to receive cash flows from the financial asset; or
- it retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party.

A transfer only qualifies for derecognition if either:

- the Company has transferred substantially all the risks and rewards of the asset; or

- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

3.5.2 Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised in the statement of profit and loss.

3.6 Impairment of financial assets:

The Company records provisions based on expected credit loss model ("ECL") on all loans, other financial assets not measured at FVTPL together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR. Because ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Simplified Approach:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of receivables.

General Approach:

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e., the magnitude of the loss if there is a default), and the exposure at default (EAD). The assessment of the probability of default (PD) and loss given default (LGD) is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the customers, and other relevant forward-looking information.

The Company categories its financial assets as follows:

Stage 1:

Stage 1 assets include financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL allowances are recognised.

Stage 2:

Stage 2 assets include financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL allowances are recognised.

Stage 3:

Stage 3 assets are considered credit-impaired and the Company recognises the lifetime ECL allowances for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The ECL on the loan commitment are recognised together with the loss allowance for the financial asset.

3.7 Collateral Valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit

/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re- assessed on a periodic basis.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models.

3.8 Write-Offs:

Financial assets are write off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

3.9 Determination of Fair Value:

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data points are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments:

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments:

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available.

Level 3 financial instruments:

Those that include one or more unobservable inputs that are significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.10 Leases:

The Company as a lessee:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

3.11 Earnings per Share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

3.12 Retirement and other employee benefits:

3.12.1 Provident fund and national pension scheme:

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

3.12.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

3.12.3 Compensated Absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

3.12.4 Share-based payment arrangements:

Equity-settled share-based payments to employees that are granted by the Company are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.13 Property, plant and equipment:

Property plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	**Estimated useful lives**
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is earlier.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss account.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.14 Intangible Assets:

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

3.15 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

3.16 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessment of the time value of money and, where appropriate, the risk specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

3.17 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

3.18 Income tax expenses:

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.18.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.18.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.18.3 Current and Deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4. Significant accounting judgements, estimates and assumptions:

The preparation of these financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included are given below:

4.1 Business model assessment:

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

4.2 Significant increase in credit risk:

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

4.3 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.4 Fair value of financial instruments:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions based on market conditions existing at the end of each reporting period. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk, funding value adjustments, correlation and volatility.

4.5 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 3.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the contractual life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behavior and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument

4.6 Impairment of Financial assets:

The impairment provisions for the financial assets are based on assumptions about estimation of the amount and timing of future cash flows, collateral values, assessment of a significant increase in credit risk, probability of default (PD) and Loss given default (LGD) rates. The Company uses judgements in making these assumptions and selecting the inputs for impairment calculations based on its past history, existing market conditions and forward *loo*kin*g* estimates at the end of each period.

The Company's expected credit loss (ECL) calculations are output of model with number of underlying assumptions regarding choice of variable inputs and their interdependencies Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades based on ageing.

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Life Time ECL basis and the qualitative assessment.

- Development of ECL models, including the various formulas and the choice of inputs, determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It is the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.7 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indications exist, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.8 Provisions and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.9 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4.10 Standards issued but not effective:

There are no standards that are issued but not yet effective on March 31, 2021

Centrum Housing Finance Limited

Notes to financial statements

5. Cash and cash equivalents Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Cash on hand	36.55	5.85
Cheques on hand	1,690.00	-
Balances with banks:		
In current accounts	1,256.45	323.97
In Deposit Accounts with original maturity less than 3 months (including interest accured)	2,056.12	2,589.94
Total	**5,039.12**	**2,919.76**

6. Bank balance other than cash and cash equivalents Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Balances with banks:		
Fixed deposits with Banks (including interest accured)	12,648.42	13,096.11
Total	12,648.42	13,096.11

i) Balances with banks include deposits under lien of Rs. Nil (previous year Rs. Nil) against bank guarantees and overdraft facility

ii) Balances with banks include deposits of Rs. 12,648.42 Lakh (previous year Rs. 13,096.11 Lakh) having original maturity of more than 3 months

7. Loans Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
At amortised cost		
Term loans (secured)		
Housing Loans	38,640.99	35,534.11
Non Housing Loans	9,381.58	8,092.88
Others	-	2,002.08
Total (A) - Gross	48,022.57	45,629.07
(Less): Impairment loss allowance (expected credit loss) - refer note no. 33	(743.08)	(333.25)
Total (A) - Net	**47,279.49**	**45,295.82**
Secured by property, plant and equipments	48,022.57	45,629.07
Secured by intangible assets	-	-
Covered by bank/government guarantees	-	-
Unsecured	-	-
Total (B) - Gross	48,022.57	45,629.07
(Less): Impairment loss allowance	(743.08)	(333.25)
Total (B) - Net	**47,279.49**	**45,295.82**
(I) Loans in India		
- Public sector	-	-
- Others	48,022.57	45,629.07
Total (C) (I) - Gross	48,022.57	45,629.07
(Less): Impairment loss allowance	(743.08)	(333.25)
Total (C) (I) - Net	**47,279.49**	**45,295.82**
(II) Loans outside India	**-**	**-**

(Less): Impairment loss allowance	-	-
Total (C) (II) - Net	**-**	**-**
Total (C) (I) and (II)	**47,279.49**	**45,295.82**

8. Investments

Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Mutual funds (Measured at FVTPL)		
Investment in SBI liquid income plan	515.45	-
Investment in Adiya Birla Sun Life Mutual Fund	517.10	-
Total (A) - Gross	**1,032.55**	**-**
Investments outside India	-	-
Investments in India	1,032.55	-
Total (B) - Gross	**1,032.55**	**-**
(Less): Impairment loss allowance (expected credit loss) (C)	-	-
Total - Net (D) = (A) - (C)	**1,032.55**	**-**
No of units in mutual fund		
SBI liquid income plan	10,922.95	-
Adiya Birla Sun Life Mutual Fund	1,80,065.65	-

Centrum Housing Finance Limited
Notes to financial statements

9. Other financial assets Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Receivable from Government Authorities	67.29	-
Security deposits	150.59	49.50
Total Gross	**217.88**	**49.50**

10. Current tax assets (net) Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Advance tax (Net of provision PY Rs. 240.51 lakh)	-	20.63
Total	**-**	**20.63**

11. Deferred tax assets (net) Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Deferred tax liabilities		
Depreciation on PPE	16.00	15.79
Unamortised loan origination cost	53.40	78.34
Fair value of investments	8.20	-
Total deferred tax liabilities (A)	**77.60**	**94.13**
Deferred tax assets		
Provision for employee benefits	10.66	9.64
Expected credit loss	187.02	83.87
Fair valuation of financial instruments - Net	0.03	0.04
Lease	2.27	2.47
Unamortised processing fees	102.92	97.49
Total deferred tax assets (B)	302.90	193.50
Opening DTL/(DTA)	(99.37)	(49.15)
Closing DTL/(DTA)	(225.30)	(99.37)
Charged to PL	(127.40)	(51.31)
Charged to OCI	1.47	1.08

12. Other non-financial assets Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Capital advances	10.53	-
Unamortised expeses : Loan acquisition cost	81.45	96.30
Other Advance -Unsecured, considered good	62.37	19.50
Balance with Government Authorities	184.08	106.70
Insurance advance	0.78	0.15
Total	**339.21**	**222.65**

13. Property, plant and equipment

Rs. in lakh

Particulars	Office Equipment	Computer	Furniture & Fixtures	Vehicles	Total
Gross carrying amount					
Gross carrying amount as at April 01, 2019	2.32	60.14	66.17	96.63	225.27
Additions	0.09	10.01	15.85	27.40	53.35
Disposals and transfers					-
Gross carrying amount as at March 31, 2020	**2.41**	**70.15**	**82.02**	**124.03**	**278.61**
Accumulated depreciation as at April 01, 2019	0.40	18.74	10.23	11.42	40.79
Depreciation charged	0.41	22.43	13.07	12.93	48.84
Disposals and transfers					
Accumulated depreciation as at March 31, 2020	**0.81**	**41.17**	**23.30**	**24.35**	**89.63**
Net carrying amount as at March 31, 2020	**1.60**	**28.97**	**58.73**	**99.69**	**188.98**
Gross carrying amount as at April 01, 2020	2.41	70.15	82.02	124.03	278.61
Additions	0.86	20.45	8.66	10.54	40.51
Disposals and transfers	-	-	-	-	-
Gross carrying amount as at March 31, 2021	**3.27**	**90.60**	**90.68**	**134.57**	**319.13**
Accumulated depreciation as at Apri 01, 2020	0.81	41.17	23.30	24.35	89.63
Depreciation charged	0.45	19.33	15.82	14.84	50.44
Disposals and transfers	-	-	-	-	-
Accumulated depreciation	**1.26**	**60.51**	**39.12**	**39.19**	**140.07**
Net carrying amount as at March 31, 2021	**2.01**	**30.09**	**51.56**	**95.38**	**179.05**

14. Right to use

Rs. in lakh

Particulars	Right to use - premises	Total
Gross carrying amount		
Gross carrying amount as at April 01, 2019	199.98	199.98
Additions	62.20	62.20
Disposals and transfers	-	-
Gross carrying amount as at March 31, 2020	**262.18**	**262.18**
Accumulated depreciation as at April 01, 2019	68.48	68.48
Depreciation charged	77.65	77.65
Disposals and transfers	-	-
Accumulated depreciation as at March 31, 2020	**146.13**	**146.13**
Net carrying amount as at March 31, 2020	**116.05**	**116.05**
Gross carrying amount as at April 01, 2020	262.18	262.18
Additions	42.04	42.04
Disposals and transfers	-	-
Gross carrying amount as at March 31, 2021	**304.22**	**304.22**
Accumulated depreciation as at April 01, 2020	146.12	146.12
Depreciation charged	85.22	85.22
Disposals and transfers	-	-
Accumulated depreciation	**231.34**	**231.34**
Net carrying amount as at March 31, 2021	**72.88**	**72.88**

Centrum Housing Finance Limited
Notes to financial statements

15. Intangible Assets

Rs. in lakh

Particulars	Computer Software
Gross carrying amount	
Gross carrying amount as at April 01, 2019	32.10
Additions	-
Disposals and transfers	-
Gross carrying amount as at March 31, 2020	**32.10**
Accumulated amortisation as at April 01, 2019	2.91
Amortisation	5.41
Disposals and transfers	-
Accumulated amortisation as at March 31, 2020	**8.32**
Net carrying amount as at March 31, 2020	**23.78**
Gross carrying amount as at April 01, 2020	32.10
Additions	-
Disposals and transfers	-
Gross carrying amount as at March 31, 2021	**32.10**
Accumulated amortisation as at April 01, 2020	8.32
Amortisation	5.39
Disposals and transfers	-
Accumulated amortisation as at March 31, 2021	**13.71**
Net carrying amount as at March 31, 2021	**18.39**

Centrum Housing Finance Limited
Notes to financial statements

16. Trade payable Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	38.16	10.48
Total	**38.16**	**10.48**

17. Debt securities Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
At amortised cost		
Non Convertible Debentures (Secured)- Refer No. 47	3,500.00	-
Total (A)	**3,500.00**	**-**
Debt securities in India	3,500.00	-
Debt securities outside India	-	-
Total (B)	**3,500.00**	**-**

18. Borrowings (other than debt securities) Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
At amortised cost- refer note no. 45		
Term loan (secured)		
- From banks	17,021.90	20,020.64
- From National Housing Bank	4,607.00	-
Loan against fixed deposit	-	200.53
Cash credit from Banks	300.00	300.00
Total (A)	**21,928.90**	**20,521.17**
Borrrowings in India	21,928.90	20,521.17
Borrrowings outside India	-	-
Total (B)	**21,928.90**	**20,521.17**

Note. Nature of security:

(a) Term loans from Banks and NHB are secured by hypothecation/specific charge over the receivables of the Company and corporate guarantee.

(b) Cash credit facility from bank are secured by hypothecation/specific charge over the receivables of the Company and corporate guarantee.

(c) Centrum Retail Services Limited and Centrum Capital Limited have given corporate guarantee for the loans availed by the Company.

19. Other financial liabilities Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Interest accrued and due on borrowings	54.87	89.10
Interest accrued but not due on borrowings	95.39	1.45
Leave travel allowances	28.97	24.77
Book Overdraft	1,106.88	2,314.84
Others	36.52	39.75
Total	**1,322.63**	**2,469.91**

Centrum Housing Finance Limited
Notes to financial statements

20. Current tax laibility (net)

Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Income tax payable (net of Advance tax/ TDS paid Rs 685.62 Lakh)	26.59	-
Total	26.59	-

21. Provisions

Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Provision for Employee benefits - refer note no. 38		
- Provision for gratuity	27.37	20.29
- Provision for compensated absences	14.99	18.03
Total	**42.36**	**38.32**

22. Other non-financial liabilities

Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Statutory dues payable	54.08	111.49
Total	**54.08**	**111.49**

23. Equity share capital

Particulars	31-Mar-21		31-Mar-20	
	Number in lakh	Rs. in lakh	Number in lakh	Rs. in lakh
Authorised shares				
Equity shares of Rs. 10 each	3,000.00	30,000.00	3,000.00	30,000.00
Issued, subscribed & paid-up shares				
Issued and Subscribed Equity shares of Rs. 10 each	2,668.68	26,686.84	2,668.68	26,686.84
26,68,68,399 (as at March 31, 2020: 26,68,68,399) Equity share of Rs. 10 each fully paid up	2,668.68	26,686.84	2,668.68	26,686.84
Total	**2,668.68**	**26,686.84**	**2,668.68**	**26,686.84**

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	31-Mar-21		31-Mar-20	
	Number in lakh	Rs. in lakh	Number in lakh	Rs. in lakh
Outstanding at the beginning of the year	2,668.68	26,686.84	1,000.00	10,000.00
Addition during the year	-	-	688.68	6,886.84
Shares allotted pursuant to issue of shares under Conversion of Complusory Convertible Debentures into equity shares	-	-	980.00	9,800.00
Outstanding at the end of the year	**2,668.68**	**26,686.84**	**2,668.68**	**26,686.84**

7,44,80,000 shares were issued for consideration other than cash, as a result of conversion of CCDs, to Centrum Capital Limited on June 4, 2019.

2,35,20,000 shares were issued for consideration other than cash, as a result of conversion of CCDs, to B.G. Advisory Services LLP on January 24, 2020

Aggregate number of bonus share issued and shares bought back during the period of three years immediately preceeding the reporting date is NIL.

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

c) Shares of the Company held by the holding/ultimate holding company

Equity shareholders	31-Mar-21		31-Mar-20	
	Number in lakh	%	Number in lakh	%
Centrum Capital Limited	1,504.80	56.39%	1,504.80	56.39%

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	31-Mar-21		31-Mar-20	
	Number in lakh	%	Number in lakh	%
Centrum Capital Limited	1,504.80	56.39%	1,504.80	56.39%
NHPEA Kamet Holding BV	666.90	24.99%	666.90	24.99%
B.G. Advisory Services LLP	467.94	17.53%	467.94	17.53%

24. Other Equity

Rs. in lakh

Particulars	31-Mar-21	31-Mar-20
Statutory reserve	29.32	9.37
Special Reserve	279.10	61.42
Security Premium	11,827.63	11,827.63
Retained Earnings	956.78	1.86
Employee stock option reserve	211.73	105.16
Deemed Capital Contribution	75.34	66.58
Total	**13,379.90**	**12,072.00**

Nature and purpose of reserve

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act,2013.

b) Reserve under section 29C of National Housing Bank Act, 1987

Reserve Created under section 29C of National Housing Bank Act, 1987 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is decleared

c) Deemed capital contribution- Equity

This reserve relates to corporate guarantee issued by the parent company.

d) Retained earnings

Retained earnings comprises of the company's undistributed earnings after taxes.

e) Special Reserve

Special reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961 out of the distributable profits of the Company.

Centrum Housing Finance Limited
Notes to financial statements

25. Interest income

Rs. in lakh

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
On financial assets measured at amortised cost:		
Interest on loans	5,574.83	4,618.46
Interest on inter corporate deposits	239.77	174.01
Interest on deposits with banks	884.45	136.22
Total	**6,699.05**	**4,928.69**

26. Fees income

Rs. in lakh

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Fees income	67.73	105.19
Total	**67.73**	**105.19**

27. Net gain on fair value changes

Rs. in lakh

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Net gain on financial instruments at FVTPL		
On trading portfolio		
-Investment	32.55	80.41
Total (A)	**32.55**	**80.41**
Fair Value changes:		
Realised	-	80.41
Unrealised	32.55	-
Total (B)	**32.55**	**80.41**

28. Other income

Rs. in lakh

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Unwinding of interest on security deposits	2.28	2.05
Other income	60.86	92.50
Profit/loss on modification of lease term	-	0.46
Total	**63.14**	**95.01**

29. Finance cost Rs. in lakh

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
On financial liabilities measured at amortised cost:		
Interest on borrowings	1,919.49	1,910.87
Interest debt securities	268.56	292.20
Other Interest expense (Including bank charges)	17.02	23.78
Interest expense - leases	11.17	12.16
Total	**2,216.24**	**2,239.01**

30. Impairment on financial instruments Rs. in lakh

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
On financial instruments measured at amortised cost:		
Loans		
Provision for Expected Credit Loss- (Including on Loan commitment)	409.83	177.37
Written off	1.69	0.92
Total	**411.52**	**178.28**

31. Employee benefits expenses Rs. in lakh

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Salaries and wages	1,107.25	1,108.61
Expense on Employee Stock Option Scheme (ESOP)	106.57	105.16
Gratuity expense	12.93	12.46
Contribution to provident and other funds	60.92	65.68
Staff welfare expenses	-	3.08
Others	8.29	14.09
Total	**1,295.96**	**1,309.08**

32. Other expenses

Rs. in lakh

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Advertisement	0.15	0.59
Audit fees (Refer Note No. 32.1)	15.75	10.06
Communication cost	12.37	12.61
Director sitting fees	20.70	25.80
Filing fees	10.70	63.90
Legal and professional fees	104.77	42.93
Loan origination costs	40.72	37.44
Manpower outsourcing	102.51	101.07
Office expenses	43.09	36.16
Printing & stationery	12.71	11.35
Rent, rates and taxes	142.96	138.07
Repairs and maintenance	13.26	9.08
Shared support cost	534.10	344.44
Software subscription	66.92	66.77
Travelling and conveyance	36.53	50.86
Travelling expenses for Director	8.82	10.41
Underwriting expenses	92.25	86.35
Miscellaneous expenses	13.09	43.30
Total	**1,271.40**	**1,091.19**

32.1) Breakup of Auditors' remuneration

Particulars	31-Mar-21	31-Mar-20
Statutory Audit	6.50	6.00
Limited Review	4.50	2.25
Certification Fees	4.75	1.45
Out of Pocket Expenses	-	0.36
Total	**15.75**	**10.06**

33. The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

An analysis of changes in the gross carrying amount as follows:

(Rs. In lakh)

Particulars	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount as at April 1, 2020	40,088.28	2,893.63	645.07	43,626.98
New assets originated or purchased	9,350.27	-	-	9,350.27
Assets derecognised or repaid	(8,606.32)	(1,229.96)	(15.74)	(9,852.02)
Transfers from Stage 1	(91.95)	3,529.88	333.05	3,770.98
Transfers from Stage 2	705.30	(64.87)	476.71	1,117.14
Transfers from Stage 3	-	53.33	(42.42)	10.91
Amounts write off	-	-	(1.69)	(1.69)
Gross carrying amount as at March 31, 2021	**41,445.58**	**5,182.01**	**1,394.98**	**48,022.57**

(Rs. in lakh)

Particulars	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount as at April 1, 2019	33,736.60	1,096.45	186.79	35,019.84
New assets originated or purchased	13,360.39	-	-	13,360.39
Assets derecognised or repaid	(5,681.33)	(525.34)	(26.27)	(6,232.94)
Transfers from Stage 1	(1,293.05)	2,308.40	180.35	1,195.70
Transfers from Stage 2	(34.33)	(4.59)	289.24	250.32
Transfers from Stage 3	-	18.71	15.88	34.59
Amounts write off	-	-	(0.92)	(0.92)
Gross carrying amount as at March 31, 2020*	**40,088.28**	**2,893.63**	**645.07**	**43,626.98**

*Exclude inter corporate deposit of Rs. 2,002.09 Lakh

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(Rs. in lakh)

Particulars	As at March 31, 2021			Total
	Stage 1	Stage 2	Stage 3	
ECL allowance as at April 01, 2020	117.03	54.95	161.27	333.25
New assets originated or purchased	26.47	-	-	26.47
Assets derecognised or repaid	(16.55)	(23.98)	37.38	(3.15)
Transfers from Stage 1	89.57	63.63	72.41	225.61
Transfers from Stage 2	2.13	16.12	103.09	121.34
Transfers from Stage 3	-	0.69	39.29	39.98
Amounts write off	-	-	(0.42)	(0.42)
ECL allowance as at March 31, 2021	**218.65**	**111.41**	**413.02**	**743.08**

(Rs. in lakh)

Particulars	As at March 31, 2020			Total
	Stage 1	Stage 2	Stage 3	
ECL allowance as at April 01, 2019	96.99	3.30	55.59	155.88
New assets originated or purchased	26.72	-	-	26.72
Assets derecognised or repaid	19.08	(1.54)	(7.04)	10.50
Transfers from Stage 1	(26.05)	43.83	45.09	62.87
Transfers from Stage 2	0.29	8.99	72.30	81.60
Transfers from Stage 3	-	0.37	(4.44)	(4.08)
Amounts write off	-	-	(0.23)	(0.23)
ECL allowance as at March 31, 2020	**117.03**	**54.95**	**161.27**	**333.25**

34 Tax expenses:

34.1 The components of income tax expenses:

(Rs. in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	465.51	130.83
Deferred tax relating to origination and reversal of temporary differences	(127.40)	(51.31)
Total tax charge	338.11	79.52
Current tax	465.51	130.83

Deferred tax- refer note no. 11	(127.40)	(51.31)
Income tax recognized in other comprehensive income (OCI)	(1.47)	(1.08)

34.2 Reconciliation of total tax charge:

(Rs. in lakh)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Profit before tax as per financial statements	1,526.30	259.84
Tax rate (in percentage)	25.17%	25.17%
Income tax expense	384.14	65.40
Adjustment in respect of prior years	-	-
Effect of non-deductible expenses:		
Financial guarantee	20.62	16.85
ROC filing expenses for increase in authorized capital	-	61.25
Transfer to Special Reserve	217.68	32.69
Revised Profit before tax	1,329.24	305.25
Tax charge for the year recorded in P&L	336.64	78.44
Effective tax rate	25.33%	25.70%

35. Cash Flow disclosure

Change in liabilities arising from financing activities:

(Rs. in lakh)

Particulars	**As at March 31, 2020**	**Cash flows**	**Other**	**As at March 31, 2021**
Debt securities including accrued interest thereon	-	3,500.00	94.38	3,594.38
Borrowings other than debt securities including accrued interest thereon	20,611.72	1,416.49	-43.43	21,984.78
Total liabilities from financing activities	20,611.72	4,916.49	50.95	25,579.16

36. Earnings per Share (EPS):

(Rs. in lakh)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Profit after tax attributable to equity holders	1,188.19	180.32

Weighted average number of Equity shares used in computing Basic / Diluted EPS	2,668.68	1,763.98
Face value of equity shares	10/-	10/-
Earnings per share (Basic and Diluted)	**0.445**	**0.102**

37. Contingent liability and Commitments:

(Rs. in lakh)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
a. Contingent Liability	-	-
b. Commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advance)	0.92	-
Loans sanctioned pending disbursements	1,548.80	1,720.46

38. Employee benefit expenses:

a. Defined contribution plans:

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(Rs. in lakh)

Particulars	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Provident fund	50.65	46.14

b. Defined benefit plan:

In accordance with the Accounting Standard (IND AS 19), actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan based on the following assumptions:

(Rs. in lakh)

Assumptions	**As at March 31, 2021**	**As at March 31, 2020**
Expected Return on Plan Assets	6.57%	6.56%
Rate of Discounting	6.57%	6.56%
Rate of Salary Increase	0.00% p.a. for the next 1 years, 6.26% p.a. for the next 1 years, starting from the 2nd year 5.00% p.a. thereafter, starting from the 3rd year	0.00% p.a. for the next 2 years, 6.26% p.a. for the next 1 years, starting from the 3rd year 5.00% p.a. thereafter, starting from the 4th year
Rate of Employee Turnover	10.00%	10.00%

Change in the Present Value of Projected Benefit Obligation:

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Benefit Obligation at the Beginning of the year	25.78	17.61
Interest Cost	1.69	1.37
Current Service Cost	11.60	11.52
Past Service Cost	-	-
Benefit Paid From the Fund	-	-
The Effect Of Changes in Foreign Exchange Rates	-	(0.45)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(0.84)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.01)	0.17
Actuarial (Gains)/Losses on Obligations - Due to Experience	(5.79)	(3.60)
Present Value of Benefit Obligation at the End of the year	**33.25**	**25.78**

Change in the Fair Value of Plan Assets:

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair Value of Plan Assets at the Beginning of the year	5.49	5.50
Interest Income	0.36	0.43
Benefit Paid from the Fund	-	(0.45)
Return on Plan Assets, Excluding Interest Income	0.03	0.01
Fair Value of Plan Assets at the End of the year	**5.88**	**5.49**

Amount Recognized in the Balance Sheet:

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Present Value of Benefit Obligation at the end of the year	(33.25)	(25.78)
Fair Value of Plan Assets at the end of the year	5.88	5.49
Funded Status (Surplus/ (Deficit))	(27.38)	(20.29)
Net (Liability)/Asset Recognized in the Balance Sheet	(27.38)	(20.29)

Net Interest Cost:

(Rs. in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present Value of Benefit Obligation at the Beginning	25.78	17.61

of the year		
Fair Value of Plan Assets at the Beginning of the year	(5.49)	(5.5)
Net Liability/(Asset) at the Beginning of the year	20.29	12.11
Interest Cost	1.69	1.37
Interest Income	(0.36)	(0.43)
Net Interest Cost for the year	1.33	0.94

Expenses Recognized in the Statement of Profit or Loss:

(Rs. in lakh)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Current Service Cost	11.60	11.52
Past service cost	-	-
Net Interest Cost	1.33	0.94
Expenses Recognized	12.93	12.46

Expenses Recognized in the Other Comprehensive Income (OCI):

(Rs. in lakh)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Actuarial (Gains)/Losses on Obligation For the year	(5.82)	(4.28)
Return on Plan Assets, Excluding Interest Income	(0.03)	-
Net (Income)/Expense For the Period Recognized in OCI	(5.84)	(4.28)

Balance Sheet Reconciliation:

(Rs. in lakh)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Opening Net Liability	20.29	12.11
Expenses Recognized in Statement of Profit or Loss	12.93	12.46
Expenses Recognized in OCI	(5.84)	(4.28)
Net Liability/(Asset) Recognized in the Balance Sheet	27.38	20.29

Maturity Analysis of the Benefit Payments from the Fund:

(Rs. in lakh)

Projected Benefits Payable in Future Years From the Date of Reporting	**As at March 31, 2021**	**As at March 31, 2020**
1st Following Year	0.78	0.26
2nd Following Year	3.22	0.58
3rd Following Year	3.50	2.44
4th Following Year	3.48	2.94
5th Following Year	3.45	2.93
Sum of Years 6 To 10	20.02	15.17

Sum of Years 11 and above	21.88	22.36

(Rs. in lakh)

Sensitivity Analysis	**As at March 31, 2021**	**As at March 31, 2020**
Projected Benefit Obligation on Current Assumptions	33.25	25.77
Delta Effect of +1% Change in Rate of Discounting	(2.12)	(1.87)
Delta Effect of -1% Change in Rate of Discounting	2.38	2.11
Delta Effect of +1% Change in Rate of Salary Increase	2.40	2.15
Delta Effect of -1% Change in Rate of Salary Increase	(1.87)	(1.46)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.21)	0.44
Delta Effect of -1% Change in Rate of Employee Turnover	0.19	0.43

The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

c. Compensated Absences:

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

39. Maturity Analysis of Assets and liabilities:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Rs. in lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	5,039.12	-	5,039.12	2,919.76	-	2,919.76
Bank balance other than (a) above	12,648.42	-	12,648.42	13,096.11	-	13,096.11
Loans	2,385.74	44,893.75	47,279.49	3,240.39	42,055.43	45,295.82
Investments	1,032.55	-	1,032.55	-	-	-
Other financial assets	67.29	150.59	217.88	-	49.50	49.50
Non-financial assets						
Current tax assets (Net)	-	-	-	-	20.63	20.63
Deferred tax assets (Net)	-	225.30	225.30	-	99.37	99.37
Property, plant and equipment	-	179.05	179.05	-	188.98	188.98
Right of use of assets	-	72.88	72.88	-	116.05	116.05
Capital work in progress	7.94	-	7.94	-	-	-
Other intangible assets	-	18.39	18.39	-	23.78	23.78
Other non-financial assets	73.68	265.52	339.21	19.65	203.00	222.65
Total assets	**21,254.74**	**45,805.48**	**67,060.23**	**19,275.91**	**42,756.74**	**62,032.65**

Centrum Housing Finance Limited
Notes to financial statements

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	38.16		38.16	10.48	-	10.48
Debt securities	-	3,500.00	3,500.00	-	-	-
Borrowings (other than debt securities)	8,333.80	13,595.10	21,928.90	6,490.32	14,030.85	20,521.17
Lease liabilities	58.86	21.91	80.77	80.94	41.50	122.44
Other financial liabilities	1,322.63	-	1,322.63	2,469.91	-	2,469.91
Non-financial Liabilities						
Provisions	27.38	14.99	42.36	20.29	18.03	38.32
Other non-financial liabilities	54.08	-	54.08	111.49	-	111.49
Current tax liability (net)	26.59	-	26.59	-	-	-
Total liabilities	**9,861.50**	**17,132.00**	**26,993.49**	**9,183.43**	**14,090.38**	**23,273.81**
Net	**11,393.25**	**28,673.49**	**40,066.74**	**10,092.48**	**28,666.36**	**38,758.84**

40. Segment information:

The Company's main business is to provide loans against/for purchase, construction, repairs & renovations of houses/Flats etc. All other activities of the Company revolve around the main business. Hence there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

Further, segmentation based on geography has not been presented as the Company operates only in India.

41. Related party transactions:

In terms of Indian Accounting Standard (Ind AS 24) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules, 2014, the disclosures of transactions with the related parties as defined in IND AS 24 are given below:

(a) Holding Company	Centrum Capital Limited	
(b) Fellow subsidiaries:	Centrum Retail Services Limited	
	Centrum Microcredit Limited	
	Centrum Capital Advisory Limited	
	Centrum Financial Services Limited	
(c) Enterprise that exercises significant influence	BG Advisory Services LLP	
(d) Entities with substantial interest in the Company	NHPEA Kamet Holding B.V.	
(e) Key Managerial Personnel	(i)	Mr. Sanjay Shukla, Managing Director & CEO
	(ii)	Mr. Mehul Jatania, Chief Financial Officer
	(iii)	Mr. Alpesh Shah, Company Secretary
(f) Board of directors	(i)	Mr. Sridar Venkatesan, Independent Director
	(ii)	Mr. Mohan Tanksale, Independent Director
	(iii)	Ms. Anjali Seth, Independent Director
	(iv)	Mr. Vivek Vig, Non-Executive Director
	(v)	Mr. Rajendra Naik, Non-Executive Director
	(vi)	Mr. Arjun Saigal, Nominee Director
	(vii)	Mr. Sanjay Shukla, Managing Director & CEO

a. Transactions carried out with the related parties

(Rs. in lakh)

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Holding Company:			
Centrum Capital Limited	Expenses	11.80	10.00
	Interest Expenses on CCD	-	119.37
	Interest expense on ICD	-	1.36
	Dividend Paid	-	7.60
	Interest income on ICD	64.22	30.96
	Conversion of Compulsorily Convertible Debentures to Equity share capital	-	7,448.00
	ICD taken	-	450.00
	ICD matured	-	450.00
	ICD given	-	1,500.00
	ICD redeemed	500.00	1,000.00
Fellow Subsidiaries:			
Centrum Retail Services Limited	Expenses	561.48	414.13
	Security Deposit	86.73	-
	Interest income on ICD	175.55	100.37
	ICD given	-	3,700.00
	ICD redeemed	1,500.00	2,200.00
Centrum Capital Advisory Limited	Interest income on ICD	-	30.99
	ICD given	-	1,000.00
	ICD redeemed	-	1,000.00
Centrum Financial Services Limited	Interest income on ICD	-	7.84
	ICD given	-	500.00
	ICD redeemed	-	500.00
Centrum Microcredit Limited	Interest income on ICD	-	3.74
	ICD given	-	500.00
	ICD redeemed	-	500.00
Enterprise that exercises significant influence			
BG Advisory Services LLP	Interest Expenses on CCD	-	172.82
	Dividend Paid	-	2.40
	Conversion of Compulsorily Convertible Debentures to Equity share capital	-	2,352.00
Entities with substantial interest in the Company			
NHPEA Kamet Holding B.V.	Proceeds from Issue of equity shares	-	19,006.77
Key Managerial Personnel			

Mr. Sanjay Shukla (Managing Director & CEO)	Managerial remuneration	170.01	189.01
Mr. Mehul Jatania (Chief Financial Officer)	Managerial remuneration	79.74	67.94
Board of directors			
Ms. Anjali Seth	Sitting Fees	6.90	8.40
Mr. Mohan Tanksale	Sitting Fees	6.90	7.20
Mr. RS Reddy	Sitting Fees	-	1.80
Mr. Sridar Venkatesan	Sitting Fees	6.90	8.40
Mr.Vivek Vig	Proceeds from Issue of equity shares	-	217.80

Compensation to Key Managerial Personnel

The following table sets forth, for the periods indicated, the details of compensation paid by the Company to the Key Managerial Personnel of the Company.

(Rs. in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term employee benefits (including salaries)*	249.75	256.95
Post-employment benefits	-	-
Other long-term benefits	-	-
Total	**249.75**	**256.95**

Closing Balance of related party transactions as below:

(Rs. in lakh)

Name of related party	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Holding Company:			
Centrum Capital Limited	Expenses payable	11.80	-
	Interest Income receivable on ICD	-	0.64
	ICD given	-	500.00
Fellow Subsidiaries:			
Centrum Retail Services Limited	Expenses payable	0.24	1.81
	Security Deposit	86.73	-
	Interest Income receivable on ICD	-	1.44
	ICD given	-	1,500.00

*Expenses towards gratuity and leave encashment provisions are determined actuarially at each year end and, accordingly, have not been considered in the above information.

42. Leases:

This note provides the information for lease and right to use where the company is a lessee. Following are the changes in the carrying value of right of use assets:

(Rs. in lakh)

Particulars	Office premises	Total
Gross carrying amount		
Deemed cost as at April 1, 2019	199.98	199.98
Additions	62.20	62.20
Disposals and transfers	-	-
Closing gross carrying amount	**262.18**	**262.18**
Accumulated depreciation	68.48	68.48
Depreciation charged	77.65	77.65
Disposals and transfers	-	-
Closing accumulated depreciation	146.13	146.13
Net carrying amount as at March 31, 2020	**116.05**	**116.05**
Gross carrying amount		
Deemed cost as at April 1, 2020	262.18	262.18
Additions	42.04	42.04
Disposals and transfers	-	-
Closing gross carrying amount	**304.22**	**304.22**
Accumulated depreciation	146.12	146.12
Depreciation charged	85.22	85.22
Disposals and transfers	-	-
Closing accumulated depreciation	231.34	231.34
Net carrying amount as at March 31, 2021	**72.88**	**72.88**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expenses in the statement of profit and loss.
The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 10%

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at beginning	**122.44**	**138.48**
Additions	43.43	65.09
Finance cost accrued during the year	11.17	12.16
Deletions	-	(3.73)
Payment of lease liabilities	(96.27)	(89.56)
Balance as at end	**80.77**	**122.44**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(Rs. in lakh)

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	58.86	80.94
One to five years	28.87	54.09
More than five years	-	-
Total	**87.73**	**135.03**

Rental expense recorded for short-term leases (less than one year) was Rs.58.86 lakh and Rs.80.94 lakh for the year ended March 31, 2021 and March 31, 2020 respectively.

43. Risk Management:

Risk Management Framework:

The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of all its stakeholders and at the same time minimise potential adverse effects on its financial performance. The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns.

The Board of Directors of the Company along with the management are primarily responsible for the risk management. The Board's oversight of risk includes review of and approval of key strategies and policies. These are monitored and governed through the Risk Management Committee (RMC). Audit Committee (AC) ensures that an independent assurance is provided to the Board. AC is assisted in its assurance role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the AC.

The Company's risks are generally categorized in the following risk types:

Risk	Exposure Arising from	Management
Credit Risk	Cash equivalents, financial assets measured at amortised cost.	RMC is actively involved in the following: • Oversight of the implementation of credit policies • Review of the overall portfolio credit performance and establishing guardrails • Review of product programs
Liquidity Risk	Financial liabilities	The Board is responsible for setting the strategic direction of the Company including establishing liquidity risk appetite and tolerance limits. Liquidity risk is managed by the Asset Liability Management Committee (ALCO) based on the Company's ALM policy which is approved by the RMC. ALCO not only ensures that the Company has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under different assumptions.

Market Risk - **Interest Rate Risk** - **Price Risk** - **Foreign exchange Risk**	Investments in Mutual fund, bonds etc.	RMC is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.

43.1 Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans, financial assets measured at amortised cost. The Company has a policy of dealing with creditworthy counterparties and obtains sufficient collateral, as appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

The Board has delegated credit approval authority to the Company's officials under the Company's credit policy. The Company's credit officials evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of product, credit bureau scores wherever applicable, historical experience, type of collateral provided and demographic parameters. Any deviations need to be approved at the designated levels. External agencies such as field investigation agencies facilitate a due diligence process including visits to offices and residences, risk containment agencies for document frauds, legal & valuation agencies for property evaluation. The branch credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower. The central operations team verifies adherence to the terms of the credit approval prior to the disbursement of credit facilities.

The Company additionally takes the following measures:

- Credit team is tasked with monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.

- Periodic trainings of its credit/operations officials

a. Impairment assessment:

The Company applies the expected credit loss methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the loans are classified into various stages as follows:

Description	Stages
0 dpd and 1 to 29 dpd	Stage 1
30 to 89 dpd	Stage 2
90 dpd and above	Stage 3

b. Expected credit loss:

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Expected Credit loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

An unbiased and probability weighted amount that evaluates a range of possible outcomes

Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;

Time value of money

While the time value of money element is currently being factored into ECM measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables is to address the first two requirements. This has been achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability- weighted.

c. Significant increase in credit risk (SICR):

Company considers a financial instrument defaulted, classified as Stage 3 (credit-imparted) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets form Stage 1 to Stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

d. Probability of default:

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affect the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the Loans/portfolio and its credit performance. In case of assets where there is a significant increase in credit risk /credit impaired assets, lifetime PD has been applied.

e. Loss Given Default (LGD):

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due (net of recovery cost) and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD. The Company collects list of all the defaulters and tracked from the first time they become Stage 3 assets. The Company calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3. In absence of adequate historical data, the Company uses industry proxy data of peer companies as sourced from external agencies

f. Exposure at Default (EAD):

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

EAD = Drawn Credit Line Credit + Conversion Factor * Undrawn Credit Line

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

43.1.1 Risk concentration:

The following table shows the risk concentration by industry for the components of the balance sheet. Since the Company provides only retail loans, there is not significant concentration risk at the borrower / counterparty level. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal credit assessment system and year- end stage classification are further disclosed.

(Rs. in lakh)

As at March 31, 2021	Housing Loan	Non Housing Loan	Total
Loans	38,640.99	9,381.58	48,022.57
Loan commitments	1,519.17	29.63	1,548.80
Total	**40,160.16**	**9,411.21**	**49,571.37**

Note- The Loan assets figure of Rs. 49,571.37 lakh and its classification / bifurcation where ever disclosed in notes is net of EIR.

(Rs. in lakh)

As at March 31, 2020	Housing Loan	Non Housing Loan	Total
Loans	35,534.11	10,094.96	45,629.07
Loan commitments	1,674.58	45.88	1,720.46
Total	**37,208.69**	**10,140.84**	**47,349.53**

Note- The Loan assets figure of Rs. 47,349.53 lakh and its classification / bifurcation where ever disclosed in notes is net of EIR.

43.1.2 Collateral held and other credit enhancements:

a. The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details of principal type of collateral:

Maximum exposure to credit risk (carrying amount before ECL):

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020	Principle type of collateral
Housing Loan	38,640.99	35,534.11	Property
Non Housing Loan	9,381.58	10,094.96	Property
Total (A)	**48,022.57**	**45,629.07**	
Loan commitments	1,548.80	1,720.46	Property
Total (B)	**1,548.80**	**1,720.46**	
Total (A+B)	**49,571.37**	**47,349.53**	

b. Financial assets that are Stage 3 and related collateral held in order to mitigate potential losses are given below:

(Rs. in lakh)

As at March 31, 2021	Maximum exposure to credit risk (carrying amount before **ECL**)	Associated **ECL**	Carrying amount	Fair value of collateral
Housing Loan	975.01	283.99	691.02	1,540.39
Non Housing Loan	419.98	129.04	290.94	1,010.81
Total (A)	**1,394.98**	**413.02**	**981.96**	**2,551.20**
Loan commitments	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
Total (A+B)	**1,394.98**	**413.02**	**981.96**	**2,551.20**

(Rs. in lakh)

As at March 31, 2020	Maximum exposure to credit risk (carrying amount before **ECL**)	Associated **ECL**	Carrying amount	Fair value of collateral
Housing Loan	411.20	102.80	308.40	723.88
Non Housing Loan	233.87	58.47	175.40	604.45
Total (A)	**645.07**	**161.27**	**483.80**	**1,328.33**
Loan commitments	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**
Total (A+B)	**645.07**	**161.27**	**483.80**	**1,328.33**

43.2 Liquidity Risk:

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

Liquidity risk management involves estimating and managing the liquidity requirements of the Company within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure. The Company maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Company.

The Company has financing arrangement from banks/ financial institutions in form of committed credit lines.

43.2.1. Analysis of non-derivative financial assets and liabilities by remaining contractual maturities:

(Rs. in lakh)

As at March 31, 2021	**Carrying amount**	**Gross nominal inflow/ (outflow)**	**upto 3 months**	**3 to 6 months**	**6 to 12 months**	**1 year to 3 year**	**Over 3 year**
Non-derivative financial liabilities							
Trade payables	(38.16)	(38.16)	38.16	-	-	-	-
Borrowings (other than debt securities)	(21,928.90)	(22,092.24)	(2,306.82)	(1,758.45)	(4,516.90)	(10,825.07)	(2,685.00)
Debt securities	(3,500.00)	(3,500.00)	-	-	-	(3,500.00)	-
Lease liabilities	(80.77)	(87.73)	(18.11)	(16.59)	(24.16)	(28.87)	-
Other financial liabilities	(1,322.63)	(1,322.63)	(1,257.14)	(19.00)	(46.49)	-	-
Total	**(26,870.46)**	**(27,040.76)**	**(3,620.23)**	**(1,794.04)**	**(4,587.55)**	**(14,353.94)**	**(2,685.00)**
Non-derivative financial assets							
Cash and cash equivalents	5,039.12	5,039.12	5,039.12	-	-	-	-
Bank balance other than cash and cash equivalents above	12,648.42	12,648.42	-	12,648.42	-	-	-
Loans	47,279.49	48,431.47	488.72	586.90	1,310.12	6,273.48	39,772.24
Investments	1,032.55	1,032.55	1,032.55	-	-	-	-
Other financial assets	217.88	217.88	67.29	-	-	150.59	-
Total	**66,217.46**	**67,369.44**	**6,627.68**	**13,235.32**	**1,310.12**	**6,424.07**	**39,772.24**

(Rs. in lakh)

As at March 31, 2020	Carrying amount	Gross nominal inflow/ (outflow)	upto 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 year
Non-derivative financial liabilities							
Trade payables	(10.48)	(10.48)	(10.48)	-	-	-	-
Borrowings (other than debt securities)	(20,521.17)	(20,770.60)	(1,997.98)	(1,497.44)	(2,994.90)	(11,445.29)	(2,834.99)
Debt securities	-	-	-	-	-	-	-
Lease liabilities	(122.44)	(135.03)	(26.12)	(21.02)	(33.80)	(52.11)	(1.98)
Other financial liabilities	(2,469.91)	(2,469.91)	(90.55)	(2,314.84)	(64.52)	-	-
Total	**(23,124.00)**	**(23,386.02)**	**(2,125.13)**	**(3,833.30)**	**(3,093.22)**	**(11,497.40)**	**(2,836.97)**
Non-derivative financial assets							
Cash and cash equivalents	2,919.76	2,919.76	2,919.76	-	-	-	-
Bank balance other than cash and cash equivalents above	13,096.11	13,096.11	-	13,096.11			
Loans	45,295.82	46,007.54	289.76	2,289.32	661.31	3,316.94	39,450.21
Investments	-	-	-	-	-	-	-
Other financial assets	49.50	49.50	-	-	-	49.50	-
Total	**61,361.19**	**62,072.91**	**3,209.52**	**15,385.43**	**661.31**	**3,366.44**	**39,450.21**

43.3 Market Risk:

Market risk is the risk associated with the effect of changes in market factors such as interest rates, equity prices, credit spreads or implied volatilities, on the value of assets and liabilities held resulting in loss of future earnings. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters. The Company separates its exposure to market risks between trading and non-trading portfolios.

Exposure to market Risk - Non trading portfolios:

Interest rate risk - The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments).

Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands.

43.3.1. Market risk exposure:

The fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Company classifies its exposures to market risk into non-trading portfolios.

43.3.2. Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held as at year end.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company’s statement of profit and loss

(Rs. in lakh)

	As At March 31, 2021	As At March 31, 2020
Impact on profit before tax for 25 bps increase in interest rate	(47.84)	(54.08)
Impact on profit before tax for 25 bps decrease in interest rate	47.84	54.08

44. Financial instruments not measured at fair value:

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorized.

(Rs. in lakh)

As at March 31, 2021	Total Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
Financial Assets					
Cash and cash equivalent	5,039.12	5,039.12	5,039.12	-	-
Bank balances other than cash and cash equivalent	12,648.42	12,648.42	12,648.42	-	-
Loans	47,279.49	47,279.49	-	-	47,279.49
Investments	1,032.55	1,032.55	1,032.55		
Other financial assets	217.88	217.88	-	217.88	-
TOTAL	**66,217.46**	**66,217.46**	**18,720.09**	**217.88**	**47,279.49**
Financial Liabilities					
Lease liabilities	80.77	80.77	-	80.77	-
Borrowing (Other than debt securities)	21,928.90	21,928.90	-	21,928.90	-
Debt securities	3,500.00	3,500.00	-	3,500.00	-
Trade payables	38.16	38.16	-	38.16	-
Other financial liabilities	1,322.63	1,322.63	-	1,322.63	-
TOTAL	**26,870.46**	**26,870.46**	**-**	**26,870.46**	**-**

(Rs. in lakh)

As at March 31, 2020	Total Carrying Amount	Total Fair Value	Level 1	Level 2	Level 3
Financial Assets					
Cash and cash equivalent	2,919.76	2,919.76	2,919.76	-	-
Bank balances other than cash and cash equivalent	13,096.11	13,096.11	13,096.11	-	-
Loans	45,295.82	45,295.82	-	-	45,295.82
Investments	-	-	-	-	-
Other financial assets	49.50	49.50	-	49.50	-
TOTAL	**61,361.19**	**61,361.19**	**16,015.87**	**49.50**	**45,295.82**
Financial Liabilities					
Lease liabilities	122.44	122.44	-	122.44	-
Borrowing (Other than debt securities)	20,521.17	20,521.17	-	20,521.17	-
Debt securities	-	-	-	-	-
Trade payables	10.48	10.48	-	10.48	-
Other financial liabilities	2,469.91	2,469.91	-	2,469.91	-
TOTAL	**23,124.00**	**23,124.00**	**-**	**23,124.00**	**-**

Valuation Methodologies of Financial Instruments not measured at fair value:

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term financial assets and liabilities:

For Financial assets and financial liabilities that have a short-tern maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amount has been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortized cost:

The fair values financial assets measured at amortized cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Issued Debt:

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

45. Details of loan taken from Banks and other parties:

Nature of security and terms of repayment for secured borrowings (other than debentures):

All secured long term borrowings are secured by way of hypothecation of receivables, i.e. , loans and advances and corporate guarantee from the ultimate holding company and/or holding company.

a. From Banks:

(Rs. in lakh)

Tenure	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
48-60 months	8% to 11%	Monthly and Quarterly	-	553.80
36-48 months	8% to 11%	Monthly and Quarterly	1,547.56	2,281.17
24-36 months	8% to 11%	Monthly and Quarterly	3,601.58	5,455.49
12-24 months	8% to 11%	Monthly and Quarterly	5,775.49	5,989.80
upto 12 months	8% to 11%	Monthly and Quarterly	6,309.80	5,989.80
Total			17,234.43	20,270.07
Less: Effective interest rate amortisation			212.54	249.42
Total			17,021.90	20,020.64

b. From National Housing Bank:

(Rs. in lakh)

Tenure	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
60-84 months	3% to 7%	Quarterly	425.00	
48-60 months	3% to 7%	Quarterly	300.00	-
36-48 months	3% to 7%	Quarterly	710.00	-
24-36 months	3% to 7%	Quarterly	724.00	-
12-24 months	3% to 7%	Quarterly	724.00	-
upto 12 months	3% to 7%	Quarterly	1724.00	-
Total			4,607.00	-
Less: Effective interest rate amortisation			-	-
Total			4,607.00	-

(Rs. in lakh)

Nature	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
Overdraft against Fixed deposit	7% to 8%	Repayable on demand	-	200.53
Cash credit	9% to 11%	Repayable on demand	300.00	300.00
Total			300.00	500.53

46. The CHFL Employees Stock Option Plan 2018 (ESOP 2018) provides for grant of stock options to eligible employees of the Company. The stock options are granted at an exercise price of Rs. 10 per share under various schemes of ESOP 2018.

Details of options are as under:

(Rs. in lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Outstanding at the beginning of the year	73.45	-
Add: Granted during the year	-	77.75
Less: Exercised and shares allotted during the year	-	-
Less: Vested and exercisable	-	1.50
Less: Forfeited/Cancelled during the year	-	-
Less: Lapsed during the year	2.95	2.80
Outstanding at the end	70.50	73.45

Details of Options granted during the current and previous financial year based on the granted vesting and fair value of the options are as under:

Tranches	% of Option to be vested	No. of Option Granted		Vesting date		Fair Value per Option	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
ESOP 2018 Series I Tranche 1	0%	-	30.45	31-03-2022	31-03-2022	4.76	4.76
ESOP 2018 Series II Tranche 1	0%	-	7.30	31-03-2023	31-03-2023	4.76	4.76
ESOP 2018 Series I Tranche 2	0%	-	20.00	06-05-2022	06-05-2022	4.77	4.77
ESOP 2018 Series I Tranche 3	0%	-	20.00	30-08-2022	30-08-2022	4.65	4.65

The following table summarizes the assumptions used in calculating the grant date fair value:

Tranches	Life of the Option (in year)		Risk free interest rate		Volatility		Dividend yield	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
ESOP 2018 Series I Tranche 1	8.00	8.00	7.48%	7.48%	20.43%	20.43%	0.10%	0.10%
ESOP 2018 Series II Tranche 1	8.00	8.00	7.48%	7.48%	20.43%	20.43%	0.10%	0.10%
ESOP 2018 Series I Tranche 2	8.00	8.00	7.53%	7.53%	20.46%	20.46%	0.10%	0.10%
ESOP 2018 Series I Tranche 3	8.00	8.00	6.67%	6.67%	23.36%	23.36%	0.10%	0.10%

47. Detail of Redeemable Non-Convertible Debentures (inclusive of Interest accrued on debentures): The Secured Listed Non-Convertible Debentures issued by the Company are fully secured by way of first ranking exclusive and continuing charge over certain identified receivables of the Company.

Sr No.	ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture	Total number of debentures	Rate of Interest p.a.	As at March 31, 2021(including interest accrued)	As at March 31, 2020	Secured / Unsecured	Terms of redemption
1	INE575 U07018	16-06-2020	16-06-2023	10	100	9.99%	1,029.29	-	Secured	Redeemable at par
2	INE575 U07026	26-06-2020	26-06-2023	10	250	9.90%	2,565.10	-	Secured	Redeemable at par

48. Capital Management:
The Company complies with externally imposed capital requirements from its regulators and maintains healthy capital ratios in order to support its business. Further the company maintains diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.

49. The spread of Covid-19 across the globe and India has caused significant upheaval in economic activity and financial markets. The Indian Government announced lockdown in March 2020 which was lifted subsequently but the regional lockdowns continued to be implemented in various areas from time to time. The extent to which the COVID 19 pandemic, including the current "second wave" will impact the Company's future results will depend on economic situation, which is highly unpredictable. The Company will continue to closely monitor any material changes to future economic conditions and evolve our strategy to mitigate risks arising out of such developments. The Company has prudently made required additional provisions in this regard which are well in excess of RBI prescribed norms.

The Reserve Bank of India issued "COVID-19 Regulatory Package' guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020, based on which, the Company granted a moratorium of up to six months on the payment of instalments as applicable to customers, on an opt-in basis and in line with the Company's board approved moratorium policy, for EMIs falling due between March 1, 2020, and August 31, 2020. For all such accounts where the moratorium was granted, the asset classification remained at a standstill during the moratorium period.

50. (a) Disclosures as required by RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 'COVID-19 Regulatory Package – Asset Classification and Provisioning' (Circular) are given below:

(Rs. in lakh)

Particulars	**As at**
	31-Mar-21
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular	2,770.10
Respective amount where asset classification benefits is extended	2,770.10
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5* of the circular.	97.67
Provisions adjusted during the respective accounting periods against slippages	97.67
The residual provisions in terms of paragraph 6 of the circular.	0

***Provision does not include management overlay**

50. (b) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below:

(Rs. in lakh)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation (₹ in lakh)	Increase in provisions on account of the implementation of the resolution plan
		(₹ in lakh)			
Personal Loans	69	854.24	-	-	85.42
Corporate Persons*					
of which MSMEs	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	69	854.24	-	-	85.42

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

51. Hon'ble Supreme Court, in a public interest litigation vide an interim order dated September 03, 2020 ('interim order'), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 were not been classified as NPA. The interim order granted not to declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI/NHB norms.

52. In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to the eligible borrowers where interest on interest has been charged during moratorium period and who were not covered under ex-gratia benefit. Pursuant to the aforesaid circular and Indian Banks Association's (IBA) suggestive methodology, the company has estimated the said amount and reduced the same from the interest income for the year ended March 31, 2021

The Company has credited the ex- gratia amount for the payment of difference between the compound interest and simple interest to the borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India. Ministry of Finance, Department of Financial Services. The company has already filed claim for reimbursement of ex-gratia and does not expect any impact on the Profit and Loss Account.

53. **Fraud Reporting:** There were fraud cases aggregating to Rs. NIL (Previous year Rs. NIL) identified and reported to NHB during the financial year ended on March 31, 2021.

54. **Foreign Exchange Transaction and un-hedged foreign currency risk:**
The Company has not undertaken any foreign currency transaction during the year ended March 31, 2020 (Previous year: Rs Nil). Also the company does not have any un-hedged foreign currency exposure as at March 31, 2021 (Previous year Rs. Nil)

55. **Details of dues to micro enterprise and small enterprise:**
Trade Payables include Rs. Nil (Previous year: Rs. Nil) payable to “Suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

56. **Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN. HFC.CC.No.120/03.10.136/2020-21, 17 February, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS).**

1.1 Capital:

The below regulatory capital is computed in accordance with the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021’ (“RBI HFC Directions”) issued by the Reserve Bank of India.

(Rs. in lakh)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
(i) CRAR (%)	150.32%	174.52%
(ii) CRAR - Tier I capital (%)	150.32%	174.52%
(iii) CRAR - Tier II capital (%)	0.00%	0.00%
(iv) Amount of subordinated debt raised as Tier-II Capital	-	-
(v) Amount raised by issue of perpetual debt Instruments	-	-

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

(Rs. In lakh)

Statement as per NHB circular No. NHB(ND)/ DRS/ Pol.Circular.61/ 2013 14 Dt. April 7, 2014		
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balance at the beginning of the year	70.79	34.72
a) Statutory Reserve u/s 29C of the National Housing Bank Act,	9.37	5.99

1987		
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	61.42	28.73
c) Total	**70.79**	**34.72**
Addition/Appropriation/ Withdrawal during the year	-	-
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	19.95	3.38
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	217.68	32.69
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	**308.42**	**70.79**
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	29.32	9.37
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	279.10	61.42
c) Total	**308.42**	**70.79**

1.3 Investments:

(Rs. in lakh)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Value of Investments		
(i) Gross value of Investments	1,032.55	-
(a) In India	1,032.55	-
(b) Outside India	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments	1,032.55	-
(a) In India	1,032.55	-
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/ Written-bank of excess provisions during the year	-	-
(iv) Closing balance	1,032.55	-

1.4 Derivatives:

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

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) The Notional Principal of the Swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the Company upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swap $	-	-
(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 Company would receive or pay to terminate the swap agreements as on the balance sheet date.		

1.4.2 Exchange Traded Interest Rate (IR) Derivative:

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(i)Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument- wise)	-	-
(ii)Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2021 (instrument-wise)	-	-
(iii)Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(iv)Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

1.4.3 Disclosures on Risk Exposure in derivatives:

(a) Qualitative Disclosure:

The Company doesn't deal in Derivatives

(b) Quantitative Disclosure:

(Rs. in lakh)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
(i) Derivatives (Notional Principal Amount)	-	-
(ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

1.5 Securitization:

1.5.1 Details of Securitization:

(Rs. in lakh)

Particular	**As at March 31, 2021**	**As at March 31, 2020**
1 No of SPVs Sponsored by the Company for securitisation transactions	-	-
2 Total amount of Securitisation assets as per the book of the SPVs sponsored	-	-
3 Total amount of exposures retained by the Company towards the MRR as on the date of balance sheet (i) Off-balance sheet exposures toward credit enhancements (ii) On-balance sheet exposures toward credit enhancements	-	-
4 Amount of exposures to securitisation transactions other than MRR (i) Off-balance sheet exposures towards Credit Enhancements (a) Exposure to own securitizations (b) Exposure to third party securitisations (ii) On balance sheet exposure towards credit enhancements (a) exposure to own securitisation (b) exposure to third party securitisations	-	-
*Only the SPVs relating to outstanding securitization transactions may be reported here		

1.5.2 Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction:

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

1.5.3 Details of Assignment transactions undertaken by the Company:

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts assigned	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / Loss over net book value	-	-

1.5.4 Details of non-performing financial assets purchased/sold

A) Details of non-performing financial assets purchased:

(Rs. in lakh)

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

B) Details of non-performing financial assets Sold:

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
1. No. of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

1.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

(Rs. In lakh)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	Over 2 month upto 3 months	Over 3 month upto 6 months	Over 6 month upto 1 year	Over 1 year upto 3 year	Over 3 year upto 5 year	Over 5 year	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Banks	626.70	50.00	197.22	445.79	987.11	1,758.45	4,516.90	10,825.07	2,260.00	425.00	22,092.24
Market Borrowings	-	-	-	-	-	-	-	3,500.00	-	-	3,500.00
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	-	-	101.17	180.17	207.38	586.91	1,310.12	6,273.48	7,683.78	32,088.46	48,431.47
Investments	-	-	-	-	1,032.55	-	-	-	-	-	1,032.55
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

1.7 Exposure

1.7.1 Exposure to Real Estate Sector

(Rs. in lakh)

S.No	Category	As at March 31, 2021	As at March 31, 2020
A	Direct Exposure		
i)	**Residential Mortgages**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	47,299.32	42,854.48
ii)	**Commercial Real Estate:**		
	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 warehouse spaces, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	-	-
iii)	**Investment in Mortgage Backed Securities (MBS) and other securitized exposures-**	**-**	**-**
	a) Residential b) Commercial Real Estate		
B	**Indirect Exposure**		
	Fund based and non-fund based exposures on NHB and Housing Finance Companies	-	-
	Total Exposure to Real Estate Sector	**47,299.32**	**42,854.48**

(a) Exposure to Capital Markets:

(Rs. in lakh)

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;	-	-
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;	-	-
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;	-	-

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;	-	-
v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
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;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Markets	**-**	**-**

1.7.3 Details of Financing of Parent company products:

There is no financing of parent company products.

1.7.4 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the Company:

The company has not exceeded the Single Borrower Limit and Group Borrower Limit as prescribed by NHB/RBI during the financial year.

1.7.5 Unsecured Advances:

The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc. as collateral security.

1.7.6 Exposure to group companies engaged in real estate business (refer to Paragraph 21 of these directions):

Description	Amount (₹ in Lakh)	% of owned fund
(i) Exposure to any single entity in a group engaged in real estate business	-	0.00%
(ii) Exposure to all entities in a group engaged in real estate business	-	0.00%

1.8 Miscellaneous

1.8.1 Registration obtained from other financial sector regulators

There is no registration obtained from other financial sector regulators.

1.8.2 Disclosure of Penalties imposed by NHB/ RBI and other regulators

During FY 2020-21, there were no penalties imposed by NHB and or any other regulators.

1.8.3 Related Party Transactions

Details of all material transactions with related parties are disclosed in Note no. 41.

1.8.4 Group Structure: Diagrammatic representation of group structure given below:

Holding Company:	Centrum Capital Limited
→ subsidiaries:	Centrum Alternatives LLP (100%) Centrum Capital International Limited (100%) Centrum Capital Advisory Limited (100%) Centrum International Services PTE Ltd (90.20%) Centrum Retail Services Ltd (94.85%) Centrum Broking Limited (51.01%) Centrum Alternative Investment Managers Limited (100%) Centrum Housing Finance Limited (56.39%) Centrum Microcredit Limited (100%)
Centrum Alternatives LLP	
→ subsidiaries:	Acorn Fund Consultants Private Limited (49%)
Centrum Capital International Limited	
→ subsidiaries:	CCIL Investment Management Limited (100%)
Centrum Retail Services Ltd	
→ subsidiaries:	Centrum Wealth Limited (65.59%) Centrum Financial Services Limited (100%) Centrum Insurance Brokers Limited (100%)
Centrum Wealth Limited	
→ subsidiaries:	Centrum Investment Advisory Limited (51.00%)
Centrum Financial Services Limited	
→ subsidiaries:	Ignis Capital Advisors Limited (100%)

1.8.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

Particulars	**Rating**	**As at March 31, 2021**	**As at March 31, 2020**
Bank Borrowings	CARE	Care A- credit watch*	A-, Stable
NCD	CARE	Care A- credit watch*	-

**Reaffirmed and removed from credit watch with developing implications; Stable outlook assigned on April 28, 2021

1.8.6 Remuneration of Directors

Refer note no. 41 related party transactions

1.8.7 Management

Refer note no. 41 related party transactions

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

There are no prior period items that have impact on the current year's profit and loss and also there is no change in the accounting policies during the year.

1.8.9 Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

1.8.10 Consolidated Financial Statements (CFS)

The Company has no subsidiary/associates/joint venture hence; requirement of consolidated financial statement is not applicable to the Company.

1.9 Additional Disclosures

1.9.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2021	As at March 31, 2020
Provisions for depreciation on Investment	-	-
Provision towards NPA	251.75	105.68
Provision made towards Income tax	465.51	130.83
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	158.08	71.69

Assets are classified in term of the Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021' ("RBI HFC Directions") issued by the Reserve Bank of India.

Break up of Loans & Advances & Provisions thereon	Housing		Non-Housing	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Standard Assets				
a) Total Outstanding Amount	37,665.99	35,122.92	8,961.61	7,859.00
b) Provisions made	236.67	133.19	93.38	34.79
Sub- Standard Assets				
a) Total Outstanding Amount	618.21	267.21	191.55	159.16
b) Provisions made	161.54	66.80	52.13	39.79
Doubtful Assets – Category I				
a) Total Outstanding Amount	79.24	143.98	70.03	74.72
b) Provisions made	19.07	35.99	17.28	18.68
Doubtful Assets – Category II				
a) Total Outstanding Amount	277.56	-	158.39	-
b) Provisions made	103.38	-	59.62	-
Doubtful Assets – Category III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	38,640.99	35,534.11	9,381.58	8,092.88
b) Provisions made	520.66	235.98	222.41	93.26

1.10 Draw Down from Reserves

During FY 2020-21, there were no draw down from Reserves.

1.11 Concentration of Public Deposits, Advances, Exposures and NPAs

1.11.1 Concentration of Public Deposits (for Public Deposit taking/ holding HFCs)

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	NA	NA
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking Company	NA	NA

1.11.2 Concentration of Loans & Advances

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total loans & advances to twenty largest borrowers	938.25	916.67
Percentage of loans & advances to twenty largest borrowers to total advances of the Company	1.95%	2.10%

1.11.3 Concentration of all Exposure (including off-balance sheet exposure)

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to twenty largest borrowers/ customers	942.75	949.21
Percentage of exposures to twenty largest borrowers/ customers to total exposure of the Company on borrowers/ customers	1.90%	2.09%

1.11.4 Concentration of NPAs

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to top ten NPA accounts	321.76	284.35

1.11.5 Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
A. Housing Loans	
1. Individuals	2.52%
2. Builders/Project loans	0.00%
3. Corporates	0.00%
4. Others (specify)	0.00%
B. Non- Housing Loans	
1. Individuals	4.48%
2. Builders/Project loans	0.00%
3. Corporates	0.00%
4. Others (specify)	0.00%

1.12 Movement of NPAs

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Net NPAs to Net Advances (%)	2.06%	1.11%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	645.07	186.79
(b) Additions during the year	809.76	469.59
(c) Reductions during the year	-59.86	-11.31
(d) Closing balance	1,394.98	645.07
(iii) Movement of Net NPAs		
(a) Opening balance	483.81	131.20
(b) Additions during the year	634.26	359.24
(c) Reductions during the year	-136.11	-6.63
(d) Closing balance	981.96	483.81
(iii) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	161.27	55.59
(b) Provisions made during the year	252.17	105.91
(c) Write-off / write-back of excess provisions	-0.42	-0.23
(d) Closing balance	413.02	161.27

1.13 Overseas Assets

(Rs. in lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
NA	-	-

1.14 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which are required to be consolidated as per accounting norms.	

1.15 Disclosure of complaints

1.15.1 Customer Complaints

Particulars	As at March 31, 2021	As at March 31, 2020
(a) No. of complaints pending at the beginning of the year	2	-
(b) No. of complaints received during the year	17	8
(c') No. of complaints redressed during the year	15	6
(d) No. of complaints pending at the end of the year	4	2

1.16 The following disclosures have been given in terms of Notification no. RBI/2019-20/170 DOR (NBFC).CC. PD. No.109/22. 10.106/2019-20 dated March 13, 2020 issued by the RBI on Implementation of Indian Accounting Standards.

(Rs. in lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	41,445.60	216.69	41,228.91	181.31	35.38
	Stage 2	5,182.00	110.64	5,071.36	32.74	77.90
Subtotal		46,627.60	327.33	46,300.27	214.05	113.28
Non-Performing Assets (NPA)						
Substandard	Stage 3	809.76	213.67	596.09	105.30	108.37
Subtotal		809.76	213.67	596.09	105.30	108.37
Doubtful - up to 1 year	Stage 3	149.27	36.35	112.92	32.15	4.20
1 to 3 years	Stage 3	435.95	163.00	272.95	142.10	20.90
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		585.22	199.35	385.87	174.25	25.10
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		1,394.98	413.02	981.96	279.55	133.47

Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,426.85	1.95	1,424.90	-	1.95
	Stage 2	121.95	0.78	121.17	-	0.78
	Stage 3	-	-	-	-	-
Subtotal		1,548.80	2.73	1,546.07	-	2.73
Total	**Stage 1**	42,872.45	218.64	42,653.81	181.31	37.33
	Stage 2	5,303.95	111.42	5,192.53	32.74	78.68
	Stage 3	1,394.98	413.02	981.96	279.55	133.47
	Total	49,571.38	743.08	48,828.31	493.60	249.48

1.17 Annexure III -Schedule to the Balance Sheet of the Company

(Rs. in lakh)

Particulars				
Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the Company inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures : Secured	3,594.38	-
		: Unsecured	-	-
		(other than falling within the meaning of public deposits*)	-	-
	(b)	Deferred Credits	-	-
	(c)	Term Loans	17,377.78	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits*	-	-
	(g)	Other Loans -Refinance from NHB	4,607.00	-
	* Please see Note 1 below			
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**			
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c)	Other public deposits	-	-
	* Please see Note 1 below			

Centrum Housing Finance Limited
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Assets side				**Amount outstanding**
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**			
	(a)	Secured		48,022.58
	(b)	Unsecured		-
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a)	Financial lease	-
		(b)	Operating lease	-
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a)	Assets on hire	-
		(b)	Repossessed Assets	-
	(iii)	Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	-
		(b)	Loans other than (a) above	-
(5)	**Break-up of Investments**			
	Current Investments			
	1.	Quoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	1,032.55
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	2.	Unquoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	Long Term investments			
	1.	Quoted		
		(i)	Share	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-

	2.	Unquoted		
		(i)	Shares	-
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (Please see Note 2 below)

Category			**Amount net of provisions**		
			Secured	**Unsecured**	**Total**
1.	**Related Parties ****				
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties		-	-
2.	Other than related parties		48,022.58	-	48,022.58
Total					

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : (Please see Note 3 below)

Category			**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
1.	Related Parties **			
	(a)	Subsidiaries	-	-
	(b)	Companies in the same group	-	-
	(c)	Other related parties	-	-
2.	Other than related parties		1,032.55	1,032.55
Total			1,032.55	1,032.55

** As per notified Accounting Standard (Please see Note 3)

Other information

Particulars			**Amount**
(i)	Gross Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	1,394.97
(ii)	Net Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	981.96
(iii)	Assets acquired in satisfaction of		-

		debt	
Notes:			
1.	As defined in Paragraph 4.1.30 of these Directions.		
2.	Provisioning norms shall be applicable as prescribed in these Directions.		
3.	All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.		

1.18 Disclosure as per the guideline on Liquidity Risk Management (LRM) framework prescribed by the RBI-

(i) Funding Concentration based on significant counterparty for borrowings

Particulars	**As at 31st March 2021**
Number of Significant Counterparties*	13
Amount (in Lakh)	25,428.90
Percentage of funding concentration to total deposits	-
Percentage of funding concentration to total liabiities	100%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.

(ii) Top 20 large deposits (amount in Rs. Lakh and % of total deposits)- NIL

(iii) Top 10 borrowings (amount in Rs. Lakh and % of total borrowings-

Particulars	**As at 31st March 2021**
Total amount of top 10 borrowings	22,867.76
Percentage of amount of top 10 borrowings to total borrowings	89.93%

(iv) Funding Concentration based on significant instrument/product.

Particulars	**As at 31st March 2021**	**Percentage of total liabilities**
Non-Convertible Debenture	3,500.00	13.76%
Loan from Bank	21,928.90	86.24%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies. Total liabilities are excluding Equity share capital and Other equity.

(v) Stock Ratios

Particulars	**As at 31st March 2021**
Commercial paper as a percentage of total public funds*	-
Commercial paper as a percentage of total liabilities	-
Commercial paper as a percentage of total assets	-
Non-convertible debentures as a percentage of total public funds*	13.76%
Non-convertible debentures as a percentage of total liabilities	12.97%
Non-convertible debentures as a percentage of total assets	5.22%
Other short term liabilities as a percentage of total public funds*#	31.59%
Other short term liabilities as a percentage of total liabilities#	29.76%
Other short term liabilities as a percentage of total assets#	11.98%

Total liabilities are excluding equity share capital and other equity

* Public funds is as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016

\# Other short term liabilities are excluding Commercial paper & short term non-convertible debentures.

57. Miscellaneous:

Particulars	
Registration obtained from other financial sector regulators	
NHB Registration No.	11.0147.16
Company Identification no. (CIN) :	U65922MH2016PLC273826

58. There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021 and as at March 31, 2020

59. Details on Principal Business Criteria to be disclosed.

Percentage of Total Assets of the Company towards Housing Finance	**Percentage of Total Assets of the Company towards Housing Finance for Individuals**
57.89%	57.89%

60. There were no loans given against the collateral of gold Jewellery and hence the percentage of such loans to total outstanding assets is NIL. (Previous year: NIL)

61. The Company has not undertaken insurance broking/ agency business. Accordingly, during the FY 2020-21, the Company did not receive any fee/ brokerage on account of the same.

62. Figures for the previous periods have been regrouped wherever necessary, in order to make them comparable.

Centrum Housing Finance Limited
Notes to financial statements

As per our report of even date attached.

For Haribhakti & Co. LLP Chartered Accountants ICAI Firm Registration No. 103523W/W100048	For and on behalf of the Board of **Centrum Housing Finance Limited**	
Snehal Shah Partner Membership No. 048539	Sridar Venkatesan Chairman DIN: 02241339	Sanjay Shukla Managing Director & CEO DIN: 06577462
Date: Mumbai Place: May 20, 2021	Mehul Jatania Chief Financial Officer	Alpesh Shah Company Secretary Membership No- 16017