



# Centrum Housing Finance Limited

**4<sup>th</sup> Annual Report  
2018-19**

# Corporate Information

## Board of Directors



**Mr. V. Sridar**

Chairman & Independent Director



**Mr. R. S. Reddy**

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. Sanjay Shukla**

Managing Director & CEO

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### Chief Financial Officer

Mr. Mehul Jatania

### Company Secretary

Mr. Alpesh Shah

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### Registered & Corporate Office

801, Centrum House,  
CST Road, Vidyanagari Marg,  
Kalina, Santacruz (East),  
Mumbai – 400098  
Tel: 022 4215 9000  
Website: [www.chfl.co.in](http://www.chfl.co.in)  
CIN: U65922MH2016PLC273826

### Statutory Auditors

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

### Bankers

Bank of Baroda  
Bank of Maharashtra  
DCB Bank  
Federal Bank  
Karur Vysya Bank  
South Indian Bank  
YES Bank

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## Table of Contents

1) Group Chairman's Message.....	2
2) Chairman's Message.....	3
3) Management Analysis & Discussion.....	4
4) Directors' Report.....	5
5) Annexure A to the Directors' Report.....	12
6) Annexure B to the Directors' Report.....	19
7) Secretarial Audit Report.....	21
8) Independent Auditors' Report.....	26
9) Financial Statements.....	33

## Group Chairman's Message



Dear Stakeholders,

Financial Inclusion is a key focus area for Centrum. Through our Housing Finance business, we provide long term, hassle free finance to the under-served sections of society. Centrum Housing Finance Ltd. (CHFL) commenced operations in December 2016, with a vision to provide affordable housing finance in tier 2 & 3 cities to customers who are underserved by the traditional banking system. I am happy to share that the business has had yet another successful year of growth, driven by geographic expansion, an increased thrust on digitization and strengthening the team across functions. The business has disbursed loans of over Rs 400 crore, registered a growth of almost 100% y-o-y, services 3500 happy clients and has expanded its presence to 29 branches across 5 states in India.

In the last few years, the Housing Finance industry, has witnessed sustained growth due to the increased thrust on affordable housing by the Government through its 'Housing for All by 2022', the Pradhan Mantri Awas Yojana and infrastructure status for affordable housing initiatives. Growth in housing credit in India continues to outpace overall credit growth by a robust margin. Housing Finance Companies have prospered and gained significant market share from banks over the past few years. With the NDA Government retaining power at the centre, we can expect continuity and stability in the affordable housing initiatives as well as additional policy measures to boost growth in the sector.

With the increased proliferation of nuclear families against joint families, growing migration from rural to semi-urban and urban areas and an increase in disposable household income owing to moderate inflation, we believe that the affordable housing sector will continue to grow steadily. The next few years, will be action packed for the sector. We expect that a strong policy impetus coupled with various schemes announced by state governments and active private sector participation, will result in tailwinds for the sector, making Housing for All a commercially viable opportunity.

At Centrum, we are confident that the business will be able to capitalize on this significant opportunity. We are taking substantial efforts to maintain robust credit risk controls, adopt the highest levels of corporate governance, strengthen our backend technology, and reduce turnaround times to provide a superior experience to our customers.

I congratulate the CHFL team on a successful year and thank all our Board Members, Regulators and Stakeholders for their continued support.

Yours Sincerely

**Jaspal Bindra**

Executive Chairman

Centrum Group

## Chairman's Message

On behalf of the Board of Directors, it is my privilege to present the Annual Report and the financial statements of the Company for the year ended March 31, 2019.

Your Company has completed its second full year of operations and delivered strong results along with laying a strong foundation for the coming years. The Company has developed strong internal systems and will continue to make meaningful investments in people, processes, and technology. Your Company is among the fastest off the mark from license grant while maintaining the highest asset quality. Our endeavor is to capitalize upon this momentum and to grow our business in a sustainable manner impacting all stakeholders positively.



The shareholders and the management team have also worked together to institute strong standards of corporate governance, integrity, and transparency. A strong validation of this is the A-(stable) credit rating that a leading rating agency has assigned to us during the year.

The Board of Directors has great confidence in the Company's prospects. We are geared to seize growth opportunities, despite challenges that may lie ahead.

We would like to thank the National Housing Bank for guidance, the Directors on the Board for their valuable insights, Centrum group companies for their support, our employees for their hard work & dedication, our customers for their business, and shareholders for the trust in us. We remain ever committed to grow the Company into a world class institution and hope that our enthusiasm will be reciprocated with the continued support from all stakeholders in the future.

Sincerely,

**V. Sridar**  
Chairman

# Management Analysis & Discussion

## Indian Economy Overview

The Indian economy grew steadily amidst significant reforms announced in FY19. The recapitalization of Public Sector Banks (PSBs), amendments to the Goods and Service Tax (GST), cleanup of Non-Performing Loans (NPAs) through National Company Law Tribunal (NCLT), and the Insolvency and Bankruptcy Code (IBC) played a pivotal role in strengthening the economy, effects of which will be seen in the next few years. Along with the economic reforms, there was also robust development in infrastructure and an increased thrust on financial inclusion.

## Economic Highlights – FY19

India's GDP for FY19 stood at 6.8%. Despite softer growth compared to the previous year, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil. In fact, the effects of the aforementioned external shocks were contained in part by India's strong macroeconomic fundamentals and policy changes. The Index of Industrial Production (IIP) grew by 3.6% and was majorly driven by growth in the sectors of Infrastructure / Construction Goods which grew by 7.5%.

Furthermore, inflation has remained well in control. The Wholesale Price Index (WPI) and Consumer Price Index (CPI) based inflation were at 3.18% and 3.41% respectively. Additionally, the Reserve Bank of India (RBI) also announced multiple rate cuts to ease the liquidity tightening.

The Government maintained fiscal discipline by meeting the fiscal deficit target of 3.4% of GDP last year. The fiscal deficit target for FY20 is also pegged at 3.4%. The rural economy witnessed green shoots on the back of a normal monsoon and hikes in Minimum Support Prices (MSP) for the agricultural produce.

Despite an improvement in growth prospects, the Indian economy faced challenges. As short-term sources of funds were deployed for long term funding purposes, a structural issue of Asset Liability Mismatch (ALM) occurred thereby negatively impacting NBFCs' growth. Tight liquidity conditions, which have prevailed in the market since September 2018, have impacted the growth plans of most NBFCs.

## Industry Overview

As per ICRA's estimates, the overall market size of mortgage finance was ₹18.2 lakh crore as on December 31, 2018, with YoY growth of 16%. The slowdown in disbursements in H2FY19 owing to tight liquidity and the portfolio sales made by HFCs through securitization has resulted in overall book growth of 13% YoY.

The fundamentals for housing finance industry remain attractive due to a growing population, increased urbanization, growing home demand, and family nuclearisation. Government intent and reforms with increased thrust on affordable housing through its 'Housing for All by 2022', the Pradhan Mantri Awas Yojana and infrastructure status for affordable housing, have resulted in the affordable segment being the highest growth segment. As per India Ratings' estimates, the housing-for-all scheme has the potential to push up India's economy by 3.5% by 2022.

NHB's proposed amendments for capital adequacy, deposit mobilisation and leverage norms for HFCs are a positive from a risk perspective. Also, the capital adequacy of HFCs is supported by the lower risk weights on smaller ticket size home loans, the growth area for most HFCs.

## Outlook

The housing finance market is expected to reach ₹34 lakh crore in FY22, which will push the mortgage penetration in India from ~10% to ~14% in FY22. ICRA expects growth of 14-16% in FY20, provided the liquidity conditions in the market ease off. The outlook for affordable housing finance, especially in terms of demand drivers and liquidity support from NHB, is looking positive and the segment is expected to grow at a faster pace than the overall industry.

Profitability indicators for FY19 are likely to moderate marginally, owing to some moderation in NIMs. However, upfront income booking on assignments could support profitability. As for FY20, HFCs are expected to report similar profitability indicators unless a prolonged slowdown in growth impacts the operating expense ratios and asset quality of some asset classes, which could lead to moderation in the profitability indicators.

# Directors' Report

To The Members,

Your Directors are pleased to present the 4<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2019.

## Financial Results

(₹ in crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Profit before tax</b>	<b>2.70</b>	<b>0.40</b>
Less: Provision for tax		
- Current year	<b>0.79</b>	<b>0.14</b>
- Earlier years	<b>0.15</b>	<b>0.00</b>
- Deferred tax	<b>0.33</b>	<b>0.07</b>
<b>Profit after tax</b>	<b>1.43</b>	<b>0.19</b>
Add: Balance brought forward from the previous year	<b>0.00</b>	<b>(0.15)</b>
Appropriation of Profits		
Transfer to Statutory Reserve (including u/s 29C of the NHB Act, 1987)	<b>0.01</b>	<b>0.04</b>
Transfer to Special Reserve (including u/s 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of NHB Act, 1987)	<b>0.29</b>	<b>0.00</b>
<b>Balance carried to Balance Sheet</b>	<b>1.13</b>	<b>0.00</b>

## Income & Expenditure

During the year, the Company has earned a total income of ₹39.33 crore as compared to ₹11.90 crore in the previous year, recording a growth of 231%.

Total expenses, provisions and write offs during the year were ₹36.62 crore are compared to ₹11.50 crore in the previous year, a growth of 218%.

## Dividend

Your Directors are pleased to recommend a dividend of ₹0.01 per share of ₹10 each amounting to ₹9,99,999/- for the year ended March 31, 2019. The dividend payout ratio for the year inclusive of additional tax on dividend will be 0.10%.

## Changes in Share Capital

During the financial year the Authorised capital of the Company was increased from ₹100 crore to ₹225 crore. The issued subscribed and paid up share capital of the Company as on March 31, 2019 was ₹99,99,99,860 consisting of 9,99,99,986 equity shares of ₹10 each.

## Lending Operations

During the year, the Company has sanctioned loans amounting to ₹277 crore in respect of 2,381 applications as compared to ₹228 crore in respect of 1,787 applications in the previous year, recording a growth of 22% in sanction amount.

During the year, the Company has disbursed loans amounting to ₹224 crore as compared to ₹184 crore in the previous year, recording a growth of 22%. Out of the total disbursements, ₹184 crore loans were disbursed for housing and ₹39 crore were disbursed for non-housing purposes.

## Loan Book

Loans outstanding (principal portion) as at March 31, 2019 were ₹349.04 crore, recording a growth of 96% over last year.

Total assets under management (AUM) as at March 31, 2019 were ₹354 crore, recording a growth of 97% over the previous year.

## Non-Performing Loans & Provisions

The gross non-performing assets were ₹1.87 crore, i.e., 0.53% of the outstanding loans (previous year NIL) and net non-performing assets (after provision as per NHB Directions) were ₹1.59 crore, i.e., 0.46% of outstanding loans (previous year NIL). As per NHB Directions, 2010, the Company carries total provisions of ₹0.99 crore on standard loans and provisions of ₹0.28 crore on non performing loans as on March 31, 2019.

## BORROWINGS

### NHB Refinance

The Company did not avail any refinance during the year. The refinance outstanding as at March 31, 2019 was NIL.

### Bank Term loans

The outstanding bank term loans as at March 31, 2019

were ₹163 crore as against ₹81 crore outstanding last year.

### **Compulsorily Convertible Debenture (CCDs)**

During the year, the Company raised ₹98 crore through private placement of Compulsorily Convertible Debentures. The outstanding CCDs as at March 31, 2019 stood at ₹98 crore.

### **Credit Rating**

During the year, the Company has received a credit rating of "CARE A-(Stable)" for its long-term debt facilities.

### **Capital Adequacy Ratio**

The Company's capital adequacy ratio stood at 95.65% (comprising of 48.05% tier I capital and 47.60% tier II capital). The NHB has prescribed minimum CRAR of 12% of total risk weighted assets.

### **Risk Management Framework**

The Company has a Risk Management Framework approved by the Board of Directors. The Company's risk management framework provides for mechanism for risk assessment and mitigation. The Board has delegated responsibility of overseeing Risk Management framework to the Risk Management Committee (RMC). During the year, the RMC reviewed the risks associated with the business of the Company, its root causes and the efficacy of the measures taken to mitigate the same. Thereafter, the Audit Committee and the Board of Directors also reviewed the key risks associated with the business of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.

The Company has an Asset Liability Management (ALM) Policy approved by the Board. The task of overseeing the ALM has been entrusted to the ALM Committee who oversees and reviews the ALM position every quarter. The ALM Committee (ALCO) comprises of the Managing Director and members of Senior Management.

During the year, the ALCO reviewed the risk arising from the gaps in the liquidity and interest rate sensitivity statements and took decisions in mitigating the risk by ensuring adequate liquidity and profitability through maturity profile of assets and liabilities. The observations of the Audit Committee, if any, on the ALM are reported to the Board.

### **Human Resources & Employee Relationship**

Human capital is the core asset of the Company. In order to keep pace with business growth, the Company has consistently hired right mix of people for its various verticals having requisite talent and sound background. Constant endeavours are being made to offer professional growth opportunities and recognitions apart from imparting training.

As on March 31, 2019, the Company had a total of 95 full time employees on its rolls. There was one employee employed throughout the year, who was in receipt of remuneration of ₹1.02 crore or more per annum or ₹8.50 lakh or more per month if employed for part of the year. In accordance with the provisions of Rule 5.2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of such employees are set out in annexure to the Directors' Report. However, as per the provisions of section 136 of the Companies Act, 2013, the Directors' Report is being sent to all shareholders of the Company excluding the annexure. The annexure is available for inspection by the members at the registered office of the Company during business hours on working days up to the date of ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

### **Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace**

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace. Members of the Internal Complaints Committee constituted by the Company are responsible for reporting and conducting inquiries pertaining to such complaints. During the year under review, the committee received no complaint.

### **Employee stock option plan**

In order to incentivize employees, providing sense of ownership and participation, improve the performance of employees and retention of key employees, all of which are essential contributors towards growth of the Company, the Board and the Company approved CHFL Employee stock option plan (ESOP 2018), for the benefit of present and future, permanent employees of the Company and its Director(s), whether Whole Time Director or not but excluding independent directors. The ESOP 2018 comprises of 3 schemes, viz., Series - I, Series - II and Series - III.



It has been decided that share pool that can be granted under the ESOP 2018 shall not exceed 1,73,91,304/- (one crore seventy three lakh ninety one thousand three hundred and four) equity shares, through one or more schemes / series and could be in one or more tranches.

No options have vested during the financial year and hence disclosure under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is not required.

### **Transfer to Reserves**

The Board of directors has not proposed any transfer to general reserves.

### **Holding, Subsidiaries, Joint Venture, and Associate Companies**

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

### **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.

### **Statutory Auditors and Auditors' Report**

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

The Report of Statutory Auditors on annual accounts is enclosed along with Directors' Report. The Statutory Auditors have not made any adverse comments or given any qualification, reservation or adverse remarks or disclaimer in their Audit Report.

### **Secretarial Audit**

Pursuant to the provision 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 year ended March 31, 2019. The Report of the Secretarial Auditor is annexed to this Report.

In connection with the Auditor's observation in the report,

it is clarified as under:

- a) The Company had issued an offer letter dated September 25, 2018 with a confirmed joining date of January 07, 2019 to the person to be appointed as Internal Auditor. However, due to delay in relieving from his previous organisation, he joined in the month of February 2019.

### **Management Discussion and Analysis**

The Management Discussion and Analysis statement forms an integral part of this report and gives details of overall industry structure, economic developments, performance and state of affairs of the company.

### **Directors and Key Managerial Personnel**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Vivek Vig, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The necessary resolutions and his profile for re-appointment have been included in the notice and in the explanatory statement of the notice convening the AGM.

During the year, Mr. Rajasekhara S Reddy was appointed as an Independent Director by the Board and the Members, on the recommendations of the Nomination & Remuneration Committee (NRC) for a period of 5 years with effect from July 25, 2018.

Mr. Mohan Tanksale was appointed as an Additional Director in the capacity of Independent Director, on February 4, 2019 for a period of 5 years, subject to the approval of the members of the Company. The Board recommends his appointment as an Independent Director in the forthcoming Annual General Meeting. The necessary resolutions and his profile for appointment have been included in the notice and in the explanatory statement of the notice convening the AGM.

Mr. Shailendra Apte has resigned from the Board with effect from July 25, 2018. The Company and the Board benefitted immensely from Mr. Apte's vast experience and knowledge. The Board places on record its deep appreciation for the outstanding contribution made by Mr. Shailendra Apte.

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

officer of the Company and Mr. Alpesh Shah is the Company Secretary of the Company.

Mr. Srinivasan Govindan is the Compliance Officer of the Company.

The Company has received necessary declaration from each Independent Directors under section 149(6) of the Companies Act, 2013 (Act) that he/she meets the criteria of independence laid down in the Act.

### Corporate Governance

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

the Companies Act. The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics and accountability to its customers, government and others. The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders.

### Meetings of the Board and Committees

Details of meetings of the Board and Committees held during the year are set out in following table.

PARTICULARS	BOARD	AUDIT COMMITTEE	NOMINATION & REMUNERATION COMMITTEE	RISK MANAGEMENT COMMITTEE
<b>Number of Meetings</b>	5	4	3	1
<b>Dates of Meetings</b>	May 9, 2018, July 24, 2018, October 29, 2018, December 26, 2018 & February 6, 2019	May 9,2018, July 24,2018, October 29, 2018 & February 6, 2019	May 9,2018, July 24,2018 & October 29,2018	July 24, 2018
<b>No. of Meetings attended by Directors/ Committee Members</b>	As given Below	As given below	As given Below	As given Below
Mr. Sridar Venkatesan	5	4	3	1
Ms. Anjali Seth	5	4	3	1
Mr. Vivek Vig	4	NA	3	1
Mr. Shailendra Apte	2	NA	NA	NA
Mr. Sanjay Shukla	5	NA	NA	NA
Mr. Rajendra Naik	4	2	NA	NA
Mr. Rajasekhara Reddy	2	2	NA	NA
Mr. Mohan Tanksale	1	NA	NA	NA

Five meetings of the Board were held during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 (the "Act").

The Company has paid sitting fees to the following directors: ₹3,60,000 to Mr. Sridar Venkatesan, ₹3,60,000 to Ms Anjali Seth, ₹40,000 to Mr. Mohan Tanksale and ₹1,40,000 to Mr. Rajasekhara Reddy for the meetings attended by them during the financial year.

### Particulars of Loans Given, Investment Made, Guarantee Given, and Securities Provided

Since the Company is a housing finance company, the disclosures regarding particulars of loans given, guarantees given and security provided is exempt under the provision of Section 186(11) of the Companies Act, 2013.

The details of investments by the Company are provided under note number 12 forming part of the Annual Accounts of the Company for the year ended March 31, 2019.

### Selection of New Directors and Board Meeting Criteria

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience and experience for the Board as a whole and its individual members with the objective of having the Board with a diverse background and experience in business. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound judgement, ability to participate constructively in deliberation and willingness to exercise authority in a collective manner.

### Nomination and Remuneration Policy

The Company has in place Nomination and Remuneration Policy for the Directors, KMP and other employees pursuant to the provision of the Companies Act, 2013. Policy is available at <http://www.chfl.co.in>. Salient features are annexed to this Report.

### Familiarisation Programme and Induction

Independent Directors are regularly updated on the business of the Company, and various regulatory changes impacting the Company.

### Board Evaluation

Pursuant to the provision of the Companies Act, 2013 read with Rules issued thereunder (including any statutory modification(s)), the process for evaluation of the annual performance of the Directors/Board/Committees was carried out. A structured questionnaire was prepared for evaluating the performance of Directors, Board and its committees considering various factors.

In a separate meeting of Independent Directors, the performance of Board as a whole was done.

### Independent Directors' Meeting

A meeting of Independent Directors was held on February 6, 2019 as per Schedule IV of the Companies Act, 2013.

### Related Party Transactions

All related party transactions that were entered during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

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.

### Disclosures by Directors

The Directors on the Board have submitted notice of interest under Section 184(1) and intimation under Section 164(2) of the Companies Act, 2013. All Independent Directors have also given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

### Audit Committee

The constitution of the Audit Committee as on March 31, 2019 is as follows:

Sr No	Name	Designation	Position in the Committee
1	Ms. Anjali Seth	Independent Director	Chairperson
2	Mr. Sridar Venkatesan	Independent Director	Member
3	Mr. Rajasekhara Reddy	Independent Director	Member
4	Mr. Mohan Tanksale	Independent Director	Member
5	Mr. Rajendra Naik	Non-Executive Director	Member

Mr. Rajasekhara Reddy was inducted in the Audit Committee on October 10, 2018. While Mr. Mohan Tanksale was inducted in the Audit Committee on February 6, 2019.

### Nomination & Remuneration Committee

The constitution of the Nomination & Remuneration Committee as on March 31, 2019 is as follows:

Sr. No	Name	Designation	Position in the Committee
1	Mr. Sridar Venkatesan	Independent Director	Chairperson
2	Ms. Anjali Seth	Independent Director	Member
3	Mr. Rajasekhara Reddy	Independent Director	Member
4	Mr. Mohan Tanksale	Independent Director	Member
5	Mr. Vivek Vig	Non-Executive Director	Member

Mr. Rajasekhara Reddy was inducted in the Nomination and Remuneration Committee on October 10, 2018, while Mr. Mohan Tanksale was inducted in the Nomination and Remuneration Committee on February 6, 2019

### Vigil Mechanism/Whistle Blower Policy

The Company has a Whistle Blower Policy/Vigil Mechanism for employees to report genuine concerns/grievances, if any. The Policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

### Internal Financial Control

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.

### Directors' Responsibility Statement

In accordance with the provisions of section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the management, your directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- 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 March 31, 2019 and of the profit and loss account for the year ended March 2019;

- 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;
- the Company has prepared the annual accounts on a going concern basis;
- the Company has laid down internal financial controls which are adequate and operating effectively;
- 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.

### Performance Evaluation

Pursuant to provisions of section 178 of the Act performance evaluation of each Director and the Board as a whole, its Committees and the Chairman was carried out. A structure questionnaire was prepared for evaluating the performance of Directors, Board and its Committees considering various factors.

### Corporate Social Responsibility

Provisions of Section 135 of the Companies Act, 2013 concerning the constitution of Corporate Social Responsibility Committee and related matters are not applicable to the Company.

### Conservation of Energy and Technology Absorption, Foreign Exchange Earnings and Outgo

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

### Details of Foreign Exchange Earnings and Outgo are as below:

Particulars	For period ended	
	31.03.2019	31.03.2018
Foreign exchange earned in terms of actual inflows	NIL	NIL
Foreign exchange outgo in terms of actual outflows	NIL	NIL

**Extract of Annual Return**

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

**Policies and Disclosure Requirements**

In terms of provisions of the Companies Act, 2013 the Company has adopted Nomination and Remuneration Policy, the salient features of Nomination and Remuneration Policy is annexed to this report.

**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.

**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 year under review.

1. Details relating to Deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of equity shares (including sweat equity shares) and ESOP to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. 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.
6. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not made and maintained.

**Acknowledgements**

Your Directors would like to express their sincere

appreciation of the co-operation and assistance received from customers, shareholders, business partners, bankers, and NHB.

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 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: Mumbai**  
**Date: 07.05.2019**

# Annexure A to the Directors' Report

Extract of Annual Return as on the financial year ended on March 31, 2019

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	March 3, 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 & Corporate Office and Contact details	<b>Registered Office:</b> 801, Centrum House, Vidaynagari Marg, Kalina, Santacruz (East), Mumbai 400098. Contact : Tel Number : 022 4215 9000
		<b>Corporate Office:</b> 801, Centrum House, Vidaynagari 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	NA

## II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company is 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 Company (Housing loan and non housing loan)	63912	NIL

## III) Particulars of Holding, Subsidiary and Associate Companies as on 31st March, 2019

Sr No	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	%	Applicable section
1	Centrum Capital Limited <b>Corporate Office:</b> Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai-400098	L65990MH1977PLC019986	Holding Company	76	2(46)

IV) Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity):  
A. Category-wise Shareholding

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
	01-Apr-18				31-Mar-19				
	Demat	Physical	Total	% of Total share capital	Demat	Physical	Total	% of Total share capital	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	9,99,99,980	6	9,99,99,986	100.00%	9,99,99,986	-	9,99,99,986	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1):</b>	<b>9,99,99,980</b>	<b>6</b>	<b>9,99,99,986</b>	<b>100.00%</b>	<b>9,99,99,986</b>	<b>-</b>	<b>9,99,99,986</b>	<b>100.00</b>	<b>-</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
(a) NRI Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>9,99,99,980</b>	<b>6</b>	<b>9,99,99,986</b>	<b>100.00%</b>	<b>9,99,99,986</b>	<b>-</b>	<b>9,99,99,986</b>	<b>100.00</b>	<b>-</b>
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-

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
	01-Apr-18				31-Mar-19				
	Demat	Physical	Total	% of Total share capital	Demat	Physical	Total	% of Total share capital	
(d) State Govet(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
* Financial Institutions	-	-	-	-	-	-	-	-	-
* Government Companies	-	-	-	-	-	-	-	-	-
* State Financial Corporation	-	-	-	-	-	-	-	-	-
* Market Makers	-	-	-	-	-	-	-	-	-
* Any Other	-	-	-	-	-	-	-	-	-
* Otc Dealers (Bodies Corporate)	-	-	-	-	-	-	-	-	-
* Private Sector Banks	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>	-	-	-	-	-	-	-	-	-
(a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-



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
	01-Apr-18				31-Mar-19				
	Demat	Physical	Total	% of Total share capital	Demat	Physical	Total	% of Total share capital	
(c) Others (specify)									
* N.R.I. (Non-Repatriation)	-	-	-	-	-	-	-	-	-
* N.R.I. (Repatriation)	-	-	-	-	-	-	-	-	-
* Trust	-	-	-	-	-	-	-	-	-
* Hindu Undivided Family	-	-	-	-	-	-	-	-	-
* Employee	-	-	-	-	-	-	-	-	-
* Clearing Members	-	-	-	-	-	-	-	-	-
* Depository Receipts	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Total shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total(A + B + C)</b>	<b>9,99,99,980</b>	<b>6.00</b>	<b>9,99,99,986</b>	<b>100.00</b>	<b>9,99,99,986</b>	<b>-</b>	<b>9,99,99,986</b>	<b>9,99,99,986</b>	<b>100.00</b>

**B. Shareholding of Promoters**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		01-Apr-18			31-Mar-19			
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares #	
1	Centrum Capital Limited	7,59,99,986	76	-	7,59,99,986	76	-	-
2	BG Advisory Services LLP	2,40,00,000	24	-	2,40,00,000	24	-	-
	<b>Total</b>	<b>9,99,99,986</b>	<b>100</b>	<b>-</b>	<b>9,99,99,986</b>	<b>100</b>	<b>-</b>	<b>-</b>

**C. Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRS and ADRs):**

Sr. No.	Name	Shareholding .		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
		NIL			

**D. Shareholding of Directors and Key Managerial Personnel: NIL**

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
		NIL			

**V) INDEBTEDNESS**

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
	(Rs)	(Rs)	(Rs)	(Rs)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	81,37,78,330	-	-	81,37,78,330
ii) Interest due but not paid	20,00,429	-	-	20,00,429
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>81,57,78,759</b>	<b>-</b>	<b>-</b>	<b>81,57,78,759</b>
<b>Change in indebtedness during the financial year</b>				
Addition (net)	1,08,50,00,000	98,00,00,000	-	2,06,50,00,000
Reduction	27,01,83,536	-	-	27,01,83,536
Exchange difference	-	-	-	-
<b>Net change</b>	<b>81,48,16,464</b>	<b>98,00,00,000</b>	<b>-</b>	<b>2,33,51,83,536</b>
<b>Indebtedness at the end of financial year</b>				
i) Principal Amount	1,63,05,95,223	98,00,00,000	-	2,61,05,95,223
ii) Interest due but not paid	29,752	-	-	29,752
iii) Interest accrued but not due	-	5,17,55,043	-	5,17,55,043
<b>Total (i+ii+iii)</b>	<b>1,63,06,24,975</b>	<b>1,03,17,55,043</b>	<b>-</b>	<b>2,66,23,80,018</b>

**VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration of Managing Director/ Whole Time Director/Manager**

In Rs.

Particulars of remuneration	Mr.Sanjay Shukla (MD & CEO)
<b>Gross Salary</b>	
a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	1,59,80,494
b) Value of perquisites u/s 17(2) Income Tax Act, 1961	7,17,475
c) Profits in lieu of salary u/s 17(3) of the Income Tax Act,1961	-
Stock options	-
Sweat equity	-
Commission	-
as a % of gross profit	-
others	-
Others	-
Total	1,66,97,969

**B. Remuneration to other Directors - Rs.9,00,000/-****C. Remuneration To Key Managerial Personnel Other Than MD/ Manager/ WTD**

In Rs.

Particulars of remuneration	Mr.Mehul Jatania (CFO)
<b>Gross Salary</b>	
a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	60,96,000
b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-
c) Profits in lieu of salary u/s 17(3) of the Income Tax Act,1961	-
Stock options	-
Sweat equity	-
Commission	-
as a % of gross profit	-
others	-
Others	-
Total	60,96,000

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

There were no penalties/punishments/compounding of offences for the year ended 31st March, 2019

**By order of the Board  
For Centrum Housing Finance Limited**

**Mr. Sridar Venkatesan  
DIN:02241339  
Chairman**

**Place: Mumbai  
Date: 07.05.2019**

# Annexure B to the Directors' Report

## SALIENT FEATURES OF NOMINATION AND REMUNERATION POLICY

### REMUNERATION POLICY

#### The remuneration package of the Company ensures that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully
- the balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks

### POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

#### 1) Remuneration to Managing Director/Whole Time Directors:

- (a) The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any enactment for the time being in force and the approvals obtained from the Members of the Company.
- (b) The Nomination and Remuneration Committee shall make such recommendation to the Board of Directors as it may consider appropriate with regards to remuneration to Managing Director/Whole Time Directors.

#### 2) Remuneration to Non-Executive/Independent Directors:

- (a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- (b) All the remuneration of the Non- Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- (c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- (d) Any remuneration paid to Non- Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - (i) The Services are rendered by such Director in his capacity as the professional; and
  - (ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- (e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- (a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- (b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- (c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- (d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

**By order of the Board  
For Centrum Housing Finance Limited**

**Mr. Sridar Venkatesan  
DIN:02241339  
Chairman**

**Place: Mumbai  
Date: May 07, 2019**

# Secretarial Audit Report

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2019

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  
Unit 801, Centrum House, CST Road  
Vidyanagari Marg, Kalina, Santacruz (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, Santacruz (East), Mumbai- 400098 for the financial year ended on March 31, 2019. 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, 2019 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, 2019 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 applicable to the Company is enclosed and marked as **Annexure I**.

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 under review:

1. The Shareholders of the Company, at the Extra Ordinary General Meeting held on May 9, 2018, approved the following matters:
  - i) Increase of Authorised Share Capital from Rs 100 crore to Rs 175 crore pursuant to the provisions of Section 61 of Companies Act, 2013;
  - ii) Amendment to the Memorandum of Association of the Company for increasing the Authorised Share Capital from Rs 100 crore to Rs 175 crore- pursuant to the provisions of Section 13 and 61 of Companies Act, 2013;
2. The Shareholders of the Company, at the Extra Ordinary General Meeting held on May 9, 2018, approved the following matters:
  - i) Share pool under ESOP 2018 shall not exceed 1,73,91,304 equity shares;
  - ii) ESOP Scheme under Section 62(1)(b) of Companies Act, 2013;
  - iii) Grant of options to Mr Sanjay Shukla, Managing Director and Chief Executive Officer, equal to or exceeding 1% but not exceeding 2% of the issued capital of the Company;
  - iv) Issue of 9,80,00,000 unrated, unlisted, unsecured, Compulsorily Convertible Debentures of ₹10 each aggregating to ₹98 crore by way of preferential / private placement basis to Centrum Capital Limited pursuant to the provisions of Section 42, 55, 62(1)(c) and 71 of Companies Act, 2013.
3. The Shareholders of the Company, at the Extra Ordinary General Meeting held on August 31, 2018, approved the payment of performance bonus upto an amount of ₹50 lakh to be paid in two tranches i.e. ₹25 lakh before September 3, 2018 and ₹25 lakh before December 31, 2018.
4. The Shareholders of the Company, at the Extra Ordinary General Meeting held on October 31, 2018, approved the following matters:



- i) To raise funds by way of issue of secured, redeemable, non-cumulative, unlisted, rated, non-convertible debentures upto aggregate of ₹50 crore on private placement basis pursuant to the provisions of Section 42 and 71 of Companies Act, 2013;
  - ii) Revision of salary structure of Mr Sanjay Shukla with effect from October 1, 2018 as per details contained in supplementary revised offer letter dated October 1, 2018 pursuant to the provisions of Section 196, 197 and 203 of Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel), 2014.
5. The Shareholders of the Company, at the Extra Ordinary General Meeting held on February 6, 2019, approved the following matters:
- i) Increase of Authorised Share Capital from ₹175 crore to ₹225 crore pursuant to the provisions of Section 61 of Companies Act, 2013;
  - ii) Amendment to the Memorandum of Association of the Company for increasing the Authorised Share Capital from ₹175 crore to ₹225 crore pursuant to the provisions of Section 13 and 61 of Companies Act, 2013

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following:

Since the paid up capital of the Company as on March 31, 2018 i.e. at the end of the previous financial year was Rs 99.99 crore which is more than Rs 50 crore, the company was required to appoint an internal auditor as provided in Section 138 of Companies Act, 2013 read with Rule 13(1)(b) of Companies (Accounts) Rules, 2014. Company has not appointed the internal auditor during the financial year ended March 31, 2019 and thus the company has not complied with the requirements mentioned above.

#### **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.

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

**ANNEXURE I  
OTHER LAWS APPLICABLE TO THE COMPANY  
CENTRUM HOUSING FINANCE LIMITED**

1	The Income-tax Act, 1961
2	Goods and Service Tax Act, 2016
3	The Employees Provident Fund Act, 1952
4	The Payment of Gratuity Act, 1972
5	The Maharashtra Stamp Act (Bombay . Act LX 1958)
6	Micro, Small and Medium Enterprises Development Act, 2006
7	Negotiable Instruments Act, 1881
8	Indian Registration Act, 1908
9	Information Technology Act, 1996
10	Prevention of Sexual Harassment of women at Workplace Act, 2013
11	Motor Vehicle Act, 1988
12	The Minimum Wages Act, 1948
13	Weekly Holidays Act, 1942
14	Maharashtra Shops and Establishment Act, 1948
15	The Employees State Insurance Act, 1948
16	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
17	Prevention of Money Laundering Act, 2002
18	The Maternity Benefit Act, 1961
19	The Contract Labour (Regulation & Abolition) Act, 1971
20	The Equal Remuneration Act, 1976 and Rules 1976
21	The Export and Import Policy of India
22	The Trade Marks Act, 1999
23	Payment of Bonus Act, 1965

**ANNEXURE II**

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: May 07, 2019**

# Independent Auditor's Report

## To the Members of Centrum Housing Finance Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Centrum Housing Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2019, its profit 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 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 financial statements under the provisions of the Act and Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

1. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.
2. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
3. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and those charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

### 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, 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 financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued there under;
- (e). With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

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;

- (f). On the basis of the written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of section 164(2) of the Act;
- (g). With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2";
- (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;
  - (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**

**Sumant Sakhardande**  
**Partner**  
**Membership No. 034828**

**Place: Mumbai**  
**Date: May 07, 2019**

## Annexure 1 to the Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Centrum Housing Finance Limited on the financial statements for the year ended March 31, 2019]

- (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 as informed, 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 during the financial year ending March 31, 2019. Accordingly, clause 3(i)(c) of the Order is not applicable to the company.
- (ii) The company does not have any inventory. Accordingly, clause 3 (ii)(c) of the Order is not applicable to the company.
- (iii) As informed, 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 secured or unsecured loans to firms, Limited Liability Partnerships or other parties.
  - (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, 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 are regular.
  - (c) In respect of the aforesaid loans, there is no overdue amount of loans granted to companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, 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 the Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, 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. Therefore 3(v) of the order is not applicable to the company.
- (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 generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and

service tax, customs duty, excise 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) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or dues to debenture holders. The company has not taken any loan or borrowing from financial institution and Government.
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. The company has not raised money by way of initial public issue offer and further public issue offer.
- (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) According to the information and explanations given to us, 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 and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, 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 Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has issued fully convertible debentures during the year under review and in our opinion and according to the information and explanations given to us, 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. The Company has not made any preferential allotment or private placement of shares during the year under review.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, 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**

**Sumant Sakhardande**  
**Partner**  
**Membership No.034828**

**Place: Mumbai**  
**Date: May 07, 2019**



## Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Centrum Housing Finance Limited** on the financial statements for the year ended March 31, 2019]

### **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, 2019 in conjunction with our audit of the 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, an 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, 2019, 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**

**Sumant Sakhardande**

**Partner**

**Membership No.034828**

**Place: Mumbai**

**Date: May 07, 2019**

## Balance Sheet as at March 31, 2019

Particulars	Note No.	As at	As at
		March 31, 2019	March 31, 2018
		In Rs.	In Rs.
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	99,99,99,860	99,99,99,860
(b) Reserves and surplus	3	1,48,14,003	5,11,627
		<b>1,01,48,13,863</b>	<b>1,00,05,11,487</b>
<b>2 Non-current liabilities</b>			
(a) Long term borrowings	4	2,21,96,15,439	64,23,38,333
(b) Deferred tax liabilities (Net)	26	40,30,336	6,96,879
(c) Long-term provisions	5	1,35,93,889	62,10,292
		<b>2,23,72,39,664</b>	<b>64,92,45,504</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	2,99,64,802	2,85,88,066
(b) Trade payables			
(i) Total outstanding dues to micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,88,421	1,85,301
(c) Other current liabilities	7	49,22,92,425	35,58,06,031
(d) Short-term provisions	8	32,86,706	2,84,648
		<b>52,64,32,354</b>	<b>38,48,64,046</b>
<b>TOTAL</b>		<b>3,77,84,85,881</b>	<b>2,03,46,21,037</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets	9		
(i) Property, Plant and Equipment		1,84,47,533	1,58,57,728
(ii) Intangible assets		29,18,303	2,09,563
(iii) Intangible assets under development		-	30,00,000
		<b>2,13,65,836</b>	<b>1,90,67,291</b>
(b) Long-term loans and advances	10	3,39,04,77,343	1,74,12,40,020
(c) Other non-current assets	11	1,74,48,195	56,84,284
		<b>3,42,92,91,374</b>	<b>1,76,59,91,595</b>
<b>2 Current assets</b>			
(a) Current investments	12	7,88,87,483	5,00,00,000
(b) Cash and cash equivalents	13	11,42,30,218	15,26,17,177
(c) Short-term loans and advances	14	11,11,86,029	4,82,76,129
(d) Other current assets	15	4,48,90,777	1,77,36,136
		<b>34,91,94,507</b>	<b>26,86,29,442</b>
<b>TOTAL</b>		<b>3,77,84,85,881</b>	<b>2,03,46,21,037</b>
Significant Accounting Policies	1		
Notes to Accounts	(21-44)		

As per our attached report of even date

**For Haribhakti & Co. LLP**  
**Chartered Accountants**

ICAI Firm Registration No.103523W/W100048

**Sumant Sakhardande**  
Partner  
Membership No 034828

**Place: Mumbai**  
**Date: May 7, 2019**

**Sridar Venkatesan**  
Chairman  
DIN 02241339

**Mehul Jatania**  
Chief Financial Officer

**For and on behalf of the Board of**  
**Centrum Housing Finance Limited**

**Sanjay Shukla**  
Managing Director & CEO  
DIN 06577462

**Alpesh Shah**  
Company Secretary

## Profit and Loss Statement for the year ended March 31, 2019

Particulars	Note No.	For the Year	For the Year
		Ended March 31, 2019	Ended March 31, 2018
		In Rs.	In Rs.
<b>A INCOME</b>			
1 Revenue from operations	16	37,64,18,819	10,44,63,255
2 Other income	17	1,68,46,042	1,45,73,571
<b>3 Total revenue (1+2)</b>		<b>39,32,64,861</b>	<b>11,90,36,826</b>
<b>B EXPENSES</b>			
4 Finance costs	18	16,99,08,964	1,80,00,243
5 Employee benefits expenses	19	10,37,67,472	5,58,56,774
6 Depreciation and amortization	9	43,70,349	12,22,351
7 Other expenses	20	8,81,90,068	3,99,67,559
<b>8 Total expenses (4+5+6+7)</b>		<b>36,62,36,853</b>	<b>11,50,46,927</b>
<b>9 Profit before tax (3-8)</b>		<b>2,70,28,008</b>	<b>39,89,899</b>
<b>C Tax expense</b>			
10 Current tax		78,83,534	14,06,359
11 Tax Expenses for previous years		15,08,641	-
12 Deferred tax (Net)		33,33,457	6,94,495
<b>13 Total tax (10+11)</b>		<b>1,27,25,632</b>	<b>21,00,854</b>
<b>14 Profit after tax (9-13)</b>		<b>1,43,02,376</b>	<b>18,89,045</b>
<b>15 Earnings per share (FV Rs.10/-)</b>	21		
(a) Basic		0.143	0.035
(b) Diluted		0.143	0.035

The above Cash Flow Statement has been prepared under the Indirect method set in Accounting Standard (AS-3)

As per our attached report of even date

**For Haribhakti & Co. LLP**  
**Chartered Accountants**

ICAI Firm Registration No.103523W/W100048

**For and on behalf of the Board of**  
**Centrum Housing Finance Limited**

**Sumant Sakhardande**  
Partner  
Membership No 034828

**Sridar Venkatesan**  
Chairman  
DIN 02241339

**Sanjay Shukla**  
Managing Director & CEO  
DIN 06577462

**Place: Mumbai**  
**Date: May 7, 2019**

**Mehul Jatania**  
Chief Financial Officer

**Alpesh Shah**  
Company Secretary

## Cash Flow Statement for the year ended March 31, 2019

Particulars	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
	In Rs.	In Rs.	In Rs.	In Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax		2,70,28,008		39,89,899
Adjustment for:				
Depreciation	43,70,349		12,22,351	
Provision for Employee benefits	32,00,437		6,38,189	
Provision for standard assets	71,85,217		53,07,819	
Interest expenses	16,77,40,963		1,67,64,778	
Profit on sale of investments	(88,73,852)		(34,86,293)	
Interest income	(34,45,10,351)	(17,08,87,237)	(7,83,38,475)	(5,78,91,630)
<b>Operating Profit before working capital changes and adjustments for interest paid and interest received</b>		(14,38,59,229)		(5,39,01,731)
Adjustment For:				
(Increase) In long-term loans and advances	(1,64,86,15,459)		(1,69,15,43,722)	
(Increase) in other non-current assets	(1,17,63,911)		(55,07,832)	
(Increase) In short-term loans and advances	(6,29,09,900)		(4,14,57,977)	
Increase/(Decrease) in trade payables	7,03,120		(7,63,481)	
Increase/(Decrease) in other current liabilities	(13,28,37,756)		17,83,22,254	
Increase/(Decrease) in other current assets	(36,02,021)		-	
Interest paid	(11,76,27,830)		(1,47,64,349)	
Interest received	31,29,85,541	(1,66,36,68,216)	5,33,82,248	(1,52,23,32,860)
<b>Cash (used in) operations before adjustment for taxes paid</b>		<b>(1,80,75,27,445)</b>		<b>(1,57,62,34,591)</b>
Taxes paid		(1,08,90,336)		(13,44,878)
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>		<b>(1,81,84,17,781)</b>		<b>(1,57,75,79,469)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(57,92,598)		(1,62,38,554)	
Interest received from ICDs	79,72,190		92,16,616	
ICDs made	(43,70,00,000)		(34,20,00,000)	
Maturity of ICDs	43,70,00,000		34,20,00,000	
Purchase of investments	(1,91,10,83,795)		(82,00,00,000)	
Proceeds from sale of investments	1,89,10,70,165	(1,78,34,038)	77,34,86,293	(5,35,35,645)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<b>(1,78,34,038)</b>		<b>(5,35,35,645)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital	-		74,49,99,902	
Interest Paid toward ICDs	(3,28,767)			

Particulars	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
	In Rs.	In Rs.	In Rs.	In Rs.
Maturity of ICDs	10,00,00,000		-	
ICDs made	(10,00,00,000)		-	
Proceeds from short term borrowings	13,76,736		2,85,88,066	
Proceeds from long term borrowings	2,06,50,00,000		83,50,00,000	
Repayment of long term borrowings	(26,81,83,109)	1,79,78,64,860	(2,12,21,667)	1,58,73,66,301
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>1,79,78,64,860</b>		<b>1,58,73,66,301</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalent during the year</b>		<b>(3,83,86,959)</b>		<b>(4,37,48,813)</b>
<b>Cash &amp; Cash Equivalents as at beginning of year (refer note 13)</b>				
Cash on hand		71,134		13,877
Cheques in hand		13,75,20,655		-
Bank balance in current account		56,22,511		2,38,52,113
Fixed deposit (less than 3 month maturity)		94,02,877		17,25,00,000
<b>Total Cash &amp; Cash Equivalents as at beginning of year</b>		<b>15,26,17,177</b>		<b>19,63,65,990</b>
<b>Cash &amp; Cash Equivalents as at end of year</b>				
Cash on hand		8,14,396		71,134
Cheques in hand		20,429		13,75,20,655
Bank balance in current account		9,65,09,767		56,22,511
Fixed deposit (less than 3 month maturity)		1,68,85,626		94,02,877
<b>Total Cash &amp; Cash Equivalents as at end of year (refer note 13)</b>		<b>11,42,30,218</b>		<b>15,26,17,177</b>

As per our attached report of even date

**For Haribhakti & Co. LLP**  
**Chartered Accountants**

ICAI Firm Registration No.103523W/W100048

**For and on behalf of the Board of**  
**Centrum Housing Finance Limited**

**Sumant Sakhardande**  
Partner  
Membership No 034828

**Sridar Venkatesan**  
Chairman  
DIN 02241339

**Sanjay Shukla**  
Managing Director & CEO  
DIN 06577462

**Place: Mumbai**  
**Date: May 7, 2019**

**Mehul Jatania**  
Chief Financial Officer

**Alpesh Shah**  
Company Secretary

# Notes forming part of the Financial Statements for the year ended March 31, 2019

## 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.

### 1. Significant Accounting Policies

#### a. Basis of Preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP") under the historical cost convention on accrual basis and as per the National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions, 2010 as amended. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NHB Direction.

Accounting policies applied are consistent with those followed in the previous year except where different treatment is required as per new pronouncements made by the regulatory authorities. The Management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis.

#### b. Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise. Examples of such estimates include provisions for non-performing loans, provisions for employee benefit plans and provisions for income taxes.

#### c. Prudential Norms

The Company follows The Housing Finance Companies (NHB) Directions, 2010 ("NHB Directions, 2010") as amended from time to time, in respect of income recognition, income from investments, accounting of investments, asset Classification, disclosures in the Balance Sheet and provisioning. Accounting Standards (AS) under Section 133 of the Companies Act, 2013 and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the NHB Directions, 2010.

#### d. Revenue Recognition

- i. Interest on Loans - Interest income is recognized on accrual basis except in case of Non-Performing Assets (NPAs) where interest is recognised on realization as per NHB guidelines. Repayment of loans is generally by way of Equated Monthly Instalments (EMIs) comprising principal and interest. Interest is calculated on monthly rest basis on the principal outstanding at the beginning of the relevant

period. EMI commences generally once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is charged every month and is accounted on accrual basis.

- ii. Fees and Other Charges - Income from fees and other charges, viz., login fee, processing fees, pre-payment charges etc., is recognized on receipt basis.
- iii. Income from Investments - Interest income on bank deposits/ bonds/ govt. securities is recognised on accrual basis. Dividend income is accounted for in the year in which the same is received.
- iv. Other Miscellaneous Income - Other income are accounted for on receipt basis.

**e. Property, Plant & Equipment**

Property, Plant & Equipment are stated at cost less accumulated depreciation and impairment, if any. Costs include all expenses incidental to the acquisition of the assets.

**f. Intangible Assets**

Intangible Assets comprising of software are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition, less accumulated amortization. Any expenses on such software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

**g. Intangible Assets under development**

It includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

**h. Impairment of Assets**

The carrying values of assets forming part of any cash generating units at Balance Sheet date are reviewed for impairment at each Balance Sheet date. If any indication for such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

**i. Depreciation**

Depreciation is provided on the straight-line method over the estimated useful life of the asset as prescribed in Schedule II to the Companies Act 2013.

**j. Investments**

In accordance with Accounting Standard (AS-13) on "Accounting for Investments" and the guidelines issued by the NHB, investments are either classified as Current or Long-Term. Current investments are carried individually, at the lower of cost and fair value and long-term investments are carried individually at cost. For this purpose, the investments in each category shall be considered scrip-wise and the cost and fair value aggregated for all investments in each category. In case of unquoted units of schemes of mutual fund, NAV declared by respective mutual fund is considered as fair value.

**k. Earnings Per Share**

Basic and diluted earnings per share are computed by dividing the net profit/ (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

**l. Income Taxes**

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – "Accounting for taxes on income". Income tax comprises both current and deferred tax.



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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**m. Provisions for Contingencies**

The Company's policy is to carry adequate amounts towards Provision for Standard Assets, NPAs and other contingencies. All loans and other credit exposures where the instalments or interest are overdue for ninety days or more are classified as NPAs in accordance with the prudential norms prescribed in the Housing Finance Companies (NHB) Directions, 2010 as amended. The provisioning policy of the Company covers the minimum provisioning required as per the NHB guidelines. Excess provisions over and above provisioning requirement for Standard Assets and NPAs are carried under Provision for Contingencies Account.

**n. Loan Processing Charges**

Loan Processing Charges incurred for loans taken by the Company are amortized over the tenure of the loan or over a period of 60 months whichever is earlier.

**o. Loan Origination/Acquisition Cost**

Loan Origination/Acquisition costs incurred for loan origination are amortized over a period of five years.

For loan accounts foreclosed or transferred through assignment, the unamortized portion of the loan acquisition costs is recognised as charge to the Statement of Profit and Loss at the time of such foreclosure/transfer through assignment.

**p. Operating Leases**

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss as per terms of lease agreement.

**q. Employee Benefits**

*Defined contribution plans*

The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. If the contribution payable to the scheme for service received before the balance

sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### *Gratuity*

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit 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 based on actuarial valuation using the Projected Unit Credit Method which recognises each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present value of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit & loss.

#### *Compensated Absences*

Leave benefits for both short-term and long-term compensated absences are accounted for on actuarial valuation determined as at the year end. Actuarial gains and losses comprising of experience adjustments and effects of changes in actuarial assumptions, are recognised immediately in statement of profit and loss as income or expense.

#### **r. Contingent liabilities**

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **s. Cash and Cash Equivalents**

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

#### **t. Dividend**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and Interim dividend are recorded as a liability on the date of the declaration by the company's Board of Directors

**Note 2 Share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	In Rs.	Number	In Rs.
<b>(a) Authorised</b>				
Equity shares of Rs.10/- each	22,50,00,000	2,25,00,00,000	10,00,00,000	1,00,00,00,000
<b>(b) Issued, Subscribed, and Paid up</b>				
Equity shares of Rs.10/- each	9,99,99,986	99,99,99,860	9,99,99,986	99,99,99,860
<b>(c) Subscribed and fully paid up</b>				
Equity shares of Rs.10/- each fully paid	9,99,99,986	99,99,99,860	9,99,99,986	99,99,99,860
<b>Total</b>	<b>9,99,99,986</b>	<b>99,99,99,860</b>	<b>9,99,99,986</b>	<b>99,99,99,860</b>

**Note 2.1 Reconciliation of number of shares at the beginning and at the end of the reporting year**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	In Rs.	Number	In Rs.
Equity shares o/s at beginning of the year	9,99,99,986	99,99,99,860	4,99,99,986	25,49,99,958
Add: Equity shares issued during the year	-	-	5,00,00,000	50,00,00,000
Add: Call money received during the year	-	-	-	24,49,99,902
<b>Equity shares o/s at the end of the year</b>	<b>9,99,99,986</b>	<b>99,99,99,860</b>	<b>9,99,99,986</b>	<b>99,99,99,860</b>

**Note 2.2 Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
1. Centrum Capital Limited	7,59,99,986	76	7,59,99,986	76
2. B.G. Advisory Services LLP	2,40,00,000	24	2,40,00,000	24

**Note 2.3 Terms/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 the distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note 2.4 Shares held by Holding/Ultimate Holding Company and/or their Subsidiaries/Associates**

Name of Holding Company	As at March 31, 2019		As at March 31, 2018	
	Number of Shares		Number of Shares	
1. Centrum Capital Limited	7,59,99,986		7,59,99,986	

**Note 2.5** Aggregate number of bonus share issued, shares issued for consideration other than cash and shares bought back during the period of three years immediately preceding the reporting date is NIL.

**Note 3 Reserves and surplus**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
<b>(a) Special Reserve</b>		
Created under of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987		
Opening balance	-	-
Add: Additions	28,72,899	-
Less: Utilisations	-	-
Closing balance	<b>28,72,899</b>	-
<b>(b) Statutory Reserve</b>		
Created under section 29C of National Housing Bank Act, 1987		
Opening balance	4,68,795	90,795
Add: Additions	1,30,600	3,78,000
Less: Utilisations	-	-
Closing balance	<b>5,99,395</b>	<b>4,68,795</b>
<b>(c) Surplus in the statement of Profit and Loss</b>		
Opening balance	42,832	(14,68,213)
Add: Transfer from Statement of Profit and Loss	1,43,02,376	18,89,045
Less: Transfer to Statutory Reserve (Refer Note - 3.1)	1,30,600	3,78,000
Less: Transfer to Special Reserve (Refer Note - 3.1)	28,72,899	-
Closing balance	<b>1,13,41,709</b>	<b>42,832</b>
<b>Total</b>	<b>1,48,14,003</b>	<b>5,11,627</b>

**Note 3.1 Statutory and Special Reserve:**

- (a) As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared.
- (b) For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer.
- (c) Thus during the year ended 31 March 2019, the Company has transferred to Special Reserve an amount arrived in accordance with Section 36(1)(viii) of the Income Tax Act, 1961 and transferred to Statutory Reserve an amount arrived in accordance with Section 29C of the National Housing Bank Act, 1987.

**Note 4 Long-term borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
SECURED		
(a) Term loans from Banks (Refer Note- 4.1)	1,23,96,15,439	64,23,38,333
UNSECURED		
(b) 9% Compulsorily Convertible Debentures (Refer Note- 4.2)	98,00,00,000	-
<b>Total</b>	<b>2,21,96,15,439</b>	<b>64,23,38,333</b>

**Note 4.1 Nature of security:**

- (a) Term loans from Banks are secured by hypothecation/specific charge over the receivables of the Company and corporate guarantee.
- (b) Centrum Retail Services Limited and Centrum Capital Limited have given corporate guarantee for the loans availed by the Company.

**Note 4.2 Details of Compulsorily Convertible Debentures:**

- (a) 9,80,00,000 Compulsorily Convertible Debentures (CCDs) issued at face value of Rs 10 each & the tenure of five years. CCDs carry a coupon of 9% p.a. and shall convert into equity share capital of Company.

**Maturity profile of Term loans from Banks:**

Maturities / Rate of interest	≤ 1 year	1-3 Years	3-5 Years	> 5 Years	Total
9-11%	39,09,79,784	78,19,59,568	45,76,55,871	-	1,63,05,95,223

**Note 5 Long-term provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Provision for standard assets as per NHB norms*	96,09,292	53,81,607
(b) Provision for substandard assets as per NHB norms*	27,21,960	-
(c) Provision for compensated absences	12,62,637	8,28,685
<b>Total</b>	<b>1,35,93,889</b>	<b>62,10,292</b>

**Note 5.1\***

Provision for Standard assets and substandard assets has been made in terms of National Housing Bank Master circular The Housing Finance Companies (NHB) Directions, 2010 - NHB(ND)/DRS/REG/MC-01/2018 dated July 02, 2018

**Note 6 Short-term borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
SECURED		
(a) Cash credit from Banks	2,99,64,802	2,85,88,066
<b>Total</b>	<b>2,99,64,802</b>	<b>2,85,88,066</b>

**Note 6.1**

- (a) Cash credit from banks are secured by hypothecation/specific charge over the receivables of the Company.

**Note 7 Other current liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Current maturities of long term borrowings	39,09,79,784	17,14,40,000
(b) Interest accrued and due on borrowings	29,752	20,00,429
(c) Interest accrued but not due on borrowings	5,17,55,043	-
(d) Book overdraft	3,85,47,658	17,75,85,496
(e) Statutory dues payable	88,48,650	21,06,760
(f) Other payables	21,31,538	26,73,346
<b>Total</b>	<b>49,22,92,425</b>	<b>35,58,06,031</b>

**Note 8 Short-term provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Provision for standard assets as per NHB norms*	3,01,837	1,46,070
(b) Provision for substandard assets as per NHB norms*	79,806	-
(c) Provision for Employee benefits - gratuity	12,10,900	1,10,677
(d) Provision for compensated absences	42,402	27,901
(e) LTA Provision	16,51,761	-
<b>Total</b>	<b>32,86,706</b>	<b>2,84,648</b>

**Note 8.1\***

Provision for Standard assets and substandard assets has been made in terms of National Housing Bank Master circular The Housing Finance Companies (NHB) Directions, 2010 - NHB(ND)/DRS/REG/MC-01/2018 dated July 02, 2018

## Note 9 Fixed Assets

(In Rs.)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTIZATION			NET BLOCK
	As at 01-Apr-18	Additions	Deductions	As at 31-Mar-19	As at 01-Apr-18	For the year ended 31-Mar-19	As at 31-Mar-19
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>2,56,263</b>	-	-	<b>2,56,263</b>	<b>24,578</b>	<b>40,326</b>	<b>1,91,359</b>
Office Equipments	45,57,874	23,61,737	-	69,19,611	9,05,539	18,74,438	41,39,633
Computer	34,06,387	34,45,699	-	68,52,086	2,34,624	9,77,602	56,39,860
Furnitures & Fixtures	88,90,103	8,61,459	-	97,51,562	88,158	11,86,723	84,76,681
Vehicles							
<b>INTANGIBLE ASSETS</b>							
Computer Software	2,35,870	30,00,000	-	32,35,870	26,307	2,91,260	29,18,303
<b>TOTAL</b>	<b>1,73,46,497</b>	<b>96,68,895</b>	-	<b>2,70,15,392</b>	<b>12,79,206</b>	<b>43,70,349</b>	<b>2,13,65,836</b>

(In Rs.)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION/ AMORTIZATION			NET BLOCK
	As at 01-Apr-17	Additions	Deductions	As at 31-Mar-18	As at 01-Apr-17	For the year ended 31-Mar-18	As at 31-Mar-18
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>88,043</b>	<b>1,68,220</b>	-	<b>2,56,263</b>	<b>1,240</b>	<b>23,338</b>	<b>2,31,685</b>
Office Equipments	9,51,091	36,06,783	-	45,57,874	53,864	8,51,675	36,52,335
Computer	47,130	33,59,257	-	34,06,387	613	2,34,011	31,71,763
Furnitures & Fixtures	-	88,90,103	-	88,90,103	-	88,158	88,01,945
Vehicles							
<b>INTANGIBLE ASSETS</b>							
Computer Software	21,679	2,14,191	-	2,35,870	1,138	25,169	2,09,563
<b>TOTAL</b>	<b>11,07,943</b>	<b>1,62,38,554</b>	-	<b>1,73,46,497</b>	<b>56,855</b>	<b>12,22,351</b>	<b>1,60,67,291</b>

**Note 10 Long-term loans and advances**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Loans and advances		
Secured, considered good		
- Housing Loan	2,65,58,62,955	1,29,44,21,503
- Non Housing Loan	71,01,61,935	44,18,70,421
Substandard		
- Housing Loan	1,10,21,268	-
- Non Housing Loan	71,25,129	-
Doubtful & loss		
- Housing Loan	-	-
- Non Housing Loan	-	-
(b) Security deposit		
Unsecured, considered good	31,68,302	24,32,206
(c) Capital advance	-	8,76,297
(d) Advance tax (Net of Provision of Tax Rs. 93,92,175/-) (PY Rs. 15,17,755/-)	31,37,754	16,39,593
<b>Total</b>	<b>3,39,04,77,343</b>	<b>1,74,12,40,020</b>

**Note 11 Other non-current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Unamortized expenses: Loan Acquisition Cost		
Opening Balance	40,97,014	2,21,660
Add: Expenses during the year	99,78,607	42,22,286
Less: Amortized during the year	26,14,342	3,46,932
Closing balance	1,14,61,279	40,97,014
Less: To be amortized during next year (current portion)	25,74,293	8,79,772
<b>Total (A)</b>	<b>88,86,986</b>	<b>32,17,242</b>
(b) Unamortized expenses: Loan processing charges		
Opening Balance	31,49,042	-
Add: Expenses during the year	95,37,500	34,10,000
Less: Amortized during the year	15,35,833	2,60,958
Closing balance	1,11,50,709	31,49,042
Less: To be amortized during next year (current portion)	25,89,500	6,82,000
<b>Total (B)</b>	<b>85,61,209</b>	<b>24,67,042</b>
<b>Total (A+B)</b>	<b>1,74,48,195</b>	<b>56,84,284</b>

**Note 12 Current investments**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Investment in ICICI Liquid Fund -Growth Plan	3,81,97,676	5,00,00,000
(b) Investment in Reliance Liquid Fund- Growth Plan	4,06,89,807	-
<b>Total</b>	<b>7,88,87,483</b>	<b>5,00,00,000</b>



**12.1 (a) Aggregate of investments are in unquoted Mutual Funds**

	Book Value	Market Value (NAV)
As at March 31,2019	7,88,87,483	7,90,67,126
Previous Year	5,00,00,000	5,00,84,644

**Note 13 Cash and cash equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Cash on hand	8,14,396	71,134
(b) Cheques on hand	20,429	13,75,20,655
(c) Balances with banks		
(i) In current accounts	9,65,09,767	56,22,511
(ii) FD with bank (Original maturity within 3 months)	1,68,85,626	94,02,877
<b>Total</b>	<b>11,42,30,218</b>	<b>15,26,17,177</b>

**Note 14 Short-term loans and advances**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Loans and advances		
Secured, considered good		
- Housing Loan	6,94,26,847	2,75,43,914
- Non Housing Loan	3,63,03,099	1,95,83,284
Substandard		
- Housing Loan	1,51,499	-
- Non Housing Loan	3,80,538	-
Doubtful & loss		
- Housing Loan	-	-
- Non Housing Loan	-	-
(b) Prepaid expenses - Unsecured, considered good	16,69,714	1,86,500
(c) Insurance advance - Unsecured, considered good	49,219	9,62,431
(d) Other Advance -Unsecured, considered good	2,30,567	-
(e) Balance with Government Authorities	29,74,546	-
<b>Total</b>	<b>11,11,86,029</b>	<b>4,82,76,129</b>

**Note 15 Other current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
(a) Accruals		
(i) Interest accrued on deposits	60,252	38,255
(ii) Interest receivable on loans	3,96,66,732	161,36,109
(b) Unamortized loan acquisition cost	25,74,293	8,79,772
(c) Unamortized loan processing charges	25,89,500	6,82,000
<b>Total</b>	<b>4,48,90,777</b>	<b>1,77,36,136</b>

**Note 16 Revenue from operations**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	In Rs.	In Rs.
(a) Interest income on loans	33,65,38,161	7,79,18,135
(b) Other operating revenues	3,98,80,658	2,65,45,120
<b>Total</b>	<b>37,64,18,819</b>	<b>10,44,63,255</b>

**Note 17 Other income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	In Rs.	In Rs.
(a) Interest income on deposits	79,72,190	1,06,61,018
(b) Other non-operating income (net of expenses directly attributable to such income)	88,73,852	39,12,553
<b>Total</b>	<b>1,68,46,042</b>	<b>1,45,73,571</b>

**Note 18 Finance costs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	In Rs.	In Rs.
(a) Interest expense on Borrowings	16,77,40,963	1,67,64,778
(b) Other borrowing costs and bank charges	6,32,168	9,74,507
(c) Processing fees (amortized)	15,35,833	2,60,958
<b>Total</b>	<b>16,99,08,964</b>	<b>1,80,00,243</b>

**Note 19 Employee benefits expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	In Rs.	In Rs.
(a) Salaries, wages and bonus	9,76,77,133	5,22,01,845
(b) Contributions to provident and other funds	58,24,390	36,15,681
(c) Staff welfare	2,65,949	39,248
<b>Total</b>	<b>10,37,67,472</b>	<b>5,58,56,774</b>

**Note 20 Other expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	In Rs.	In Rs.
Advertisement	94,515	1,08,568
Audit Fees (Refer Note - 20.1)	7,93,172	5,00,000
Communication Charges	14,77,681	6,94,322
Director Sitting Fees	9,00,000	6,00,000
Loan Acquisition Cost	26,14,342	3,46,932
Filing Fees	1,21,14,810	55,93,127
Manpower Outsourcing	63,47,067	60,29,741
Office Expenses	32,36,351	12,65,592
Printing & Stationery	16,38,126	7,19,681
Professional and Legal Fees	28,50,477	6,51,325
Provision for Standard Assets	43,83,452	53,07,819
Provision for substandard Assets	28,01,765	-
Rates and Taxes	2,89,851	1,46,898
Rent (Refer Note-24)	1,79,76,119	62,71,654
Repairs	8,46,729	1,09,556
Software Subscription	69,73,880	31,97,700
Travelling and Conveyance Expenses	39,15,621	5,30,523
Travelling Expenses for Director	11,03,060	4,45,277
Underwriting Expenses	1,66,01,314	67,65,354
Miscellaneous Expenses	12,31,736	6,83,490
<b>Total</b>	<b>8,81,90,068</b>	<b>3,99,67,559</b>

**20.1 Audit Fees**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	In Rs.	In Rs.
Statutory Audit	4,00,000	3,00,000
Limited Review	1,96,200	1,00,000
ICFR Fees	50,000	35,000
Certification Fees	1,24,050	65,000
Out of Pocket Expenses	22,922	-
<b>Total</b>	<b>7,93,172</b>	<b>5,00,000</b>

**Additional Information on the Financial Statements****Notes:****21) Earnings per share (EPS)**

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

Particulars	As at March 31, 2019	As at March 31, 2018
a) Profit after tax (in Rs.)	1,43,02,376	18,89,045
b) No. of shares (In Nos.) as at the year end	9,99,99,986	9,99,99,986
c) Weighted average number of equity shares for Basic EPS and Diluted EPS	9,99,99,986	5,45,17,112
d) Basic EPS (a/c)(In Rs.)	0.143	0.035
e) Diluted EPS (a/c) (In Rs.)	0.143	0.035

**22) Capital Commitments**

Particulars	As at March 31, 2019	As at March 31, 2018
Commitments relating to loans sanctioned but undrawn	31,08,06,203	21,68,18,000

**23) Contingent Liabilities and Commitments**

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Company, not acknowledged as debts	Nil	Nil
Other contingent liability	Nil	Nil

**24) Disclosure under AS-15- Employee Benefits:****A. Defined Contribution Plan:**

The Company has recognised the following amounts in the Statement of Profit and Loss.

In Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer Contribution to Provident Fund	41,00,885	23,51,784

**B. Defined Benefit Plan:****(a) Contribution to Gratuity Fund (Funded Scheme):**

In accordance with the Accounting Standard (AS - 15) (Revised 2005), actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan based on the following assumptions:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest/Discount Rate	7.78%	7.87%
Rate of Increase in compensation	5.00%	5.00%
Retirement Age	60 Years	60 years
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

During the year the Company has provided Rs.11,00,223/- (PY Rs.4,87,053/-) as gratuity liability based on the actuarial report.

**(b) Change in the Present Value of Projected Benefit Obligation**

In Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Present Value of Benefit Obligation at the Beginning of the Period</b>	6,20,346	1,23,624
Interest Cost	48,821	9,470
Current Service Cost	6,91,464	4,05,608
Past Service Cost - Non-Vested Benefit Incurred During the Period	-	-
Past Service Cost - Vested Benefit Incurred During the Period	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	20,645	(17,533)
Actuarial (Gains)/Losses on Obligations - Due to Experience	3,80,042	99,177
Present Value of Benefit Obligation at the End of the Period	17,61,318	6,20,346

**(c) Change in the Fair Value of Plan Assets**

In Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Fair Value of Plan Assets at the Beginning of the Period	5,09,669	-
Expected Return on Plan Assets	40,111	-
Contributions by the Employer		5,00,000
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred out/Divestments)	-	-
(Benefits Paid from the Fund)	-	-
(Assets distributed on settlements)	-	-
(Expenses and Tax for Managing the Benefit Obligations –paid from the fund)	-	-
Effects of Assets Ceiling	-	-
The effect of Changes in Foreign Exchange Rates		-
Actuarial Gains/(Losses) on Plan Assets- Due to experience	638	9,669
Fair Value of Plan Assets at the end of the period	5,50,418	5,09,669

**(d) Actual Return on Plan Assets**

In Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expected Return on Plan Assets	40,111	-
Actuarial Gains/(Losses) on Plan Assets – due to Experience	638	9,669
Actual Return on Plan Assets	40,749	9,669

**(e) Expenses Recognized in the Statement of Profit and Loss for Current Period**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	6,91,464	4,05,608
Net Interest Cost	8,710	9,470
Actuarial (Gains)/Losses	4,00,049	71,975
Past Service Cost - Non-Vested Benefit Recognized During the Period	-	-
Past Service Cost - Vested Benefit Recognized During the Period	-	-
Expected Contributions by the Employees	-	-
Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Change in Asset Ceiling	-	-
Expenses Recognized in the Statement of Profit or Loss	11,00,223	4,87,053

**(f) Amount recognised in the Balance Sheet**

In Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Net Liability	1,10,677	1,23,624
Expense Recognized in Statement of Profit & Loss	11,00,223	4,87,053
Net Liability/(Assets) Transfer In	-	-
Net Liability/(Assets) Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	(5,00,000)
Net Liability/(Asset) Recognized in the Balance Sheet	12,10,900	1,10,677

**(g) Category of Assets**

In Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash and Cash equivalents	-	-
Insurance Fund	5,50,418	5,09,669
Asset-Backed Securities	-	-
Structured debts	-	-
Other	-	-
Total	5,50,418	5,09,669

**(h) Experience Adjustment**

In Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Actuarial Gains/(Losses) on Obligations – due to Experience	3,80,042	99,177
Actuarial Gains/(Losses) on Plan Assets – due to Experience	638	9,669

The Company expects to contribute approximately Rs.23,62,604/- to the gratuity fund for the next 12 months.

**C. Compensated Absences**

During the year the Company has provided Rs.4,48,453/- (PY Rs.6,51,136/-) as liability towards compensated absences based on Actuarial Report.

- 25) The Company has entered into cancellable lease arrangements for branch offices and residential premises. The lease rentals of Rs. 1,79,76,119/- (PY Rs. 62,71,654/-) have been included under the head Rent under Note 20 of Statement of Profit and Loss. The total of future minimum lease payment that company is committed to make is:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than 1 year	46,57,099	32,14,344
Later than 1 year but not later than 5 years	15,99,117	35,03,888
Later than 5 years	-	-

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

The Company's main business is to provide loans against/for purchase, construction, repairs & renovations of Houses/Flats/Commercial Properties etc. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Accounting Standard on Segment Reporting (AS-17), notified by the Companies (Accounting Standards) Rules, 2016.

- 27) In accordance with the Accounting Standard 22 on Accounting for Taxes on Income, the Company has made adjustments in its accounts for deferred tax liabilities / assets.

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are:

A)	Deferred Tax Liability	As at March 31, 2019	As at March 31, 2018
	Timing Difference - PPE	12,44,806	5,55,623
	Un-amortized LOAN ACQUISITION & Processing Fees	61,54,427	18,79,625
	Special Reserve	7,99,241	-
	<b>TOTAL (A)</b>	<b>81,98,474</b>	<b>24,35,248</b>
B)	Deferred Tax Assets		
	Provision for Compensated Absences	3,58,089	2,33,330
	Provision for Gratuity	3,74,091	68,009
	Provision on Standard & substandard Assets	34,35,958	14,37,030
	<b>TOTAL (B)</b>	<b>41,68,138</b>	<b>17,38,369</b>
	<b>(A)-(B)</b>	<b>40,30,336</b>	<b>6,96,879</b>

28) **Related Party Transactions**

In terms of Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules, 2014, the disclosures of transactions with the related parties as defined in AS-18 are given below:

Holding Company	Centrum Capital Limited
Names of other related parties with whom transactions have taken place during the year	
Fellow subsidiaries:	Centrum Retail Services Limited
	Centrum Financial Services Limited
	Centrum Wealth Management Limited



- (a) Enterprise that exercises significant influence:  
BG Advisory Services LLP
- (b) Key Managerial Personnel
- (i) Mr. Sanjay Shukla, Managing Director & CEO
- (ii) Mr. Mehul Jatania, Chief Financial Officer
- (iii) Mr. Alpesh Shah, Company Secretary
- (c) Transactions carried out with the related parties

In Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Reimbursement of Expenses</b>		
Centrum Capital Limited	71,47,500	NIL
Centrum Direct Limited	NIL	5,000
Centrum Financial Services Limited	(20,429)	NIL
Centrum Retail Services Limited	NIL	(31,33,688)
<b>Expenses Paid</b>		
Centrum Retail Services Limited	70,73,534	NIL
<b>Interest Expenses on CCD</b>		
Centrum Capital Limited	4,09,07,885	NIL
BG Advisory Services LLP	1,29,18,279	NIL
<b>Subscription to Compulsorily Convertible Debentures</b>		
Centrum Capital Limited	98,00,00,000	NIL
<b>Subscription to Equity Shares</b>		
Centrum Capital Limited	NIL	26,00,00,000
<b>ICD Taken</b>		
Centrum Retail Services Limited	10,00,00,000	NIL
<b>Interest Paid on ICDs</b>		
Centrum Retail Services Limited	3,28,767	NIL

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>ICD Given</b>		
Centrum Retail Services Limited	11,70,00,000	9,50,00,000
Centrum Wealth Limited	NIL	3,20,00,000
Centrum Financial Services Limited	10,00,00,000	10,00,00,000
Centrum Microcredit Limited	10,00,00,000	NIL
<b>Interest Income on ICDs</b>		
Centrum Retail Services Limited	18,17,260	47,02,466
Centrum Wealth Limited	NIL	21,53,973
Centrum Financial Services Limited	19,28,768	4,36,986
Centrum Microcredit Limited	15,31,507	NIL
<b>Managerial Remuneration</b>		
<b>Mr. Sanjay Shukla</b> (Managing Director & CEO)		
Salary and allowances, cont. to PF, etc. (including LTA arrears of Rs. 2,40,327/-)	1,66,97,969	1,24,32,109
<b>Mr. Mehul Jatania</b> (Chief Financial Officer)		
Salary and allowances, cont. to PF, etc. (including LTA arrears of Rs. 1,92,000/-)	60,96,000	11,76,000

Closing Balance	As at March 31, 2019	As at March 31, 2018
<b>Compulsorily Convertible Debentures(CCD)</b>		
Centrum Capital Limited	74,48,00,000	NIL
BG Advisory Services LLP	23,52,00,000	NIL
<b>Interest Payable (Net of TDS)</b>		
Centrum Capital Limited	3,68,17,096	NIL
BG Advisory Services LLP	1,16,26,451	NIL

- 29)** Housing loan represents outstanding amount of housing loans disbursed to the customer. Non housing loan includes the payment made by the Company towards the insurance premium on behalf of the borrower (wherever applicable). Loans and instalments due from borrowers shown under Loans and Advances are secured wholly or partly by
- Equitable mortgage of property and/or
  - Pledge of shares, other securities, assignment of life insurance policies and/or
  - Bank guarantee, corporate guarantees, or personal guarantees and/or
  - Undertaking to create security.
- 30)** As per the Housing Finance Companies (NHB) Directions, 2010, non-performing assets are recognised on the basis of overdue for a period of ninety days or more. The total provision carried by the Company in terms of paragraph 29 (2) of the Housing Finance Companies (NHB) Directions, 2010, and subsequent NHB Circulars/Notifications -

NHB.HFC. DIR.3/CMD/2011 dated August 5, 2011, NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, NHB.HFC. DIR.9/CMD/2013 dated September 6, 2013 and notification no. NHB.HFC.DIR.18/MD&CEO/2017[1] dated August 2, 2017 in respect of Housing and Non-Housing Loans is as follows.

	As at March 31, 2019		As at March 31, 2018	
	Outstanding Rs.	Provisions Rs.	Outstanding Rs.	Provision Rs.
<b>HOUSING LOAN:</b>				
<b>To Individuals</b>				
Standard Assets	2,75,63,71,538	68,90,929*	1,33,36,17,124	36,81,863
substandard Assets	1,11,72,767	16,75,916	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
<b>To Non-Individuals</b>				
Standard Assets	-	-	-	-
substandard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision	-	-	-	-
<b>Total (A)</b>	<b>2,76,75,44,305</b>	<b>85,66,845</b>	<b>1,33,36,17,124</b>	<b>36,81,863</b>

	As at March 31, 2019		As at March 31, 2018	
	Outstanding Rs.	Provisions Rs.	Outstanding Rs.	Provision Rs.
<b>NON HOUSING LOAN:</b>				
<b>To Individuals</b>				
Standard Assets	75,50,50,030	30,20,200*	46,59,38,107	18,45,815
substandard Assets	75,05,667	11,25,850	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
<b>To Non-Individuals</b>				
Standard Assets	-	-	-	-
substandard Assets	-	-	-	-
Doubtful Assets	-	-	-	-
Loss Assets	-	-	-	-
Floating provision	-	-	-	-
<b>Total (B)</b>	<b>76,25,55,697</b>	<b>41,46,050</b>	<b>46,59,38,107</b>	<b>18,45,815</b>
<b>TOTAL (A+B)</b>	<b>3,53,01,00,002</b>	<b>1,27,12,895</b>	<b>1,79,95,55,231</b>	<b>55,27,678</b>

\* Includes provision on interest accrued

- 31)** The following additional disclosures have been given in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010 issued by the NHB.

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

Category	As at March 31, 2019	As at March 31, 2018
i) CRAR (%)	95.65%	86.81%
ii) CRAR-Tier I Capital (%)	48.05%	86.33%
iii) CRAR-Tier II Capital (%)	47.60%	0.48%

- 32) As per Section 29C of National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the housing finance institution except for the purpose as may be specified by National Housing Bank from time to time and every such appropriation shall be reported to the National Housing Bank within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year. For this purpose, any Special Reserve created by the company u/s 36(i)(viii) of the Income Tax act, 1961 is considered to be an eligible transfer. The Company has transferred an amount Rs. 28,72,899/- (PY: NIL) to Special Reserve in terms of section 36(i)(viii) of the Income Tax, 1961 and an amount of Rs. 1,30,600/- (PY: Rs. 3,78,000/-) to Statutory Reserve as per the section 29C of the NHB Act. Accordingly, the Company has transferred Rs. 1,30,600/- to Reserve Fund (u/s 29C of NHB Act, 1987) during the year.

Statement as per NHB circular No. NHB(ND)/ DRS/ Pol.Circular.61/ 2013 14 Dt. April 7, 2014		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	4,68,795	90,795
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	-	-
c) Total	4,68,795	90,795
Addition/Appropriation/ Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	1,30,600	3,78,000
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	28,72,899	-
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	-	-
<b>Balance at the end of the year</b>	30,03,499	3,78,000
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	5,99,395	4,68,795
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	28,72,899	-
<b>c) Total</b>	<b>34,72,294</b>	<b>4,68,795</b>

**33) Investments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Value of Investments</b>		
i) Gross Value of Investments		
(a) In India	7,88,87,483	5,00,00,000
(b) Outside India	NIL	NIL
ii) Provision for Depreciation		
(a) In India	NIL	NIL
(b) Outside India	NIL	NIL
iii) Net Value of Investments		
(a) In India	7,88,87,483	5,00,00,000
(b) Outside India	NIL	NIL
<b>Movement of provisions held towards depreciation on investments</b>		
i) Opening balance	NIL	NIL
ii) Add: Provisions made during the year	NIL	NIL
iii) Less: Write-off/ write-back of excess provisions during the year	NIL	NIL
Closing balance	NIL	NIL

**34) Derivatives**

## a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The Notional Principal of the Swap agreements	NIL	NIL
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
(iii) Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv) Concentration of credit risk arising from the swap \$	NIL	NIL
(v) The fair value of the swap book @	NIL	NIL

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the HFC would receive or pay to terminate the swap agreements as on the balance sheet date.

## b) Exchange Traded Interest Rate (IR) Derivative

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

## c) Disclosure on risk exposure in Derivatives

(i) Qualitative Disclosure  
The Company doesn't deal in Derivatives

(ii) Quantitative Disclosure

Particulars	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principal Amount)	NIL	NIL
Marked to Market Positions	NIL	NIL
(a) Assets (+)	NIL	NIL
(b) Liability (-)	NIL	NIL
Credit Exposure	NIL	NIL
Unhedged Exposures	NIL	NIL

**35) Securitisation**

## a) Details of Securitisation

Particulars	Amounts
1 No of SPVs Sponsored by the HFC for securitisation transactions	NIL
2 Total amount of Securitisation assets as per the book of the SPVs sponsored	NIL
3 Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	NIL
(i) Off-balance sheet exposures toward credit enhancements	
(ii) On-balance sheet exposures toward credit enhancements	
4 Amount of exposures to securitisation transactions other than MRR	NIL
(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 securitisation transactions may be reported here	

## b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

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

## c) Details of Assignment transactions undertaken by HFCs

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

## d) Details of non-performing financial assets purchased

Particulars	As at March 31, 2019	As at March 31, 2018
No. of accounts purchased during the year	NIL	NIL
Of these, number of accounts restructured during the year	NIL	NIL

## e) Details of Non-performing Financial Assets sold:

Particulars	As at March 31, 2019	As at March 31, 2018
1 No. of accounts sold	NIL	NIL
2 Aggregate outstanding	NIL	NIL
3 Aggregate consideration received	NIL	NIL

**36) Exposures**

a) Exposure to Real Estate Sector

In Rs.

S.No	Category	As at March 31, 2019	As at March 31, 2018
A	Direct Exposure		
i)	Residential Mortgages (including loan against residential property): Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented Out of which Individuals Housing Loans upto ₹15 lakh: Rs. 1,94,14,30,284/- (PY Rs. 66,51,78,074/-)	3,42,09,10,584	1,72,43,12,056
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 (HFCs)	-	-

b) Exposure to Capital Markets:

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	-	-

**c) Details of Financing of Parent company products**

There are no such instances.

**d) Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the HFCs**

During the year, Company has not exceeded SGL & GBL limit as prescribed under NHB Regulation.

**e) Unsecured Advances**

There are no loans and advances secured against rights, licences, authorities.

**37) Concentration of Public Deposits, Advances, Exposures and NPAs**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Total Deposits of twenty largest depositors	NA	NA
Percentage of Deposits of twenty largest depositors to Total deposits	NA	NA

(b) Concentration of Loans and Advances

Particulars	As at March 31, 2019	As at March 31, 2018
Total Loans & Advances to twenty largest borrowers	8,63,90,732	8,36,97,733
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFCs	2.48%	4.69%

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

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers/Customers	8,95,73,931	8,36,97,733
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFCs (including off- balance sheet exposure)	2.35%	4.69%

(d) Concentration of NPAs

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to top ten NPA accounts	1,48,59,003	NIL

## (e) Sector-wise NPAs

Sr No.	Sector	Principal Outstanding	Provision
A	<b>Housing Loans</b>		
1	Individuals	1,11,72,767	16,75,915
2	Builders/project loans	-	-
3	Corporates	-	-
4	Others (Specify)	-	-
B	<b>Non- Housing Loans</b>		
1	Individuals	75,05,667	11,25,850
2	Builders/project loans	-	-
3	Corporates	-	-
4	Others (Specify)	-	-

**38) Movement of NPAs**

Particulars	As at March 31, 2019	As at March 31, 2018
(I) Net NPAs to Net Advances (%)	0.45%	-
(II) Movement of NPAs (Gross)	-	-
a) Opening balance	-	-
b) Additions during the year	1,86,78,434	-
c) Reductions during the year	-	-
d) Closing balance	1,86,78,434	-
(III) Movement of Net NPAs		-
a) Opening balance	-	-
b) Additions during the year	1,58,76,669	-
c) Reductions during the year	-	-
d) Closing balance	1,58,76,669	-
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		-
a) Opening balance	-	-
b) Provisions made during the year	28,01,765	-
c) Write-off/write-back of excess provisions	-	-
d) Closing balance	28,01,765	-

**39) Asset Liability Management:**

Maturity pattern of certain items assets and liabilities as at March 31, 2019

In Rs.

Items/time buckets	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Liabilities	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (one month)	9,94,00,793	-	-	83,98,075	7,88,87,483	-
Over 1 month to 2 months	4,29,12,281	-	-	84,78,534	-	-
Over 2 months to 3 months	2,39,44,333	-	-	85,59,804	-	-
Over 3 months to 6 months	9,77,44,946	-	-	2,61,74,736	-	-
Over 6 months to 1 year	19,54,89,891	-	-	5,46,50,834	-	-
Over 1 year to 3 years	78,19,59,568	-	-	25,45,20,616	-	-
Over 3 years to 5 years	45,76,55,871	-	-	31,69,47,790	-	-
Over 5 years to 7 years	-	-	-	39,23,89,083	-	-
Over 7 years to 10 years	-	-	-	73,29,55,469	-	-
Over 10 years	-	-	-	1,68,73,58,329	-	-
<b>Total</b>	<b>1,69,91,07,683</b>	<b>-</b>	<b>-</b>	<b>3,49,04,33,270</b>	<b>7,88,87,483</b>	<b>-</b>

- No negative mismatch
- Figures rounded off

**40)** The Company has the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006, by obtaining confirmation from all suppliers. The company has not received intimation from any of the 'suppliers' regarding their status under MSMED Act, 2006 and hence disclosure if any, relating to amounts unpaid as at the year-end together with interest paid / payable as required have not been furnished.

**41)** 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)

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

**43) Miscellaneous**

Particulars	
Registration obtained from other financial sector regulators	
NHB Registration No.	11.0147.16
Company Identification no. (CIN) :	U65922MH2016PLC273826
Ratings assigned by credit rating agencies and migration of ratings during the year	
(a) Long Term Bank facility	CARE: A-(Stable) on Standalone basis.
(b) Remuneration of Directors (Non-executive)	
-Sitting Fees	Rs. 9,00,000/-

**44) Previous Year Figures**

Previous year figures have been re-classified and re-grouped whenever required.

**For Haribhakti & Co. LLP  
Chartered Accountants**

ICAI Firm Registration No.103523W/W100048

**For and on behalf of the Board of  
Centrum Housing Finance Limited**

**Sumant Sakhardande**

Partner

Membership No 034828

**Sridar Venkatesan**

Chairman

DIN 02241339

**Sanjay Shukla**

Managing Director & CEO

DIN 06577462

**Place: Mumbai**

**Date: May 7, 2019**

**Mehul Jatania**

Chief Financial Officer

**Alpesh Shah**

Company Secretary

## LIST OF BRANCHES

<p style="text-align: center;"><b>Ahmedabad</b></p> <p>205, Iskon Avenue, Near Choice Restaurant, Swastik Cross Road, C. G. Road, Ahmedabad-380009</p>	<p style="text-align: center;"><b>Amravati</b></p> <p>Office No.6, Wing - B, Ground Floor, Vimaco Towers, Bus Stand Road, Amravati-444601</p>	<p style="text-align: center;"><b>Anand</b></p> <p>209, Radha Swami Sumit Complex, Gopi Cinema Road, Anand-388001</p>
<p style="text-align: center;"><b>Bharuch</b></p> <p>Office No. 220/221, Aditya Complex, Kasak circle, Kasak, Bharuch-392001</p>	<p style="text-align: center;"><b>Bhopal</b></p> <p>30,1st Floor, Press Complex-Manav Niket, Near Dainik Bhaskar Office, Ram Gopal Maheshwari Marg, Zone-1, M.P Nagar, Bhopal-462011</p>	<p style="text-align: center;"><b>Bikaner</b></p> <p>2nd Floor, Riddhi Siddhi, Plot No. C-61, Panchasati Circle, Sadul Ganj, Bikaner-302001</p>
<p style="text-align: center;"><b>Bilaspur</b></p> <p>F1-F2, B. R. Gwalani Chambers, Vyapar Vihar, Bilaspur-495001</p>	<p style="text-align: center;"><b>Gwalior</b></p> <p>Office No. 306-307, Narayan Krishna Complex, City Center, Gwalior-474002</p>	<p style="text-align: center;"><b>Himmatnagar</b></p> <p>2nd Floor, 209, Santam-9, Beside Navjivan Hotel, Motipura, Himmatnagar-383001</p>
<p style="text-align: center;"><b>Hoshangabad</b></p> <p>Ward-N24, Rasuliya, Hoshangabad-461001</p>	<p style="text-align: center;"><b>Indore</b></p> <p>Office No. R-15 &amp;16, Metro Tower,Vijay Nagar, Indore-452010</p>	<p style="text-align: center;"><b>Jabalpur</b></p> <p>Shop No. 06, Madhya Pradesh Jamidar Association Building, Opp. Mahanadda Lake, Infront of Guru Tekbahadur Singh Khalsa College, Jabalpur-482001</p>
<p style="text-align: center;"><b>Jaipur</b></p> <p>Office No. 312/302, Sangam Tower, Church Road, Jaipur-302001</p>	<p style="text-align: center;"><b>Jamnagar</b></p> <p>Office No. 308, Madhav Square, Limda Lane, Jamnagar-361001</p>	<p style="text-align: center;"><b>Junagadh</b></p> <p>Office No. 205, 2nd Floor, Central Plaza, Opp Bahauddin College, College Road, Junagadh-362001</p>
<p style="text-align: center;"><b>Mehsana</b></p> <p>Office No. F-10, Orbit business hub, Nr. Dena Bank, Randhanpur Road, Mehsana-384002</p>	<p style="text-align: center;"><b>Nagpur</b></p> <p>302, Third Floor, Vithal Rukmani Palace, Laxmi Nagar, Nagpur-440022</p>	<p style="text-align: center;"><b>Nashik</b></p> <p>Plot No 118, Part of First Floor, D'souza Colony, College Road, Nashik-422005</p>
<p style="text-align: center;"><b>Neemuch</b></p> <p>Office No. 1 – First Floor, Parshwa Plaza, Plot no 2, Tagore Marg, Town Hall Road, Neemuch-458441</p>	<p style="text-align: center;"><b>New Delhi</b></p> <p>Centrum House, 1st floor, 39 Basant Lok, Vasant Vihar, New Delhi-11057</p>	<p style="text-align: center;"><b>Raipur</b></p> <p>First Floor, Sky Corporate House, Indravati Colony, Adjacent to Rani Sati Mandir, Raipur-492001</p>
<p style="text-align: center;"><b>Rajkot</b></p> <p>The Imperial Heights, Office No.-401,150 Ft Ring Road, Opposite Big Bazaar, Rajkot-360005</p>	<p style="text-align: center;"><b>Ratlam</b></p> <p>Office No. 202, 2nd Floor, My Dear building, 22 Dr. Rajendra Prasad Marg , Near Govt. Girls College, Ratlam-457001</p>	<p style="text-align: center;"><b>Sikar</b></p> <p>Office No. 9, Bhaskar Heights, Near S.K Hospital, Kalyan Circle, Sikar-332001</p>
<p style="text-align: center;"><b>Surat</b></p> <p>S-4, 2nd Floor, Vijaya Laxmi Hills, Near Adajan Police Chowki, Adajan Gam Road, Surat-395009</p>	<p style="text-align: center;"><b>Ujjain</b></p> <p>204, Gangotri Apartment, Plot No. 90, Tatyatope Marg, Freegunj, Ujjain-456010</p>	<p style="text-align: center;"><b>Vadodara</b></p> <p>410-411, The Emerald, Near Chakli Circle, Race Course, Vadodara-390007</p>
<p style="text-align: center;"><b>Vapi</b></p> <p>Office No. 268 &amp; 233, 2nd Floor, Amidhara Complex, GIDC, Vapi-396195</p>	<p style="text-align: center;"><b>Vidisha</b></p> <p>Office No. 3, 3rd Floor, Gaurav Complex, Sanchi Road, Vidisha-464001</p>	<p style="text-align: center;"><b>Yavatmal</b></p> <p>Plot No. 17, 1st Floor, Mainde Square, Opposite SBI Bank, Yavatmal-445001</p>



*Aao milkar ghar banaye*

## **Centrum Housing Finance Limited**

Unit 801, Centrum House, CST Road, Kalina,  
Santacruz (E), Mumbai 400098

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Website - [www.chfl.co.in](http://www.chfl.co.in)