SAHARA HOSFINAS

SHCL/CO/DJB/F.1276(10)/17-18/0729

26th September, 2017

Corporate Relations Department
Bombay Stock Exchange Limited
25th Floor, P.J. Towers
Dalal Street
Mumbai-400 001

Dear Sir,

Ref: Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements, 2015)

Sub: Annual Report of Financial year 2016-17

We are enclosing the Annual Report of the Company for the Financial Year 2016-17 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, duly approved by the Members of the Company.

This is for your information and records.

Kindly acknowledge the same.

Thanking You,

for Sahara Hosuingfina Corporation Limited

D J Bagchi
Company Secretary
FCS: 3240

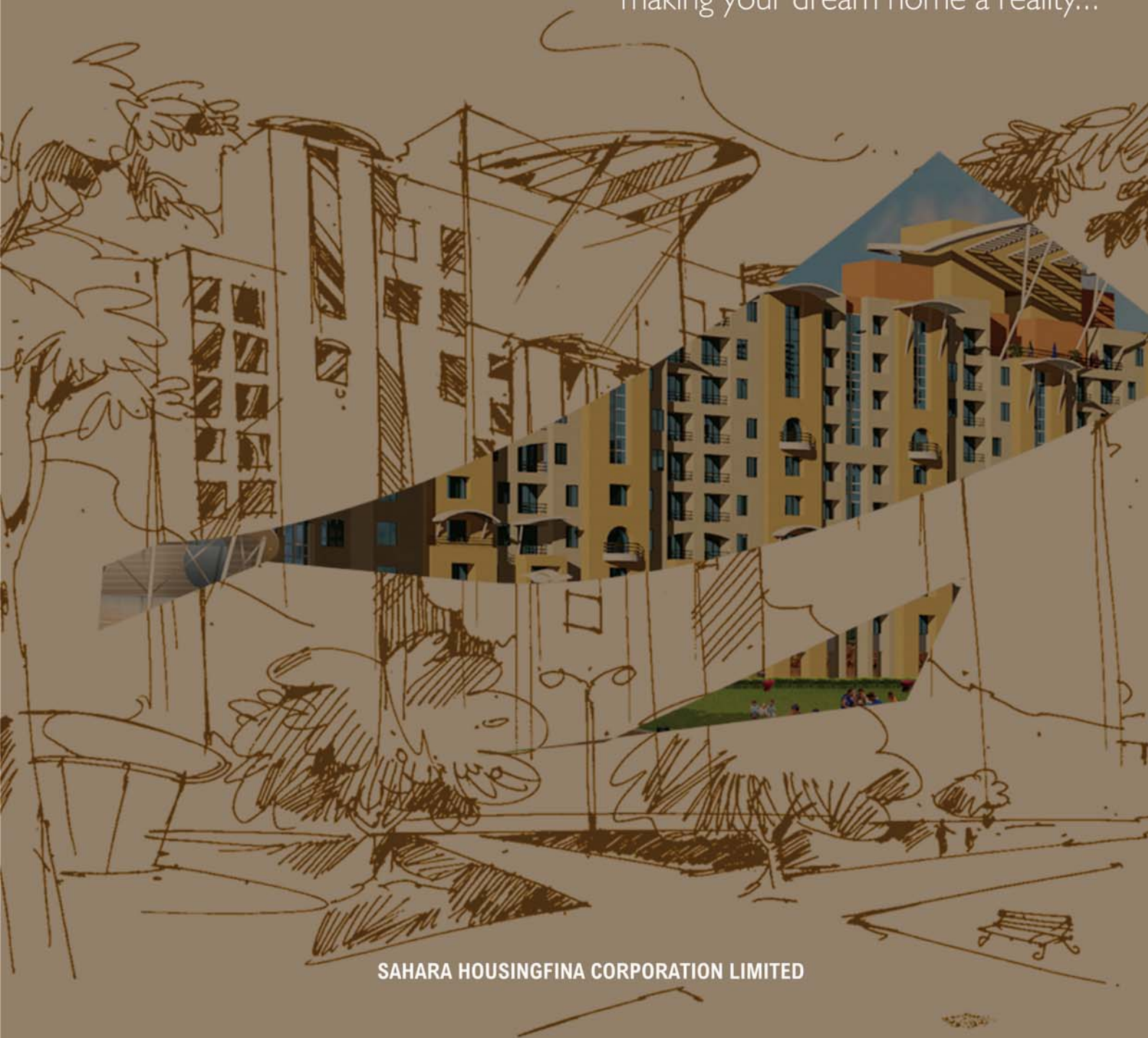
Encl: as above

SAHARA HOUSINGFINA CORPORATION LTD. KOLKATA

SAHARA HOSFINAS

ANNUAL REPORT 2016 - 17

making your dream home a reality...



SAHARA HOUSINGFINA CORPORATION LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Brijendra Sahay
Shri Joy Broto Roy
Shri Seemanto Roy
Ms. Anshu Roy

Chief Executive Officer & Company Secretary

Shri D.J. Bagchi

Chief Financial Officer

Shri Vivek Kapoor

Senior Management Personnel

Shri Anup Kirtan	Credit & Operations
Shri K.D.Bhattacharya	System & Administration
Shri Sarvesh Kumar	Regional Business Head – North & West
Shri S.C.Maitra	Regional Business Head – East
Shri R.N.Singh	Regional Business Head – South

Statutory Auditor

M/s.Chaturvedi & Company,
Chartered Accountants
60, Bentinck Street,
Kolkata – 700 069

Internal Auditor

M/s. Chaturvedi & Partners
212A, Chiranjiv Tower
43, Nehru Place
New Delhi – 110 019

Bankers

Andhra Bank
Corporation Bank.
Indian Overseas Bank
State Bank of Hyderabad
ICICI Bank Limited

Registrar & Share Transfer Agent

Link Intime India Private Limited
59C, Chowringhee Road,
3rd Floor, Kolkata- 700 020
Ph: +91 33 22890540, Tele fax: +91 33 22890539
E-mail: *kolkata@linkintime.co.in*
Contact Person: Shri Kuntal Mustafi

Address of the Stock Exchange

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Company Stock Code – 511533
International Securities Identification Number
(ISIN) – INE – 135C01012

Registered office

CIN : L18100WB1991PLC099782
Sahara India Sadan, 2A Shakespeare Sarani, Kolkata- 700071,
Tel: +91 33 22829067 / 9075 / 0811, Fax: +91 33 22829271
Visit us at: *www.saharahousingfina.com*,
Email: *info.saharahousingfina@gmail.com*
info.saharahousingfina@sahara.in

Corporate office

46, Dr. Sundari Mohan Avenue,
Kolkata - 700 014
Tel: +91 33 22896708, Fax: +91 33 22896708
Visit us at: *www.saharahousingfina.com*,
Email: *info.saharahousingfina@gmail.com*
info.saharahousingfina@sahara.in

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CORPORATE OFFICE

46, Dr. Sundari Mohan Avenue, Kolkata - 700 014, Tel : (033) 2289 6708 • Fax: (033) 2289 6708
www.saharahousingfina.com

EASTERN REGION

Regional Office - East & Branch Office – Kolkata
46, Dr. Sundari Mohan Avenue, 2nd Floor, Kolkata - 700 014
Tel : (033) 2289 6708 • Fax: (033) 2289 6708

Branch Office – Siliguri
Studio Photo Focus Building, 2nd Floor
Hill Cart Road, Siliguri – 734 401
Tel : (0353) 2534401, Fax : (0353) 2534401

Branch Office – Durgapur
A-210, 1st Floor, Kamdhenu Building
Multi Utility Plaza, City Centre
Durgapur - 713 216
Tel : (0343) 2543248, Fax : (0343) 2543248

Branch Office – Ranchi
Room No 107, 1st Floor, Mahalaxmi Complex
Line Trunk Road, Thana - Kotwali, Zilla-65, Ranchi - 834 001
Tel : (0651) 2207497, Fax : (0651) 2207497

WESTERN REGION

Regional Office - West & Branch Office – Mumbai
403, 4th floor, Sanjay Appa Chamber,
New Link Road, Andheri (E), Mumbai-400 093
Phone : (022) 28311082, Fax : (022) 28311082

Branch Office – Pune
Shreenath Plaza, "A" Wing, Office No. 76, 3rd Floor, Dnyaneshwar Paduka Chowk
Shivaji Nagar, Off. Fergussion College Road, Pune – 411 005
Tel : (020) 48604961

NORTHERN REGION

Regional Office - North & Branch Office – Lucknow
2nd Floor, 7 Forsyth Road, Near Allied Surgical & Equipments, Lalbagh, Lucknow-226 001
Tel: (0522) 2612512, 4005958, Fax: (0522) 2612512

Branch Office – Gorakhpur
Rastriya Sahara Complex, 1st Floor
7 Park Road, University Crossing, Gorakhpur-273 001
Tel: (0551) 2202285, Fax: (0551) 2202285

SOUTHERN REGION

Regional Office - South & Branch Office – Hyderabad
Sahara Manzil, 2nd Floor, Opposite A.P. Secretariat, Saifabad, Hyderabad-500 063
Tel: (040) 23244355, 6636 3664/3665, Fax: (040) 6636 3664

Branch Office – Vishakapatnam
Door No.-11-226/52, Flat No. 115
1st Floor, Sai Dharani Castle
Opp. Gopalepatnam Police Station, Gopalepatnam
Vishakapatnam-530027
Tel: (0891) 2784864, Fax: (0891) 2784864

Branch Office – Vijayawada
Sarada Towers, Door No. 39 -1-59/1, Flat No. S -6 (2nd Floor)
Adjacent to Cheenupati Petrol Bunk, M.G. Road, Labbipet
Vijayawada - 520 010
Tel: (0866) 2471559, Fax : (0866) 2471559

PROFILE OF DIRECTORS & KEY MANAGERIAL PERSONNEL

PROMOTER DIRECTOR

- **SHRI JOY BROTO ROY (DIN: 00432043)**

Shri Joy Broto Roy, holds a Bachelor's degree in Commerce. He has more than 35 years of experience. He has played key roles in the creation of many group companies and brands including Sahara One Media and Entertainment, Air Sahara (now divested) and Sahara Infrastructure and Housing Limited. He played a key role in increasing the reach of the Hindi daily- Rashtriya Sahara in North India. He had also been the President of the West Bengal Hockey Federation.

- **SHRI SEEMANTO ROY (DIN: 00183666)**

Shri Seemanto Roy, age 40 years, holds a Bachelor's Degree in Arts from Lucknow University. He has more than 12 years of experience in the real estate sector. Presently, he holds, amongst others, directorships on the Board of Sahara Prime City Limited, Sahara Adventure Sports Limited, Aamby Valley Limited, Sahara India Club Royale Corporation Limited, Baghauli Sugar and Distillery Limited. He has contributed immensely during his association as Director in these companies.

INDEPENDENT DIRECTORS

- **SHRI BRIJENDRA SAHAY (DIN: 00017600)**

Shri Brijendra Sahay, age 78 years, is a retired IAS Officer and has served as the Chief Secretary, Government of U.P. (two times). He holds a Master's Degree in Economics and a Bachelor's Degree in Law. He has a total experience of over 37 years in Finance, Administration, Industrial and Urban Development. He has been the Chairman of U.P. State Textile Corporation, New Okhla Industrial Development Authority (NOIDA). He has also worked as the Cement Controller of India and later as Joint Secretary in the Ministry of Industry, as Deputy Secretary in the Ministry of Commerce, Govt. of India. He is the recipient of National Citizen's award, Lok Shree Award and National Amity Award. He is also on the Board of other companies like Sahara One Media & Entertainment Limited and Sahara India Life Insurance Company Limited.

- **Ms. ANSHU ROY (DIN-05257404)**

Ms. Anshu Roy, Woman Director, is a graduate from Calcutta University. She was appointed on the Board of the Company on February 13, 2015. Prior to joining Sahara Housingfina Corporation Limited she had served as Director in other companies and has relevant industry experience.

KEY MANAGERIAL PERSONNEL

- **SHRI D J BAGCHI (PAN: AAFPB2022A)**

Shri D. J. Bagchi, age 54 years, is a Fellow member of the Institute of Company Secretaries of India (ICSI) and a LLB, having more than 27 years' experience in the Mortgage Finance Industry. He is presently the Chief Executive Officer & Company Secretary of the Company, possessing business expertise and professional knowledge in the respective fields.

He is not interested as a director or partner in any other group entity.

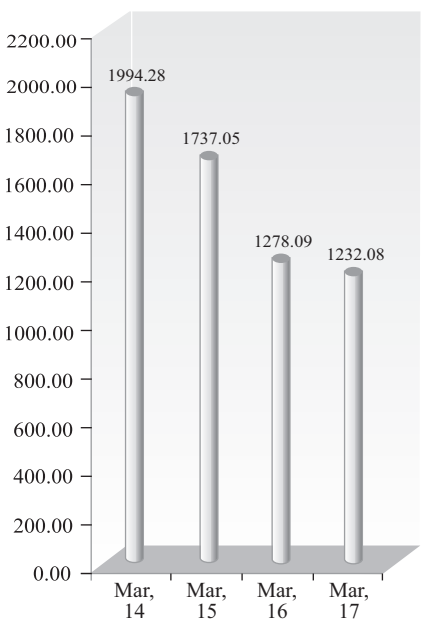
- **SHRI VIVEK KAPOOR (PAN: AJTPK1894N)**

Shri Vivek Kapoor, age 48 years, holds Bachelor's degree in Commerce from Calcutta University and has experience of over 22 years in managing accounts, finance, and administration. In his capacity as CFO he has managed the Finance and Accounts department of the Company for a period exceeding 14 years and also looks after the regulatory compliance function as per NHB rules and regulations. He was designated as the Chief Financial Officer of the Company, as defined in Section 2(19) of the Companies Act, 2013, with effect from May 29, 2014.

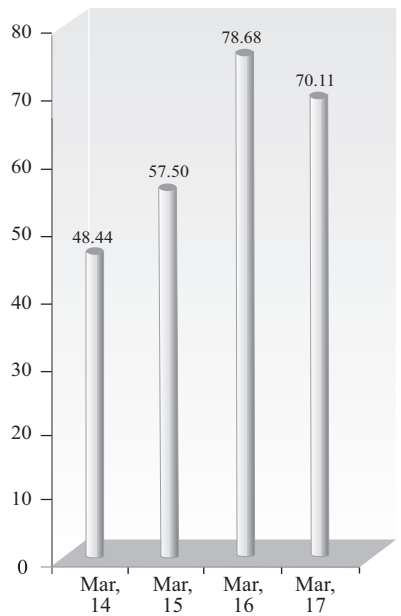
He is not interested as a director or partner in any other group entity.

OPERATIONAL HIGHLIGHTS

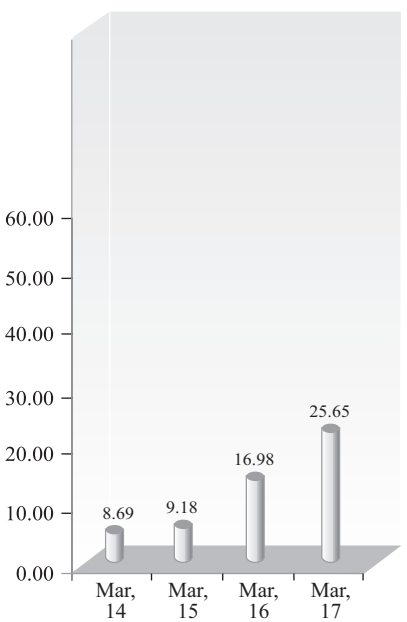
Income from Operations
₹ in lacs



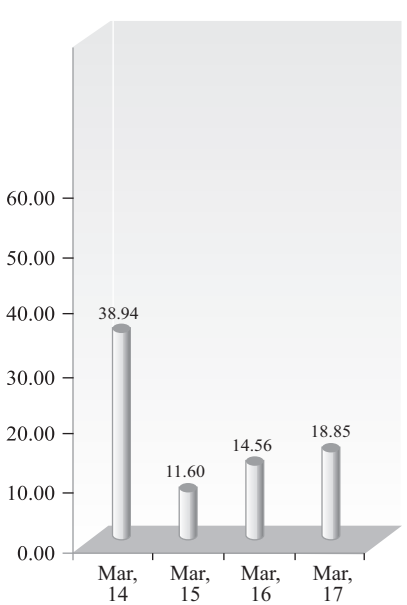
Capital Adequacy Ratio
%



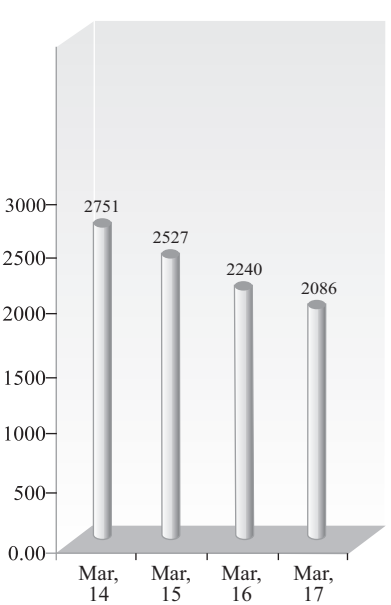
Incremental Loan Sanctioned
₹ in Crores



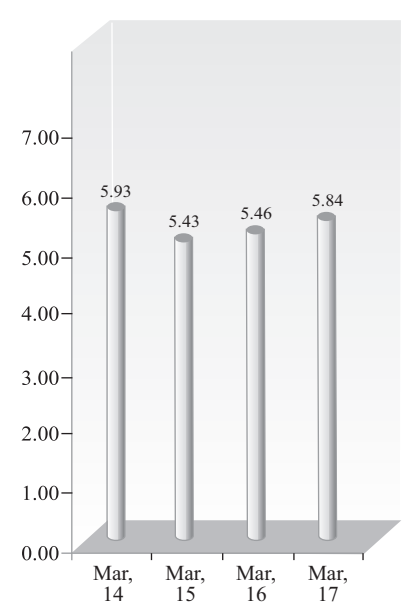
Incremental Disbursement of Loans
₹ in Crores



Loan Accounts
Numbers

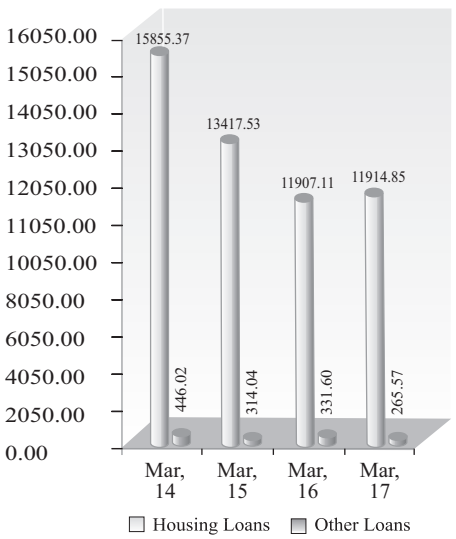


Average Ticket Value
₹ in lacs



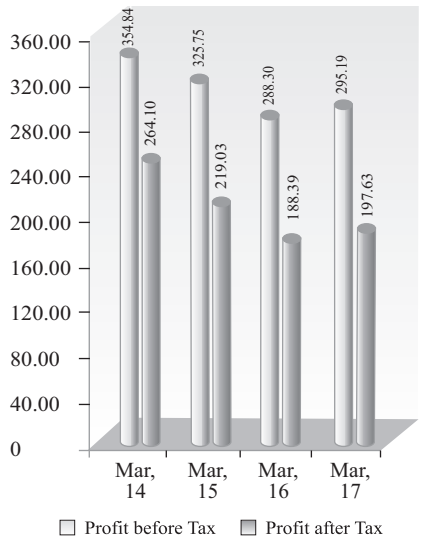
Loan Outstanding - Housing Loan & Other Loan

₹ in lacs



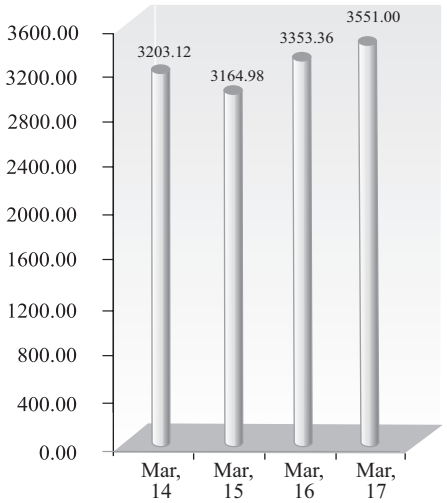
Profit Before Tax & Profit After Tax

₹ in lacs



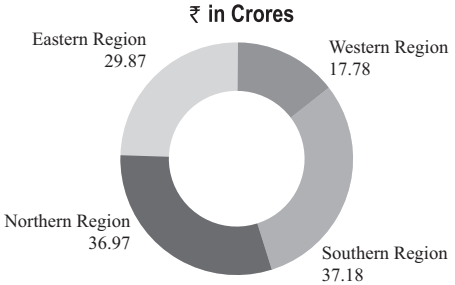
Net Owned Fund (NOF)

₹ in lacs



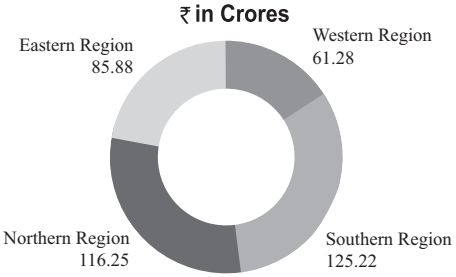
Regionwise Loan Outstanding

₹ in Crores



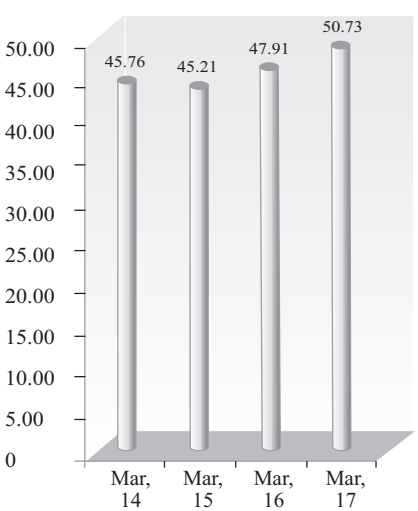
Regionwise Cumulative Disbursement

₹ in Crores

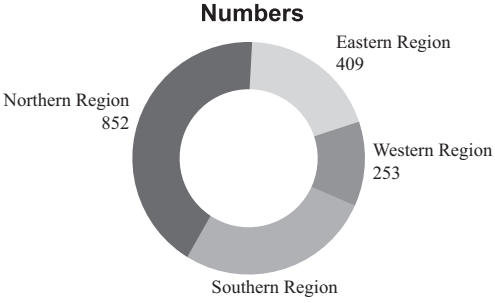


Book Value of Shares

₹



Regionwise Loan Accounts Numbers



DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company take pleasure in presenting the Twenty-sixth Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2017.

FINANCIAL RESULTS

The Financial Performance of the Company for the financial year ended March 31, 2017, is summarised below:

(₹)

Particulars	2016-17	2015-16
Gross Income	135,933,675	144,035,625
Less:		
Interest	52,653,216	67,900,320
Overheads	53,288,722	46,695,477
Depreciation	473,041	610,126
Profit Before Tax (PBT)	29,518,696	28,829,702
Provision for Taxation		
– Current Tax	8,975,977	8,495,765
– Deferred Tax	788,008	1,468,800
– Income Tax related to earlier years	(8,661)	26,366
Profit After Tax (PAT)	19,763,372	18,838,771
Add: Profit carried from earlier years	122,943,244	109,449,611
Profit available for appropriations	142,706,616	128,288,382
Appropriations		
Transfer to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 read with Sec. 29C of the NHB Act, 1987	6,081,072	5,345,138
Balance carried to Balance Sheet	136,625,544	122,943,244
Total	**142,706,616**	**128,288,382**

PERFORMANCE

Some of the key highlights of your company's performance during the year under review;

Income & Profit (PBT & PAT)

- The Profit and Loss Account shows a Profit Before Tax (PBT) of ₹ 295.19 lakhs for the year ended March 31, 2017, after making provisions for NPAs and general provision on Standard Loan Assets and taking into account all expenses, including depreciation as against the PBT of ₹ 288.30 lakhs for the previous year ended March 31, 2016. The provision for income tax (net of deferred tax) is ₹ 97.55 lakhs and the Profit After Tax (PAT) for the year is ₹ 197.63 lakhs as against ₹ 188.39 lakhs in the previous year, representing a increase in Net Profit of 4.90 per cent (approx). Taking into account the balance of ₹ 1229.43 lakhs brought forward from the previous year, the distributable profit as at March 31, 2017 is ₹ 1366.25 lakhs.

- The Gross Income for the year under review was ₹ 1359.34 lakhs as against the previous financial year's income of ₹ 1440.36 lakhs.

Net Owned Fund (NOF) & Assets under Management (AUM)

- Shareholder's Equity (Net Owned Fund) as at March 31, 2017 was ₹ 3551.00 lakhs as against ₹ 3353.36 lakhs in the previous year, representing an increase of 1.06 per cent.
- The total Assets under Management of the Company as on March 31, 2017 was ₹ 12180.42 lakhs as against ₹ 12238.71 lakhs in the previous year.

Transfer to Special Reserve

During the year under review, your company transferred ₹ 60.81 lakhs to the Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the NHB Act, 1987.

Deferred Tax Liability on the Special Reserve for the year under review has been created in accordance with the Circular No.: NHB(ND)/DRS/Policy Circular No. 65/2014/15 dated August 22, 2014 issued by the National Housing Bank (NHB).

Earnings Per Share (EPS)

The Earnings per share (EPS) as at March 31, 2017 was ₹ 2.82 as against ₹ 2.69 as at March 31, 2016.

Share Capital

The paid up equity share capital as on March 31, 2017 was ₹ 7 Crores, divided into 70,00,000 equity share of face value of ₹ 10 each.

a. Issue of equity shares with differential rights/ buy back

The Company neither issued equity shares with differential rights during the financial year 2016-17 nor bought back any of its shares during the year under review.

b. Issue of sweat equity shares

The Company did not issue any sweat equity shares during the financial year 2016-17.

c. Issue of employee stock options

The Company did not issue any stock options during the financial year 2016-17.

d. Provision by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company does not have a scheme for purchase of its own shares by employees or by any Trustee for the benefit of employees.

Subordinated Debt

Your Company did not raise any fresh money through subordinated debt during the year under review. As on March 31, 2017, your Company's outstanding subordinated debt was ₹ 25 crore. The debt is subordinated to present and future senior indebtedness of your Company. Interest due thereon has been paid within the due date of payment.

Issue of (Unlisted) Secured Non-Convertible Debenture (NCD)

Your Company during the year issued and allotted (Unlisted) Secured Non Convertible Debentures (NCD) on Private Placement basis aggregating ₹ 30 Cr.

Material Changes & Commitments occurring after the end of Financial Year

No material changes and/or commitments affecting the financial position of the Company occurred between the end of the financial year to which the attached financial statements relate to and upto the date of this report.

Capital Adequacy

As per the Housing Finance Companies (NHB) Directions, 2010, every Housing Finance Company (HFC) shall maintain a minimum Capital Adequacy Ratio (CAR) of 12 per cent. The Capital Adequacy Ratio of SHCL as on March 31, 2017 was 70.11 per cent. The following table sets out our capital adequacy ratios as at March 31, 2015, 2016 and 2017.

Particulars	As at March 31		
	2017	2016	2015
Capital Adequacy Ratio (%)	70.11	78.68	57.50

Investment in Subsidiaries, Associates, and Joint Ventures

Your Company does not have any subsidiary nor has it made any investment in associates or joint ventures. Consequently, the disclosure requirement as stipulated in terms of sub-section (3) of Section 129 of the Companies Act, 2013, read with rule (5) of the Companies (Accounts) Rules, 2014, is not applicable.

Lending Performance

During the year under review, the Company disbursed loans aggregating to ₹ 1884.61 lacs as against ₹ 1455.85 lacs in the previous year ending March 31, 2016, thereby registaring an increasing of 29.45%. The overall outstanding loan portfolio as at March 31, 2017 stood at ₹ 12180.42 lacs as against ₹ 12238.71 lacs in the previous year March 31, 2016.

The Cumulative Log-in, Sanction and Disbursement as at March 31, 2017 and 2016 are as under:

Particulars	No. of Accounts		Amount (₹ in lacs)	
	2016-17	2015-16	2016-17	2015-16
Cumulative Log-in	6263	6182	61372.22	58810.27
Cumulative Sanction	4081	4002	42709.43	40144.23
Cumulative Disbursement	3877	3799	38863.36	36978.75

Fresh Loans

The year-wise sanction and disbursement details for the previous five years are as under;

(₹ In Lacs)

Particulars	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Sanction	2565.20	1697.68	918.50	869.13	4509.49
Disbursement	1884.61	1455.85	1159.97	3893.57	4039.49

The Company continues to serve from four regions, East (Kolkata), North (Lucknow), South (Hyderabad) and West (Mumbai) and eleven branches located at Kolkata, Siliguri, Ranchi, Durgapur, Lucknow, Gorakhpur, Mumbai, Pune, Hyderabad, Vijayawada and Visakhapatnam.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

Your Company strictly adheres to the prudential guidelines for Non- Performing Assets (NPAs) issued by the National Housing Bank (NHB) under its Directions of 2010, as amended from time to time. As per the prudential norms, the Company did not recognise any income on such NPAs. The Company has made appropriate provision for contingencies on standard as well as non-performing housing loans and other loans as per the norms set by NHB.

The amount of Gross Non-Performing Assets (GNPA) on the Housing Loan portfolio as on March 31, 2017 was ₹ 716.84 lakhs against ₹ 620.88 lakhs as at March 31, 2016. The Executive Management is taking necessary steps to contain the same within limit.

DIVIDEND

The Board of Directors felt it prudent to retain the earnings for the year under review to be ploughed back in the lending business which shall result in augmenting the Company's growth and consequently shareholders' wealth.

DEPOSITS

Your Company has been granted certificate of registration by National Housing Bank, New Delhi as a non-deposit taking Housing Finance Company. In accordance with the said stipulations the Company under the current management has neither accepted in the past nor has any future plans to accept any public deposits, by whatever mean called. There are no unclaimed deposits as on March 31, 2017.

PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS

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

As regards investments, there are no investments made by the Company for the year ended March 31, 2017 except short term investment in Fixed Deposit with Nationalised Bank.

NATIONAL HOUSING BANK (NHB) GUIDELINES

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010 as prescribed by NHB and has been in compliance with the various Circulars, Notifications and Guidelines issued by National Housing Bank (NHB) from time to time.

OTHER REGULATORY COMPLIANCE

The Company has also been following directions, guidelines, circulars issued by SEBI, Stock Exchange (BSE) and MCA from time to time pertaining to listed companies.

In order to prevent frauds in loan cases involving multiple lending from different banks / housing finance companies, the Government of India has set up the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) under Section 20 of the SARFAESI Act 2002 to have a central database of all mortgages created by lending institutions. Your Company is registered with CERSAI and the data in respect thereto is being submitted, from time to time.

Directors and Key Managerial Personnel

Shri Joy Broto Roy, (DIN: 00432043) has been inducted in the Board of Directors as Non-Executive & Non-Independent Director, in the Board Meeting held on February 13, 2017.

In accordance with Article 96 of the Articles of Association of the Company and Section 161 and 149 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, Shri Joy Broto Roy (DIN: 00432043), is eligible for appointment as Director liable to retire by rotation on the Board of the Company at the ensuing Annual General Meeting of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association, Shri Seemanto Roy, (DIN: 00183666) (Non-Executive & Non-Independent) Director of your Company retires by rotation and is eligible for reappointment at the ensuing Annual General Meeting.

Two of the Non-Independent Directors of the company are related to each other. Brief resumes of the Directors, proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of other companies in which they hold Directorship along with their Membership / Chairmanship of Committees of the Board as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 are provided in the annexure to the Notice of the Twenty Sixth Annual General Meeting being sent to the members along with the Annual Report. Based on the confirmations received, none of the Directors are disqualified for being appointed / reappointed as Directors in terms of Section 164 the Companies Act, 2013.

During the year under review, no stock options were issued to the Directors of the Company.

All Independent Directors have given declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri D J Bagchi, Chief Executive Officer, Company Secretary and Manager under Section 196, 197, 198, and as a Key Managerial Personnel under Section 203 of the Companies Act, 2013 and rules made there under continues to serve your company.

Shri Vivek Kapoor continues to serve your company as Chief Financial Officer (CFO) and a Key Managerial Personnel under Section 203 of the Companies Act, 2013.

BOARD MEETINGS

The Board during the relevant financial year had met five times on May 30, 2016, August 12, 2016, November 11, 2016, January 11, 2017 and February 13, 2017 respectively.

AUDITORS

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on August 14, 2017, approved the new appointment of M/s. Chaturvedi & Partners, [FRN: 307068E] Chartered Accountants, as the Statutory Auditors of the Company, from the conclusion of Twenty-sixth (26th) Annual General Meeting until the conclusion of the Twenty-ninth (29th) Annual General Meeting of the Company, subject to ratification of the appointment by the members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013.

The necessary resolution in this respect is being included in the notice to the Twenty–sixth (26th) Annual General Meeting for the approval of Members of the Company. The Company has received consent from the Statutory Auditors and confirmation to the effect that they are not disqualified to be appointed as the Statutory Auditor of the Company in terms of the provisions of Companies Act, 2013 and Rules framed thereunder.

NOTES TO ACCOUNTS AND AUDITORS REPORT

No adverse remark or observation is given by the Statutory Auditors. The observations made by the Statutory Auditors in their report, read with the relevant notes to accounts, are complete, transparent and self-explanatory and therefore do not call for any further comments by the Board.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Shri P V Subramanian, Practicing Company Secretary (CP: 2077) as the Secretarial Auditor of the Company for the financial year 2016-2017. The Secretarial Audit Report for the financial year ended March 31, 2017, is annexed as **"Annexure - 2"** to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited accounts for the year ended March 31, 2017 are in conformity with the requirements of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

These Financial Statements are audited by M/s. Chaturvedi & Co., Chartered Accountants the Statutory Auditors' of the Company and pursuant to the provisions of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that;

a. in the preparation of the annual accounts for the year ended March 31, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures,

b. the directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2017 and of the profit of the Company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual financial statements on a going concern basis;

e. the directors had laid down Internal Financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURE UNDER SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Your Company is not engaged in any manufacturing activity and thus its operations are not energy Intensive and the particulars relating to conservation of energy and technology absorption as per Section 134 (3) of the Companies Act,2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, are not applicable. There has been no foreign exchange earnings and outgo during the year under review.

EMPLOYEE REMUNERATION

The ratio of the remuneration of each Director to the median employees remuneration and other particulars or details of employees pursuant to Section 197(12) of the Companies Act, 2013 along with the names of top 10 employees in terms of remuneration drawn read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are attached to this Report as **"Annexure – 1"**.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled Report on Corporate Governance and Management Discussion and Analysis forms part of this Annual Report. The Report on Corporate Governance also includes certain disclosures that are required, as per Companies Act, 2013.

The certificate by the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The said certificate for financial year 2016-17 does not contain any qualification, reservation or adverse remark.

INTERNAL CONTROL

The Company has an adequate internal audit system in place whereby the Internal Audit is conducted by the Internal Auditor and reports are submitted on a periodic basis. The

audit function maintains its independence and objectivity while carrying out its assignments. It evaluates on a continuous basis the adequacy and effectiveness of internal control mechanism, adherence to policies, procedures as well as regulatory and legal requirements. The function also recommends improvement in operational processes and suggests streamlining of controls against various risks. The Audit Committee of the Board reviews the internal audit function on a continuous basis.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNALS

There were no significant/material orders passed by any Regulator or Court or Tribunal which would impact the going concern status of the Company and its future operations.

CHANGE IN THE NATURE OF BUSINESS

There are no changes in the nature of Business.

NOMINATION (INCLUDING BOARDS' DIVERSITY) REMUNERATION & EVALUATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a Nomination (including Boards Diversity), Remuneration & Evaluation Policy, which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or Key Managerial Personnel of the Company, along with the criteria for determination of remuneration of Directors and KMPs including their evolutions and includes other matters, as prescribed under the provisions of the section 178 of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, your Company has amended the subject policy to align the same with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the same are provided in Corporate Governance Report forming part of this Annual Report.

RELATED PARTY TRANSACTION POLICY & TRANSACTIONS

Related Party Transaction Policy is intended to ensure requisite approval, reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with related party transactions.

There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or senior management or their relatives etc. that may have potential conflict with the interest of company at large.

During the year, the Company has not entered into any material contract, arrangement or transaction with related parties, as defined in the SEBI Listing Regulations and Related Party Transaction Policy of the Company. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

The Related Party Policy is available on the website of the Company at the URL http://www.saharahousingfina .com/annualreport/related-party-transaction-policy.pdf

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Provisions of the Companies Act, 2013 mandates formal annual evaluation of the Board of Directors and its committees. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, also require that the Board shall monitor and review the Board Evaluation Framework.

The annual performance evaluations of the Board as a whole, all Directors as well as the evaluation of the Board Committees including Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, and Stakeholders Relationship Committee of the Company, were carried out. The details of evaluation process as carried out and the evaluation criteria and framework have been explained in the Corporate Governance Report, forming part of this Annual Report.

INSURANCE OF COMPANY'S PROPERTY

Your Company has insured its various financed properties and facilities against the risk of fire, theft, etc., so that financials are not impacted in the unfortunate event of such incidents. However, your Company does not offer at present Directors' and Officers' Liability Insurance Policy.

RISK MANAGEMENT POLICY & ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Company is exposed to various types of risks such as credit risk, market risk, legal risks, interest rate risk, liquidity risk, and operational risk. The Company is aware of these factors and has given importance on risk management practices to ensure an appropriate balance between risks and returns.

The Company has put in place a comprehensive risk management policy and framework to identify, assess and monitor various risks. Risk management is driven by the Board with the overall responsibility assigned to the Risk Management Committee of the Board of Directors. At the operational level, risk management is assigned to the Asset Liability Management Committee ("ALCO"). Your Company conducts risk profiling on a regular basis for the purpose of self-assessment.

The Asset Liability Management Committee ('ALCO') lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. ALCO ensures that the liquidity and interest-rate risks are contained within the limits laid down by the Board. The Company has duly implemented NHBs Asset Liability Management Guidelines.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, at present the CSR provisions are not applicable to the Company.

CODES, STANDARDS AND POLICIES

'Know Your Customer & Anti-Money Laundering Measures

Your Company has a Board approved Know Your Customer & Anti Money Laundering Measure Policy (KYC & AML Policy) in place, which is strictly adhered to. The said Policy is in line with the National Housing Bank (NHB) guidelines.

The Company has also adhered to the compliance requirement in terms of the said policy relating to the monitoring and reporting of cash / suspicious transactions. The Company is committed to furnish to Financial Intelligence Unit (FIU), India, in the electronic medium, information of all cash transactions of the value of more than Rupees ten lakh or its equivalent in foreign currency and suspicious transactions, whether or not made in cash, in terms of the said Policy.

The said policy is available on website of the Company at the URL http://www.saharahousingfina.com/kycp.html.

Fair Practice Code

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organisation's policies vis-à-vis client protection. The FPC is being revised and updated to align the same with the improved practices in relation to the dealings of the Company with its customers, and as per the various circulars issued by the National Housing Bank.

The said policy is available on website of the Company at the *URL http://www.saharahousingfina.com/fpc.html.*

Whistle Blower Policy (Vigil Mechanism)

Pursuant to the provisions of Section 177(9)&(10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimisation of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

The said policy is available on website of the Company at the *URL http://www.saharahousingfina.com/wbp.html.*

Code of Conduct for Board of Directors and the Senior Management Personnel

Your Company has in place Code of Conduct for the Board of Directors and the Senior Management Personnel to set forth the guiding principles on which the Company and its Board and Senior Management Personnel shall operate and conduct themselves with stakeholders, government and regulatory agencies, media and anyone else with whom it is connected in a professional and respectful manner.

The declaration by the CEO of the Company regarding compliance with the Code of Conduct for Board Members and Senior Management is annexed with the Corporate Governance report.

The said policy is available on website of the Company at the URL http://www.saharahousingfina.com/

Code_of_Conduct_Directors_Sr%20Mngmnt_Pe`l_REVISED_2015.pdf.

Code for Prevention of Insider Trading Practices

Your Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of conduct as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down guidelines, which includes procedures to be followed and disclosures to be made while dealing in the shares of the Company. The code is applicable to the promoters, directors, senior designated employees and the said persons are restricted from dealing in the securities of the Company during the restricted trading periods notified by the Company.

Policy on Disclosure of Material Events and Information

During the year under review, your Company has adopted the Policy on Disclosure of Material Events and Information, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the Stock Exchanges.

The said policy is available on the website of the Company at the *URL http://www.saharahousingfina.com/annualreport/Materiality_Policy.pdf.*

Policy on Preservation of Documents and Records

During the year under review, your Company has adopted the Policy on Preservation of Documents and Records in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy ensures that the Company complies with the applicable document retention laws, preservation of various statutory documents and also lays down minimum retention period for the documents and records in respect of which no retention period has been specified by any law/rule/regulation.

Other Policies as Per NHB Rules/Guidelines

Your Company has framed policies on Policy on Partial / Part-Prepayments, Foreclosure / Pre-closure of loan prior to actual / agreed date of closure, Code of Conduct for Direct Selling Agents, Guidelines for Recovery Agents, Policy on Refunds of Fees (AF/PF), etc in order to upgrade the procedures of collecting the information from the prospective borrowers and to ensure fair practices in dealing with the borrowers.

LISTING OF SHARES OF THE COMPANY

The Equity Shares of your Company continue to remain listed (Group-B) on the BSE Ltd. The Company has paid the listing fees as payable to the BSE Ltd. for the financial year 2017 -18.

TECHNOLOGY UPDATION

Your company remains committed to upgrade its existing system software and information technology so as to improve operational efficiencies and optimize cost. However, the financial implications being constraint, the company is steadily progressing to achieve the envisaged goal. During the year under review the dependency on custom driven reporting increased with the partial implementation and commissioning of the in-house developed software module and as a result it is expected that the system and procedures including MIS and reports shall be strengthened with its complete commissioning. In consonance with earlier years, the emphasis continues to improve procedures so as to provide adequate checks and alerts against probable frauds that may arise due to misrepresentation by applicants and even to ensure fair practice in dealing with borrowers.

DEPOSITORY SYSTEM

The Company has entered into an agreement with CDSL / NSDL for transaction of shares in dematerialized form. As on March 31, 2017, only 3.05 per cent of the Company's paid up Share Capital consisting of 2,13,873 shares were held in physical form. As per the Securities and Exchange Board of India's (SEBI) instructions, the Company's shares have to be transacted in dematerialised form and therefore, members are requested to convert their holdings to dematerialised form.

HUMAN RESOURCES AND TRAINING

Your Company continues its focus to improve human resource competence and capabilities in the Company to deliver the desired / better results. The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Your company strives to ensure overall employee development and retention thus making them a core participant to the Company's success. Rewarding and recognizing high performing employees are vital to the company's success. The Board values and appreciates the contribution and commitment of the employees towards performance of your Company during the year. In pursuance of the Company's commitment to develop and retain the best available talent, the Company continued

to offer in-house training programme to staff members in executive development leadership and management skills. The Company continues to sponsor its employees at various levels to attend various seminars, workshops and programmes conducted under the aegis of various organizations and institutions including training programmes conducted by National Housing Bank, ICAI, ICSI & others and firmly believes it to be an investment in building leadership qualities amongst selected promising employees.

Employee relations remained cordial and the work atmosphere remained congenial during the year.

INSURANCE COVERAGE TO BORROWERS

Your Company in tie-up with National Insurance Company Limited offers comprehensive insurance cover product called **"NATIONAL INSURANCE SAHARA HOME LOAN SURAKSHA BIMA"** offering protection to the borrowers (optional) of the Company against the following risks / perils/natural calamities;

A Personal Accident Insurance: Death due to accident/ accidental loss of two limbs, two eyes or one limb and one eye; Permanent total disablement from injuries other than named above.

B Property Insurance: Fire/Storm/Earthquake/Riot, Strike and Malicious damage/Lightning/Explosion /Implosion /Aircraft damage, Impact damage/ Subsidence and Landslide including Rock Slide/ Bursting or Overflowing of Water Tanks & Pipes, Missile testing operations/ Leakage from Automatic Sprinkler Installations, Bush Fire/other natural calamities.

The details regarding the product (e.g. Sum insured, premium payable etc.) are explained to the borrowers during personal discussion with them at the time of credit appraisal.

Go Green Initiatives

Like previous year, the go green initiative to send annual report in electronic format to the shareholders who have registered their e-mail ID with their Depository Participant, shall be continued. The shareholders who have not yet registered their e-mail ID are requested to do so to enable the Company to effectively comply with this initiative.

Extract of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014,the extract of the Annual Return as at March 31, 2017, in the prescribed form MGT 9,forms part of this report and is annexed as "**Annexure - 3**".

Acknowledgements

The Directors place on record their appreciation for the advice, guidance and support given by the National Housing Bank, SEBI, BSE Limited, National Securities Depository Limited, Central Depository Services (India) Limited and the Credit Rating Agencies, the Company's Borrowers, all the Bankers and others for their continued support and faith reposed in the Company.

The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels as their hard work, co-operation and support had enabled the Company to maintain its profitability status.

The Board would also like to express its sincere appreciation to the Company's RTA, Service Providers and Counsellors for their continued co-operation.

For and on behalf of the Board of Directors

	(Brijendra Sahay)	**(Anshu Roy)**
Kolkata	*Director*	*Director*
August 14, 2017	*(DIN 00017600)*	*(DIN 05257404)*

Annexure – 1

TO THE DIRECTORS' REPORT

Sl. No.	Requirements	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2016-17.	The Directors are not paid any remuneration apart from the 'Sitting Fees'. Hence, no disclosure is applicable.
II	The percentage increase in remuneration of each Director, Chief Executive Officer & Company Secretary and Chief Financial Officer in the financial year.	There was no increase in the remuneration of CEO/CFO in the financial year 2016-17. The Directors are not paid any remuneration apart from the 'Sitting Fees'.
III	The percentage increase in the median remuneration of employees in the financial year.	There was no increase in the median remuneration of employees in the financial year 2016-17.
IV	The number of permanent employees on the rolls of the Company.	There were 44 permanent employees on the rolls of the Company, as on March 31, 2017.
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable as there was no increase in remuneration in the financial year 2016-17.
VI	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

Particulars of Top Ten Employees for the year ended on March 31, 2017

Particulars of employees pursuant to section 134(3)(q) of the companies Act, 2013 Read with rule 5(2) & 5(3) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age (Yrs)	No. of Share Held	Designation	Remuneration (₹)	Qualification	Experience (years)	Date of Commencement of Employment	Previous Employment
Shri D.J. Bagchi	54	-	Chief Executive Officer & Company Secretary	4,182,823	I.C.S.I. & LLB	27	16.02.2004	Dewan Housing Finance Corporation Ltd.
Shri Vivek Kapoor	49	-	Chief Financial Officer	1,498,686	Graduate	25	12.08.2003	Ganpati Projects Limited
Shri Anup Kirtan	48	-	Deputy Chief Manager	1,466,676	I.C.W.A.	17	07.07.2003	Lovelock & Lewes Services (P) Ltd.
Shri Sarvesh Kumar	47	-	Assistant Chief Manager	1,205,812	Post Graduate	23	16.01.2004	SBI Home Finance
Shri K.D. Bhattacharya	44	-	Assistant Chief Manager	1,148,962	MBA	20	01.07.2003	Bengal Ambuja Housing Development Ltd.
Shri R.N. Singh	54	-	Senior Manager	942,046	B.Tech (Civil)	24	16.10.2006	Dewan Housing Finance Corporation Ltd.
Shri Sumit Basu	54	-	Deputy Senior Manager	848,322	Graduate	30	25.08.2004	Senbo Engineering Ltd.
Shri Sutanu Palit	56	-	Assistant Senior Manager	754,961	Graduate	26	02.06.2005	Senbo Engineering Ltd.
Shri Arnab Chaudhury	47	-	Assistant Senior Manager	761,640	Graduate & P.G.D.C.A.	18	05.11.2004	Bengal Ambuja Metro Development Ltd.
Shri Ranjan Saha	53	-	Manager	638,285	Graduate	24	10.05.2006	Senbo Engineering Ltd.

Notes : 1. Nature of Employment and duties: Permanent and in accordance with terms and conditions as per Companies rules.

2. Remuneration received includes salary, allowances, retirement benefits and monetary value of other perqusites computed on the basis of the Income Tax Act and Rules.

3. No employee is a relative of any Director or Key Managerial Personnel of the Company, Ruls 5(2)(iii) of the captioned Rules is not applicable to any employee.

Annexure – 2

TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.

To,
The Members,
Sahara Housingfina Corporation Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sahara Housingfina Corporation Limited** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided me a reasonable basis of evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, during the audit period covering the financial year ended on March 31, 2017, has generally 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:-

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sahara Housingfina Corporation Limited** ('the Company') for the financial year ended on March 31, 2017 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; and
   - (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, 2015;
     - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
     - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
     - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   - (vi) The following laws specifically applicable to the Company vis-a-vis the nature of its business:-
     - (a) The National Housing Bank Act, 1987; &
     - (b) The Housing Finance Companies (NHB) Directions, 2010.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were ***not applicable*** to the Company during the financial year under report:-
   - (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

   (i) Secretarial Standards with respect to board and general meetings issued by the Institute of Company Secretaries of India; &

   (ii) The Listing Agreement entered into by the Company with BSE Ltd.

4. During the period under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

5. I further report that:

   (i) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. 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;

   (ii) Adequate notices were given to all directors to schedule the Board Meetings and Committee Meetings. Agenda and notes on agenda were sent at least seven days in advance and further information and clarifications on the agenda items were provided for meaningful participation at the meetings; and

   (iii) All decisions at the Board Meetings and Committee Meetings, as represented by the management, were taken unanimously.

6. I further report that there are 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, including general laws, labour laws, competition law and environment laws.

7. I further report that there are 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, such as laws related to taxation, local laws applicable to the areas of operation of business and other laws generally applicable to the Company.

8, I further report that during the year under report, the Company has undertaken the following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above,

   viz:- Issue and allotment of Unlisted Secured Non Convertible Debentures aggregating Rs.30 crores on private placement basis.

9. This report is to be read with my letter of even date which is annexed as **Appendix-I** and forms an integral part of this report.

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No.: 4585
C.P.No.: 2077

Place : Kolkata
Date : August 14, 2017

Appendix-I

(To the Secretarial Audit Report to the Members of Sahara Housingfina Corporation Limited for the financial year ended March 31, 2017)

To,
The Members,
Sahara Housingfina Corporation Limited.

My Secretarial Audit Report for the financial year ended March 31, 2017 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my 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 reflected on secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Account 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 and standards is the responsibility of the 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 of effectiveness with which the management has conducted the affairs of the Company.

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No.: 4585
C.P.No.: 2077

Place : Kolkata
Date : August 14, 2017

Annexure – 3

TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	**CIN**	**L18100WB1991PLC099782**
2.	**Registration Date**	**August 19, 1991**
3.	**Name of the Company**	**Sahara Housingfina Corporation Limited**
4.	**Category/Sub-category of the Company**	**Public Company, Limited by shares** **(Registered with National Housing Bank as a Non-deposit taking Housing Finance Company)**
5.	**Address of the Registered office & contact details**	**Sahara India Sadan,** **2A, Shakespeare Sarani,** **Kolkata – 700 071** **Ph: +91 33 2282 9067** **Fax: +91 33 2282 9271** **Email: info.saharahousingfina@gmail.com/ info.saharahousingfina@sahara.in;** **Website: www.saharahousingfina.com**
6.	**Whether listed company**	**Yes**
7.	**Name, Address & contact details of Registrar & Transfer Agent, (if any).**	**Link Intime India Private Limited** **59 C, Chowringhee Road,** **3rd Floor, Kolkata- 700 020** **Ph: +91 33 2289 0540** **Fax: +91 33 2289-0539** **E-mail: kolkata@linkintime.co.in**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Carrying out activities of Housing Finance Companies (Housing Loan and Non-Housing Loan)	65922	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – Not Applicable

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	4994587	–	4994587	71.35	4994587	–	4994587	71.35	00.00
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	4994587	–	4994587	71.35	4994587	–	4994587	71.35	00.00
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FI									
e) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A) (2) :	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	4994587	–	4994587	71.35	4994587	–	4994587	71.35	00.00
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–

2. Non-Institutions									
a) Bodies Corporate	807453	1300	808753	11.55	796752	1300	798052	11.40	(0.15)
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	705071	212588	917659	13.11	677392	212573	889965	12.71	(0.39)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	201133	–	201133	2.87	224794	-	224794	3.21	0.34
c) Others (specify)	–	–	–	–	–	–	–	–	–
Non Resident Indians (REPAT)	4895	-	4895	0.07	12080	-	12080	0.17	0.10
Non Resident Indians (NON REPAT)	2423	-	2423	0.04	2140	-	2140	0.03	(0.004)
Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Hindu Undivided Family	48889	_	48889	0.70	61156	_	61156	0.87	0.17
Clearing Members	21661	-	21661	0.31	17226	-	17226	0.25	(0.06)
Trusts	–	–	–	–	–	–	–	–	–
Foreign Bodies - D R	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	1791525	213888	2005413	28.65	1791540	213873	2005413	28.65	00.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1791525	213888	2005413	28.65	1791540	213873	2005413	28.65	00.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	6786112	213888	7000000	100	6786127	213873	7000000	100	

II. Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 2016			Shareholding at the end of the year 2017			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Sahara Prime City Limited	2940000	42.00	–	2940000	42.00	–	00.00
2	Sahara India Corp Investment Limited	1638587	23.41	–	1638587	23.41	–	00.00
3	Sahara India Finance and Investment Limited	416000	5.94	–	416000	5.94	–	00.00

III. Change in Promoters' Shareholding (please specify, if there is no change)

There was no change in absolute terms in number of shareholding of Promoters/Promoter Group.

IV. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01/04/2016, i.e. as per shareholding pattern of 31/03/2016		Changes in Shareholding (No. of Shares)		Shareholding at the end of the year as on 31/03/2017, i.e. as per shareholding pattern of 31/03/2017	
		No. of Shares	% of total Shares of the Company	Increase	Decrease	No. of Shares	% of total Shares of the Company
1	Gandevi Commerce Private Limited	723044	10.33	_	_	723044	10.33
2	Vishnushankar B Mishra	64674	0.92	499 (08Apr 2016) 100 (22 Apr 2016) 75 (29 Apr 2016) 375 (13 May 2016) 100 (20 May 2016) 493 (24 Jun 2016) 425 (15 Jul 2016) 220 (22 Jul 2016) 310 (29 Jul 2016) 432 (16 Sep 2016) 401 (30 Sep 2016) 300 (07 Oct 2016) 200 (21 Oct 2016) 50 (02 Dec 2016) 1150 (16 Dec 2016) 80 (30 Dec 2016) 206 (20 Jan 2017) 124 (27 Jan 2017) 770 (03 Feb 2017) 1169 (10 Feb 2017) 542 (17 Feb 2017) 2261 (24 Feb 2017) 570 (03 Mar 2017) 300 (10 Mar 2017) 16 (17 Mar 2017) 1280 (31Mar 2017)	_ 121 (5 Aug 2016) 340 (23 Sep 2016) 11 (28 Oct 2016) 142 (04 Nov 2016)	65173 65273 65348 65723 65823 66316 66741 66961 67271 67150 67582 67242 67643 67943 68143 68132 67990 68040 69190 69270 69476 69600 70370 71539 72081 74342 74912 75212 75228 76508	0.93 0.93 0.93 0.94 0.94 0.95 0.95 0.96 0.96 0.96 0.96 0.96 0.97 0.97 0.97 0.97 0.97 0.99 0.99 0.99 0.99 1.00 1.02 1.03 1.06 1.07 1.07 1.07 1.09
3	Madhu Bala Mittal	31221	0.45	–	–	31221	0.45
4	Sharmila Parasa	25952	0.37	14 (10 Feb 2017)	–	25966	0.37
5	Hirak Leasing and Investmets Pvt. Ltd.	–	–	25000 (30 Seo 2016)	–	25000	0.36
6	Meeta Kantilal Vardhan	19264	0.28			19264	0.28
7	Atul Haribhai Chauhan	17685	0.25	35 (29 Apr 2016) 100 (13 May 2016) 5 (20 May 2016) 15 (17 Jun 2016) 10 (24 Jun 2016) 95 (30 Jun 2016) 55 (08 Jul 2016) 50 (15 Jul 2016) 50 (22 Jul 2016)	– 95 (06 May 2016) 1175 (03 Jun 2016)	17720 17625 17725 17730 16555 16570 16580 16675 16730 16780 16830	0.25 0.25 0.2 0.25 0.24 0.24 0.24 0.24 0.24 0.24 0.24

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01/04/2016, i.e. as per shareholding pattern of 31/03/2016		Changes in Shareholding (No. of Shares)		Shareholding at the end of the year as on 31/03/2017, i.e. as per shareholding pattern of 31/03/2017	
		No. of Shares	% of total Shares of the Company	Increase	Decrease	No. of Shares	% of total Shares of the Company
				100 (29 Jul 2016)		16930	0.24
					2000 (19 Aug 2016)	14930	0.21
					151 (26 Aug 2016)	14779	0.21
					429 (02 Sep 2016)	14350	0.20
				131 (23 Sep 2016)		14481	0.21
				40 (21 Oct 2016)		14521	0.21
				1302 (04 Nov 2016)		15823	0.23
				1322 (11 Nov 2016)		17145	0.24
				135 (18 Nov 2016)		17280	0.25
				18 (25 Nov 2016)		17298	0.25
					73 (02 Dec 2016)	17225	0.25
				9 (09 Dec 2016)		17234	0.25
					465 (16 Dec 2016)	16769	0.24
				280(23 Dec 2016)		17049	0.24
				366 (20 Jan 2017)		17415	0.25
8	Sunita Kantilal Vardhan	14734	0.21	1000 (03 Jun 2016)		15734	0.23
				253 (17 Jun 2016)		15987	0.23
9	Radhey Shyam Mittal	15706	0.22	–	–	15706	0.22
10	Jatinder Kumar Mittal	2061	0.03	6189 (23 Dec 2016)		8250	0.12
				5980 (06 Jan 2017)		14230	0.20
11	JSEL Securities Ltd (037)	13679	0.19	2 (08 Apr 2016)		13691	0.19
				100(22 Apr 2016)		13781	0.20
					100 (29 Apr 2016)	13681	0.19
				145 (06 May 2016)		13826	0.20
				13 (27 May 2016)		13839	0.20
					406 (15 Jul 2016)	13433	0.19
				180 (29 Jul 2016)		13613	0.19
					1277 (05 Aug 2016)	12336	0.18
					602 (12 Aug 2016)	11734	0.17
					50 (19 Aug 2016)	11684	0.17
				1 (26 Aug 2016)		11685	0.17
					56 (02 Sep 2016)	11629	0.17
				201 (09 Sep 2016)		11830	0.17
					48 (16 Sep 2016)	11782	0.17
				49 (23 Sep 2016)		11831	0.17
				500 (07 Oct 2016)		12331	0.18
					485 (14 Oct 2016)	11846	0.17
					190 (21 Oct 2016)	11656	0.17
					20 (11 Nov 2016)	11636	0.17
					5 (25 Nov 2016)	11631	0.17
					500 (23 Dec 2016)	11131	0.16
					100 (30 Dec 2016)	11031	0.16
					1000 (06 Jan 2017)	10031	0.14
					50 (31 Mar 2017)	9981	0.14
12	Jewels Advisory Services LLP	25000	0.36		25000(30 Sep 2016)	0	0

V. Shareholding of Directors and Key Managerial Personnel:

None of the Directors or Key Managerial Personnel hold nor has any time in the past held any shares in the Company. Hence no disclosure is applicable.

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	50,028,576	336,100,797	-	386,129,373
ii) Interest due but not paid	1,595	-	-	1,595
iii) Interest accrued but not due	-	431,296,723	-	431,296,723
Total (i+ii+iii)	**50,030,171**	**767,397,520**	**-**	**817,427,691**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	336,100,797	-	336,100,797
Net Change	**-**	**(**336,100,797**)**	**-**	**(**336,100,797**)**
Indebtedness at the end of the financial year				
i) Principal Amount	50,028,576	-	-	50,028,576
ii) Interest due but not paid	1,595	-	-	1,595
iii) Interest accrued but not due	-	436,531,684	-	436,531,684
Total (i+ii+iii)	**50,030,171**	**436,531,684**	**-**	**486,561,855**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		D.J.Bagchi Manager
1	Gross salary	(₹)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,114,968
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	67,855
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–
2	Stock Option	–
3	Sweat Equity	–
4	Commission - as % of profit - others, specify…	–
5	Others, please specify	–
	Total (A)	4,182,823
	Ceiling as per the Act	*

- In terms of the provisions of Section 197 of the Companies Act, 2013, ("Act") the remuneration payable to the Managing Director/WTD/Manager shall not exceed 5% of the net profits of the Company calculated as per the Act. As per sub-section (3) of Section 197, notwithstanding anything contained in sub-sections (1) and (2), but subject to the provisions of Schedule V, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole-time director or manager, by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) except in accordance with the provisions of Schedule V and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- The remuneration paid to Shri D J Bagchi is well within the limits prescribed under the erstwhile Companies Act, 2013 read with the Sections 196, 197, 198, 203 and other applicable provisions, if any, read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, and the same is also authorized vide special resolution of the members of the Company passed at the 24th Annual General Meeting held on September 28, 2015.

B. REMUNERATION TO OTHER DIRECTORS

B1. REMUNERATION TO INDEPENDENT DIRECTORS

Sl. No.	Name of Independent Director	Fees for attending Board/Committee Meetings Total Amount (in ₹)	Total Amount (in ₹)
1	Shri Brijendra Sahay	90000	90000
2	Smt Anshu Roy	90000	90000

B2. REMUNERATION TO OTHER NON-INDEPENDENT, NON-EXECUTIVE DIRECTORS

Sl. No.	Name of Non-Independent, Non-Executive Director	Fees for attending Board/Committee Meetings Total Amount (in ₹)	Total Amount (in ₹)
1	Shri Seemanto Roy	90000	90000
2	Shri Joy Broto Roy*	10000	10000

*** Appoint as director w.e.f. February 13, 2017**

NOTE: The Directors of the Company are paid only the sitting fees of ₹ 10,000 each for attending the Board/Committee meetings. The directors do not receive any other remuneration from the Company.

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

Sl. No.	Particulars of Remuneration	Shri D. J. Bagchi * (CEO & CS)	Shri Vivek Kapoor (CFO)
1	Gross salary	(₹)	(₹)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,114,968	1,486,806
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	67,855	11,880
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission - as % of profit - others, specify…	–	–
5	Others, please specify	–	–
	Total	**4,182,823**	**1,498,686**

* Shri D.J.Bagchi is appointed as Manager and he also serves as CEO, and Company Secretary.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	**COMPANY**					
	Penalty	NONE				
	Punishment					
	Compounding					
B.	**DIRECTORS**					
	Penalty	NONE				
	Punishment					
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty	NONE				
	Punishment					
	Compounding					

MANAGEMENT DISCUSSION & ANALYSIS REPORT

■ India Leads World Bank Growth Forecast amid Global Economic Heavy Weather

The new forecasts from the World Bank show India will be a bright growth spot amid a gloomy outlook for developing countries in the next few years.

Stretching the weather metaphor further, the bank says that India is "well positioned to withstand near-term headwinds and volatility in global financial markets" compared with other major emerging economies and predicts it will grow at 7.9% by 2018.

That would make it the fastest-growing developing-country economy by some margin, ahead of the next quickest, Bangladesh, at 6.8% and China at 6.5%, according to the World Bank's "Global Economic Perspectives" report published by World Bank.

India revised the way it calculates gross domestic product early last year, a recalibration that caused it to shoot past China but which left some economists pondering.

The World Bank said India would benefit because of a reduction in external vulnerabilities, a strengthening domestic business cycle and a supportive policy environment.

"Progress on infrastructure improvements and government exports to boost investment are expected to offset the impact of any tightening of borrowing conditions resulting from tighter U.S. monetary policy," the report said.

The tumbling price of oil, lower food-price inflation and a public-sector wage increase could help urban spending, it added, although consumption growth remains below long-term averages.

Clouds on the horizon include possible stalling in legislative changes intended to make doing business in India easier, the bank said.

The present government has passed a constitutional amendment that simplifies India's knotty web of state taxes i.e. GST (Goods and Service Tax).

"High levels of nonperforming loans in the banking sector, concentrated in construction, natural resource and infrastructure sectors, could impede a pickup in investment if left unaddressed," the report also said.

Elsewhere in South Asia the picture isn't quite as sunny.

In Nepal, the estimated value of damage from the earthquakes in April-May 2015 amounts to a third of their GDP, the World Bank estimated.

Since the earthquakes, domestic tensions over a new constitution and severe fuel shortages resulting from the closure of land trading routes with India have further weighed on activity, it said.

In Bangladesh, as political tensions have abated, exports have rebounded strongly, supporting activity but inflation has remained high as bottlenecks meant falling global oil prices were not reflected in domestic prices, the report said.

[Source:https://blogs.wsj.com/indiarealtime/2016/01/08/india-sheltered-from-global-economic-heavy-weather-world-bank-says/]

■ India will be Fastest-Growing Economy for Coming Decade, Harvard Researchers Predict

India has been the world's fastest-growing economy in 2015. But India also has the best growth prospects for the coming decade, based on the increasing variety and sophistication of the products it exports.

In new forecasts by economists led by Ricardo Hausmann at Harvard University's Center for International Development, India's 7% projected annual growth rate through 2024 would continue to put it ahead of China, where similar advances in productive know-how propelled the country's rise over the past decade but are now closer to being exhausted.

China's output growth is forecast to be just 4.3% a year on average for the next decade. Meanwhile, East African countries like Uganda, Tanzania and Kenya are projected to grow at around 6%. Several Southeast Asian countries also fare well in the forecasts: The Philippines, Malaysia, Indonesia and Vietnam are expected to see expansion of between 4.75% and 5.7%.

The economists' predictions are based on research that suggests a country's prosperity is most consistently determined, not by political institutions, years of schooling or the ease of doing business, but by the ability to make stuff that few others can.

This kind of collective knowledge is captured by measures, developed by Mr. Hausmann and others, of "economic complexity." Nations that export a wide range of advanced products-everything from jet engines to medicines to soybeans-score highly on these, whereas those that produce a few, largely ubiquitous items-such as cotton, crude oil or sesame seeds-do not.

If a country's per-capita income is low relative to others at a similar level of complexity, then that suggests there exists an opportunity to grow and catch up. In India, average incomes are nearer to Sub-Saharan African levels than to East Asian ones, yet the country has built up world-class companies that export pharmaceuticals, autos and auto parts, petroleum products and more.

The other side of the coin is that more-advanced countries are less likely to diversify further. Germany, an innovative industrial powerhouse, was found to be the world's second-most complex economy, according to 2014 trade data. But that is partly why its projected annual growth rate through 2024 is just 0.35%, below Cuba's and Libya's. U.S. growth is predicted to be at 2.6%.

Economic expansion, in this model, is also harder in nations that are relatively rich despite being fundamentally limited in productive capability. Greece is in this category, as are countries dependent on mineral wealth: Venezuela, Qatar, Russia, Saudi Arabia.

One limitation of the Harvard research is that it only uses data on trade in goods. Services such as business outsourcing, finance and software constitute a growing share of countries' productive knowledge and output, not least in India.

[Source:https://blogs.wsj.com/indiarealtime/2016/01/01/india-will-be-fastest-growing-economy-for-coming-decade-harvard-researchers-predict/]

■ **Re-imagining India's Informal Housing Challenge**

The year 2016 turned out to be a year of transition, especially for real estate – a sector that has been directly or indirectly affected or altered by most policy reforms introduced by the state governments or the Centre. Some of these policy changes might seem disadvantageous in the short run; however, they will render the entire system more mature, organised and transparent.

Union Budget 2017-18, presented by the present government on February 1, 2017 has yet again emphasised the importance of housing, and has accorded infrastructure status to this sector. It is important to attract the attention of all stakeholders to this sector, particularly those who influence supply — developers and banks. Given the benefits offered in the budget, the clearer definition of affordable housing in terms of area, relaxation of construction timelines for affordable housing projects, and tax incentives, it is evident that India is moving towards significantly reducing its share of homeless people.

The traditional factors influencing housing demand keep fluctuating due to policy interventions; yet, consumers keep investing in real estate. This is evidenced by the fact that housing sales velocity has not dropped significantly anywhere in India due the various policy reforms. Moreover, today's market primarily consists of buyers (as much as 80 per cent) who depend on loans for financing their housing needs.

The policy initiatives, the Housing for All (Pradhan Mantri Awas Yojana) and the Smart Cities Mission are two major flagship policies that have affected the demand and supply trends of residential real estate, and have a huge impact on addressing the issues of informal housing/housing for the urban poor. The recent Real Estate Regulatory Act does not concentrate on incentives to promote informal housing, though it increases transparency in the formal residential market.

Affordable housing shortage continues to be a major concern in the country today, and can be correlated with the rate of urbanisation taking place. According to the Census of India 2011, India's urban population increased to 377 million, reflecting the rise in urbanisation from 27.8 per cent to 31.2 per cent between 2001 and 2011. This rate of urbanisation has led to many issues such as land shortage, housing shortfall, severe pressure on available infrastructure, transportation deficits and stress on basic amenities like water, sanitation and healthcare.

At present, there is a shortage of 18.8 million homes across urban centers of India, of which 15 million are needed in the LIG (Low Income Group) category. Large-scale budget housing projects are definitely the need of the day to address the mammoth shortfall. The "Housing for All" mission envisions a multitude of strategies such as tax rebates, monetary support, relaxed development regulations, discounted interest rates, etc. to provide Housing for All by 2022.

The Housing for All and Smart Cities missions, through convergence, use the benefits given to each other and also compensate for shortcomings by leveraging their advantages. While Housing for All concentrates on funding and incentives for developers and buyers, the Smart Cities mission focuses on leveraging land availability, implementation under single entity SPVs (Special Purpose Vehicles), and strengthening basic infrastructure facilities.

As part of the Smart City initiatives, some Indian cities have planned convergence with the Housing for All scheme to address the informal housing sector. Some of these initiatives would include housing for economically weaker sections or affordable housing, slum redevelopment, rental

housing, working women's hostels, shelters for the homeless, etc. as part of the Smart City plan. All these would be developed through the Public Private Partnership (PPP) model with the involvement of private developers.

[Source:https://www.makaan.com/iq/news-views/re-imagining-indias-informal-housing-challenge]

■ **Housing Industry Outlook**

India continues to hold its position as the world's fastest growing G-20 economy. On the back of improved investor confidence and better policy reforms, India's economic growth stood at 7.6% in the year ending March 2016, an uptick from the previous year (7.1%). However, after the demonetization drive undertaken by the Indian Government in November 2016, growth projections were lowered. The impact of demonetization was expected to be catastrophic for the economy, however, actual figures released for the initial months of 2017 have been encouraging; indicative that the economy is already on its way to fully absorb the impact of the policy.

The year 2017 is expected to be a year of fructification–with the results of all policy initiatives taken in 2016 beginning to take shape. Most of the steps, including Real Estate Regulatory Act (RERA), Goods and Services Tax (GST) and Real Estate Investment Trusts (REITs), consolidation of Banks / FI's are aimed at improving transparency and enhancing the overall investor sentiment.

Steady lease rentals, high absorption levels and global investor interest continue to bring life into India's commercial real estate sector. 2016 was a landmark year for the sector, with record absorption levels of over 43 million sq. ft. In 2017, the office sector is likely to maintain its momentum with an anticipated absorption of 40 million sq. ft. Occupiers, while expanding their footprint across the country, are likely to keep a strong check on space utilization ratios and innovations in workplace strategies, while implementing their expansion plans. Supply across the seven cities is expected to marginally rise, completion delays likely to abate; with the supply pipeline dominated by the top three cities, followed by smaller cities like Hyderabad and Pune.

Residential activity in India dipped in 2016. Both housing sales and new project launches saw a decline by over 18% - 22% y-o-y, with overall market sentiment varying across cities. Housing supply in India during H1 2017 is expected to rationalize on account of cautious developer sentiment; largely due to the demonetization drive and the anticipated implementation of RERA. Housing sales are expected to remain dormant in H1 2017 both in the primary and secondary markets, likely to be followed by a period of relative stability in H2 2017, as homebuyer enquiries are expected to rise due to a favorable lending and policy environment.

The Indian retail real estate market witnessed continuous foray of international brands, completion of retail developments and robust demand during 2016. The year 2017 is also likely to be positive for retail, with an addition of almost 7 million sq. ft. of Grade A supply (to be led by the Southern cities). Even though we see a strong supply pipeline, the demand for organized retail space will continue to exceed supply. Consumption patterns are likely to mature due to increasing urbanization and policy initiatives by the government, with upcoming retail developments to allow entry points for global retailers beyond the traditional epicentres of Delhi NCR and Mumbai.

Sustained economic growth over the past few years has led to a healthy demand for warehousing and industrial space in India. Demand in 2016 was slightly more than 10 million sq. ft., with relatively smaller cities such as Hyderabad, Chennai, Kolkata and Pune accounting for almost half of the leasing activity. Demand for warehousing space is anticipated to remain robust throughout 2017, with consolidation (as a result of the implementation of the GST) being amongst the biggest drivers. In line with an increased demand, the supply of modern warehousing and industrial parks is also expected to increase over the next few years.

The year 2016 witnessed a majority of real estate investment concentrated towards well leased / well organized office developments, followed by residential and alternate sectors such as retail, logistics and hospitality. Retail assets witnessed a particular interest in the past year with players such as Blackstone, GIC etc. acquiring assets in Mumbai, Pune and Chennai. In 2017, proactive government policies are likely to provide a more secure environment for investors. While office and residential are expected to remain traditional drivers; however, alternate sectors such as retail and warehousing will also come to the forefront.

[Source:https://docs.google.com/viewerng/viewer?url=https://img.etb2bimg.com/files/retail_files/reports/data_file-cbre-1493291165.pdf]

■ **Trends and Drivers of Housing Demand Growth**

The demographic drivers for housing demand in India have remained fairly unchanged, particularly the favourable demographics (favourable risk profile for mortgages due to young population) and rising prosperity (sustained move towards becoming a middle income country).

We believe these factors shall continue to remain key structural drivers for housing demand. While demand side has been robust, the constraints have traditionally been observed on the supply side, particularly the LIG (low income group) segment.

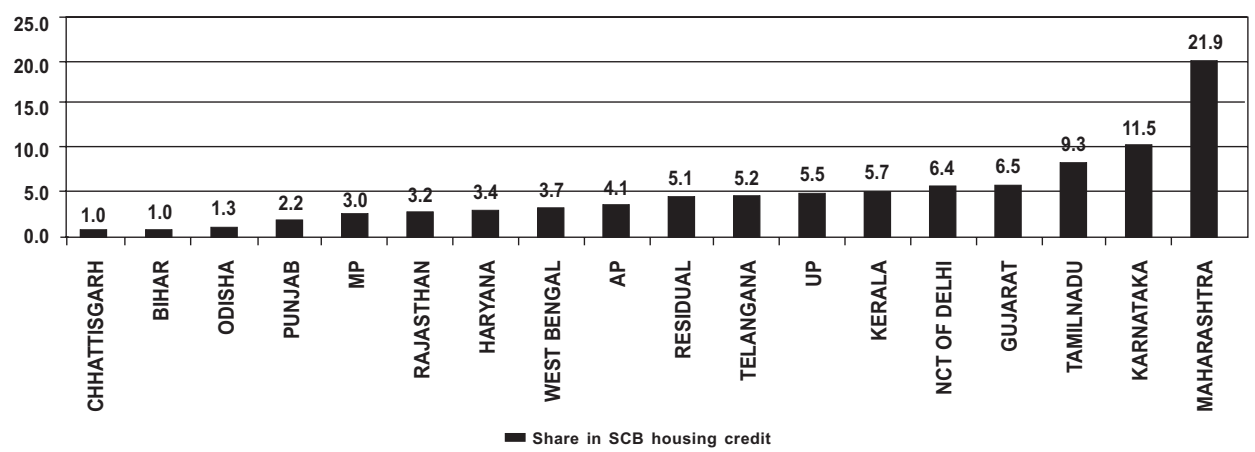
The other structural factors, notably the PMAY-G, Real Estate Regulation Act etc are likely to provide a strong structural framework to housing demand over medium term.

Mortgage Penetration higher in Urban Areas

RBI's data on commercial bank credit for housing shows a higher distribution in urban areas and therefore a higher concentration in states which have a higher urban population. Thus, the housing mortgage to GSDP (gross state domestic product) is highest for Maharashtra and Karnataka (amongst most urbanized and prosperous states) and lowest for Bihar (amongst least urbanized), based on data for FY15 (RBI publishes data with a two year lag). We consider Chandigarh and National Capital Territory (NCT) of Delhi as outliers (15.8% and 8.3% respectively) given these are city governments / states with mostly urban population.

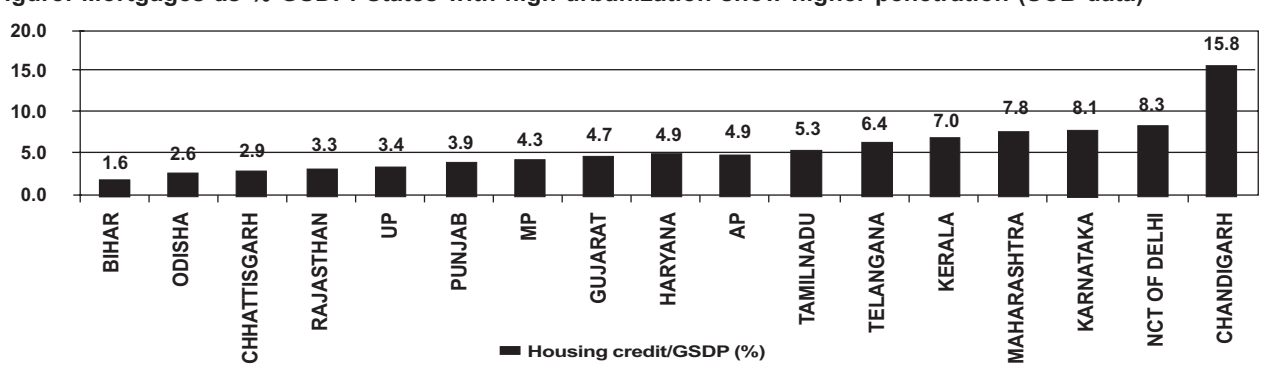
A similar state-wise dataset for HFCs is not available from NHB (National Housing Bank – regulator for housing finance). However, penetration patterns based on geographic area (metro, urban, semi-urban, and rural) exhibit similar distribution pattern.

Figure: Mortgage penetration amongst India's states (SCB data)



Source: RBI; IDBI Capital Research

Figure: Mortgages as % GSDP: States with high urbanization show higher penetration (SCB data)



Source: RBI; IDBI Capital Research

In terms of mortgage penetration, states like Bihar, Chattisgarh, Odisha, and Rajasthan are at a stage where India was in early 90s whereas states with relatively higher penetration have a still stronger scope for penetration if compared with middle income SE Asian economies.

India is steadily urbanising

Except the first two census decades post-independence, the trend in India's urbanization has been steady with the latest census decade (2001-2011) showing a faster pick-

up in urbanization trend (refer to the tables below) even as decadal population growth slowed. By urbanization, we refer to the phenomenon of rising urban population, as identified in the census of India.

Table : Rural-urban differential in population growth

	Avg. annual population growth (%)		
Period	Rural	Urban	Total
1951-1961	2.06	2.64	2.16
1961-1971	2.19	3.82	2.48
1971-1981	1.93	4.61	2.47
1981-1991	2.00	3.64	2.38
1991-2001	1.81	3.15	2.15
2001-2011	1.22	3.18	1.76

* Urban population as % of total poplation, # Values in pertange

Source : Registrar of India, Socio Economic Statistics of India, 2011

The steady pick-up in urbanization post-1971 also coincides with the launch of new cities (post completion of basic infrastructure), prominent examples being Chandigarh (Union Territory, 1966), Gandhinagar (Gujarat, 1970), Pimpri-Chinchwad New Township (1972) and Navi Mumbai (1979) (both in Maharashtra) etc. This is not to argue the pick-up in urbanization was because of creation of new cities, which were fewer and cumulatively still constitute a small portion of India's overall urban population. Nevertheless, decadal trends do confirm urbanization is here to stay and new cities –Greenfield or satellite townships (extensions to existing urban agglomerations) shall have no dearth of demand for housing.

Table : Trend in urbanization in India

Year	Ur. pop. *#	Change#
1951	17.30	-
1961	18.00	0.70
1971	19.90	1.90
1981	23.30	3.40
1991	25.70	2.40
2001	27.80	2.10
2011	31.20	3.40

Size of households in urbanizing India slowly shrinking…

…or in other words, number of households in India is rising even as population growth slows. We believe rising urbanization caused by migration of labour (skilled and unskilled) as well as shrinking size of families due to nuclearisation is driving the demand for housing in India.

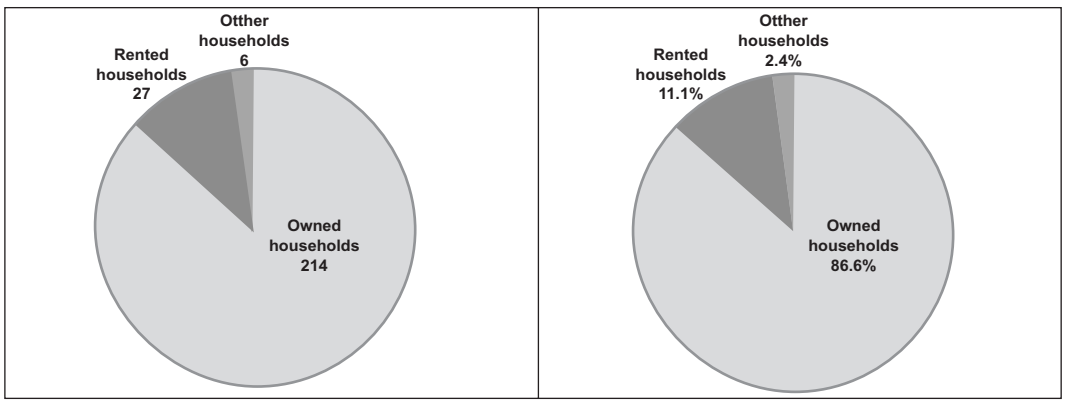
Table : Size of rural and urban households has shrunk faster than slowdown in population growth rate

Year	Average size of household			Avg. no. of persons/dwelling		
	Rural	Urban	Total	Rural	Urban	Total
1961	5.2	5.1	5.2	5.5	5.7	5.5
1971	5.5	5.2	5.5	6.0	6.0	6.0
1981	5.6	5.5	5.6	5.9	5.7	5.8
1991	5.6	5.3	5.5	5.8	5.5	5.7
2001	5.4	5.1	5.3	4.9	5.1	5.1
2011	4.9	4.6	4.8	n.a.	n.a.	n.a.

Source: Registrar General, India; Census of India 2011; IDBI Capital Research

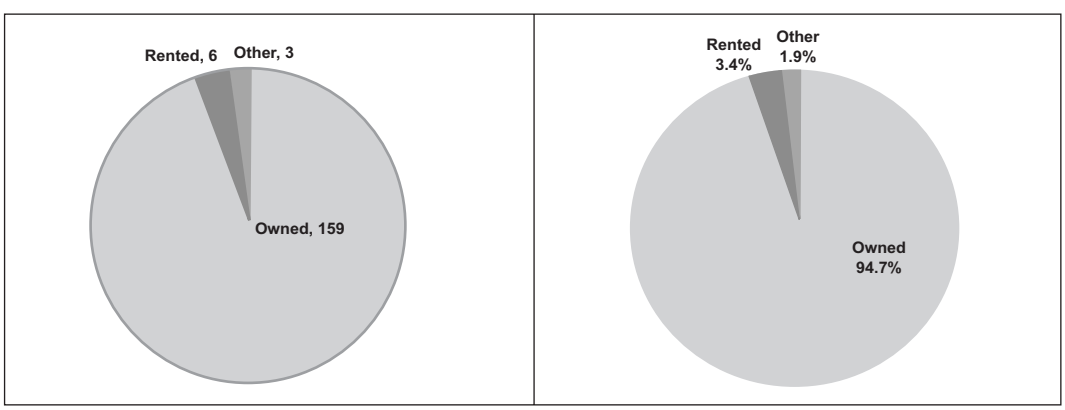
The urbanization trend is therefore leading to villages on the periphery of expanding cities getting subsumed into urban areas (becoming part of urban local bodies). In the latter case, such subsuming typically leads to better civic infrastructure – most importantly in terms of access roads and electricity. This usually creates new urban growth centres. A typical example of such an expansion is the Shil Phata area near Dombivli (Dombivli - Navi Mumbai), which in the last 8 years has added significant housing stock.

Figure: Home ownership in India



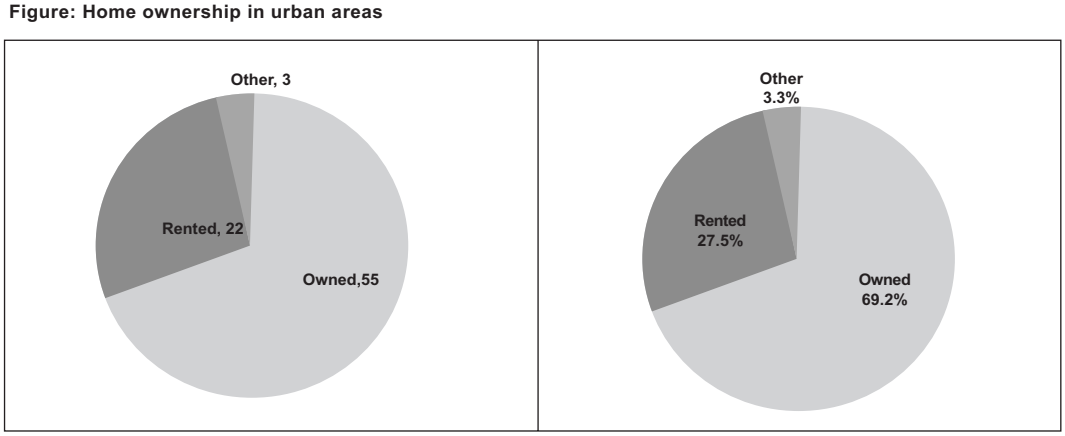
Source: Census of India 2011; IDBI Capital Research

Figure: Home ownership in rural areas



Source: Census of India 2011; IDBI Capital Research

Figure: Home ownership in urban areas



Source: Census of India; IDBI Capital Research
[Source:http://idbidirect.cmlinks.in/Admin/Pdf/333428092_HFCs-SR-130616.pdf]

The urban housing paradox: high mortgage penetration but low home ownership in urban areas

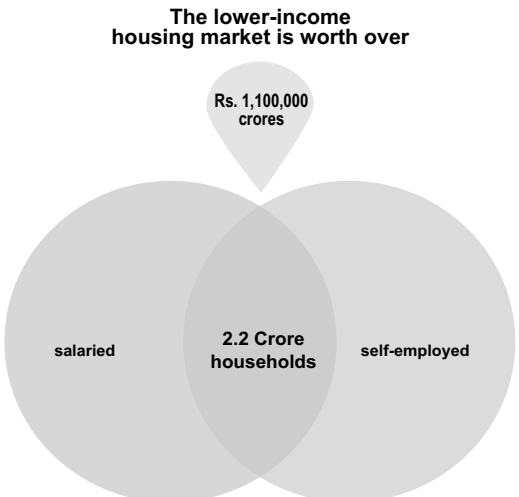
The analysis shows urban areas check all boxes for a high home ownership rate. However, the census data actually presents a paradox. The driving factors of mortgage penetration – urbanization, falling home ownership age – are not necessarily leading to high ownership rates though ownership overall is indeed rising. In other words, while mortgage penetration continues to rise in urban areas, home ownership is not rising at the same pace.

The latest Census of India (2011) data throws up some interesting data points on the supply and type of housing in India. The census data shows a significant 86.6% housing stock is owned with a high, 94.7% ownership in rural areas and a low 69.2% ownership in urban areas. This also explains the challenge of low cost affordable housing in urban areas, which remain major centres of growth and new employment.

One reason for low ownership in urban areas is likely to be prevalence of slums which are often illegal structures. Other reason could be demand for rental housing by migrants who may take time to create equity before making a house purchase. This is likely to be true in places like Mumbai which typically see significant migration from other parts of the country.

■ **The Indian Housing Finance Market**

India's housing finance market is worth an estimated Rs. 9.7 trillion and has achieved steady growth over the last 3 years. The market is dominated by a handful of banks, accounting for close to 70% of the market. However, the housing finance market continues to face considerable supply constraints, particularly in the lower income segment due to the perceived high risk of lending to the informal sector. A low income household is classified as one with a monthly household income below INR 20,000 and price per dwelling unit below INR 10 Lakhs. The lower-income housing market is worth over Rs 1,100,000 Crore, comprises of approximately 2.2 Crore households and consists of both salaried and self-employed individuals. The housing finance market in India has the potential to expand and include these borrowers who are currently not being serviced by financial institutions. These are individuals in the lower income segment that generally do not have formal proofs of income, a challenge for larger Housing Finance Companies (HFCs). This has paved the way for new entrants in a niche segment within the housing finance market, the affordable housing sector.



The rapid pace of urbanization, combined with rising income levels across the country continue to drive demand for affordable housing, to the extent that supply has not been able to keep pace with demand. In a bid to encourage greater supply, the Reserve Bank of India (RBI) has recently relaxed its guidelines regarding external commercial borrowings for the purpose of onward-lending for low cost housing units. Earlier this year, the National Housing Bank (NHB), a wholly-owned subsidiary of the RBI, slashed refinancing rates on loans up to INR 5 lakhs, incentivizing primary lending institutions like banks and HFCs to lend more to low-income households. The country also witnessed the first mortgage guarantee company – an initiative of International Finance Corporation (IFC), Asian Development Bank (ADB) and NHB.

Traditionally, banks have been the largest player in the housing finance market, and they continue to hold close to 70% of the total home loan portfolio in India. The other players in the market include: HFCs, land development banks and housing societies. The National Housing Bank (NHB) was set up in order to accelerate housing finance activity in India and promote HFCs. Although their market share has been steadily growing, 37% as of October 2014, the majority of housing loans disbursed remain in a higher loan bracket of over INR 10 lakhs, according to

NHB. Home loans below INR 10 lakhs, categorised as the low income housing market, provided huge opportunity for the existing as well as new HFCs. HFCs with a strategic focus on financing low and middle income segments in the informal sector have come to be known as 'Affordable Housing Finance Companies' (AHFCs).

The Affordable housing finance market can be segmented based on the target market it is catering to and the home loan size. The aggregate AUM of all AHFCs is estimated to be INR 20,000-21,000 Crore. Within this segment, large AHFCs dominate the market, catering to borrowers in the formal sector who are able to produce documented proofs of income. Excluding some of the large HFC's, who collectively account for more than 90% of the market share, all other AHFCs manage less than INR 500 Crore of assets, individually. Semiformal and informal sectors remain largely under-served; this is especially true when the loan requirement falls below INR 7 lakhs. AHFCs rely on their ability to assess the clients' income, develop templates to understand the margins and cash flows of local businesses, and have a strong in-house process of credit and security verification. The number of AHFCs in this market and their assets under management is very small in proportion to the demand – presently, they collectively manage less than INR 4000 Crore.

Given the higher concentration towards the formal, higher income segment, immense opportunity lies ahead for players who develop a sustainable business model in lending to the informal market. The market has witnessed both existing NBFCs floating new subsidiaries to specialize in affordable housing finance, as well as new AHFCs coming up with an exclusive focus on affordable housing finance. Currently there are 86 HFCs registered with the NHB. There has been significant equity interest within the sector – early stage investors such as Sequoia, Nexus, Elevar, Caspian, MSDF etc. have taken equity stakes in HFCs. Recent investments made include INR 122 Crore invested in Shubham Housing Development Finance by Motilal Oswal along with Shubham's existing investors. Aptus Value Housing Finance Company also saw an equity infusion from West Bridge along with existing investors.

The borrowing profile has evolved over the years as housing finance companies mature, moving from bank funding to capital market products as the company demonstrates significant vintage in the sector. Market borrowings in the form of non-convertible debentures, ECBs, commercial papers have recently gained traction among the larger HFCs in the affordable housing finance sector. However, the relatively more expensive business model restricts the company from availing of NHB refinance facilities under the different schemes. Most small to mid-sized HFCs are relatively well capitalised with debt-equity at an average of 5-6x, majority of them continue to be funded through equity.

Funding Sources

HFCs haven't been able to diversify their sources of borrowing and continue to depend largely on banks and NHB to meet their disbursal targets. A relatively high degree of concentration and dependence on banks and NHB for funding remains a challenge, particularly for smaller HFCs. The lack of long term funding to HFCs poses considerable liquidity challenges.

IFMR Capital believes that the affordable housing finance market will achieve tremendous growth over the next few years, given the low base/shortage of supply and huge demand. Majority of HFCs in this space have stabilized operations and have witnessed excellent asset quality. At the same time, concerns on areas such asset liability management, access to a diversified investor base, rating limitations etc. persist.

Given the considerable gap between supply and demand in the affordable housing finance market, there is still opportunity for new HFCs to enter the market while the existing HFCs continue to grow. Access to capital will be crucial to the growth of these HFCs in India. IFMR Capital's strategy and interventions/products are designed to address these concerns. Given the inherent limitations of domestic debt markets in providing access to long term finance, as well as to lower rated institutions, IFMR Capital's focus is on developing transaction structures with sufficient structural risk mitigation in order to incentivize investors to provide credit. IFMR Capital has already channelized more than INR 1200 Cr in the housing and mortgage lending space through structured finance, as well as plain vanilla products.

The securitisation of affordable housing loan pools and mortgaged loans has been critical in providing co-terminus funding. This has enabled Mutual Funds to invest in NCD and CP issuances by HFCs, diversifying the lender and debt product profile, a key achievement, in addition to making public sector banks accessible to these HFCs.

Real Risk Vs Perceived Risk

HFCs lending to the informal sector are perceived to be more risky. Furthermore, most of the HFCs lack vintage and have, therefore, been rated in the range of BBB- to A-. There is a clear need to demonstrate the quality that such originators bring to the market.

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Market Building

Since affordable housing finance is a new and evolving market, it is important to lay down customer protection norms from the very beginning. Transparency in pricing, product structuring and delinquency management will be crucial to the performance of this segment going forward

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[Source: http://capital.ifmr.co.in/sectors-we-work/affordable-housing-finance/]

■ Affordable Housing - Growth Driver for Housing Finance Market

The domestic rating agency ICRA, on March 22, 2017, said that the affordable housing segment is likely to grow over 30% over the medium term and will be the key growth driver for the mortgage finance market.

"With the focus of the government on the affordable housing segment, including a number of initiatives such as 39 % higher allocations vis-à-vis FY 2016-17 under the Pradhan Mantri Awas Yojana (PMAY), extension of the credit-linked subsidy scheme to loans of value upto Rs 1.2 million, efforts are being made to address the supply side, demand side and affordability issues and are likely to expand the borrower base," the rating agency's senior vice-president and group head (financial sector ratings), Rohit Inamdar, said in a report.

The rating agency said it expects the affordable housing segment to grow at a faster pace than industry, at over 30% over the medium term. It said, post demonetisation, the delinquencies in the affordable housing and self-employed segments reported some increase, from 1.07% as on September 2016 to 1.25% as on December 31, 2016. Inamdar said there could be some further increase in delinquencies, especially in the affordable housing and self-employed segments, going ahead. "Liquidity of properties may get impacted post demonetisation, given the expected correction in property prices. Overall, we expect gross NPAs for housing finance companies (HFCs) to remain range-bound, between 0.9% and 1.3% over the medium term," Inamdar said.

The report said incremental funding costs for HFCs have come down considerably in the second half of the current financial year, with many HFCs raising funds at median rates of 7.5%-8%. The rating agency said HFCs will require around Rs 16,000-27,500 crores of external capital (30%-50% of the existing net worth of the HFCs), to grow at a CAGR of 18%-20% for the next three years at internal capital generation levels, of 15%-16% and at gearing levels of 8.5-9 times.

Source:https://housing.com/news/affordable-housing-growth-driver-housing-finance-market/

■ Risks and Concerns

One general feature observed in many of the housing finance companies is lowering of interest spreads due to increase in cost of funding and competitive rates to be offered on housing loans due to stiff competition from scheduled commercial banks. Upward trend witnessed in property prices and the expected rise in interest rates will impact the affordability of vast number of end users.

■ Risk Management

Risks include credit risk, liquidity risk, and interest rate risk, operational risk, and market risk. The credit risks are minimized by having established credit appraisal system in place, prescribing exposure limits, and periodic review of the portfolio. The Company operates in the mid segment and a substantial majority of borrowers are in the salary group. The Company employs checks, field verification, stringent legal and technical due diligence etc. which have helped to reduce incremental delinquencies. The operational risks are minimized by strengthening the internal control procedures and addressing the deficiencies reported by the internal auditors. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles, and yield management by way of risk, return, and portfolio management. The company proposes to manage the increased risk through available methods of portfolio churning by the RMBS/loan asset sale / assignment route as well as rate SWAP arrangements when probable with Banks/Institutions.

■ Risk Management Committee

The Company has formed an Asset Liability Committee (ALCO) which meets at periodic interval to review its approvals and controls to the various risks faced. The ALCO reviews the process of implementation of various risk management techniques, system policies, procedure and evaluates as well as advises for changes required in relation to the business environment.

■ Segment Reporting

Accounting Standard 17 regarding Segment-wise Reporting does not apply to your Company since revenues are derived from only one segment i.e. housing finance activity.

■ Marketing and Selling Arrangements

The Company's marketing team has taken steps to serve the customers at their door step which includes appointing Home Loan Counselor's. The Company also caters to walk-in customers among others.

■ Loan Products

SHCL's major focus has been to provide home loans to individuals and families for purchase, construction, extension, repair and renovation of houses. The Company has also developed loan products for the families in the self-employed category where formal income proofs are not easily available and the repayment capacity of such families are appraised based on their cash flows.

Product Portfolio:

Individual Housing Loans (HL)	This is the primary home loan product available to all Indian nationals / NRIs (selectively), to acquire/construct a house any where in India within the jurisdiction of SHCL's Branches/satellite offices.
Home Improvement Loans (HIL)	This loan is extended to help the borrower meet his requirement of improvement/ renovation of the existing house.
Home Extension Loan (HEL)	This loan is given to enable the individual to expand the home/construct additional space to meet the growing requirements of the family.
Land Loans (LL)	Strictly for non-agriculture land situated within approved layouts of Municipal/ Development Authority limits. In other words Land Loans can be sanctioned only in case of Plots allotted by Development Authorities and Housing Board specifically for the construction of houses/flats (residential purpose) within Municipal limits.
Home Loan Plus (HLP)	Existing Borrowers with good repayment track record are eligible to apply for this loan. Seasoning period of 6 months from the last/full disbursement of the existing loan.
Mortgage Loans (ML)	This loan is extended to those who own residential property with fixed sources of income and are looking for finances to meet immediate requirements like children's education, marriage, medical treatment etc.
Non Residential Property Loans (NRPL)	All professionals like practising Medicos, CA/ICWA/CS, Architect, Consulting Engineer, Solicitors may be considered for this loan for acquiring/constructing their Office premises, clinic etc.
Home Loan Enhancement (HLE)	In the case of existing good borrowers whose repayment track record is consistent and regular, can enhance existing loan for extension or renovation or repairs of the property.
Loan Take Over/Balance Transfer (BT)	Existing home loan takeover from HFCs/Banks. Existing mortgage loan takeover from HFCs/Banks. Existing non residential premises loan takeover from HFCs/Banks.

■ Credit Evaluation

The Company has in place an effective credit appraisal mechanisms aimed at providing your Company a significant competitive advantage. Through a combination of financial documents based assessment and personal interview, the assessment system is customised to capture the credit worthiness of applicants from different segments – the salaried class, self employed, practicing professionals or those engaged in the informal sector.

■ Spread on Loans

The weighted average rate of lending during the year was 11.94 per cent p.a. as compared to 11.83 per cent p.a. in the previous year. The average all-inclusive cost of funds

was 6.98 per cent p.a. as compared to 7.81 per cent p.a. in the previous year. The spread on loans over the cost of borrowings for the year was 4.99 per cent p.a. as against 4.02 per cent p.a. in the previous year.

■ **New Segments**

The Company has been continuously analysing the housing needs and credit profile of under served market segments. Method of gaining a deeper understanding of these market segments are under review and would enable us to enlarge our customer base.

■ **Business Strategy**

To be a prominent Corporate Citizen in promoting housing activities through customer friendly home finance schemes within a service oriented atmosphere. To consolidate and grow in a competitive environment reflecting the ethical standard of a good corporate citizen.

■ **Financial and Operational Performance**

The same has been covered in the section Directors Report forming part of this Annual Report.

■ **Human Resources**

The Company has dedicated staff strength of 44 persons as on March 31, 2017. The manpower requirement of the offices of the Company is assessed and recruitment is conducted accordingly. Personal skills of employees are fine tuned and knowledge is enhanced by providing them internal and external training, keeping in view of the market requirement from time to time. Outstanding performers are rewarded suitably.

Loan asset per employee of the Company as at March 31, 2017 was Rs. 276.83 lacs.

■ **Business Outlook**

Going ahead, your Company intends to grow its loan book, income and profits by deepening reach in existing regions, continuing its key focus on under-penetrated markets and segments, accessing low cost and diversified fund sources, optimising operating costs and efficiency through process changes, mobilising debt at attractive rates, transmitting cost efficiency and remaining competitive in pricing of products, improving recovery ratio and containing NPAs, leveraging technology to positively impact the working and customer experience.

■ **Conclusion with Caution**

Statements in this report, describing the company's objectives, estimations, projections, expectations are "forward looking statements" based on the management's current expectations and beliefs concerning future developments and their potential effect upon the Company. Several factors could make significant difference to the company's operations. These include economic conditions affecting demand and supply, Government regulations and taxation, natural calamities, etc. over which the company does not have any direct control. SHCL assumes no responsibility in case the actual results differ materially due to change in internal or external factors beyond the purview of its command and control.

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE

With global growth continuing to remain fragile the investors have become increasingly judicious. Emerging markets in particular have faced unprecedented challenges in recent time. In an environment of uncertainty, companies are increasingly differentiated in their corporate governance practices, business ethics, long-term track record and effectiveness in engaging with various stakeholders.

Globally, there is a convergence of trends in corporate governance. Greater emphasis is now placed on how boards are able to navigate through unstable business environments. The changes in regulations have brought in increased transparency through enhanced disclosures. Shareholder engagement has also undergone unprecedented change with greater investor activism. The shareholders are also more aware of investing in the companies that strive to be good corporate citizens, promote sustainability and are sensitive towards protecting the environment.

In India, the changes in the corporate governance framework are governed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The objective of the new listing regulation is to streamline the provisions of the listing agreements for different securities into a single consolidated framework and also align the Listing Regulations with the Companies Act, 2013.

Sahara Housingfina Corporation Limited (SHCL) believes in nurturing long-term relationships with its borrowers, channel partners, shareholders and encourages an open dialogue with all its key constituent stakeholders.

Cultivating long-term, sustainable relationships with its borrowers and stakeholders has always been a focus area for the company. It is for this reason that senior management devotes considerable time and effort towards engaging constructively with all its stakeholders. The company has always maintained that communicating in a consistent, credible and transparent manner enables stakeholders to appreciate and better understand the long-term strategies of the Company.

The board remains committed towards upholding the highest standards of governance through transparency, accountability and integrity. The board has taken cognizance of various regulatory changes in the overall governance framework and remains committed to imbibe the spirit of the regulations.

The Company has complied with the applicable provisions of the Listing Regulations and listed below is the status with regards to the same.

Composition of the Board

As on March 31, 2017, the Composition of the Board of Directors of the Company is in compliance with Regulation 17 of the SEBI's Listing Obligations and Disclosure Requirements Regulations, 2015. The Board of Directors of the Company consists of 4 (four) members including a woman Director.

Board Composition As On March 31, 2017

Category	No. of Directors	Percentage to total no.of Directors
Executive Directors	Nil	Nil
Non- Executive Non- Independent Directors	2	50
Independent Directors	2	50

Note: Brief profile of the Directors is highlighted elsewhere in the Annual Report.

Information Supplied to the Board

The Board of Directors is presented with very detailed notes along with the agenda papers well in advance of the meeting. The Board also reviews compliance reports prepared by the Company regarding all laws applicable to the Company, as well as steps taken to rectify instances of non-compliances, if any.

Important operational matters are brought to the notice of the Board at its meetings held from time to time. Operational heads attend the Board Meetings in case required to provide inputs and explain any queries pertaining to their respective areas of operations to enable the Board to take informed decisions.

Directorships and Membership of the Directors in other Companies/Committees

All the Directors of the Company are compliant with the applicable provisions of Companies Act, 2013 and SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to their number of Directorship in other Companies and chairmanship / membership on various Committees.

The detail of the directorship of each Director on the Board of various Companies along with their Chairmanship and Membership on the Board Committees is shown below;

Name of the Directors and their DIN	Category	No. of Other Directorship(s) *	No. of Other Committee Memberships/Chairmanships In Public Companies Excluding SHCL**	
			Chairmanship	Membership
Shri Joy Broto Roy# (00432043)	NED(NI)	06	Nil	–
Shri Seemanto Roy (00183666)	NED (NI)	07	Nil	–
Shri Brijendra Sahay (00017600)	NED (I)	02	Nil	02
Smt Anshu Roy (05257404)	NED (I)	Nil	Nil	Nil

NED (NI) - Non-Executive Director (Non Independent) / NED (I) - Non-Executive Director (Independent)

* Excludes Directorship in Indian Private Limited Companies (other than Private Ltd Companies that are subsidiaries of Public Ltd Companies), Foreign Companies, Companies under Section 8 of the Companies Act, 2013, and Alternate Directorships, if any.

** Represents Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee of Public Companies (listed or unlisted) as prescribed under the Security & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 Listing Agreement.

Appointed as a Non Executive Non Independent Director w.e.f. February 13, 2017.

Note:

i. Other Directorships and Committee Memberships of Directors are as on March 31, 2017.

ii. None of the directors hold any equity shares in the Company.

BOARD MEETINGS

Sahara Housingfina Corporation Limited holds a minimum four pre-scheduled Board meetings annually, one in each quarter, inter-alia, to review the financial results of the Company and additional Board Meetings are held by the Company to address the specific needs, as and when required.

The Board during the relevant financial year had met five times on May 30, 2016, August 12, 2016, November 11, 2016, January 11, 2017 and February 13, 2017 respectively. The maximum time gap between two Board meetings was not more than one hundred and twenty days.

Attendance at the Board Meetings and at Annual General Meeting (AGM) during the Financial Year 2016-2017;

Name of Director	No. of Board Meeting Attended (Total Meetings Held : 5)	Whether Attended Last AGM
Shri Joy Broto Roy*	1	No
Shri Seemanto Roy	5	No
Shri Brijendra Sahay	5	No
Smt. Anshu Roy	5	Yes

* Appointed as a Director w.e.f. 13 February, 2017.

DIRECTORS WITH MATERIAL PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

None of the Independent Directors of the Company have any pecuniary relationship with the Company.

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
  - o Statutory audit firm or the internal audit firm that is associated with the Company.
  - o Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.

- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Details of transactions of a material nature, if any, with related parties as specified in Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India are disclosed in the Notes to the financial statements for the year 2016-17. There has been no transaction of a material nature with any of the related parties which was in conflict with the interests of the Company. There has been no material pecuniary relationship or transaction between the Company and its Directors during the year.

REMUNERATION TO DIRECTORS

Directors do not receive any remuneration except the sitting fees for the meetings of the Board and Committee meetings attended by them. The Company did not advance any loans to any of its directors in the year under review.

Details of sitting fees paid during 2016-17

Name of Directors	Sitting Fees paid for		Total (₹)
	Board Meeting (₹)	Audit Committee (₹)	
Shri Joy Broto Roy	10,000	-	10,000
Shri Seemanto Roy	50,000	40,000	90,000
Shri Brijendra Sahay	50,000	40,000	90,000
Smt. Anshu Roy	50,000	40,000	90,000

Note: Sitting fees of ₹ 10,000/- are paid for each Board and Audit Committee Meeting held during the year. No sitting fee is paid for Stakeholders' Relationship Committee meetings.

COMMITTEE OF THE BOARD

AUDIT COMMITTEE:

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI's Listing Obligations and Disclosure Requirements Regulations, 2015. The meetings of the Committee during the financial year were held on May 30, 2016, August 12, 2016, November 11, 2016 and February 13, 2017.

The Audit Committee Meetings are attended by the Directors, Chief Executive Officer, representatives of the Statutory Auditors and representatives of the Internal Auditors. The departmental Heads are also invited to the meetings, as and when required. The Company Secretary acts as Secretary of the Audit Committee.

Composition of the Audit Committee as on March 31, 2017 and Particulars of Meetings attended by the members of the Audit Committee:

Names of the Committee Members	Category	Meeting details during 2016-17			Whether Attended Last AGM (Y/N)
		Held	Attended	%	
Shri Brijendra Sahay	NED (I) (Chairman)	4	4	100	N
Shri Joy Broto Roy#	NED (NI)	4	1	25	N
Shri Seemonto Roy	NED (NI)	4	4	100	N
Smt Anshu Roy	NED (I)	4	4	100	Y

NED (I): Non-Executive and Independent Director /NED (NI): Non-Executive Director and Non-Independent.

Appointed as Non Executive Non Independent Director w.e.f. 13th February, 2017 consequently ceased to be a member of the Audit Committee from that date.

Terms of Reference

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approve the payment to statutory auditors for any other services rendered by the statutory auditors.
- Review, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;

a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report.

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Qualifications in the draft audit report.

- Review, with the management, the quarterly financial statements before submission to the Board for approval.
- Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board.
- Review, with the management, performance of statutory and internal auditors, and monitor auditor's independence and performance and effectiveness of the audit process and adequacy of the internal control systems.
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- To consider, suggest, modification and or recommend/ approve, the related party transactions of the Company.
- To scrutinise inter- corporate loans and investments.
- To consider valuation of assets or undertaking of the Company wherever required.
- To evaluate internal financial controls and risk management systems.
- To review and formulate the scope, functioning, periodicity, methodology for conducting the internal audit, in consultation with the Internal Auditor and to discuss with the internal auditors any significant findings and follow-up there on.
- To have the authority to investigate into any matter as included in its terms of reference or referred to it by the Board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
- To review the Company's Vigil Mechanism as defined under the Whistle Blower Policy of the Company with regard to the process/procedure prescribed for its employees and directors to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing or other related matters.
- Any other function as may be stipulated by the Companies Act, 2013 and Listing Obligation and Disclosure Requirements Regulations, 2015 with SEBI or any other regulatory authorities from time to time.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee is empowered to oversee redressal of shareholder and investor grievances, and, inter alia, has the authority to approve sub-division/consolidation/issue of duplicate share certificates, transmission of shares and issue & allotment of shares upon exercise of Options, if any, under the Company's Employee Stock Option Schemes.

Composition

As on March 31, 2017, the Stakeholders Relationship Committee comprises of Shri Brijendra Sahay, Independent Director as the
Chairman of the Committee and Smt. Anshu Roy.

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are as follows:-

- To redress the complaints of the shareholders and investors, related to transfer and transmission of securities, non-receipt of annual reports, dividends and other securities related matters.

- To review the requests / complaints received by the Registrar and Share Transfer Agent from the Shareholders relating to transfer, transmission, consolidation, replacement of share certificates, issue of duplicate certificates and dematerialization of securities certificates.
- To review the certificates and reports submitted by the Company to the Stock Exchanges under the Listing and Obligation Agreement 2015 with SEBI.
- To observe the quarterly status of the number of shares in physical as well as dematerialized form.
- To review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent.
- To monitor and resolve / redress the grievances of Security Holders i.e. Shareholders, Fixed Depositors or Debenture Holders or Commercial Paper Investors or any other Investors of the security/ies issued by the Company.
- To recommend measures for overall improvement in the quality of investors services.
- Any other function as may be stipulated by the Companies Act, 2013 and Listing and Obligation Agreement 2015 with SEBI or any other regulatory authorities from time to time.

Meetings and Attendance

During the financial year ended March 31, 2017, the Committee met four (4) times as per details hereunder;

Date of the Meeting	Attendance	
	Shri Brijendra Sahay	Smt Anshu Roy
May 30, 2016	Yes	Yes
August 12, 2016	Yes	Yes
November 11, 2016	Yes	Yes
February 13, 2017	Yes	Yes

The Company Secretary of the Company acts as the Compliance Officer. Name, designation and address of Compliance Officer is as under:

Shri D. J. BAGCHI
CHIEF EXECUTIVE OFFICER & COMPANY SECRETARY
SAHARA HOUSINGFINA CORPORATION LTD.
1ST FLOOR, SAHARA INDIA SADAN
2A, SHAKESPEARE SARANI,
KOLKATA- 700 071
PH: 033- 2282-9067/ 0811 FAX: 033 – 2282 9271
Email: info.saharahousingfina@sahara.in/
info.saharahousingfina@gmail.com

DETAILS OF COMPLAINTS/GRIEVANCES DURING 2016-17

The complaints from its shareholders relating to non receipt of share transfer certificates, non receipt of annual report.etc. received during the year were redressed to the satisfaction of the concerned shareholders. As at end of financial year ending March 31, 2017, there were no such pending/unresolved complaints.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI's Listing Obligations and Disclosure Requirements Regulations, 2015.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee as defined by the Board of Directors of the Company are as follows:-

- To recommend the annual remuneration and periodic increments payable to the Executive Director(s) which is required to be further approved by the Board.
- To recommend to the Board the appointment/ reappointment of the Executive / Non-Executive Directors, the induction of Board members into various committees.
- To formulate criteria for evaluation and evaluate the performance of every director including the Independent Directors.
- To devise a policy on Board Diversity of the Company.
- To ensure that the overall remuneration payable to the Directors does not exceed the limits prescribed by the Companies Act and is within the limits approved by the shareholders.
- Any other function as may be stipulated by the Companies Act, 2013 and Listing and Obligation Agreement 2015 with SEBI or any other regulatory authorities from time to time.

Composition

The Committee comprised of two (2) Independent Directors, and two (2) Non-Independent, Non-Executive Director as on March 31, 2017. The Chairman of the Committee is an Independent Director.

The composition of the Nomination and Remuneration Committee as on March 31, 2017;

Director	Designation
Shri Brijendra Sahay	Chairman (Independent Director)
Shri Joy Broto Roy1	Member (Non- Independent Director)
Shri Seemanto Roy	Member (Non- Independent Director)
Smt Anshu Roy	Member (Independent Director)

1Appointed as Director w.e.f. 13th February, 2017 and consequently ceased to be a member of the Committee from that date.

REMUNERATION POLICY

The Company has formulated a Nomination (including Board Diversity), Remuneration and Evaluation policy as per the provisions of Companies Act, 2013 and Listing and Obligation Agreement 2015 with SEBI which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as Senior Management Personnel of the Company and also lays down the criteria for determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees.

The Nomination, Remuneration and Evaluation Policy of the Company, inter-alia, provides for the attributes for appointment, components of the remuneration and the process of performance evaluation relating to the Directors, Key Managerial Personnel (KMP) and other employees of the Company as explained hereunder;

Appointment criteria, remuneration terms and evaluation of the Non-Executive Director(s) / Independent Director(s):

The Nomination, Remuneration and Evaluation policy of the Company aims at promoting diversity on the Board and recommends that the Board shall at all times represents an optimum combination of Executive and Non-Executive Directors as well as Independent Directors with at least one woman Director and not less than fifty percent of the Board comprising of Independent Directors. The selection of candidate(s) for the directorship shall be based on factors like educational and professional background, personal achievements, experience, skills, etc. The appointment of Independent Directors shall be made in accordance with the provisions of Companies Act, 2013 and Listing and Obligation Agreement 2015 with SEBI.

Independent directors and non-independent non-executive directors may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission, if provided in the Article of Association and duly approved by the General Body and within regulatory limits. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration. Overall remuneration practices should be consistent with recognised best practices. Quantum of sitting fees may be subject to review on a periodic basis, as required. The aggregate commission payable to all the non-executive directors and independent directors will be recommended by the Nomination and Remuneration Committee to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The Nomination and Remuneration Committee shall recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings. In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

Appointment criteria, remuneration terms and evaluation of the Executive Director / Whole Time Director, Senior Management Personnel and other employees;

The Managing Director / Executive Director / Whole Time Director / Manager shall be appointed as per the applicable provisions of Companies Act, 2013 and rules made there under. The proposed appointee shall be assessed against a range of personal attributes and criteria which includes but not limited to qualifications, skills, industry experience, background, etc.

The remuneration payable to the Managing Director / Executive Director / Whole Time Director / Manager shall carry a balance between fixed and incentive pay based on the performance objectives in relation to the operations of the Company. The Compensation payable to Managing Director / Executive Director / Whole Time Director / Manager shall be competitive and shall be commensurate to the individual's role, responsibility and experience in relation to performance of business of the Company. The total managerial remuneration payable by the Company to Managing Director / Executive Director / Whole Time Director / Manager shall be within the limits prescribed under the Companies Act, 2013.

The Managing Director / Executive Director / Whole Time Director / Manager shall be evaluated / re-appointed on the basis of his present performance (financial/non-financial) and his achievements against various key performance parameters as defined by the Board of Directors of the Company. The performance evaluation of the Managing Director / Executive Director / Whole Time Director / Manager shall be carried out by the Nomination and Remuneration Committee, the Independent Directors in a separate meeting, and by the Board of the Company.

The Company shall appoint KMP i.e. Managing Director / Whole Time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary of the Company as per the provisions of Section 203 of the Companies Act, 2013. For the appointment of employees, the criteria's such as qualifications, skills, regional

and industry experience, background, personal attributes and other qualities required to operate successfully in the respective position and the extent to which the appointee is likely to contribute to the overall effectiveness of the organisation, work constructively with the existing team and enhance the efficiencies of the Company, shall be considered.

The remuneration for the Chief Executive Officer, Chief Financial Officer and Company Secretary at the time of the appointment shall be approved by the Nomination and Remuneration Committee and any subsequent increments shall be approved as per the HR policy of the Company and shall be placed before the Board. The remuneration of the employees shall be determined, considering key factors like;

i. The remuneration should be reasonable and sufficient to attract, retain and motivate employees and should be in line with the industry practice.

ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

iii. Remuneration shall involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The performance of the employees shall be evaluated on annual basis as per Company's and individual employees' performance and contribution to the overall goals / objectives of the Company.

Evaluation Process

In terms of the applicable provisions of the Companies Act, 2013 & Listing Agreement, the Nomination and Remuneration Committee has laid down the criteria for evaluation/assessment of the Directors (including the Independent Directors) of the Company and the Board as a whole. The Committee also carried out the evaluation of the performance of each Director of the Company.

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Listing Agreement, a separate meeting of the Independent Directors without the attendance of Non- Independent Directors and the members of the Management was held on February 13, 2017 to, inter-alia, review the performance of the Non-Executive Directors and the Board as a whole. The Independent Directors in the said meeting also assessed the quality, quantity and timelines of flow of information between the Company Management and the Board based on various components viz. relevant and adequate information being provided, circulation of agenda and related notes in advance, regular information/updates, etc. Shri Brijendra Sahay acted as the Lead Independent Director.

Pursuant to the report / feedback on the evaluation as carried out by the Nomination and Remuneration Committee and the Independent Directors in a separate meeting, the Board conducted formal annual evaluation of its own performance, its Committees and the individual directors in its meeting held on February 13, 2017. Based on the said evaluation, the Nomination and Remuneration Committee made recommendations for the appointment/ re-appointment of the Directors.

Criteria for evaluation of Board and its Committees

The evaluation of the Board and its committees were based on the criteria, inter-alia, covering various assessment parameters like structure and composition, frequency & duration of meetings, its processes and procedures, effectiveness of the Board / committees, its financial reporting process including internal controls, review of compliances under various regulations, adequate discharge of responsibilities entrusted under various regulations and/ or terms of reference of the Committees etc.

Criteria for evaluation of Individual Directors

The criteria for evaluation of performance of the individual Directors included various parameters viz. attendance & participation during the meetings, their active contribution & independent judgment, cohesiveness, discussions/ deliberations on important matters, understanding of the Company, etc.

Details of remuneration including commission and other payments to the Directors

Directors - Executive

Presently, all the Directors on the Board are Non-Executive Directors.

Directors – Non-Executive

Presently, the non-executive Directors in the Company are only paid sitting fee of Rs 10,000 each for attending the Board and Audit Committee meetings of the Company. The total amounts of sitting fee paid to the Directors have been disclosed elsewhere in the report.

Risk Management Committee

The Risk Management Committee of the Board was constituted in compliance with the provisions of Regulation 21 of the SEBI's Listing Obligations and Disclosure Requirements Regulations, 2015. The terms of reference of the Risk Management Committee includes the following;

- To review and monitor the Risk Management Policies and Procedures;
- To ensure that the Credit Exposure of the Company to any single/group borrowers does not exceed, the internally set limits and the prescribed exposure ceilings by the Regulator;
- To review the Risk Monitoring System;
- To review and verify adherence to various risk parameters set-up for various operations / Functions;
- To undertake such other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Date of the Meeting and Attendance

Date of the Meeting	Shri Brijendra Sahay (Chairman)	Smt. Anshu Roy (Member)	Shri D J Bagchi (CEO)	Shri Vivek Kapoor (CFO)
August 12, 2016	Yes	Yes	Yes	Yes

The Company has complied with all the requirements of the Listing Agreements as well as the regulations and guidelines of SEBI and there has been no non-compliance of any legal requirements or strictures imposed by any Stock Exchanges, SEBI or Regional Director, Company law Board, National Housing Bank (NHB) over the last three years for the year ended March 31, 2017. A comprehensive report of all such compliances is placed quarterly before the Board for its review. No penalty or strictures were imposed on the Company by Stock Exchange, SEBI, or any other statutory authority on any matter related to capital market since last three years.

Finance & Management Committee

The Finance & Management Committee formed by the Board of Directors in its meeting held on May 30, 2016.

The composition of the Finance & Management Committee is;

Director	Designation
Shri Brijendra Sahay	Chairman (Independent Director)
Ms. Anshu Roy	Independent Director
Shri D J Bagchi	CEO & Company Secretary
Shri Vivek Kapoor	CFO

The Finance & Management Committee met 3 times during the financial year, the meeting dates were June 3, 2016, July 28, 2016 and March 31, 2017. The Finance & Management Committee successfully completed the issuance and allotment of Secured Non-Convertible Debenture (Unlisted) on Private Placement Basis during the year under review.

TERMS OF REFERENCE OF FINANCE & MANAGEMENT COMMITTEE

The terms of reference of the Finance & Management Committee as defined by the Board of Directors of the Company are as follows:-

- The role of the Finance & Management Committee (the Committee) is to support and advise the Board in exercising its authority in relation to the matters set out in these terms of reference. The Committee is accountable to the Board for its performance.
- The Board has defined the Committee's purpose as assisting the Board in its consideration for approval and on-going oversight of matters pertaining to;
  - Capital Structure and Funding;
  - Capital Management planning and initiatives including capital allocation;
  - Due Diligence on acquisitions and divestments including proposals which may have a material impact on the company's capital position; and
  - Matters the Board may refer to the Committee from time to time in connection with the company's capital position.
- The Committee shall review matters within the scope of its authority to ensure that the company's capital decisions are appropriate in the pursuit of the Corporate Purpose.
- The Committee shall prepare the terms and conditions of any borowals by the Company Secured / Unsecured in the form of loans, debentures or any other financial investment by whatever name called.
- To ensure that all the applicable rules and regulations are followed as stipulated by our esteemed regulator NHB, ROC, SEBI or any other regulatory authorities from time to time.

Auditors' Certificate on Corporate Governance

M/s. Chaturvedi & Co., Chartered Accountants, the Statutory Auditors of the Company has certified that the Company had complied with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations. The Auditors' Certificate on Corporate Governance is included elsewhere in the Annual Report.

DISCLOSURES

i. Materially significant related party transactions

There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or senior management or their relatives etc. that may have potential conflict with the interest of Company at large. Transactions with related parties during the financial year were mainly in the ordinary course of business on arm's length basis and as per the requirements of Accounting Standard 18 are disclosed at Note No. 31 of the Notes forming part of the Accounts in the Annual Report annexed herewith.

The Company has in place a Board approved Related Party Transaction Policy which defines the materiality of related party transactions and lays down the procedures of dealing with Related Party Transactions. The Related Party Transaction Policy has been uploaded on the Company's website and is available at URL: http://www.saharahousingfina .com/ annualreport/related-party-transaction-policy.pdf

ii. Details of non-compliance by the company, penalties, and strictures imposed on the company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or other statutory authorities relating to the above during the last three years.

iii. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, which aims to provide a mechanism to the employees and directors of the Company to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and provides for direct access to the Chairperson of the Audit Committee in exceptional cases. There were no instances of reporting under the Whistle Blower Policy. No personnel have been denied access to the Chairman of the Audit Committee.

The whistle Blower Policy has been uploaded on the Company's website and is available at *URL:*

http://www.saharahousingfina.com/wbp.html

iv. Details of compliance with mandatory requirements and adoption of non - mandatory requirements

During the financial year 2016-17, the Company has complied with all mandatory requirements as specified in the SEBI Listing Regulations. The Company has adopted the below specified non-mandatory requirements in terms of Regulation 27(1) of SEBI Listing Regulations:

1. The Board

The Chairman of the Board is elected at the respective Board Meetings among the Directors present. The Company has no executive directors on its Board at present.

2. Shareholder's Rights

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers and are communicated to the Stock Exchanges, as per the provisions of the Listing Agreement and uploaded on the Company's website www.saharahousingfina.com.

3. Audit Qualification

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

4. Separate posts of Chairman and CEO

The Company has appointed a separate person as Chief Executive Officer of the Company.

5. Reporting of Internal Auditor

The Company has an adequate internal audit system in place whereby The Internal Audit is conducted by the Internal Auditor and reports are submitted on a periodic basis. The audit function maintains its independence and objectivity while carrying out its assignments.

Other Disclosures

1. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carries out the audit of the Company on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) and the total issued and listed capital. The report of such audit is submitted to the Stock Exchange periodically.

2. Familiarisation Programme

Your company follows a well thought-out orientation program for its Director(s) in accordance with the requirements of SEBI's Listing Obligations and Disclosure Requirements Regulations, 2015, to ensure that Director(s) are fully aware of the industry in which the Company operates, the processes, systems and policies adopted and followed by the Company.

The company regularly updates the Directors on the various changes in the business model, new developments & initiatives undertaken by the Company and any new policies and applicable laws and regulations etc from time to time and helps in bringing forth the best practices to the Company and help in making informed decision(s) at the Board Level.

The familiarisation program of the Company is uploaded on the Company's website and is available at *URL: http://www.saharahousingfina.com/annualreport/formalization-programme-for-independent-director.pdf.*

3. Code of Conduct for Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has in place a comprehensive Code of Conduct for its Directors and Senior Management Officers. The Code contains guidelines which advise them on procedures to be followed, disclosures to be made, closure of Trading Window and cautioning them of the consequences of violation of the Code. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code. This Code has been uploaded on the Company's website and is available at URL: http://www.saharahousingfina.com/itc.html

4. Code of conduct for the Board of Directors & Senior Management Personnel

In compliance with SEBI listing regulations, the Company has a duly approved Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in place. The subject Code identifies and lists out various elements of commitment, duties and responsibilities that serve as a basis for taking ethical decision-making in the conduct of day to day professional work.

The Code requires the Directors and employees to act honestly, fairly and with integrity and in a professional manner. The Board of Directors and members of the senior management personnel have provided their affirmation to the compliance with this code. A declaration regarding compliance by the Board of Directors and the Senior Management Personnel with the said Code of Conduct duly signed by the Chief Executive Officer forms part of this Annual Report. This Code has been uploaded on the Company's website and is available; *http://www.saharahousingfina.com/Code_of_Conduct_Directors_Sr%20Mngmnt_Persl_REVISED_2015.pdf.*

5. CEO/CFO Certification

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have furnished certificate on quarterly/ annual basis and same is reviewed by the Audit Committee and was placed before the Board of Directors of the Company in terms of Regulation 17(8) and Regulation 33(2)(a) of the SEBI Listing Regulations.

6. Secretarial Audit for Financial Year 2016-17

Shri P V Subramanian, ACS, Practicing Company Secretary, Kolkata, was appointed as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ended March 31, 2017, as per the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report addressed to the Board of Directors of the Company forms part of this Annual Report.

7. Auditors Certificate on Corporate Governance

The Statutory Auditor, M/s. Chaturvedi & Co. Chartered Accountants, New Delhi, has certified that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations, 2015. The said certificate forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

I. Communication to Shareholders

The Company primary source of information to the shareholders, borrowers and to the public at large is through the functional website of the company i.e. www.saharahousingfina.com and other than that as required under SEBI Listing Regulations, 2015, the quarterly / annual financial results are published in widely circulated national

English newspaper and in a vernacular newspaper.

The information available in the website;

- Composition of the Board.
- Composition of various Committees of Board of Directors.
- Terms & Conditions of Appointment of Independent Directors.
- Communication details for grievance redressal.
- Financial Results, Annual Report and other material information.
- Shareholding Pattern.
- Policies followed by the Company.

II. Electronic filing of compliances on BSE

As stipulated under SEBI Listing Regulations, 2015 certain corporate information such as the quarterly, half-yearly and annual results, annual report and the shareholding pattern of the Company are also filed on Corporate Filing and Dissemination System website, www.corpfiling.co.in and BSE Listing Centre at listing.bseindia.com developed by BSE Limited.

III. SEBI Complaints Redressal System (SCORES)

The Company is registered with SEBI Complaints Redress System (SCORES). Under SCORES the investor complaints are processed in a centralised web based complaints redressal system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATR) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

IV. Shares held in Electronic Form

Members holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given directly to the Depository Participant.

V. Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given to the Company's RTA viz. Link Intime India Private Limited.

VI. Service of documents through electronic mode

Members who are desirous of receiving the notice and other documents through email, may kindly intimate their respective email address to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited or may send an email from their respective email id to info.saharahousingfina@gmail.com/info.saharahousingfina@sahara.in, with a subject "Registration of email id".

VII. DETAILS OF PREVIOUS THREE GENERAL BODY MEETINGS

Year	Date & Time	Location	Special resolution(s) passed
25th A.G.M.	28.09.2016 11.00 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata - 700 071	No Special Resolution
24th A.G.M.	28.09.2015 11.00 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata - 700 071	Special Resolution passed appointing Shri D. J. Bagchi, CEO, as Manager u/sec. 196, 197, 198 and 203 of the Companies Act, 2013, for a period of three years.
23rd A.G.M.	29.09.2014 11.00 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata - 700 071	No Special Resolution

During the financial year 2016-17, the Members of the Company by way of Special Resolution passed through Postal Ballot dated February 20, 2017, approved the issue of Secured Non-Convertible Debenture (Unlisted) on Private Placement basis of Rs 30 Crore.

The Company does not propose to pass any Special Resolution through Postal Ballot as on date of this report.

VIII. GENERAL SHAREHOLDER INFORMATION

Financial Year	***April 01 – March 31***
Financial Reporting Calendar: 2017-18 (Tentative)	• First Quarter Results — July/Aug 15, 2017 • Second Quarter Results — Oct/Nov 15, 2017 • Third Quarter Results — Jan/Feb 15, 2018 • Annual Results — May, 2018
Listing on Stock Exchanges	Bombay Stock Exchange Limited (BSE). Phiroze Jeejebhoy Towers Dalal Street, Fort, Mumbai- 400 001 [Annual Listing Fees for the year 2017-18 have been paid]
Stock Code at BSE	511533
ISIN (Equity Shares) of the Company	INE- 135C01012
ISIN (NCDs) of the Company	INE- 135C08025
Corporate Identification No. (CIN)	L18100WB1991PLC099782
Website of the Company	www.saharahousingfina.com
Registered & Corporate Office	**Registered Office** Sahara India Sadan 2A, Shakespeare Sarani Kolkata – 700 071 **Corporate Office** 46 Dr. Sundari Mohan Avenue Kolkata – 700 014
26th Annual General Meeting	September 26 2017; Tuesday; Time: 11.00 A.M
Venue	**Registered Office – SAHARA INDIA SADAN**
Book Closure Dates	Friday, September 22, 2017 to Tuesday, September 26, 2017 (both days inclusive).

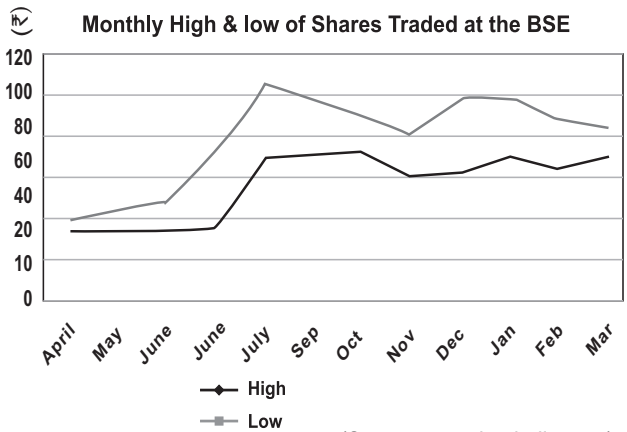
- **Market (BSE) Price Data**

  The monthly high and low stock valuations along with the volume of shares traded at the BSE are:

Year	Month	High (₹)	Low (₹)	Qty Traded (No. of Shares)
2016	April	38.80	33.10	5498
	May	43.90	32.15	23845
	June	48.45	33.00	13530
	July	72.70	36.00	42786
	August	106.10	70.55	111923
	September	98.15	70.40	99463
	October	90.00	72.00	25287
	November	81.00	59.45	17678
	December	99.80	62.10	29324
2017	January	99.00	70.00	15586
	February	88.00	65.15	16809
	March	85.00	70.10	12927

Year High: ₹ 106.10 Year Low: ₹ 32.15 (Source: www.bseindia.com)

IX. Monthly High & low of Shares Traded on the BSE during the Financial Year 2016-17



(Source: www.bseindia.com)

X. SHAREHOLDING PATTERN AS ON MARCH 31, 2017

No. of Ordinary Shares Held	No. of Shareholders	No. of Shares	Percentage
PROMOTERS:			
Indian Promoters:			
– Sahara Prime City Limited	01	29,40,000	42.00
– Sahara India Corp Investment Limited.	01	16,38,587	23.41
– Sahara India Finance & Investment Limited	01	4,16,000	05.94
Total	***03***	***49,94,587***	***71.35***
OTHERS :			
Private Corporate Bodies	98	7,98,052	11.40
Indian Public	7,480	11,75,915	16.80
NRIs/NRNs	23	14,220	00.20
Clearing Member	19	17,226	00.25
Foreign Institutional Investors	–	–	–
Total	***7,620***	***20,05,413***	***28.65***
Grand Total	***7,623***	***70,00,000***	***100.00***

Note: None of the shares of the promoters are pledged or encumbered with any of the banks or financial institutions.

XI. DISTRIBUTION OF SHAREHOLDING (SHARES) AS ON MARCH 31, 2017

HOLDING			SHAREHOLDERS		SHARES	
			NUMBER	%	TOTAL SHARES	%
001	-	500	7273	95.41	467700	6.68
501	-	1000	180	2.36	146887	2.10
1001	-	2000	92	1.21	139381	1.99
2001	-	3000	30	0.39	76623	1.09
3001	-	4000	10	0.13	33264	0.48
4001	-	5000	05	0.06	23559	0.34
5001	-	10000	18	0.24	130931	1.87
10001 And Above			15	0.20	5981655	85.45
TOTAL			**7623**	**100.00**	**7000000**	**100.00**

XII. SHARE TRANSFER SYSTEM

In terms of Regulation 40(2) of SEBI Listing Regulations 2015, the Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar & Share Transfer Agent (RTA) pursuant to which the RTA reports on transfer of securities to the Board of Directors in each Board Meeting.

All the applications regarding physical transfer, transmission, splitting of share certificates, dematerialization and rematerialization are processed by the Registrar and Share Transfer Agents. The Stakeholders' Relationship Committee is updated quarterly on the details of shares and the same are approved by the Committee periodically.

XIII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the depository system in India – NSDL (National Securities Depositories Limited) and CDSL (Central Depository Services India Limited). As on March 31, 2017 a total of 67,86,127 shares of the Company, which forms 96.95% of the total shares, stand dematerialized. The processing activities with respect to the requests received for dematerialization are completed within 15 days (maximum) from the date of receipt of the request.

XIV. ADDRESS FOR CORRESPONDENCE

Registrar and Share Transfer Agents	**Sahara Housingfina Corporation Limited (Secretarial Department)**
Link Intime India Private Limited 59C, Chowringhee Road, 3rd Floor, Kolkata- 700 020 Ph: 033-2289-0540 Tele fax: 033- 2289-0539 E-mail: *kolkata@linkintime.co.in* **Contact Person: Shri Kuntal Mustafi**	**Shri D.J.Bagchi** Company Secretary & Compliance Officer Sahara India Sadan 2A, Shakespeare Sarani, Kolkata- 700 071 Ph: 033- 2282-9067/ 0811 Fax: 033 – 2282 4910 E-mail: *info.saharahousingfina@gmail.com/* *info.saharahousingfina@sahara.in*

OTHER USEFUL INFORMATION FOR STAKEHOLDERS

i. Subsidiary Companies

As at March 31, 2017, the Company does not have any Subsidiary Company.

ii. Updation of address, etc. and Nomination Facility

Members holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given directly to the Depository Participant. Members holding shares in physical form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given to the Company's RTA viz. Link Intime India Private Limited.

The Nomination Form can also be downloaded from the *URL:http://www.saharahousingfina.com/nominationform.pdf*

iii. Electronic filing of compliances on BSE and NSE

In terms of the Listing Regulations, all periodical compliance filings such as Company's financial results, shareholding pattern, corporate announcement and corporate governance report etc are electronically filed with the Bombay Stock Exchange through BSE Listing Centre developed by BSE Limited.

iv. SEBI Complaints Redress System (SCORES)

SCORES is a web based centralized grievance redressal system of SEBI that enables the investors to lodge, follow up and track the status of redressal of complaints online. The investor complaints are processed in a centralized web based complaints redressal system. The Company is registered with SEBI Complaints Redress System (SCORES) and ensures to file Action Taken Report under SCORES well within the prescribed timeframe.

Shareholders holding shares in electronic mode should address all their correspondence through their respective Depository Participants.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members

Sahara Housingfina Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Sahara Housingfina Corporation Limited('the Company') , for the year ended March 31, 2017 as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

PANKAJ CHATURVEDI
Partner
Membership No. 091239

Place : New Delhi
Date : May 29, 2017

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR THE BOARD OFDIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company.

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the Company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the financial year 2016-17.

D. J. Bagchi
CEO & Company Secretary

Place : Kolkata
Date : May 29, 2017

INDEPENDENT AUDITORS' REPORT

THE MEMBERS OF
SAHARA HOUSINGFINA CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SAHARA HOUSINGFINA CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g. 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 has made provision under the applicable law or accounting standards, for material foreseeable losses on long term contracts. The Company did not have any other long-term contracts including derivatives contracts.

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

iv. the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 37 to the financial statements.

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

Pankaj Chaturvedi
Partner
Membership No. 091239

Place : New Delhi
Date : May 29, 2017

ANNEXURE - A REFERRED IN INDEPENDENT AUDITORS' REPORT OF EVEN DATE

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017, we report that:

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

b. These fixed assets have been physically verified by the management at reasonable interval during the year pursuant to a program for physical verification. No material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c. According to the information and explanation given to us and on the basis of examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company did not hold any inventory during the year. Accordingly clause ii para 3 of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the clause iii (a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanation given to us, the Company has not given loans, investment, guarantees and security during the year within the Section 185 and 186 of the Companies Act, 2013. Accordingly, the clause iv of paragraph 3 of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. Accordingly the clause v of paragraph 3 of the Order is not applicable to the Company.

vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the business of the Company.

vii. a. According to the information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including income tax, service tax, cess and other statutory dues, as applicable with the appropriate authorities and no outstanding statutory dues as on the last day of the financial year concerned for more than six months from the date they became payable.

b. According to the information and explanation given to us, there were no due of the income tax, service tax, cess and other statutory dues as applicable which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, the Company has not taken loan from bank or government. The Company has not defaulted in repayment to debenture holders and financial institutions during the year.

ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year has been applied for the purpose for which loan was taken.

x. According to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

xii. The Company is not a Nidhi Company. Accordingly, the clause xii of paragraph 3 of the Order is not applicable to the Company.

xiii. The Company has complied with the provision of the section 177 and 188 of the Companies Act, 2013 with respect to transactions with the related parties and has disclosed the details as required by the applicable accounting standard in the Financial Statements.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Accordingly, the clause xiv of paragraph 3 of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, the clause xv of paragraph 3 of the Order is not applicable to the Company.

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

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

Pankaj Chaturvedi
Partner
Membership No. 091239

Place : New Delhi
Date : May 29, 2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **"SAHARA HOUSINGFINA CORPORATION LIMITED"** ("the Company") as of March 31, 2017 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

Pankaj Chaturvedi
Partner
Membership No. 091239

Place : New Delhi
Date : May 29, 2017

SAHARA HOSFINAS

Balance Sheet as at March 31, 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
		₹	₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	70,000,000	70,000,000
Reserves and Surplus	4	285,099,683	265,336,311
		355,099,683	**335,336,311**
NON-CURRENT LIABILITIES			
Long Term Borrowings	5	1,036,531,684	1,067,397,520
Deferred Tax Liabilities (Net)	6	21,057,756	20,269,748
Long Term Provisions	7	3,389,489	2,819,268
Total Non-Current Liabilities		**1,060,978,929**	**1,090,486,536**
CURRENT LIABILITIES			
Trade Payables	34		
(a) Total outstanding dues of Micro Enterprise and Small Enterprise		–	–
(b) Total outstanding dues of creditors other than Micro Enterprise and Small Enterprise		1,843,473	1,601,399
Other Current Liabilities	8	14,138,324	14,038,696
Short Term Provisions	9	969,189	961,065
Total Current Liabilities		**16,950,986**	**16,601,160**
TOTAL		**1,433,029,598**	**1,442,424,007**
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
-Tangible Assets	10	4,983,190	5,381,621
Non-Current Investments	11	273,600	273,600
Non-Current Loan Assets	12	1,141,303,215	1,147,760,386
Long Term Loans & Advances	13	5,360,358	3,689,812
Total Non-Current Assets		**1,151,920,363**	**1,157,105,419**
CURRENT ASSETS			
Current Loan Assets	14	54,265,630	54,568,928
Trade Receivables	15	987,016	1,661,279
Cash & Bank Balances	16	208,503,109	212,449,841
Short Term Loans & Advances	17	9,126,617	9,348,912
Other Current Assets	18	8,226,863	7,289,628
Total Current Assets		**281,109,235**	**285,318,588**
TOTAL		**1,433,029,598**	**1,442,424,007**
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 38		

As per our report of even date attached

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

Pankaj Chaturvedi
Partner
Membership No. 091239

Place : Kolkata
Date : May 29, 2017

FOR AND ON BEHALF OF THE BOARD

BRIJENDRA SAHAY *Director (DIN 00017600)*
ANSHU ROY *Director (DIN 05257404)*
D. J. BAGCHI *Chief Executive Officer & Company Secretary*
VIVEK KAPOOR *Chief Financial Officer*

Statement of Profit and Loss for the year ended March 31, 2017

Particulars		Note No.	Year ended March 31, 2017	Year ended March 31, 2016
			₹	₹
I	Revenue from Operations	19	123,208,487	127,809,324
II	Other Income	20	12,725,188	16,226,301
III	**Total Revenue (I+II)**		**135,933,675**	**144,035,625**
IV	**EXPENSES**			
	Finance Costs	21	52,653,216	67,900,320
	Employee Benefit Expenses	22	32,513,582	28,780,968
	Depreciation and Amortization	10	473,041	610,126
	Other Expenses	23	20,775,140	17,914,509
	Total Expenses		**106,414,979**	**115,205,923**
V	**PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)**		**29,518,696**	**28,829,702**
VI	Exceptional Items		–	–
VII	**PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)**		**29,518,696**	**28,829,702**
VIII	Extraordinary Items		–	–
IX	**PROFIT BEFORE TAX (VII-VIII)**		**29,518,696**	**28,829,702**
X	**TAX EXPENSES:**			
	– Current Tax		8,975,977	8,495,765
	– Deferred Tax		788,008	1,468,800
	– Income Tax related to earlier years		(8,661)	26,366
			9,755,324	**9,990,931**
XI	**PROFIT FOR THE PERIOD (IX-X)**		**19,763,372**	**18,838,771**
	Earning Per Share (₹) - Basic	30	2.82	2.69
	Earning Per Share (₹) - Diluted	30	2.82	2.69
	Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 38		

As per our report of even date attached

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

Pankaj Chaturvedi
Partner
Membership No. 091239

Place : Kolkata
Date : May 29, 2017

FOR AND ON BEHALF OF THE BOARD

BRIJENDRA SAHAY *Director (DIN 00017600)*
ANSHU ROY *Director (DIN 05257404)*
D. J. BAGCHI *Chief Executive Officer & Company Secretary*
VIVEK KAPOOR *Chief Financial Officer*

Cash Flow Statement for the year ended March 31, 2017

	Year ended March 31, 2017		Year ended March 31, 2016	
	₹		₹	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit Before Tax and Extraordinary Items		29,518,696		28,829,702
Adjustments for:				
Depreciation	473,041		610,126	
Profit on sale of fixed assets	(34,700)		–	
Provision on Loan Assets	3,089,702		1,307,732	
Loss on sale of Investment	–		97,200	
Interest income	(12,679,580)	(9,151,537)	(16,215,393)	(14,200,335)
Operating profit before working capital changes		20,367,159		14,629,367
Adjustments for Working Capital Changes				
(Increase)/Decrease in Trade receivables	674,263		387,113	
(Increase)/Decrease in Advances	(1,343,971)		(782,393)	
IIncrease/(Decrease) in Current Liabilities	341,702		(23,992,619)	
Increase/(Decrease) in Provisions	578,345	250,339	530,796	(23,857,103)
Cash Generated from operations		20,617,498		(9,227,736)
Direct Tax paid		(8,670,518)		(9,044,513)
Net Cash from Operation		**11,946,980**		**(18,272,249)**
(Increase)/Decrease in Loan Assets (Net of Repayment)		2,733,532		144,828,910
Net Cash from Operating Activities		**14,680,512**		**126,556,661**
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Sale of Fixed Assets		34,700		–
Sale of Investments		–		500,000
Purchase of Fixed Assets		(1,474,610)		–
Movement in Fixed Deposits		(18,688,074)		15,204,328
Income from Interest		13,678,502		15,810,296
Net Cash from Investing Activities		**(6,449,482)**		**31,514,624**
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Increase/(Decrease) in Term Loan (Net of Repayment)		300,000,000		–
Increase/(Decrease) in Unsecured Loan (Net of Repayment)		(330,865,836)		(179,586,311)
Net cash from Financing Activities		**(30,865,836)**		**(179,586,311)**
D. NET INCREASE IN CASH AND CASH EQUIVALENTS:		**(22,634,806)**		**(21,515,026)**
Cash and Cash equivalents of the beginning of the year		**84,076,205**		**105,591,231**
Cash and Cash equivalents of the end of the year		**61,441,399**		**84,076,205**

Notes:- 1 The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement.

2 Figures in brackets indicate cash outflow.

3 Previous year figures have been regrouped and recast wherever necessary to conform to current year classification.

4 Cash and cash equivalents consist of following :

Cash in hand	114,956	561,392
Balance with Scheduled Banks :		
In Current Accounts	16,372,281	39,900,331
In Fixed Deposit Accounts	44,954,162	43,614,482
	61,441,399	**84,076,205**

As per our report of even date attached

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

Pankaj Chaturvedi
Partner
Membership No. 091239

Place : Kolkata
Date : May 29, 2017

FOR AND ON BEHALF OF THE BOARD

BRIJENDRA SAHAY *Director (DIN 00017600)*
ANSHU ROY *Director (DIN 05257404)*
D. J. BAGCHI *Chief Executive Officer & Company Secretary*
VIVEK KAPOOR *Chief Financial Officer*

Notes forming part of the financial statements for the year ended March 31, 2017

1. CORPORATE INFORMATION

Sahara Housingfina Corporation Limited is mainly engaged in the business of providing housing finance to individuals and corporates for the purchase or construction of residential houses.

2. SIGNIFICANT ACCOUNTING POLICIES

i. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing accounting standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Companies (Accounting Standards) Rules, 2006, [as amended] and the other relevant provisions of the Companies Act, 2013 and the guidelines issued by the National Housing Bank to the extent possible.

ii. USE OF ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the year of account. Examples of such estimates include provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

iii. OPERATING CYCLE AND CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non- current classification.

An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non- current.

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

iv. REVENUE RECOGNITION

Interest Income/Fees on Loan Assets is accounted for on accrual basis, other than on Non-Performing Assets, which is accounted for on realisation basis in accordance with the National Housing Bank Guidelines. Penal interest is accounted for on realization basis.

"Fee based services", such as, notice charges, collection charges, visit fees, cheque swap charges etc. are accounted for on realisation basis.

Repayment of Loan Assets is generally by way of Equated Monthly Installments (EMIs) comprising principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMIs (PEMIs) interest is receivable every month. Interest on loans is computed on a monthly rest basis.

Dividend is accounted on accrual basis when the right to receive the dividend is established.

v. PROVISIONS ON LOAN ASSETS

Loan Assets are classified as per the NHB Prudential Guidelines, into performing and non-performing assets. Non-Performing Assets are further classified into sub-standard, doubtful and loss assets based on criteria stipulated by NHB.

The Company adhered to the prudential guideline prescribed by the NHB for provisions in respect of non-performing assets and provisions for contingencies on standard assets.

Notes forming part of the financial statements for the year ended March 31, 2017

vi. FIXED ASSETS

Fixed asset are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

vii. DEPRECIATION/AMORTISATION

Tangible Assets other than Land are depreciated under the Straight Line Method (SLM) as per the rates and in the manner specified in Schedule II of the Companies Act, 2013.

viii. BORROWING COST

Borrowing costs that are attributable to the acquisition and construction of a qualifying asset are capitalized as a part of the cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the year in which they are incurred.

ix. INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Cost such as brokerage, commission etc., pertaining to investment, paid at the time of acquisition, are included in investment cost.

x. TAXES ON INCOME

Tax expense for the year comprises of the current and deferred tax. Current taxes are measured at the current rates of tax in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that results between taxable profits and profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against such deferred tax assets can be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statement of Profit & Loss in the year of change.

xi. EARNINGS PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net earnings after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earning per share, the number of shares comprises the weighted average shares considered for deriving basic earning per share, and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares. The number of shares and potentially dilutive equity shares are adjusted for the bonus shares and the sub-division of shares, if any.

xii. EMPLOYEE BENEFITS

The Company's contribution to the Provident Fund is deposited with Government administered provident fund and the same has been charged to Statement of Profit & Loss.

Provision for Gratuity has been made on the basis of actuarial valuation carried out by an actuary in accordance with Accounting Standard (AS) 15 (Revised) “Employee Benefits”.

Liability for Leave encashment is provided on the balance leave of eligible employees as at the date of Balance Sheet, in accordance with company’s policy.

Notes forming part of the financial statements for the year ended March 31, 2017

xiii. PROVISIONS AND CONTINGENCIES

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised in the financial statements.

Note No.	Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
3	**SHARE CAPITAL**		
	Authorised		
	30,000,000 Equity Shares of ₹ 10/- each	300,000,000	300,000,000
	20,000,000 Preference Shares of ₹ 10/- each	200,000,000	200,000,000
		500,000,000	**500,000,000**
	Issued, Subscribed and Paid up		
	70,00,000 Equity Shares of ₹ 10/- each	**70,000,000**	**70,000,000**
	Reconcilation of Number of Shares oustanding at the beginning and at the end of the year		
	Number of Equity Shares at the beginning of the year	7,000,000	7,000,000
	Add:Number of Shares Issued	–	–
	Number of Equity Shares at the end of the year	**7,000,000**	**7,000,000**

Rights, Preferences and Restrictions –

The Company has only one class of shares referred to as Equity Shares having a face value of ₹10/-. All the equityholders are having right to get dividend in proportion to paid up value of the each equity share as and when declared. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of the Shareholders holding more than 5% of Shares

Name	% age of Holding	As at March 31, 2017	% age of Holding	As at March 31, 2016
Equity :				
Sahara Prime City Limited	42.00	2,940,000	42.00	2,940,000
Sahara India Corp Investment Limited	23.41	1,638,587	23.41	1,638,587
Sahara India Finance and Investment Limited	5.94	416,000	5.94	416,000
Gandevi Commerce Private Limited	10.33	723,044	10.33	723,044
	81.68		**81.68**	

SAHARA HOSFINAS

Notes forming part of the financial statements for the year ended March 31, 2017

Note No.	Particulars	As at March 31, 2017	As at March 31, 2016
		₹	₹
4	**RESERVES AND SURPLUS**		
	Capital Reserve	152,000	152,000
	Balance at the begining and end of the year		
	Securities Premium Account	50,000,000	50,000,000
	Balance at the begining and end of the year		
	General Reserve	501,605	501,605
	Balance at the begining and end of the year		
	Special Reserve		
	As per Section 29C of the National Housing Bank Act, 1987 (Refer note 29)		
	Balance at the begining of the year	91,739,462	86,394,324
	Add:Transfered from Surplus	6,081,072	5,345,138
		97,820,534	91,739,462
	Surplus		
	Balance at the begining of the year	122,943,244	109,449,611
	Add: Transferred from Statement of Profit and Loss	19,763,372	18,838,771
		142,706,616	128,288,382
	Less: Appropriations:		
	Transferred to Special Reserve	6,081,072	5,345,138
		136,625,544	122,943,244
		285,099,683	**265,336,311**
5	**LONG TERM BORROWINGS**		
	Secured		
	7% Non-Convertible Redeemable Debenture	300,000,000	–
	From Other Body Corporate	50,000,000	50,000,000
	Un-Secured		
	From Related Parties		
	10% Non-Convertible Redeemable Debenture	250,000,000	250,000,000
	Others	436,531,684	767,397,520
		1,036,531,684	**1,067,397,520**

5.1 Loan from a Body Corporate is secured by hypothecation of specific book debt in respect of the identified housing loan assets. The Interest rate is 8.50% p.a. and the entire outstanding loan is repayable in the Financial Year 2024-25

5.2 7% Non-Convertible Redeemable Debenture (NCD) are secured by first ranking charge on the present and future receivables of the issuer for the principle amount and interest thereon. NCD has put and call option of 30%, 30% and 40% of the issue price on March 31, 2025, March 31, 2026 and March 31, 2027 respectively by giving one month prior notice to the call/put option.

5.3 10% Un-secured Non-Convertible Reedeemable Debenture is repayable in the Financial Year 2019-20

5.4 Unsecured - other loan from related party aggregating to ₹ 436,531,684 (previous year ₹ 767,397,520) include interest thereon aggregating to ₹ 436,531,684 (previous year ₹ 431,296,723). The interest rate is 9% p.a. The entire outstanding loan is repayable in the financial year 2021-22.

Notes forming part of the financial statements for the year ended March 31, 2017

Note No.	Particulars	As at March 31, 2017	As at March 31, 2016
		₹	₹
6	**DEFERRED TAX LIABILITIES (NET)**		
	Deferred Tax Liabilities		
	Special Reserve	32,342,403	30,331,818
	Timing difference on fixed asset's depreciation & Amortisation	744,038	753,848
		33,086,441	31,085,666
	Deferred Tax Assets		
	Retirement Benefits	1,441,110	1,249,891
	Provision for doubtful debts/loans	10,587,575	9,566,027
		12,028,685	10,815,918
	Net Deferred Tax Liabilities (Net)	**21,057,756**	**20,269,748**
7	**LONG TERM PROVISIONS**		
	Employee Benefits		
	For Gratuity	3,389,489	2,819,268
		3,389,489	**2,819,268**
8	**OTHER CURRENT LIABILITIES**		
	Current maturities of long term debt	28,576	28,576
	Interest accrued but not due on borrowings	3,825,000	–
	Interest accrued and due on borrowings	1,595	1,595
	Advances from Customers	2,328,552	2,509,710
	Accrued Salaries & Benefits	–	1,619,781
	Statutory dues	5,097,014	7,187,446
	Other payables	2,857,587	2,691,588
		14,138,324	**14,038,696**
9	**SHORT TERM PROVISIONS**		
	Employee Benefits		
	For Gratuity	146,418	136,827
	For Leave Encashment	822,771	824,238
		969,189	**961,065**

10 FIXED ASSETS

Description	Gross Block				Depreciation				Net Block	
	As at April 1, 2016	Additions during the year	Adjustments during the year	As at March 31, 2017	Upto April 1, 2016	For the year	Adjustments during the year	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets										
Buildings	5,745,548	–	–	5,745,548	1,705,924	89,962	–	1,795,886	3,949,662	4,039,624
Computers	7,149,686	74,610	685,755	6,538,541	7,112,911	33,490	685,755	6,460,646	77,895	36,775
Furniture & Fixtures	2,734,627	–	–	2,734,627	2,321,508	132,073	–	2,453,581	281,046	413,119
Air Conditioners	320,471	–	–	320,471	302,869	10,262	–	313,131	7,340	17,602
Office Equipment	624,504	–	79,322	545,182	535,981	43,879	79,322	500,538	44,644	88,523
Electrical fittings	316,969	–	–	316,969	257,129	46,227	–	303,356	13,613	59,840
Vehicles	2,752,290	–	455,258	2,297,032	2,026,152	117,148	455,258	1,688,042	608,990	726,138
Total	**19,644,095**	**74,610**	**1,220,335**	**18,498,370**	**14,262,474**	**473,041**	**1,220,335**	**13,515,180**	**4,983,190**	**5,381,621**
Previous year	**19,644,095**	–	–	**19,644,095**	**13,652,348**	**610,126**	–	**14,262,474**	**5,381,621**	**5,991,747**

SAHARA HOSFINAS

Notes forming part of the financial statements for the year ended March 31, 2017

Note No.	Particulars	As at March 31, 2017	As at March 31, 2016
		₹	₹
11	**NON-CURRENT INVESTMENTS**		
	Quoted, Non-Trade		
	Equity Shares		
	Indian Overseas Bank Limited	273,600	273,600
	(11,400 Equity Shares face value of ₹ 10/- each, Market Value ₹ 303,810/-, Previous Year Value ₹ 345,420/-)	**273,600**	**273,600**
12	**NON CURRENT LOAN ASSETS**		
	Secured considered good unless otherwise stated (Refer note 24)		
	Housing Loans		
	Standard Assets	1,084,747,710	1,089,887,573
	Less: General Provision	4,678,579	4,496,533
	Sub-Standard Assets	31,480,262	28,805,581
	Less: Provision for Sub-Standard Assets	4,722,039	4,320,837
	Doubtful Assets	21,316,851	18,112,463
	Less: Provision for Doubtful Assets	11,938,796	11,565,251
	Other Loans		
	Standard Assets	25,351,319	31,653,929
	Less: General Provision	253,513	316,539
		1,141,303,215	**1,147,760,386**
13	**LONG TERM LOANS & ADVANCES**		
	Capital Advance	1,400,000	–
	Refundable Deposits	1,553,774	986,430
	Advance Income Tax (Net)	2,406,584	2,703,382
		5,360,358	**3,689,812**
14	**CURRENT LOAN ASSETS**		
	Secured considered good unless otherwise stated (Refer note 24)		
	Housing Loans		
	Standard Assets	51,606,044	51,850,568
	Less: General Provision	222,580	213,919
	Sub-Standard Assets	1,492,940	1,347,239
	Less: Provision for Sub-Standard Assets	223,941	202,086
	Doubtful Assets	840,761	707,691
	Less: Provision for Doubtful Assets	421,603	411,418
	Other Loans		
	Standard Assets	1,206,070	1,505,912
	Less: General Provision	12,061	15,059
		54,265,630	**54,568,928**

Notes forming part of the financial statements for the year ended March 31, 2017

Note No.	Particulars	As at March 31, 2017	As at March 31, 2016
		₹	₹
15	**Trade Receivables**		
	Secured considered good unless otherwise stated (Refer note 24)		
	Outstanding for a period exceeding six months from the due date of payment	–	–
	Other Debts	987,016	1,661,279
		987,016	**1,661,279**
16	**CASH AND BANK BALANCES**		
	a) Cash & Cash Equivalent		
	Cash in hand	114,956	561,392
	Balance with Scheduled Banks		
	- In current accounts	16,372,281	39,900,331
	- In Fixed deposits maturing less than three months	44,954,162	43,614,482
		61,441,399	84,076,205
	b) Other Bank Balances		
	Balance with Scheduled Banks		
	- Fixed deposits with maturity more than three months but less than twelve months	147,061,710	128,373,636
		208,503,109	**212,449,841**
17	**SHORT TERM LOANS & ADVANCES**		
	Other Advances	6,552,207	5,775,580
	Interest Receivables	2,574,410	3,573,332
		9,126,617	**9,348,912**
18	**OTHER CURRENT ASSETS**		
	Secured considered good unless otherwise stated (Refer note 24)		
	Installments due from Borrowers - Principal		
	Standard Assets	1,223,048	1,566,064
	Less: General Provision	4,892	6,264
		1,218,156	1,559,800
	Sub-Standard Assets	1,805,220	2,379,753
	Less: Provision for Sub-Standard Assets	270,783	356,963
		1,534,437	2,022,790
	Doubtful Assets	14,747,911	10,734,895
	Less: Provision for Doubtful Assets	9,273,641	7,027,857
		5,474,270	3,707,038
		8,226,863	**7,289,628**

SAHARA HOSFINAS

Notes forming part of the financial statements for the year ended March 31, 2017

Note No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
		₹	₹
19	**REVENUE FROM OPERATIONS**		
	Interest Income	121,030,936	125,857,748
	Fee Income	1,676,220	1,394,703
	Other Operating Revenue	501,331	556,873
		123,208,487	**127,809,324**
20	**OTHER INCOME**		
	Interest on Fixed Deposits	12,679,580	16,195,094
	Interest on GOI Stocks	–	20,299
	Profit on sale of fixed assets	34,700	–
	Miscellaneous Income	10,908	10,908
		12,725,188	**16,226,301**
21	**FINANCE COSTS**		
	Interest on:		
	Term Loans	52,337,977	67,499,076
	Bank and Other Charges	315,239	401,244
		52,653,216	**67,900,320**
22	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries & Bonus	30,914,493	27,166,696
	Contribution to Provident & Other Funds	1,323,671	1,358,664
	Staff Welfare	275,418	255,608
		32,513,582	**28,780,968**
22.1	The disclosures as required by Accounting Standard (AS) 15 (Revised) relating to employees benefits recognized are set out below:		
	Change in Benefit Obligation		
	Liability at the beginning of the year	2,956,095	2,557,783
	Interest Cost	243,450	221,159
	Current Service Cost	306,547	270,933
	Actuarial (gain)/loss on obligations	92,953	288,087
	Benefit Paid	(63,138)	(381,867)
	Liability at the end of the year	**3,535,907**	**2,956,095**
	Amount recognized in the Balance Sheet		
	Liability at the end of the year	3,535,907	2,956,095
	Fair value of plan assets at the end of the year	–	–
	Difference	3,535,907	2,956,095
	Amount recognized in the Balance Sheet	**3,535,907**	**2,956,095**
	Expenses recognized in the Income		
	Current service cost	306,547	270,933
	Interest cost	243,450	221,159
	Expected return on plan assets	–	–
	Net Actuarial (gain)/loss to be recognized	92,953	288,087
	Expense recognized in the Statement of Profit & Loss	**642,950**	**780,179**
	Balance Sheet Reconciliation		
	Opening Net Liability	2,956,095	2,557,783
	Expense as above	642,950	780,179
	Employer's Contribution	(63,138)	(381,867)
	Amount Recognized in the Balance Sheet	**3,535,907**	**2,956,095**
	Assumptions		
	Discount rate	7.50%	8.00%
	Rate of return on plan assets	–	–
22.2	The employees benefit liability of the company is not funded. Accordingly disclosures related to return on planned assets and fair value thereof is not applicable.		

Notes forming part of the financial statements for the year ended March 31, 2017

Note No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
		₹	₹
23	**OTHER EXPENSES**		
	Rent	5,931,824	5,486,812
	Travelling and Conveyance		
	– Directors	72,661	78,809
	– Others	1,486,549	1,397,680
	Legal and Professional Fees	3,010,589	2,496,104
	Printing and Stationery	532,250	725,690
	Communication Charges	1,296,593	1,199,237
	General Expenses	1,812,209	1,628,703
	Insurance	95,144	178,352
	Repairs and Maintenance - Others	257,055	288,014
	Rates, Taxes and Licences	129,554	138,513
	Office Maintenance	362,663	238,069
	Vehicles Maintenance	1,982,776	1,961,594
	Advertisement and Publicity	118,308	132,830
	Electricity Charges	424,763	393,320
	Auditors' Remuneration (Refer note 31)	172,500	165,850
	Provision on Loan Assets	3,089,702	1,307,732
	Loss on Sale of Investment	–	97,200
		20,775,140	**17,914,509**

24. Loan Assets and installments due from borrowers are secured or partly secured by

    a. Equitable Mortgage of property and/or
    b. Assignment of Life Insurance Policies and/or
    c. Personal Guarantee of borrowers and/or
    d. Undertaking to create a security.

25. In the opinion of the Board of Directors the Current Assets, Loans and Advances are approximately of the value stated above, if realized in the ordinary course of the business.

26. Contingent Liabilities & Commitments

    a. Contingent Liabilities as on March 31, 2017 is ₹ Nil (Previous year ₹ Nil)

    b. Other commitments:

    Estimated amount of contracts remaining to be executed on capital account [Net of advances – ₹1,400,000 (Previous Year ₹ Nil)] not provided for ₹ 348,548 (Previous Year ₹ Nil).

Notes forming part of the financial statements for the year ended March 31, 2017

27. Disclosure of provisions against the loan assets as required under paragraph 29(2) of The Housing Finance Companies (NHB) Directions 2010.

a. Loan Assets (including principal component on installment due) **(in ₹)**

Particulars	Standard standard:	Sub- Upto 1 year	Doubtful			Loss	Total
			D-1 : 1 to 3 years	D-2 : Over 3 years	D-3 : Assets		
Housing Loans	1,137,576,802	34,778,422	12,077,856	10,355,153	14,472,514	–	**1,209,260,747**
Other Loans	26,557,389	–	–	–	–	–	**26,557,389**
Total	**1,164,134,191**	**34,778,422**	**12,077,856**	**10,355,153**	**14,472,514**	**–**	**1,235,818,136**

b. Provision against the Loan Assets (including principal component on installment due) **(in ₹)**

Particulars	Standard standard:	Sub- Upto 1 year	Doubtful			Loss	Total
			D-1 : 1 to 3 years	D-2 : Over 3 years	D-3 : Assets		
Housing Loans	4,906,051	5,216,763	3,019,464	4,142,062	14,472,514	–	**31,756,854**
Other Loans	265,574	–	–	–	–	–	**265,574**
Total	**5,171,625**	**5,216,763**	**3,019,464**	**4,142,062**	**14,472,514**	–	**32,022,428**

28 Disclosure regarding provisions made for Asset Liability Management (ALM) System for the Housing Finance Companies as per NHB Circular No.NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010:

a. Capital to Risk Assets Ratio (CRAR)

Items	Particulars	As at March 31, 2017	As at March 31, 2016
i	CRAR (%)	70.11%	78.68%
Ii	CRAR - Tier I Capital (%)	54.09%	53.80%
Iii	CRAR - Tier II Capital (%)	16.02%	24.88%

Notes forming part of the financial statements for the year ended March 31, 2017

b. Exposure to Real Estate Sector **(₹ in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016
Direct Exposure		
(i) Residential Mortgages :- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
(a) Housing Loans up to ₹ 15 Lakhs	8,177.51	9,062.36
(b) Housing Loan more than ₹ 15 Lakhs	3,737.34	2,844.75
(ii) Commercial Real Estate :- Lending secured by mortgages on commercial real estates (office buildings, retail spaces, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	265.57	331.60
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures :-		
(a) Residential (PTC - B)	Nil	Nil
(b) Commercial Real Estate	Nil	Nil
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

c. Asset Liability Management

Maturity pattern of certain items of assets and liabilities **(₹ in Lakhs)**

Particulars	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
LIABILITIES											
Borrowings from Banks	0.29	–	–	–	–	–	–	–	–	–	0.29
Market Borrowings	–	–	–	–	–	2,500.00	4,365.32	–	3,500.00	–	10,365.32
ASSETS											
Advances	43.67	44.10	44.54	136.27	276.26	1322.95	1356.15	3458.89	3509.63	1987.96	12180.42
Investments	–	–	–	–	–	–	–	–	–	–	–

Notes forming part of the financial statements for the year ended March 31, 2017

29. Disclosure regarding "Reserve Fund u/s 29C of the National Housing Bank Act, 1987" as per circular no: NHB (ND)/DRS/Pol. Circular 61/2013-14 dated April 7, 2014

For the purpose of compliance with the provision of Section 29C of the National Housing Bank Act, 1987, the company is creating and maintaining Special Reserve in terms of clause (viii) sub-section (I) of Section 36 of the Income Tax Act, 1961, and therein transferring a sum not less than twenty percent of its net profit. During the year under review the company transferred to the said special reserve a sum of ₹ 6,081,072, which is stated in the table "Appropriation of Reserve Fund" provided below:

Appropriation of Reserve Fund

Particulars	Amount in ₹
Balance at the beginning of the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act,1987	–
b) Amount of Special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the National Housing Bank Act,1987	91,739,462
c) Total	**91,739,462**
Addition/Appropriation/Withdrawal during the year	
Add : a) Amount transferred u/s 29C of the National Housing Bank Act,1987	–
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the National Housing Bank Act,1987	6,081,072
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the National Housing Bank 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 National Housing Bank Act,1987	–
Balance at the end of the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act,1987	–
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the National Housing Bank Act,1987	97,820,534
c) Total	**97,820,534**

30. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Profit/ (loss) after tax for calculation of basic and diluted EPS (₹)	19,763,372	18,838,771
(b) Weighted average number of equity shares outstanding for calculation of EPS	7,000,000	7,000,000
(c) Basic and diluted EPS (₹)	2.82	2.69
(d) Nominal value of shares (₹)	10	10

Notes forming part of the financial statements for the year ended March 31, 2017

31. Payment to Auditors

Particulars	Year ended March 31, 2017 (₹)	Year ended March 31,2016 (₹)
Statutory Audit Fee	92,000	91,600
Tax Audit Fee	23,000	22,900
Limited Review Fee	25,875	25,763
Other Capacity	31,625	25,587
Total	**172,500**	**165,850**

32. Segment Information

The Company's main business is to provide loans for the purchase or construction of residential houses. All other activities of the Company are related to the main business. As such there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17).

33. Related Party Disclosures

List of Related Parties

a. Major shareholder having control over the Company
   - Sahara India Corp Investment Limited
   - Sahara Prime City Limited
   - Sahara India Finance & Investment Limited

b. Key Management Personnel
   Shri D. J. Bagchi, Chief Executive Officer, Company Secretary/Manager
   Shri Vivek Kapoor, Chief Financial Officer

c. Companies under common promoters
   - Sahara India Financial Corporation Limited
   - Sahara India Commercial Corporation Limited

d. Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2017:

Particulars	Year ended March 31, 2017 (₹)	Year ended March 31, 2016 (₹)
Rent Paid		
Sahara India Commercial Corporation Limited	2,193,689	2,563,632
Interest Paid		
Sahara India Commercial Corporation Limited	7,381,128	38,237,432
Sahara India Financial Corporation Limited	25,000,000	25,000,000
Un-secured Loan/Interest Repaid		
Sahara India Commercial Corporation Ltd.	337,508,851	214,000,000
Outstanding Balances		
Sahara India Commercial Corporation Limited	436,531,684	767,397,520
Sahara India Financial Corporation Limited	250,000,000	250,000,000
Salary & Perquisites		
Shri. D.J. Bagchi	4,182,823	4,113,249
Shri Vivek Kapoor	1,498,686	1,476,539

e. Related party relationship identified by the Company and relied upon by the Auditors.

Notes forming part of the financial statements for the year ended March 31, 2017

34. Trade payables do not include amount payable to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2017.

35. Expenditure in Foreign Currency : ₹ Nil (Previous Year ₹ Nil)

36. The balances in Trade Receivables, Trade payables and Advances are subject to confirmations and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material.

37. Details of Specified Bank Notes (SBN) as defined in the MCA notification G.S.R. 308 (E) dated March 31,2017 held and transacted during the period 08/11/2016 to 30/12/2016 are under:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1,332,500	201,069	1,533,569
(+) Permitted receipts	–	177,123	177,123
(-) Permitted payments	–	–	–
(-) Amount deposited in Banks	1,332,500	378,192	1,710,692
Closing cash in hand as on 30.12.2016	–	–	–

38. Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

As per our report of even date attached

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

Pankaj Chaturvedi
Partner
Membership No. 091239

Place : Kolkata
Date : May 29, 2017

FOR AND ON BEHALF OF THE BOARD

BRIJENDRA SAHAY *Director (DIN 00017600)*
ANSHU ROY *Director (DIN 05257404)*
D. J. BAGCHI *Chief Executive Officer & Company Secretary*
VIVEK KAPOOR *Chief Financial Officer*

SAHARA HOSFINAS

SAHARA HOUSINGFINA CORPORATION LIMITED

Building the dream home for every Indian

Visuals of the 25th Annual General Meeting held on Wednesday, September 28, 2016

designed by : Sahara Corporate Communications

SAHARA HOSFINAS

Registered Office : Sahara India Sadan, 2A - Shakespeare Sarani, Kolkata - 700 071
Corporate Office : 46, Dr. Sundari Mohan Avenue, Kolkata - 700 014
www.saharahousingfina.com