SAHARA HOSFINAS

SHCL/CO/DJB/F.1276(9)/16-17/741

30th September, 2016

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 2015-16

We are enclosing the Annual Report of the Company for the Financial Year 2015-16 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

ANNUAL REPORT 2015 - 2016

YOUR DREAM HOME. MAKE IT REAL.

SAHARA HOSFINAS

SAHARA HOUSINGFINA CORPORATION LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Brijendra Sahay | 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

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 S.P.Guha

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 & Corporate Office

SAHARA HOUSINGFINA CORPORATION LIMITED
Corporate Identification Number (CIN): L18100WB1991PLC099782
Registered & Corporate Office: 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*

CONTENTS

Our Network	01
Directors' Report	05
Management Discussion & Analysis Report	25
Report on Corporate Governance	30
Auditors' Report on Corporate Governance	43
Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct	43
Hosfinas' Financials	44

CORPORATE OFFICE

Sahara India Sadan

2A Shakespeare Sarani,1st Floor, Kolkata -700 071 • Tel: (033) 2282 9271/9067, 8232084850 • Fax: (033) 2282 9271
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 – Asansol
199/1/B, S B Gorai Road, Budha More
Asansol - 713 304
Tel : (0341) 2284780, Fax : (0341) 2284780

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, "C" Wing, Office No. 31, 1st Floor, Dnyaneshwar Paduka Chowk
Shivaji Nagar, Off. Fergussion College Road, Pune – 411 005
Tel : (020) 3052 2247

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

Branch Office – Kanpur
24/18 Shyam Sundar Building (Opposite LIC Building)
1st Floor, Mall Road, Kanpur-208 001
Tel: (91) 9335634680

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 SEEMANTO ROY (DIN: 00183666)**

Shri Seemanto Roy, age 39 years, holds a Bachelors Degree in Arts from Lucknow University. He has more than 11 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 77 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 36 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 53 years, is a Fellow member of the Institute of Company Secretaries of India (ICSI) and a LLB, having more than 26 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.

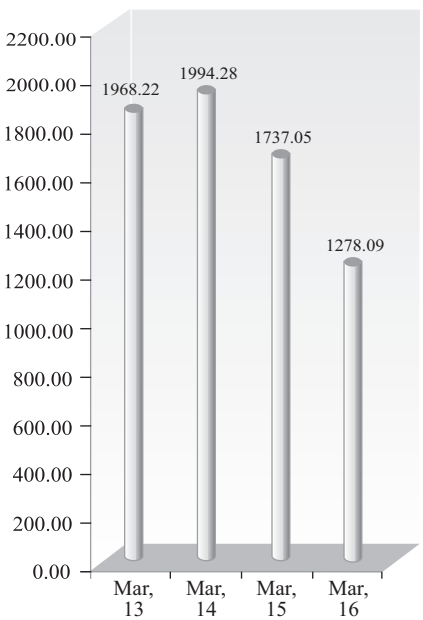
- **SHRI VIVEK KAPOOR (PAN: AJTPK1894N)**

Shri Vivek Kapoor, age 47 years, holds Bachelor's degree in Commerce from Calcutta University and has experience of over 21 years in managing accounts, finance, and administration. In his capacity as Corporate Manager - Finance & Corporate Affairs of the Company he has managed the Finance and Accounts department of the Company for a period exceeding 13 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.

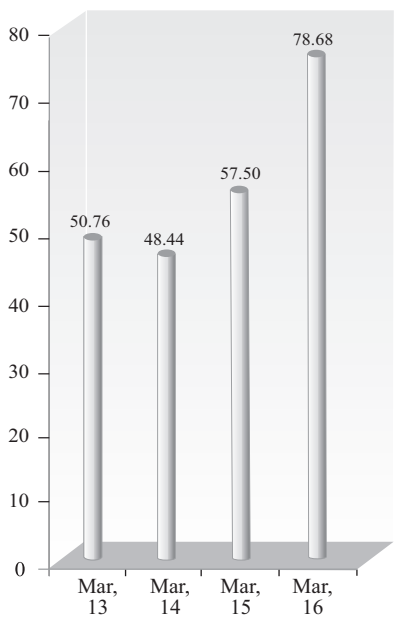
He is not interested as a director or partner in any other group entity.

OPERATIONAL HIGHLIGHTS

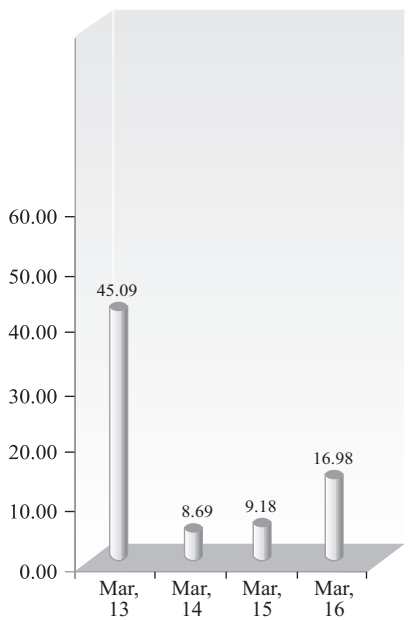
Income from Operations
₹ in lacs



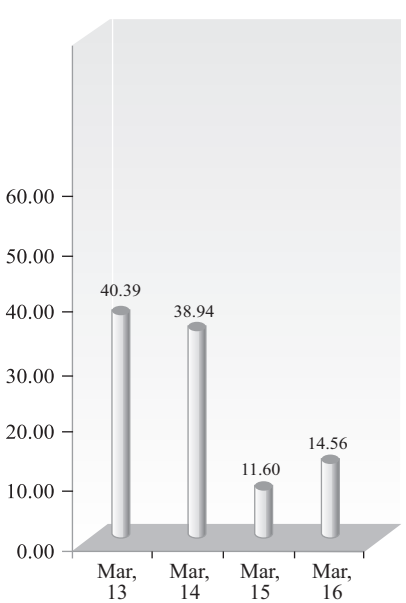
Capital Adequacy Ratio
%



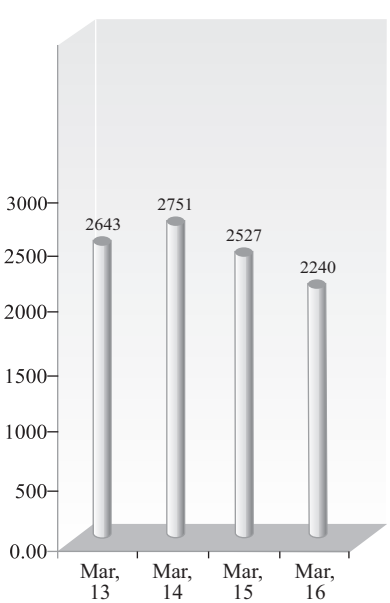
Incremental Loan Sanctioned
₹ in Crores



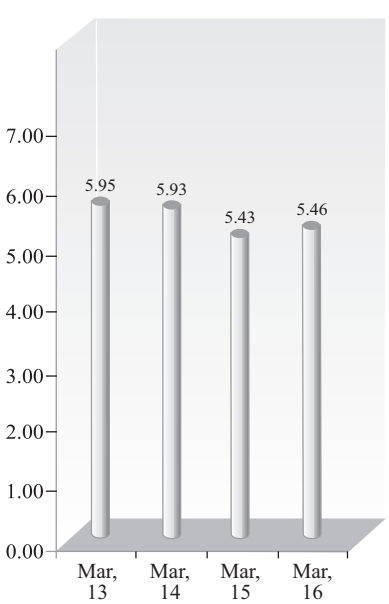
Incremental Disbursement of Loans
₹ in Crores



Loan Accounts
Numbers



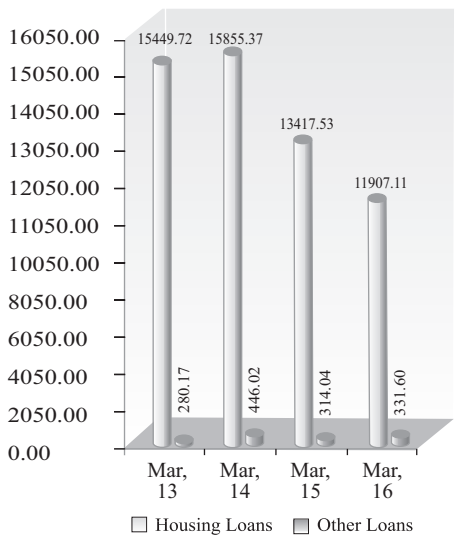
Average Ticket Value
₹ in lacs



SAHARA HOSFINAS

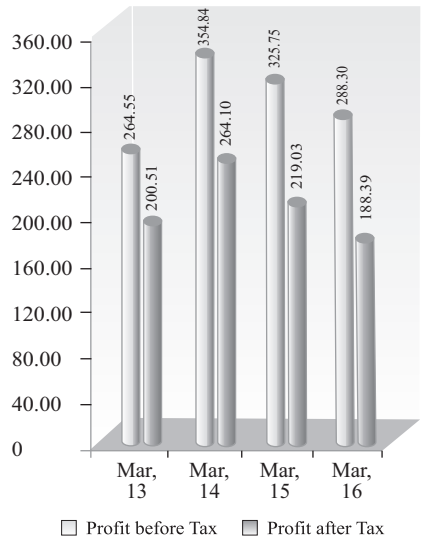
Loan Outstanding - Housing Loan & Other Loan

₹ in lacs



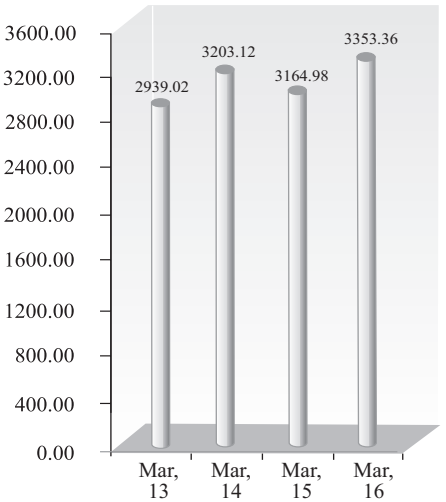
Profit Before Tax & Profit After Tax

₹ in lacs



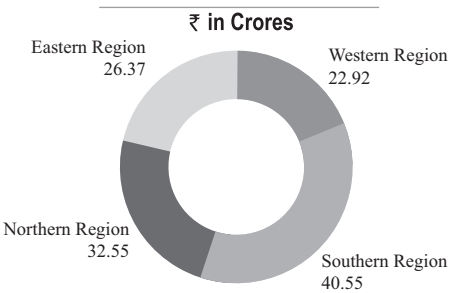
Net Owned Fund (NOF)

₹ in lacs



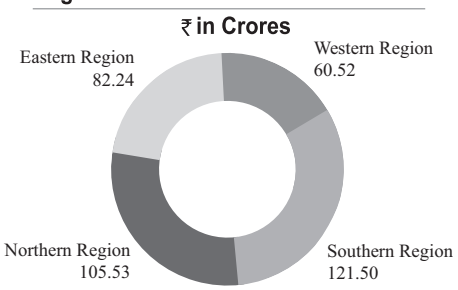
Regionwise Loan Outstanding

₹ in Crores



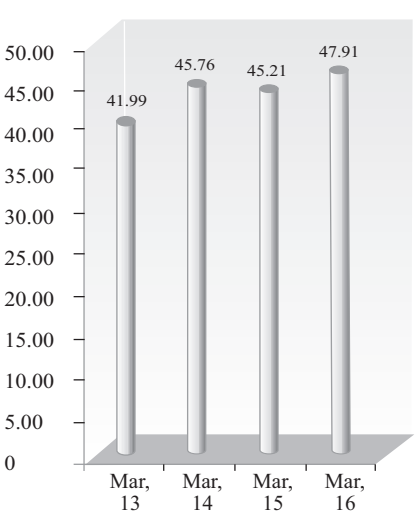
Regionwise Cumulative Disbursement

₹ in Crores



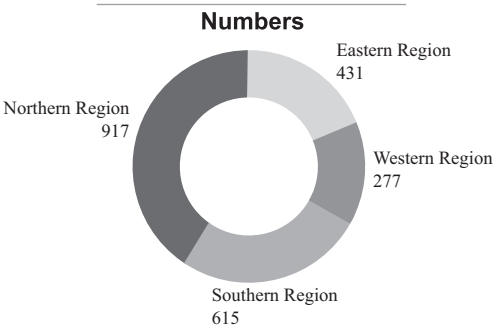
Book Value of Shares

₹



Regionwise Loan Accounts

Numbers



DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company take pleasure in presenting the Twenty-fifth Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The Financial Performance of the Company for the financial year ended March 31, 2016, is summarised below:

(₹)

Particulars	2015-16	2014-15
Gross Income	144,035,625	183,333,338
Less:		
Interest	67,900,320	97,361,337
Overheads	46,695,477	52,590,146
Depreciation	610,126	806,762
Profit Before Tax (PBT)	28,829,702	32,575,093
Provision for Taxation		
– Current Tax	8,495,765	10,606,264
– Deferred Tax	1,468,800	(31,929)
– Income Tax related to earlier years	26,366	98,225
Profit After Tax (PAT)	18,838,771	21,902,533
Add: Profit carried from earlier years	109,449,611	120,994,022
Profit available for appropriations	128,288,382	142,896,555
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	5,345,138	7,730,312
Deferred Tax Liability on opening balance of Special Reserve	–	25,522,539
WDV Written Off (Net of DTA)	–	194,093
Balance carried to Balance Sheet	122,943,244	109,449,611
Total	**128,288,382**	**142,896,555**

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 ₹ 288.30 lacs for the year ended March 31, 2016, 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 ₹ 325.75 lacs for the previous year ended March 31, 2015. The provision for income tax (net of deferred tax) is ₹ 99.91 lacs and the Profit After Tax (PAT) for the year is ₹ 188.39 lacs as against ₹ 219.03 lacs in the previous year, representing a decrease in Net Profit of 13.99 per cent (approx). Taking into account the balance of ₹ 1094.50 lacs brought forward from the previous year, the distributable profit as at March 31, 2016 is ₹ 1229.43 lacs.

- The Gross Income for the year under review was ₹ 1440.36 lacs as against the previous financial year's income of ₹ 1833.33 lacs.

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

- Shareholders' Equity (Net Owned Fund) as at March 31, 2016 was ₹ 3353.36 lacs as against ₹ 3164.98 lacs in the previous year, representing an increase of 5.95 per cent.
- The total Assets under Management of the Company as on March 31, 2016 was ₹ 12238.71 lacs as against ₹ 13731.58 lacs in the previous year.

Transfer to Special Reserve

During the year under review, your company transferred ₹ 53.45 lacs 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, 2016 was ₹ 2.69 as against ₹ 3.13 as at March 31, 2015.

Share Capital

The paid up equity share capital as on March 31, 2016 was ₹ 7 Crores, divided into 7,000,000 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 2015-16 nor bought back any of its shares during the year under review.

b. Issue of sweat equity shares

The Company did not issue sweat equity shares during the financial year 2015-16.

c. Issue of employee stock options

The Company did not issue any stock options during the financial year 2015-16.

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

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

Subordinated Debt

Your Company did not raise any fresh money through subordinate debt during the year under review. As on March 31, 2016, 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.

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, 2016 was 78.68 per cent. The following table sets out our capital adequacy ratios as at March 31, 2014, 2015 and 2016.

Particulars	As at March 31		
	2016	2015	2014
Capital Adequacy Ratio (%)	78.68	57.50	48.44

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 ₹ 1455.85 lacs as against ₹ 1159.97 lacs in the previous year ending March 31, 2015, thereby registaring an increasing of 25.51%. The overall outstanding loan portfolio as at March 31, 2016 stood at ₹ 12238.71 lacs as against ₹ 13731.58 lacs in the previous year March 31, 2015.

The Cumulative Log-in, Sanction and Disbursement as at March 31, 2016 and 2015 are as under:

Particulars	No. of Accounts		Amount (₹ in lacs)	
	2015-16	2014-15	2015-16	2014-15
Cumulative Log-in	6182	6104	58810.27	56750.16
Cumulative Sanction	4002	3931	40144.23	38446.55
Cumulative Disbursement	3799	3741	36978.75	35522.90

Fresh Loans

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

(₹ In Lacs)

Particulars	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Sanction	1697.68	918.50	869.13	4509.49	2119.48
Disbursement	1455.85	1159.97	3893.57	4039.49	1891.46

The Company continues to serve from four regions, East (Kolkata), North (Lucknow), South (Hyderabad) & West (Mumbai) and thirteen branches located at Kolkata, Asansol, Siliguri, Ranchi, Durgapur, Lucknow, Gorakhpur, Kanpur, 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, 2016 was ₹ 620.88 lacs against ₹ 617.32 lacs as at March 31, 2015.

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 to the said stipulation the Company under the current management has neither accepted in the past nor has any future plans to accept any public deposits, by whatever name called. There are no unclaimed deposits as on March 31, 2016.

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 fresh investments made by the Company during the financial year ended March 31, 2016.

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), 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 Om Prakash Srivastava, (Non-Executive & Non-Independent) Director, (DIN: 00144000), resigned from the Board, with effect from February 15, 2016, due to his pre-occupation with other assignments. The Board places on record its appreciation for the contribution made by Shri Om Prakash Srivastava during his long tenure on the Board of the Company, since August 24, 2002.

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.

None of the Directors of the company is related to each other. Brief resumes of the Director proposed to be re-appointed, nature of his expertise in specific functional areas and names of other companies in which he holds 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) Regulations 2015, are provided in the annexure to the Notice of the Twenty Fifth 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 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 met five times during the year on May 29, 2015, August 14, 2015, September 28, 2015, November 14, 2015, and February 12, 2016 respectively.

AUDITORS

At the Twenty-third (23rd) Annual General Meeting held on September 29, 2014, the Members had appointed M/s. Chaturvedi & Co., [FRN: 302137E] Chartered Accountants as the Statutory Auditors of the Company, by way of ordinary resolution under section 139 of the Companies Act, 2013, to hold office from the conclusion of Twenty-third (23rd) Annual General Meeting until the conclusion of the Twenty-sixth (26th) 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.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on August 12, 2016, recommended continuation of services of M/s. Chaturvedi & Co., Chartered Accountants, as the Statutory Auditors of the Company, and that, the necessary resolution in this respect is being included in the notice of the Twenty – fifth (25th) Annual General Meeting for the approval of the Members of the Company. The Company has received consent from the Statutory Auditor 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 2015-2016. The Secretarial Audit Report for the financial year ended March 31, 2016, 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, 2016 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, 2016, 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, 2016 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

I. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report and is annexed as **"Annexure - 1"** to this Report.

II. Since no employee is in receipt of remuneration in excess of the limits as laid down under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no disclosures in this regard are applicable.

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 2015-16 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 evaluation and includes other matters, as prescribed under the provisions of 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 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 Obligations and Disclosure Requirements) Regulations, 2015 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

Pursuant to the 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 evaluation 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, was 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 have 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 NHB's 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)

Your company has, 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, the 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 a 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 Personnel is annexed with the Corporate Governance report.

The said policy is available on website of the Company at the *URLhttp://www.saharahousingfina.com/Code_of_Conduct_Directors_Sr%20Mngmnt_Persl_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, 1992 and 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-Prepayment', '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 2016 -17.

TECHNOLOGY UPDATION

Your Company remains committed to upgrade its existing system software and information technology so as to improve operational effeciency and optimize cost. However, the financial implications being a constraint, the company is steadily progressing to achieve the envisaged goal. During the year under review the dependancy on custom driven reporting increased with the partial implementation and commissioning of the in-house developed system 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, 2016, only 3.05 per cent of the Company's paid up Share Capital consisting of 2,13,888 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, workshop and programmes conducted under the aegis of various organizations and institutions including training programmes conducted by National Housing Bank, ICAI, ICSI & others and firmly believe 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 borrower/co-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.

During the year under review, your Company filed two accidental death claims in respect of borrowers of the Company. While one claim was settled during the financial year 2015-16, the second claim has been settled as on the date of this report.

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, 2016, 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, the National Stock Exchange of India 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)**
	Director	*Director*
Kolkata	*(DIN 00017600)*	*(DIN 05257404)*
August 12, 2016		

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 2015-16.	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 2015-16. 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 2015-16.
IV	The number of permanent employees on the rolls of the Company.	There were 42 permanent employees on the rolls of the Company, as on March 31, 2016.
V	The explanation on the relationship between average increase in remuneration and Company's performance.	Not Applicable as there was no increase in remuneration in the financial year 2015-16.
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the Financial Year 2015-16, the total remuneration paid to the KMPs were approx 29.67% of the net profit for the year.
VII	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	The market capitalisation of the Company as of March 31, 2016 stood at ₹25.20 Cr against ₹ 33.36 Cr as at March 31, 2015. Over the same period the price to earnings ratio (P/E ratio) as at March 31, 2016 was 13.38x as compared to 15.22x previous year. The Company's stock price as at March 31, 2016 increased by 260% to ₹ 36.00 (in BSE) over the last public offering, i.e. Public Issue.
VIII	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 2015-16.
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	The comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company is as under :

Particulars	% of Net Profit for FY 2015-16
CEO/Manager/ Company Secretary	21.83
CFO	7.84

X	The key parameters for any variable component of remuneration availed by the directors.	The Directors are not paid any remuneration apart from the 'Sitting Fees'. Hence, no disclosure is made.
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not applicable
XII	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.

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, 2016.

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 has, during the audit period covering the financial year ended on March 31, 2016, 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, 2016 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, 1992 and 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; and
   (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 Agreements entered into by the Company with the Stock Exchanges.

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 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, such as laws related to taxation, local laws applicable to the areas of operation of business and other laws generally applicable to the Company.

7. I further report that, to the best of my understanding, the Company had not undertaken any event /action having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

8. 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
CP.No.: 2077

Place : Kolkata
Date : August 12, 2016

Appendix-I

(To the Secretarial Audit Report to the Members of Sahara Housingfina Corporation Limited for the financial year ended March 31, 2016)

To,
The Members,
Sahara Housingfina Corporation Limited.

My Secretarial Audit Report for the financial year ended March 31, 2016 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
CP.No.: 2077

Place : Kolkata
Date : August 12, 2016

Annexure – 3

TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2016

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;** **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, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% 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	823608	1300	824908	11.79	807453	1300	808753	11.55	(0.23)
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	791595	212291	1003886	14.34	705071	212588	917659	13.11	(1.23)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	144993	–	144993	2.07	201133	–	201133	2.87	0.80
c) Others (specify)	–	–	–	–	–	–	–	–	–
Non Resident Indians (REPAT)	5756	–	5756	0.08	4895	–	4895	0.07	(0.01)
Non Resident Indians (NON REPAT)	2333	–	2333	0.03	2423	–	2423	0.04	0.001
Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Hindu Undivided Family	–	–	–	–	48889	–	48889	0.70	0.70
Clearing Members	23537	-	23537	0.34	21661	-	21661	0.31	(0.03)
Trusts	–	–	–	–	–	–	–	–	–
Foreign Bodies - D R	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	1791822	213591	2005413	28.65	1791525	213888	2005413	28.65	00.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1791822	213591	2005413	28.65	1791525	213888	2005413	28.65	00.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	6786409	213591	7000000	100	6786112	213888	7000000	100	

II. Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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.

SAHARA HOSFINAS

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 01/04/2015, i.e. as per shareholding pattern of 31/03/2015		Changes in Shareholding (No. of Shares)		Shareholding at the end of the year as on 31/03/2016, i.e. as per shareholding pattern of 31/03/2016	
		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	19200	0.27	3800(10 Apr 2015) 1865(17 Apr 2015) 2494(24 Apr 2015) 2350(01 May 2015) 2100(08 May 2015) 400(15 May 2015) 4(29 May 2015) 450(05 Jun 2015) 2180(12 Jun 2015) 400(19 Jun 2015) 1020(26 Jun 2015) 150(10 Jul 2015) 99(17 Jul 2015) 550(24 Jul 2015) 1537(31 Jul 2015) 2332(07 Aug 2015) 1600(14 Aug 2015) 1241(21 Aug 2015) 1256(28 Aug 2015) 2971(04 Sep 2015) 500(11 Sep 2015) 550(18 Sep 2015) 1088(25 Sep 2015) 250(23 Oct 2015) 113(30 Oct 2015) 30(06 Nov 2015) 3(13 Nov 2015) 770(20 Nov 2015) 450(27 Nov 2015) 1000(04 Dec 2015) 1286(11 Dec 2015) 1140(18 Dec 2015) 2543(31 Dec 2015) 550(01 Jan 2016) 2538(08 Jan 2016) 2749(15 Jan 2016) 150(22 Jan 2016) 100(29 Jan 2016) 235(12 Feb 2016) 100(26 Feb 2016) 270(11 Mar 2016) 260(18 Mar 2016)	-	23000 24865 27359 29709 31809 32209 32213 32663 34843 35243 36263 36413 36512 37062 38599 40931 42531 43772 45028 47999 48499 49049 50137 50387 50500 50530 50533 51303 51753 52753 54039 55179 57722 58272 60810 63559 63709 63809 64044 64144 64414 64674	0.33 0.35 0.39 0.42 0.45 0.46 0.46 0.47 0.49 0.50 0.51 0.52 0.52 0.53 0.55 0.58 0.61 0.62 0.64 0.68 0.69 0.70 0.72 0.72 0.72 0.72 0.72 0.73 0.74 0.75 0.77 0.79 0.82 0.83 0.87 0.91 0.91 0.91 0.91 0.91 0.92 0.92
3	Madhu Bala Mittal	27221	0.39	4000(18 Mar 2016)	_	31221	0.45
4	Sharmila Parasa	25981	0.37	28(04 Dec 2015)	(57) (12 Feb 2016)	26009 25952	0.37 0.37

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01/04/2015, i.e. as per shareholding pattern of 31/03/2015		Changes in Shareholding (No. of Shares)		Shareholding at the end of the year as on 31/03/2016, i.e. as per shareholding pattern of 31/03/2016	
		No. of Shares	% of total Shares of the Company	Increase	Decrease	No. of Shares	% of total Shares of the Company
5	Jewels Advisory Services LLP	25000	0.36	–	–	25000	0.36
6	Meeta Kantilal Vardhan	19264	0.28	–	–	19264	0.28
7	Atul Haribhai Chauhan	15000	0.21	55(22 May 2015)	–	15055	0.21
				5(29 May 2015)		15060	0.21
				11(05 Jun 2015)		15071	0.21
				105(12 Jun 2015)		15176	0.22
				124(26 Jun 2015)		15300	0.22
				20(30 Jun 2015)		15320	0.22
				28(10 Jul 2015)		15348	0.22
				102(17 Jul 2015)		15450	0.22
				25(07 Aug 2015)		15475	0.22
				25(21 Aug 2015)		15500	0.22
				25(18 Sep 2015)		15525	0.22
				280(25 Sep 2015)		15805	0.23
				95(30 Sep 2015)		15900	0.23
				110(16 Oct 2015)		16010	0.23
				40(30 Oct 2015)		16050	0.23
				560(13 Nov 2015)		16610	0.24
				10(20 Nov 2015)		16620	0.24
				20(27 Nov 2015)		16640	0.24
				235(11 Dec 2015)		16875	0.24
				5(25 Dec 2015)		16880	0.24
				150(31 Dec 2015)		17030	0.24
				155(15 Jan 2016)		17185	0.24
				50(05 Feb 2016)		17235	0.25
				115(19 Feb 2016)		17350	0.25
				96(04 Mar 2016)		17446	0.25
				239(18 Mar 2016)		17685	0.25
8	Radhey Shyam Mittal	11706	0.17	2000(31 Dec 2015)	–	13706	0.19
				2000(18 Mar 2016)		15706	0.22
9	Sunita Kantilal Vardhan	14724	0.21		(397)(03 Apr 2015)	14327	0.20
				10(21 Aug 2015)		14337	0.20
				397(27 Nov 2015)		14734	0.21
10	JSEL Securities Ltd (037)	14400	0.21	500(17 Apr 2015)		14900	0.21
					(721)(01 May 2015)	14179	0.20
					(500)(22 May 2015)	13679	0.19
					(3)(26 Jun 2015)	13676	0.19
				100(07 Aug 2015)		13776	0.19
					(100)(14 Aug 2015)	13676	0.19
				1(04 Sep 2015)		13677	0.19
				70(25 Sep 2015)		13747	0.19
					(70)(09 Oct 2015)	13677	0.19
					(10)(13 Nov 2015)	13667	0.19
				10(20 Nov 2015)		13677	0.19
				1(25 Dec 2015)		13678	0.19
				1(31 Mar 2016)		13679	0.19

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	550,100,797	-	600,129,373
ii) Interest due but not paid	1,595	-	-	1,595
iii) Interest accrued but not due	125,753	396,883,034	-	397,008,787
Total (i+ii+iii)	**50,155,924**	**946,983,831**	**-**	**997,139,755**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	214,000,000	-	214,000,000
Net Change	**-**	**(214,00,0000)**	**-**	**(214,00,0000)**
Indebtedness at the end 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**

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	40,50,933
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	62,316
	(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)	41,13,249
	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 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 Om Prakash Srivastava *	80000	80000
2	Shri Seemanto Roy	20000	20000

* Resigned as director w.e.f. February 15, 2016

NOTE: The Directors of the Company are paid only the sitting fees of Rs.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	40,50,933	14,64,759
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	62,316	11,780
	(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	**41,13,249**	**14,76,539**

* 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

GLOBAL & INDIAN ECONOMIC PERSPECTIVE

As per the reports available from the World Bank that they are revising its 2016 global growth forecast down to 2.4 percent from the 2.9 percent pace projected in January. The move was taken due to sluggish growth in advanced economies, stubbornly low commodity prices, weak global trade, and diminishing capital flows. Commodity-exporting emerging market and developing economies have struggled to adapt to lower prices for oil and other key commodities.

It is observed from the report that the growth of economies is continuing to be slow and fragile with big impact and concerns coming from slow down across the developed and emerging market economies, unstable commodity prices and falling global demand. In spite of the global uncertainties the Indian macro-economic scenario remains to be favourable. The favourable market indicators for India was coming from strong Forex reserves, falling interest rates, lower inflation rates etc.

The current account deficit for the Financial Year 2015-16 is estimated at 1% of GDP, which is lower compared to three years ago. The government has maintained the fiscal deficit at 3.9% of GDP and with the help of structural reforms and liberalisation of foreign direct investment had a positive impact on the Indian economy.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

India was ranked the highest globally in terms of consumer confidence during October - December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow @ 7-7.75 per cent during Financial Year 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will be growing by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years.

(Source:http://www.worldbank.org/en/publication/global-economic-prospects, CRISIL Research - NBFC Report, August 2015 & http://www.ibef.org/economy/indian-economy-overview)

IMPORTANCE OF HOUSING AND HOUSING SHORTAGE

India's housing shortage / crisis is seen as a national crisis. But it is always important to identify the root cause of a problem before doing something about it. There are many problems which most experts, politicians and activists associated with housing shortage in India are faced with.

The Indian economy is going through a phase of rapid urbanisation. Although a large section of the population is likely to still remain in villages, the percentage of people residing in urban areas is rising.

As per National Housing Finance report, India's urban population is likely to grow from 285.3 million in 2001 to 533 million in 2025, as per the projections based on past trends. The Ministry of Housing and Urban Poverty Alleviation has estimated the housing shortage in urban India at 18.78 million units, of which nearly 95% are related

URBAN HOUSING			RURAL HOUSING		
Category	**Shortage ***	**% to Total**	**Category**	**Shortage ***	**% to Total**
Economical Weaker Section (EWS)	10.55	56.18	Below Poverty Line (BPL)	39.30	90.00
Lower Income Group (LIG)	7.41	39.44	Above Poverty Line (APL)	4.37	10.00
Middle Income Group (MIG)	0.82	4.38			
Total	**18.78**	**100.00**	**Total**	**43.67**	**100.00**

** Million units*

to the economically weaker sections and low income group of the urban population in 2012. Besides urban areas, there is also a looming housing shortage in rural India. The Working Group on Rural Housing Shortage estimated the rural housing shortage at 43.67 million units in 2012, of which more than 90% of the housing shortage lies with the lower income and marginalised groups.

The governments' flagship project of 'Housing for all' and 'Smart Cities' has given a big boost to the Indian Retail Mortgage market. The rising disposable income of the individuals, decreasing interest rates, tax reliefs on housing loans are the key pointers for the growth of housing loan market. The government emphasis on the schemes like 'Atal Mission for Rejuvenation' and 'Urban Transformation' will help in increasing the housing demand and improve the urban infrastructure.

(Source: https://www.proptiger.com/guide/post/why-are-living-spaces-smaller-in-rural-india & NHB, Report on Trend and Progress of Housing in India 2014)

HOUSING INDUSTRY OUTLOOK

The Indian economy stands at crossroads which can be taken from a slow road to a faster one through greater political stability and a supportive policy framework. The strong policy measures taken by the Government and the RBI have somewhat stabilized the currency, rebuilt the reserves, and narrowed the excessive current account deficit but the weaknesses in the form of persistent inflation, fiscal imbalances, bottlenecks to investment, and inefficiencies that require structural reform still persist. The Indian economy expanded at its fastest pace in two-and-a-half years in the quarter ending June 2014 on the back of a turnaround in manufacturing. Quarterly GDP at factor cost at constant (2004 - 05) prices for Q1 of 2014 - 15 is estimated at ₹ 14.38 lakh crore, as against ₹ 13.61 lakh crore in Q1 of 2013-14, showing a growth rate of 5.7 per cent over the corresponding quarter of previous year. The growth in the performance of exports (that registered a growth of 11.5 per cent at 2004 - 05 prices), along with the measures taken by the Government, the economy can be expected to show further improvement.

(Source: NHB Report on Trend and Progress of Housing in India 2014)

THE INDIAN HOUSING FINANCE MARKET

The housing finance system has been rapidly evolving. The sector is largely driven by the aspirations of people in all income segments who desire to own a house early in their lives. The capacity of the lending institutions has grown over the years as the mortgage segment has proved to be promising and profitable and increasingly bankable. The market is big and growing on account of factors such as rapid urbanization, population migrating to urban centers, and demographic composition. The growth and evolution of the sector are marked by challenges and opportunities for the various stakeholders. While the financial sector (demand side) is fairly unified under the governance of a central regulator, the construction activities and land resources (supply side, or the real economy) and their governance are decentralized and somewhat fragmented. This has thrown up regulatory challenges often resulting in multiple regulations. This tends to affect the efficiency of the market, while inducing some unintended distortions that limit the market potential. However, it is widely recognized that the Indian mortgage finance market has withstood the stress and pressures resulting from the ongoing global crisis. This is evidenced by the sustained robust growth of the sector despite recessionary trends in several quarters of the domestic economy. The quality of assets in the housing sector has been consistently good, as reflected in the low level of non-performing loans, though the coverage has progressively expanded across the population and geographical regions. While the market has become more engaging for the lenders, the need for a good balance between regulation and development cannot be overemphasized in the larger context of the economic imperatives and the national priorities of the government.

The property prices lingering at exorbitant levels in Metros, Tier-I, Tier-II and Tier-III cities have emerged as new avenues for growth for the housing finance market. The economic growth has also opened the door in the employment sector and with affordable property prices and easy availability of finance being the strong drivers in which people are migrating from smaller towns and rural areas to Tier-I and Tier-II cities. With strong presence in Tier-II and Tier-III cities and superior client servicing resulting in quicker turnaround time, HFCs are expected to witness faster growth than banks in these segments. HFCs have shown a strong growth in disbursements in non-metro cities.

(Source: Report on Trend and Progress of Housing in India 2014-NHB, http://www.indiainfoline.com/article/news-top-story /housing-finance-sector-in-2015-and-outlook-for-2016-116010400411_1.html & CRISIL Research, NBFC Report, August 2015).

HOUSING FINANCE COMPANIES

The key success factors

The key factors for HFCs to succeed in the Indian housing finance industry include:

- Cost of funds
- Strong credit function
- Cost of operations
- Product features
- Brand recognition
- Choice of niche market (Rural/Urban/Rurban)
- Choice of income segment

Opportunities and Threats

Housing finance in India is growing rapidly. With the intervention of the banking sector and the emergence of more specialized financial institutions, the sector is attracting a wide range of customers ranging from individuals to corporations to large cap groups. The composition of funds for the housing sector - a mix of short and medium-term funds lower a concern. Measures are being considered for channelling long-term pension and provident funds as well as external funds into the housing sector. A securitization market has also begun to operate, as a measure for better matching of Assets and Liabilities. The Government of India, Reserve Bank of India and the National Housing Bank have attached priority to the housing finance sector and continue their support to the sector through fiscal and regulatory measures. The burgeoning middle class, their increasing purchasing power, the changing demographics, and the increasing number of nuclear families coupled with a low delinquency rate have resulted in a significantly low number of non-performing assets compared to other sectors. Further, this has enabled the sector to grow at a phenomenal rate and attracting many institutional players representing high volume.

The property prices have seen upward movement and the expected rise in interest rates due to inflationary pressures could impact the affordability of the average home loan borrower to a great extent. Nevertheless the housing finance sector is expected to continue to grow steadily backed by the continuing demand and supply gap in dwelling units, reducing age profile of borrowers, higher income levels, increasing proportion of double income households and easy and wider choice of financing options.

Housing being one of the low risk asset classes for financiers and hence scheduled commercial banks have become very aggressive in this segment, which are armed with a well established and vast network and accessibility to funds at relatively lower costs. The challenge and concern for the “stand alone housing finance companies” will be the continuous availability of funds at a longer tenor at affordable rates. Reserve Bank of India has mandated the Banks to switch over to the system of “Base Rate’’, which is a welcome measure, will enhance transparency in lending rates, however may result in increase in cost of funds for the Housing Finance Industry. However still there is ample scope for the “Housing Finance Industry” to grow, due to huge demand and supply gap existing in housing segment and the consequent need for funding of purchases of shelter across all segments of the population.

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 11.83 per cent p.a. as compared to 11.89 per cent p.a. in the previous year. The average all-inclusive cost of funds was 7.81 per cent p.a. as compared to 8.12 per cent p.a. in the previous year. The spread on loans over the cost of borrowings for the year was 4.02 per cent p.a. as against 3.77 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 42 persons as on March 31, 2016. 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, 2016 was Rs. 291.40 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

Sahara Housingfina Corporation Limited (SHCL) believes and practices development of a long-term relationship with its stakeholders and borrowers. The company is committed towards moral and ethical conducts both internally & externally and practices in a trustworthy, transparent manner and is also committed towards maintaining the topmost standards of Corporate Governance.

Corporate Governance is code that sets the principles, systems, and practices through which the Board of Directors of the Company ensures transparency on the principles of making all the necessary disclosures and decisions, responsibility and accountability towards the various stakeholders, complying with all the applicable laws and in a continuous commitment of conducting business in a transparent and principled manner.

The Corporate Governance report of the Company as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is listed hereunder;

Composition of the Board

As on March 31, 2016, 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 3 (three) members including a woman Director.

Board Composition As On March 31, 2016

Category	No. of Directors	Percentage to total no.of Directors
Executive Directors	Nil	Nil
Non- Executive Non- Independent Directors	1	33
Independent Directors	2	67

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 Om Prakash Srivastava (00144000)#	NED (NI)	08	NIL	04
Shri Seemanto Roy (00183666)	NED (NI)	09	NIL	01
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 Limited 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 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Listing Agreement.

Resigned as a Director w.e.f. February 15, 2016.

Note: i. Other Directorships and Committee Memberships of Directors are as on March 31, 2016.

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 29, 2015, August 14, 2015, September 28, 2015, November 14, 2015, and February 12, 2016 respectively. The maximum time gap between two Board meetings is not more than one hundred and twenty days.

ATTENDANCE AT THE BOARD MEETINGS AND AT ANNUAL GENERAL MEETING (AGM) DURING THE FINANCIAL YEAR 2015-2016;

Name of Director	No. of Board Meeting Attended (Total Meetings Held : 5)	Whether Attended Last AGM
Shri Om Prakash Srivastava*	4	No
Shri Seemanto Roy	2	No
Shri Brijendra Sahay	5	Yes
Smt. Anshu Roy	5	Yes

* Resigned as a Director w.e.f. February 15, 2016.

DIRECTORS WITH MATERIALLY 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 2015-16. 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 2015-16

Name of Directors	Sitting Fees paid for		Total (₹)
	Board Meeting (₹)	Audit Committee (₹)	
Shri Om Prakash Srivastava	40,000	40,000	80,000
Shri Seemanto Roy	20,000	–	20,000
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 29, 2015, August 14, 2015, November, 14 2015 and February 12, 2016.

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, 2016 and Particulars of Meetings attended by the members of the Audit Committee:

Names of the Committee Members	Category	Meeting details during 2015-16			Whether Attended Last AGM (Y/N)
		Held	Attended	%	
Shri Brijendra Sahay	NED (I) (Chairman)	4	4	100	Y
Shri Om Prakash Srivastava #	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 Director.

Resigned as an Independent Director w.e.f. February 15, 2016 and 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 to be included in the Director's Responsibility Statement being 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, 2016, 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, 2016, the Committee met three (3) times as per details hereunder;

Date of the Meeting	Attendance	
	Shri Brijendra Sahay	Ms Anshu Roy
August 14, 2015	Yes	Yes
November 14, 2015	Yes	Yes
February 12, 2016	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@gmail.com*

DETAILS OF COMPLAINTS/GRIEVANCES DURING 2015-16

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, 2016, 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 one (1) Non-Independent, Non-Executive Director as on March 31, 2016. The Chairman of the Committee is an Independent Director.

The composition of the Nomination and Remuneration Committee as on March 31, 2016:

Director	Designation	Attendance
		14.08.2015
Shri Brijendra Sahay	Chairman (Independent Director)	Yes
Shri O.P.Srivastava[1]	Member (Non- Independent Director)	Yes
Smt Anshu Roy	Member (Independent Director)	Yes

[1] *Resigned as Director w.e.f. February 15, 2016 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 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 Executive Director / Whole Time Director 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 Executive Director / Whole Time Director 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 Executive Director / Whole Time Director 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 Executive Director/ Whole Time Director shall be within the limits prescribed under the Companies Act, 2013.

The Executive Director / Whole Time Director 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 Executive Director/ Whole Time Director 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 longterm 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, 2016 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 May 29, 2016. 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 ₹ 10000 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)	Shri O.P. Srivastava (Member)	Smt. Anshu Roy (Member)	Shri D.J. Bagchi (CEO)
August 14, 2015	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, 2016. 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.

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 and adoption of non - mandatory requirements

During the financial year 2015-16, the Company has complied with all mandatory requirements as specified in the SEBI (LODR) Regulations, 2015. The Company has adopted the below specified non-mandatory requirements in terms of Regulation 27(1) of SEBI (LODR) Regulations, 2015.

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.

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 Clause 25(7) 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 2015-16

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, 2016, 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 Members 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 (LODR) 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, with a subject "Registration of email id".

VII. DETAILS OF PREVIOUS THREE GENERAL BODY MEETINGS

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
22nd A.G.M	28.09.2013 09.30 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata - 700 071	No Special Resolution

VIII. GENERAL SHAREHOLDER INFORMATION

Financial Year	***April 01 – March 31***
Financial Reporting Calendar: 2015-16 (Tentative)	• First Quarter Results July/Aug 15, 2015 • Second Quarter Results Oct/Nov 15, 2015 • Third Quarter Results Jan/Feb 15, 2016 • Annual Results May, 2016
Listing on Stock Exchanges	Bombay Stock Exchange Limited (BSE). Phiroze Jeejebhoy Towers Dalal Street, Fort, Mumbai- 400 001 [Annual Listing Fees for the year 2016-17 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	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata- 700 071 Ph: 033-2282 9067/0811, Fax: 033-2282 4910
25th Annual General Meeting	September 28 2016; Wednesday; Time: 11.00 A.M
Venue	Registered & Corporate Office address as above
Book Closure Dates	Thursday, September 22, 2016 to Wednesday, September 28, 2016 (both days inclusive).

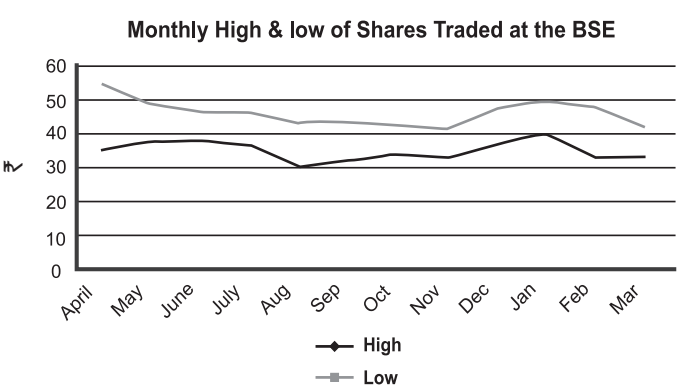
- **Market (BSE) Price Data**

  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)
2015	April	54.90	35.30	36804
	May	48.90	37.50	23169
	June	46.75	38.10	24334
	July	46.50	36.70	19355
	August	43.45	30.60	22042
	September	43.80	32.15	17390
	October	42.90	34.05	6128
	November	41.40	33.10	6281
	December	47.65	36.90	20321
2016	January	49.75	40.10	23979
	February	48.00	33.20	11962
	March	42.00	33.60	11942

Year High: ₹ 54.90 Year Low: ₹ 30.60 (Source: www.bseindia.com)

IX. Monthly High & low of Shares Traded on the BSE during the Financial Year 2015-16



(Source: www.bseindia.com)

X. SHAREHOLDING PATTERN AS ON MARCH 31, 2016

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	110	8,08,753	11.55
Indian Public	7,540	11,67,681	16.68
NRIs/NRNs	20	7,318	00.11
Clearing Member	26	21,661	00.31
Foreign Institutional Investors	–	–	–
Total	***7,696***	***20,05,413***	***28.65***
Grand Total	***7,699***	***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, 2016

HOLDING			SHAREHOLDERS		SHARES	
			NUMBER	%	TOTAL SHARES	%
001	-	500	7335	95.27	499162	7.13
501	-	1000	203	2.64	163676	2.34
1001	-	2000	87	1.13	131722	1.88
2001	-	3000	30	0.39	75895	1.08
3001	-	4000	09	0.12	30255	0.43
4001	-	5000	04	0.05	18615	0.27
5001	-	10000	17	0.22	123732	1.77
10001 And Above			14	0.18	5956943	85.10
TOTAL			**7699**	**100.00**	**7000000**	**100.00**

XII. SHARE TRANSFER SYSTEM

In terms of Regulation 40(2) of SEBI (LODR) 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, 2016 a total of 67,86,112 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 S.P.Guha**	**Shri D.J.Bagchi** Compliance Officer & Company Secretary Sahara India Sadan 2A, Shakespeare Sarani, Kolkata- 700 071 Ph: 033- 2282-9067/ 0811 Fax: 033 – 2282 4910 E-mail: *info.saharahousingfina@gmail.com*

OTHER USEFUL INFORMATION FOR STAKEHOLDERS

i. Subsidiary Companies

As at March 31, 2016, 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 on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the company with the stock exchange for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulation for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring 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 and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations as applicable.

We further 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 30, 2016

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 2015-16.

D. J. Bagchi
CEO & Company Secretary

Place : Kolkata
Date : May 30, 2016

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, 2016, 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, 2016 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.

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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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.

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

Pankaj Chaturvedi
Partner
Membership No. 091239

Place : New Delhi
Date : May 30, 2016

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, 2016, 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 financial institution or government. The Company has not defaulted in repayment to debenture holders 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) and term loans during the year. Accordingly, the clause (ix) of paragraph 3 of the Order is not applicable to the Company.

x. According to the information and explanations 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. 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 person 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 30, 2016

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, 2016 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, 2016, 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 30, 2016

SAHARA HOSFINAS

Balance Sheet as at March 31, 2016

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
		₹	₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	70,000,000	70,000,000
Reserves and Surplus	2	265,336,311	246,497,540
		335,336,311	**316,497,540**
NON-CURRENT LIABILITIES			
Long Term Borrowings	3	1,067,397,520	1,246,983,831
Long Term Provisions	4	2,819,268	2,235,194
Deferred Tax Liabilities	5	20,269,748	18,800,948
Total Non-Current Liabilities		**1,090,486,536**	**1,268,019,973**
CURRENT LIABILITIES			
Trade Payables	32	1,799,119	2,085,821
Other Current Liabilities	6	13,840,976	37,546,893
Short Term Provisions	7	961,065	1,014,343
Total Current Liabilities		**16,601,160**	**40,647,057**
TOTAL		**1,442,424,007**	**1,625,164,570**
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
-Tangible Assets	8	5,381,621	5,991,747
Non-Current Investments	9	273,600	870,800
Loan Assets	10	1,147,760,386	1,289,279,641
Long Term Loans & Advances	11	3,689,812	3,073,674
Total Non-Current Assets		**1,157,105,419**	**1,299,215,862**
CURRENT ASSETS			
Loan Assets	12	54,568,928	61,401,953
Trade Receivables	13	1,661,279	2,048,392
Cash & Bank Balances	14	212,449,841	249,169,195
Short Term Loans & Advances	15	9,348,912	8,255,178
Other Current Assets	16	7,289,628	5,073,990
Total Current Assets		**285,318,588**	**325,948,708**
TOTAL		**1,442,424,007**	**1,625,164,570**
Significant Accounting Policies	22		
Accompanying notes to the financial statements	23 to 35		

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 30, 2016

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, 2016

Particulars		Note No.	Year ended March 31, 2016	Year ended March 31, 2015
			₹	₹
	INCOME			
I	Income from Operations	17	127,809,324	173,705,293
II	Other Income	18	16,226,301	9,628,045
III	**Total Revenue (I+II)**		**144,035,625**	**183,333,338**
IV	**EXPENDITURE**			
	Finance Costs	19	67,900,320	97,361,337
	Employee Benefit Expenses	20	28,780,968	29,333,508
	Depreciation and Amortization	8	610,126	806,762
	Operating & Other Expenses	21	17,914,509	23,256,638
	Total Expenses		**115,205,923**	**150,758,245**
V	**PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)**		**28,829,702**	**32,575,093**
VI	Exceptional Items and Extraordinary Items		–	–
VII	**PROFIT BEFORE TAX (V+VI)**		**28,829,702**	**32,575,093**
VIII	**TAX EXPENSES:**			
	– Current Tax		8,495,765	10,606,264
	– Deferred Tax		1,468,800	(31,929)
	– Income Tax related to earlier years		26,366	98,225
			9,990,931	**10,672,560**
IX	**PROFIT AFTER TAX (VII-VIII)**		**18,838,771**	**21,902,533**
	Earning Per Share (₹) - Basic		2.69	3.13
	Earning Per Share (₹) - Diluted		2.69	3.13
	Significant Accounting Policies	22		
	Accompanying notes to the financial statements	23 to 35		

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 30, 2016

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

Cash Flow Statement for the year ended March 31, 2016

	Year ended March 31, 2016		Year ended March 31, 2015	
	₹		₹	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit Before Tax and Extraordinary Items		28,829,702		32,575,093
Adjustments for:				
Depreciation	610,126		806,762	
Provision for sub-standard assets	1,307,732		7,038,116	
Loss on sale of Investment	97,200		-	
Income from Dividend	-		(5,700)	
Interest Income	(16,215,393)	(14,200,335)	(9,611,437)	(1,772,259)
Operating profit before working capital changes		14,629,367		30,802,834
Adjustments for Working Capital Changes				
(Increase)/Decrease in Trade receivables	387,113		801,601	
(Increase)/Decrease in Advances	(782,393)		93,565	
IIncrease/(Decrease) in Current Liabilities	(23,992,619)		19,887,108	
Increase/(Decrease) in Provisions	530,796	(23,857,103)	575,876	21,358,150
Cash Generated from operations		(9,227,736)		52,160,984
Direct Tax paid		(9,044,513)		(11,036,952)
Net Cash from Operation		**(18,272,249)**		**41,124,032**
(Increase)/Decrease in Loan Assets (Net of Repayment)		144,828,910		253,320,444
Net Cash from Operating Activities		**126,556,661**		**294,444,476**
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds from Sale of Investments		500,000		–
Purchase of Fixed Assets		–		(59,388)
Income from Interest/Dividend		15,810,296		7,742,761
Net Cash from Investing Activities		**16,310,296**		**7,683,373**
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Increase/(Decrease) in Term Loan (Net of Repayment)		–		(137,123,600)
Increase/(Decrease) in Unsecured Loan (Net of Repayment)		(179,586,311)		(26,524,986)
Net cash from Financing Activities		**(179,586,311)**		**(163,648,586)**
D. NET INCREASE IN CASH AND CASH EQUIVALENTS:		**(36,719,354)**		**138,479,263**
Cash and Cash equivalents of the beginning of the year		**249,169,195**		**110,689,932**
Cash and Cash equivalents of the end of the year		**212,449,841**		**249,169,195**

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	561,392	228,753
Balance with Scheduled Banks :		
In Current Accounts	39,900,331	51,362,559
In Term/Fixed Deposit Accounts	171,988,118	197,577,883
	212,449,841	**249,169,195**

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 30, 2016

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 Balance Sheet as at March 31, 2016

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
		₹	₹
1	**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/-. 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, 2016	% age of Holding	As at March 31, 2015
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 Balance Sheet as at March 31, 2016

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
		₹	₹
2	**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 27)		
	Balance at the begining of the year	86,394,324	78,664,012
	Add:Transfered from Reserve & Surplus	5,345,138	7,730,312
		91,739,462	86,394,324
	Surplus		
	Balance at the begining of the year	109,449,611	120,994,022
	Add: Transferred from Statement of Profit and Loss	18,838,771	21,902,533
		128,288,382	142,896,555
	Less: Appropriations:		
	Transferred to Special Reserve	5,345,138	7,730,312
	DTL on opening balance of Special Reserve	–	25,522,539
	WDV Written Off (net of DTA)	–	194,093
		122,943,244	109,449,611
		265,336,311	**246,497,540**
3	**LONG TERM BORROWINGS**		
	Secured		
	From 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	767,397,520	946,983,831
		1,067,397,520	**1,246,983,831**

3.1 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

3.2 10% Non-Convertible Reedeemable Debenture is repayable in the Financial Year 2019-20

3.3 Unsecured - other loan from related party aggregating to ₹ 767,397,520 (previous year ₹ 946,983,831) include interest thereon aggregating to ₹ 431,296,723 (previous year ₹ 396,883,034). The interest rate is 9% p.a. The entire outstanding loan is repayable in the Financial Year 2021-22.

Notes forming part of the Balance Sheet as at March 31, 2016

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
		₹	₹
4	**LONG TERM PROVISIONS**		
	For Gratuity	2,819,268	2,235,194
		2,819,268	**2,235,194**
5	**DEFERRED TAX LIABILITIES**		
	Deferred Tax Liabilities		
	Special Provision	30,331,818	28,030,638
	Depreciation	753,848	787,551
		31,085,666	28,818,189
	Deferred Tax Assets		
	Retirement Benefits	1,249,891	1,054,312
	Provision for doubtful debts/loans	9,566,027	8,962,929
		10,815,918	10,017,242
	Net Deferred Tax Liabilities	**20,269,748**	**18,800,948**
6	**OTHER CURRENT LIABILITIES**		
	Current maturities of long term debt		
	From Banks	28,576	28,576
	Interest accrued but not due on borrowings	–	22,625,753
	Interest accrued and due on borrowings	1,595	1,595
	Advances from Customers	2,509,710	2,345,769
	Accrued Salaries & Benefits	1,619,781	1,658,942
	Government dues	6,989,726	8,188,386
	Other payables	2,691,588	2,697,872
		13,840,976	**37,546,893**
7	**SHORT TERM PROVISIONS**		
	For Gratuity	136,827	322,589
	For Leave Encashment	824,238	691,754
		961,065	**1,014,343**

8 FIXED ASSETS

Description	Gross Block				Depreciation				Net Block	
	As at April 1, 2015	Additions during the year	Write off during the year	As at March 31, 2016	Upto April 1, 2015	For the year	Adjustments during the year	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets										
Buildings	5,745,548	–	–	5,745,548	1,615,962	89,962	–	1,705,924	4,039,624	4,129,586
Computers	7,149,686	–	–	7,149,686	7,082,069	30,842	–	7,112,911	36,775	67,617
Furniture & Fixtures	2,734,627	–	–	2,734,627	2,148,695	172,813	–	2,321,508	413,119	585,932
Air Conditioners	320,471	–	–	320,471	260,996	41,873	–	302,869	17,602	59,475
Office Equipment	624,504	–	–	624,504	483,438	52,543	–	535,981	88,523	141,066
Electrical fittings	316,969	–	–	316,969	208,506	48,623	–	257,129	59,840	108,463
Vehicles	2,752,290	–	–	2,752,290	1,852,682	173,470	–	2,026,152	726,138	899,608
Total	**19,644,095**	–	–	**19,644,095**	**13,652,348**	**610,126**	–	**14,262,474**	**5,381,621**	**5,991,747**
Previous year	**19,584,707**	**59,388**	–	**19,644,095**	**12,558,275**	**806,762**	**(287,311)**	**13,652,348**	**5,991,747**	**7,026,432**

SAHARA HOSFINAS

Notes forming part of the Balance Sheet as at March 31, 2016

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
		₹	₹
9	**NON-CURRENT INVESTMENTS**		
	Unquoted, Non-Trade		
	Investment in Government Securities		
	11.43% GOI Stock	–	597,200
	Quoted, Non-Trade		
	Equity Shares		
	Indian Overseas Bank Limited	273,600	273,600
	(11,400 Equity Shares face value of ₹ 10/- each, Market Value ₹ 345,420/-, Previous Year Value ₹ 482,790/-)	**273,600**	**870,800**
10	**NON CURRENT LOAN ASSETS**		
	Secured considered good unless otherwise stated (Refer note 23)		
	Housing Loans		
	Standard Assets	1,089,887,573	1,229,750,125
	Less: General Provision	4,496,533	4,919,001
	Sub-Standard Assets	28,805,581	35,496,943
	Less: Provision for Sub-Standard Assets	4,320,837	5,324,541
	Doubtful Assets	18,112,463	15,642,678
	Less: Provision for Doubtful Assets	11,565,251	11,043,324
	Other Loans		
	Standard Assets	31,653,929	29,976,526
	Less: General Provision	316,539	299,765
		1,147,760,386	**1,289,279,641**
11	**LONG TERM LOANS & ADVANCES**		
	Refundable Deposits	986,430	892,674
	Advance Income Tax	2,703,382	2,181,000
		3,689,812	**3,073,674**
12	**CURRENT LOAN ASSETS**		
	Secured considered good unless otherwise stated (Refer note 23)		
	Housing Loans		
	Standard Assets	51,850,568	58,570,765
	Less: General Provision	213,919	234,283
	Sub-Standard Assets	1,347,239	1,684,308
	Less: Provision for Sub-Standard Assets	202,086	252,647
	Doubtful Assets	707,691	609,178
	Less: Provision for Doubtful Assets	411,418	388,818
	Other Loans		
	Standard Assets	1,505,912	1,427,727
	Less: General Provision	15,059	14,277
		54,568,928	**61,401,953**

Notes forming part of the Balance Sheet as at March 31, 2016

Note No.	Particulars	As at March 31, 2016	As at March 31, 2015
		₹	₹
13	**Trade Receivables**		
	Secured considered good unless otherwise stated (Refer note 23)		
	Outstanding for a period exceeding six months		
	Secured considered good	–	–
	Other Debts	1,661,279	2,048,392
		1,661,279	**2,048,392**
14	**CASH AND BANK BALANCES**		
	a) Cash & Cash Equivalent		
	Cash in hand	561,392	228,753
	Balance with Scheduled Banks		
	- In current accounts	39,900,331	51,362,559
	- In Fixed deposits maturing less than three months	43,614,482	53,999,919
		84,076,205	105,591,231
	b) Other Bank Balances		
	Balance with Scheduled Banks		
	- Fixed deposits with maturity more than three months but less than twelve months	128,373,636	143,577,964
		212,449,841	**249,169,195**
15	**SHORT TERM LOANS & ADVANCES**		
	Other Advances	5,775,580	5,086,943
	Interest Receivable	3,573,332	3,168,235
		9,348,912	**8,255,178**
16	**OTHER CURRENT ASSETS**		
	Secured considered good unless otherwise stated (Refer note 23)		
	Installments due from Borrowers - Principal		
	Standard Assets	1,566,064	1,923,181
	Less: General Provision	6,264	7,693
		1,559,800	1,915,488
	Sub-Standard Assets	2,379,753	2,612,662
	Less: Provision for Sub-Standard Assets	356,963	391,899
		2,022,790	2,220,763
	Doubtful Assets	10,734,895	5,686,485
	Less: Provision for Doubtful Assets	7,027,857	4,748,746
		3,707,038	937,739
		7,289,628	**5,073,990**

SAHARA HOSFINAS

Notes forming part of Statement of Profit and Loss for the year ended March 31, 2016

Note No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
		₹	₹
17	**INCOME FROM OPERATIONS**		
	Interest Income	125,857,748	172,086,334
	Fee Income	1,394,703	975,829
	Other Operating Revenue	556,873	643,130
		127,809,324	**173,705,293**
18	**OTHER INCOME**		
	Dividend Income	–	5,700
	Interest on Term Deposits	16,195,094	9,554,287
	Interest on GOI Stocks	20,299	57,150
	Miscellaneous Income	10,908	10,908
		16,226,301	**9,628,045**
19	**FINANCE COSTS**		
	Interest on Term Loans	67,499,076	96,991,510
	Bank and Other Charges	401,244	369,826
		67,900,320	**97,361,337**
20	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries & Bonus	27,166,696	27,858,789
	Contribution to Provident & Other Funds	1,358,664	1,196,695
	Staff Welfare	255,608	278,024
		28,780,968	**29,333,508**

20.1 The disclosures as required by Accounting Standard 15 relating to employees benefits recognized are set out below:

Change in Benefit Obligation		
Liability at the beginning of the year	2,557,783	2,110,053
Interest Cost	221,159	186,713
Current Service Cost	270,933	255,185
Actuarial (gain)/loss on obligations	288,087	213,203
Benefit Paid	(381,867)	(207,371)
Liability at the end of the year	**2,956,095**	**2,557,783**
Amount recognized in the Balance Sheet		
Liability at the end of the year	2,956,095	2,557,783
Fair value of plan assets at the end of the year	–	–
Difference	2,956,095	2,557,783
Amount recognized in the Balance Sheet	**2,956,095**	**2,557,783**
Expenses recognized in the Income Statement		
Current service cost	270,933	255,185
Interest cost	221,159	186,713
Expected return on plan assets	–	–
Net Actuarial (gain)/loss to be recognized	288,087	213,203
Expense recognized in the Statement of Profit & Loss	**780,179**	**655,101**
Balance Sheet Reconciliation		
Opening Net Liability	2,557,783	2,110,053
Expense as above	780,179	655,101
Employer's Contribution	(381,867)	(207,371)
Amount Recognized in the Balance Sheet	**2,956,095**	**2,557,783**
Assumptions		
Discount rate	8.00%	8.00%
Rate of return on plan assets	–	–

20.2 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 Statement of Profit and Loss for the year ended March 31, 2016

Note No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
		₹	₹
21	**OPERATING AND OTHER EXPENSES**		
	Rent	5,486,812	5,726,999
	Travelling and Conveyance		
	- Directors	78,809	76,900
	- Others	1,397,680	1,186,855
	Legal and Professional Fees	2,496,104	2,122,282
	Printing and Stationery	725,690	581,916
	Communication Charges	1,199,237	1,292,655
	General Expenses	1,628,703	1,754,467
	Insurance	178,352	47,576
	Repairs and Maintenance - Others	288,014	199,595
	Rates, Taxes and Licences	138,513	109,635
	Office Maintenance	238,069	304,431
	Vehicles Maintenance	1,961,594	1,978,430
	Advertisement and Publicity	132,830	119,047
	Electricity Charges	393,320	557,621
	Payment to Auditors		
	- As Statutory Auditors	91,600	89,888
	- As Tax Auditors	22,900	22,472
	- Other Capacity	51,350	47,753
	Provision on Loan Assets	1,307,732	7,038,116
	Loss on Sale of Investment	97,200	–
		17,914,509	**23,256,638**

22. SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

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

2. 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, except for certain tangible assets which are being carried at revalued amounts. 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 contract costs expected to be incurred to complete construction contracts, 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. 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 cash 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 cash 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.

iv. 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.

v. 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.

vi. 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.

vii. 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.

viii. 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.

ix. 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.

x. 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.

xi. 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” issued by the Institute of Chartered Accountants of India.

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.

xii. 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 and are disclosed by way of a note to the accounts.

SAHARA HOSFINAS

NOTES FORMING PART OF FINANCIAL STATEMENTS

23. 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.

24. 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.

25. 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	Sub-standard:	Doubtful			Loss Assets	Total
			D-1 : Upto 1 year	D-2 : 1 to 3 years	D-3 : Over 3 years		
Housing Loans	1,143,304,205	32,532,573	8,617,267	6,812,621	14,125,161	–	**1,205,391,827**
Other Loans	33,159,841	–	–	–	–	–	**33,159,841**
Total	**1,176,464,046**	**32,532,573**	**8,617,267**	**6,812,621**	**14,125,161**	–	**1,238,551,668**

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

Particulars	Standard	Sub-standard:	Doubtful			Loss Assets	Total
			D-1 : Upto 1 year	D-2 : 1 to 3 years	D-3 : Over 3 years		
Housing Loans	4,716,716	4,879,886	2,154,317	2,725,048	14,125,161	–	**28,601,128**
Other Loans	331,598	–	–	–	–	–	**331,598**
Total	5,048,314	4,879,886	2,154,317	2,725,048	14,125,161	–	**28,932,726**

26 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, 2016	As at March 31, 2015
i	CRAR (%)	78.68%	57.50%
Ii	CRAR - Tier I Capital (%)	53.80%	37.90%
Iii	CRAR - Tier II Capital (%)	24.88%	19.60%

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

Particulars	As at March 31, 2016	As at March 31, 2015
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 Lacs	9,062.36	10,228.80
(b) Housing Loan more than ₹ 15 Lacs	2,844.75	3,190.07
(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	331.60	312.71
(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 Lacs)**

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	7,673.98	500.00	–	10,673.98
ASSETS											
Advances	44.27	44.46	45.26	137.39	286.41	1,329.60	2,385.29	4,284.62	2,114.87	1,566.54	12,238.71
Investments	–	–	–	–	–	–	–	–	–	–	–

27. 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 ₹ 5,345,138, 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	86,394,324
c) Total	**86,394,324**
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	5,345,138
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	91,739,462
c) Total	**91,739,462**

28. Earnings Per Share (EPS)

Particulars	**Year ended March 31, 2016** (₹)	**Year ended March 31,2015** (₹)
(a) Profit/ (loss) after tax for calculation of basic and diluted EPS (₹)	18,838,771	21,902,533
(b) Weighted average number of equity shares outstanding for calculation of EPS	7,000,000	7,000,000
(c) Basic and diluted EPS (₹)	2.69	3.13

29. Payment to Auditors

Particulars	Year ended March 31, 2016 (₹)	Year ended March 31,2015 (₹)
Statutory Audit Fee	91,600	89,888
Tax Audit Fee	22,900	22,472
Limited Review Fee	25,763	25,281
Other Capacity	25,587	22,472
Total	**165,850**	**160,113**

30. 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).

31. 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 control
   - Sahara India Commercial Corporation Limited

d. Companies having common director
   - Sahara India Financial Corporation Limited

e. Disclosure of Related Party Transactions between the Company and related parties for the year ended March 31, 2016:

Particulars	Year ended March 31, 2016 (₹)	Year ended March 31, 2015 (₹)
Rent Paid		
Sahara India Commercial Corporation Limited	2,563,632	2,841,190
Interest Paid		
Sahara India Commercial Corporation Limited	38,237,432	53,861,127
Sahara India Financial Corporation Limited	25,000,000	25,000,000
Un-secured Loan Repaid		
Sahara India Commercial Corporation Ltd.	214,000,000	50,000,000
Outstanding Balances		
Sahara India Commercial Corporation Limited	767,397,520	946,983,831
Sahara India Financial Corporation Limited	250,000,000	250,000,000
Salary & Perquisites		
Shri. D.J. Bagchi	4,113,249	4,178,695
Shri Vivek Kapoor	1,476,539	1,461,313

32. 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, 2016.

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

34. 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.

35. 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 30, 2016

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 24th Annual General Meeting held on Monday, September 28, 2015

Printed at Progressive Art House, proarthouse04@gmail.com

SAHARA HOSFINAS

Corporate Office: SAHARA INDIA SADAN, 2A - Shakespeare Sarani, Kolkata - 700 071, INDIA
www.saharahousingfina.com