



ANNUAL REPORT | 2020-2021



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Registered & Corporate Office

46, Dr. Sundari Mohan Avenue, Kolkata - 700 014, Tel: (033) 22896708 / 22890148
www.saharahousingfina.com

EASTERN REGION

Region Office - East & Branch Office – Kolkata

46, Dr. Sundari Mohan Avenue, 2nd Floor, Kolkata - 700 014
Tel : (033) 2289 6708

Branch Office – Siliguri

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

Branch Office – Durgapur

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

Branch Office – Ranchi

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

WESTERN REGION

Region Office - West & Branch Office – Mumbai

C/5 Ground Floor, Royal Garden
Carter Road No.2,
Borivali East, Mumbai: 400 066
Mobile: +919820202932
Tel : (022) 28011083

Branch Office – Pune

1184/4, Shreenath Plaza, "A" Wing, Office No. 76, 3rd Floor, Dnyaneshwar Paduka Chowk
Shivaji Nagar, Off. Ferguson College Road, Pune - 411 005
Tel : (020) 48604961

NORTHERN REGION

Region Office - North & Branch Office – Lucknow

"YASH ARCADE", Ground Floor D-280, 281, 282,
Vibhuti Khand, Gomtinagar, Lucknow - 226 010
Tel : (0522) 2720608 / 4303032

Branch Office – Gorakhpur

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

SOUTHERN REGION

Region 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) 278486

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Brijendra Sahay Shri Awdhesh Kumar Srivastava
Smt. 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 & Partners
Chartered Accountants
501, Devika Tower,
6, Nehru Place
New Delhi – 110019

Internal Auditor

VCG & Company
110, Kusal Bazar
32-33, Nehru Place
New Delhi – 110 019

Bankers

Andhra Bank
Union Bank of India
Indian Overseas Bank
ICICI Bank Limited

Registrar & Share Transfer Agent

Link Intime India Private Limited
Vaishno Chambers, 5th Floor,
Room No.502 & 503,
6, Brabourne Road, Kolkata- 700 001
Ph: +91 33 4004 9728, Fax: +91 33 4073 1698
E-mail: kolkata@linkintime.co.in
Contact Person: Shri Kuntal Mustafi

Address of the Stock Exchange

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

Registered & Corporate office

CIN : L18100WB1991PLC099782
46, Dr. Sundari Mohan Avenue,
Kolkata - 700 014
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CONTENTS

Directors' Profile	02	Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct	54
Directors' Report	03		
Management Discussion & Analysis Report	27		
Report on Corporate Governance	39	Hosfinas' Financials	55
Certificate of Corporate Governance	54		

PROFILE OF DIRECTORS & KEY MANAGERIAL PERSONNEL

DIRECTORS PROFILE

❖ SHRI BRIJENDRA SAHAY (DIN: 00017600)



Shri Brijendra Sahay, age 83 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 41 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 on the Board of various companies since his superannuation and has substantial experience in finance, policy, administration and experienced view point on the working governance of institutions both with government and the private sector.

❖ SMT. ANSHU ROY (DIN: 05257404)

Smt. Anshu Roy (46 years), Woman Independent Director, is a graduate from Calcutta University. She was re-appointed on the Board of the Company as Independent Director on February 13, 2020. She has served as Director in the companies like Rageswari Polytraders Private Limited, Oasis Polytraders Private Limited and Jelenta Polytraders Private Limited prior to joining Sahara Housingfina Corporation Limited. Apart from Sahara Housingfina Corporation Limited, she has been appointed as Woman Director (Independent) in Fastspeed Marcom Private Limited. She has relevant industry experience.



❖ AWDHESH KUMAR SRIVASTAVA (DIN: 02323304)

Shri Awdhesh Kumar Srivastava (72 years) holds a Master in Arts and Bachelor's Degree in Law. He has been part of the Sahara India Pariwar and has more than 31 years of experience with the Group. He is on the board of various listed / unlisted companies of the group and has vast experience in management of companies.



KEY MANAGERIAL PERSONNEL

❖ SHRI D J BAGCHI (PAN: AAFPB2022A)

Shri D J Bagchi, age 58 years, is a Fellow member of the Institute of Company Secretaries of India (ICSI) and a LLB, having more than 31 years experience in the Mortgage Finance Industry. He is presently the Chief Executive Officer & Company Secretary, 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 52 years, holds Bachelor's degree in Commerce from Calcutta University and has experience of over 29 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 15 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.

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company take pleasure in presenting the Thirtieth Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL RESULTS

The Financial Performance of the Company for the financial year ended March 31, 2021, is summarised below;

Particulars	2020-21	2019-20
Gross Income	1341.91	1455.88
Less:		
– Interest	515.19	621.41
– Overheads	516.97	501.01
– Depreciation	52.16	54.94
Profit Before Tax (PBT)	257.59	278.52
Provision for Taxation		
– Current Tax	63.31	58.75
– Deferred Tax	(16.13)	11.49
– Income Tax related to earlier years	1.16	0.58
Profit After Tax (PAT)	209.25	207.70
Add: Profit carried from earlier years	2125.70	1973.26
Profit available for appropriations	2334.95	2180.96
Appropriations		
Transfer to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987	57.40	55.26
Balance carried to Balance Sheet	2277.55	2125.70
Total	2277.55	2125.70

Note:

The Company has adopted Indian Accounting Standard (referred to as 'Ins AS') with effect from 1st April, 2019 and, accordingly, these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

PERFORMANCE

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

Profit (PBT & PAT) & Income

- The Profit and Loss Account shows a Profit Before Tax (PBT) of ₹ 257.59 lakhs for the year ended March 31, 2021, 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 ₹ 278.52 lakhs for the previous year ended March 31, 2020. The provision for income tax is ₹ 48.34 lakhs and the Profit After Tax (PAT) for the year is ₹ 209.25 lakhs as against ₹ 207.70 lakhs in the previous year, representing marginal increase of 0.75 per cent (approx).



- The Gross Income for the year under review was ₹ 1341.91 lakhs as against the previous financial year's income of ₹ 1455.88 lakhs.

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

- Shareholder's Equity (Net Owned Fund) as at March 31, 2021 was ₹4701.18 lakhs as against ₹4488.78 lakhs in the previous year, representing an increase of 4.73 per cent.
- The total Assets under Management of the Company as on March 31, 2020 was ₹9277.68 lakhs as against ₹10280.80 lakhs in the previous year.

Transfer to Special Reserve

During the year under review, your company transferred ₹57.40 lakhs to the Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the NHB Act, 1987.

Deferred Tax Liability on the Special Reserve for the year under review has been created in accordance with Clause 101.2 of Chapter XIV of the Master Direction – Non-Banking Financial Company Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India.

Earnings per Share (EPS)

The Earnings per share (EPS) as at March 31, 2021 was ₹ 2.99 as against ₹ 2.97 as at March 31, 2020.

Share Capital

The paid up equity share capital as on March 31, 2021 was ₹ 7.00 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 2020-21 nor bought back any of its shares during the year under review.

b. Issue of Sweat Equity Shares

The Company did not issue any sweat equity shares during the financial year 2020-21.

c. Issue of Employee Stock Options

The Company did not issue any stock options during the financial year 2020-21.

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

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

Subordinated Debt

Your Company did not raise any fresh money through subordinated debt during the year under review.

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

Your company did not raise fresh money through (Unlisted) Secured Non Convertible Debentures (NCD) during the year under review. As on March 31, 2021, your Company's outstanding secured long time borrowing was Rs 30 Cr. and interest due thereon has been paid.

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 Master Direction - Non-Banking-Financial Company – Housing Finance Company - (Reserve Bank) Directions, 2021, every Housing Finance Company (HFC) shall maintain a minimum Capital Adequacy Ratio (CAR) of 14 per cent (as on March 31, 2021). The Capital Adequacy Ratio of your Company as at March 31 of Year 2021, 2020 and 2019 is set out in the table below:

Particulars	As at March 31		
	2021	2020	2019
Capital Adequacy Ratio (%)	87.12	78.73	61.63

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 ₹ 1272.12 lakhs as against ₹ 836.03 lakhs in the previous year. The overall outstanding loan portfolio as at March 31, 2021 stood at ₹ 9277.68 lakhs as against ₹ 10280.80 lakhs in the previous year March 31, 2020.

The Cumulative Log-in, Sanction and Disbursement as at March 31, 2021 and 2020 are as under;

Particulars	No. of Accounts		Amount (₹ in Lakhs)	
	2020-21	2019-20	2020-21	2019-20
Cumulative Log-in	6502	6457	69520.67	68139.17
Cumulative Sanction	4319	4278	45331.06	44038.44
Cumulative Disbursement	4138	4088	45142.06	43869.94

Fresh Loans

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

(₹ In Lakhs)

Particulars	31.03.21	31.03.20	31.03.19	31.03.18	31.03.17
Sanction	1292.62	(4072.26)	1678.67	3722.60	2565.20
Disbursement	1272.12	836.03	1585.89	2584.66	1884.61

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

Non-Performing Assets and Provisions for Contingency

Your Company strictly adheres to the prudential guidelines for Non-Performing Assets (NPAs) issued by the Master Direction - Non-Banking Financial Company Housing Finance Company - (Reserve Bank of India) under its Directions of 2021, 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 RBI.

The amount of Gross Non-Performing Assets (GNPA) on the Housing Loan portfolio as on March 31, 2021 was ₹943.20 lakhs against ₹882.13 lakhs as at March 31, 2020. The Executive Management is taking necessary steps to contain the same within limit.

Dividend

The Board of Director's 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 shareholder's wealth.

Deposits

Your Company has been granted certificate of registration by National Housing Bank, New Delhi as a non-deposit taking Housing Finance Company. In accordance with the said stipulations the Company under the current management has neither accepted in the past nor has any future plans to accept any public deposits, by whatever means called. There are no unclaimed deposits as on March 31, 2021.

Particulars of Loans Guarantees or Investments

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

As regards investments, there are no investments made by the Company for the year ended March 31, 2021 except short term investment in Fixed Deposit with Nationalised Bank.

Regulatory Guidelines

In August 2019, Central Government conferred the powers of regulation of Housing Finance Companies (HFCs) to RBI from NHB. NHB continues to carry out the functions of supervision of HFCs.

Further, on February 17, 2021 Reserve Bank of India (RBI) issued Master Direction - Non-Banking Financial Company – Housing Finance Company - (Reserve Bank) Directions, 2021 (RBI HFC Directions). These Directions came into force with immediate effect and the Company is in compliance with the applicable provisions of the Master Direction - Non-Banking Financial Company Housing Finance Company (Reserve Bank) Directions, 2021.

Other Regulatory Compliance

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

In order to prevent frauds in loan cases involving multiple lending from different banks / housing finance companies, the Government of India has set up the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) under Section 20 of the SARFAESI Act 2002 to have a central database of all



mortgages created by lending institutions. Your Company is registered with CERSAI and the data in respect thereto is being submitted, from time to time.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association, Shri Awdhesh Kumar Srivastava, (DIN: 02323304) (Non-Executive & Non-Independent) Director of your Company retires by rotation and is eligible for reappointment at the ensuing Annual General Meeting.

Brief resume of the Director, proposed to be re-appointed, nature of his expertise in specific functional areas and name of other companies in which he holds Directorship along with his Membership / Chairmanship of Committees of the Board as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 are provided in the annexure to the Notice of the Thirtieth 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, CEO & Company Secretary was reappointed as “Manager” under Section 196, 197, 198, and as a Key Managerial Personnel under Section 203 of the Companies Act, 2013. The appointment of Shri D J Bagchi as Manager expired on July 30, 2021. The Board of Directors of your Company, in its meeting held on 13th August 2021, on the recommendation of the Nomination & Remuneration Committee, thought it prudent to re-appoint Shri D J Bagchi, as 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 thereunder for a further period of three years w.e.f. July 31, 2021 subject to the approval of the members at its forthcoming Annual General Meeting to be held on September 29, 2021.

Necessary resolution for the said re-appointment is being proposed in the notice of the ensuing Annual General Meeting for the approval of the members.

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

Board Meetings

The Board during the relevant financial year had met five times on July 28, 2020, August 26, 2020, September 15, 2020, November 11, 2020 and February 11, 2021 respectively.

Secretarial Standards issued by Institute of Company Secretaries of India (ICSI)

Pursuant to the provisions of the Companies Act, 2013, the Company has complied with the Secretarial Standard on the Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

Auditors

In terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended) M/s Chaturvedi & Partners, Chartered Accountants, (FRN: 307068E) was appointed as Statutory Auditors of the Company for a consecutive period of 2 (two) years from conclusion of the 29th AGM held in the year 2020 until conclusion of the 31st AGM of the Company to be held in the year 2022.

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 2020-2021. The Secretarial Audit

Report for the financial year ended March 31, 2021, is annexed as “Annexure - 2” to this report. The observations made by the Secretarial Auditor in his report are self explanatory and, therefore, do not call for any further comments by the Board.

Directors Responsibility Statement

Your Directors would like to inform that the audited accounts for the year ended March 31, 2021 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 & Partner, 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, 2021, 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, 2021 and of the profit of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual financial statements on a going concern basis;
- e. the directors had laid down Internal Financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Disclosure under Sub-Section (3) of Section 134 of Companies Act, 2013, Read with Rule 8(3) of the Companies (Accounts) Rules, 2014

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

Employee Remuneration

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

Maintenance of Cost Records

Maintenance of Cost Records and requirement of Cost Audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

Prevention of Sexual harassment at Work Place

The Company has Zero tolerance towards any action on the part of any executive / staff which may fall under the ambit of ‘Sexual Harassment’ at workplace, and is fully committed to uphold and maintain the dignity of every woman executive / staff working in the company. No complaint was filed during the year in this regard.

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 Rahul Kumar Agarwal & Associates, Practicing Chartered Accountants [Membership No.:-



310116, Firm Registration No.330189E] with regards to 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.

Internal Control

The Company has an adequate internal audit system in place whereby The Internal Audit is conducted by the Internal Auditor and reports are submitted on a periodic basis. The audit function maintains its independence and objectivity while carrying out its assignments. It evaluates on a continuous basis the adequacy and effectiveness of internal control mechanism, adherence to policies, procedures as well as regulatory and legal requirements. The function also recommends improvement in operational processes and suggests streamlining of controls against various risks. The Audit Committee of the Board reviews the internal audit function on a continuous basis.

Significant / Material Orders Passed by the Regulator or Court or Tribunals

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

Change in the Nature of Business

There are no changes in the Nature of Business.

Nomination (Including Boards Diversity) Remuneration & Evaluation Policy

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

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

Related Party Transaction Policy & Transactions

Related Party Transaction Policy is intended to ensure

requisite approval, reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with related party transactions.

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

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

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

Annual Evaluation of Board Performance and Performance of its Committees and Individual Directors

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

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

Insurance of Company's Property

Your Company has insured its various 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 has in place Asset Liability Committee (ALCO) which monitors and on an ongoing basis, liquidity, interest rate and funding risks to which the Company is susceptible. Liquidity risk is caused by an asset-liability mismatch resulting from a difference in the maturity profile of the assets and liabilities. Unexpected increases in the cost of funding an asset portfolio, at the appropriate maturity, and the risk of being unable to liquidate a position in a timely manner at a reasonable price, are some of the triggers of this risk.

The liquidity risk among housing finance companies stems from the fact that the assets generated by housing finance companies have an average tenure of 10 - 12 years, while the liabilities have seven to ten years. The Company actively monitors its liquidity position to ensure that it can meet all requirements of its borrowers, while also meeting the requirements of its lenders, and also strengthen its ability to consider investment opportunities as they arise. The Asset Liability Management Committee ("ALCO"), comprising Senior Management Team who lays down policies and quantitative limits which the Audit Committee and the Board are periodically apprised in this regard.

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 Master Direction - Non-Banking-Financial Company Housing Finance Company (Reserve Bank) Directions, 2021.

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 organisations 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 Master Direction - Non-Banking-Financial Company Housing Finance Company (Reserve Bank) Directions, 2021.

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

Whistle Blower Policy (Vigil Mechanism)

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

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

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

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



respectful manner.

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

The said policy is available on website of the Company at the URL http://www.saharahousingfina.com/mise/SHCL_Code_of_Conduct_Refivsed_13-Dec-2019.pdf.

Code for Prevention of Insider Trading Practices

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

Policy in Disclosure of Material Events and Information

Your Company has formulated and 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 website of the Company at the URL http://www.saharahousingfina.com/annualreport/Materiality_Policy.pdf

Policy on Preservation of Documents and Records

Your Company has formulated and adopted the policy on 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 documents retention laws, preservations 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 laws / rule / regulations.

Other Policies as Per RBI/NSB Rules/Guidelines

Your Company has formulated and adopted the policies

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

Listing of Shares of the Company

The Equity Shares of your Company continue to remain listed (Group-X) on the BSE Ltd. The Company has paid the listing fees as payable to the BSE Ltd. for the financial year 2021-22.

Technology Updation

During the year under review, the ongoing exercise of upgradation of system and technology, encountered difficulties on account of the COVID-19 Pandemic and its myriad related restrictions/lockdowns, as the result of which the envisaged implementation got delayed. However, your company remains fully committed to the cause as it would strengthen the operational efficiencies. Further, in consonance with earlier years, the emphasis remains 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, 2021, only 2.98 per cent of the Company's paid up Share Capital consisting of 2,08,208 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 inspite of ongoing COVID-19 pandemic in the country and hence the company was not able to conduct any training and neither any employee was able to attend seminars, workshops and other programmes during the year.

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

Insurance Coverage to Borrowers

Your Company in tie-up with National Insurance Company Limited offers comprehensive insurance cover product called “National Insurance Sahara Home Loan Suraksha Bima” offering protection to the borrowers (optional) of the Company against the following risks / perils / natural calamities;

- A. Personal Accident Insurance: Death due to accident/ accidental loss of two limbs, two eyes or one limb and one eye; Permanent total disablement from injuries other than named above.
- B. Property Insurance: Fire / Storm / Earthquake / Riot, Strike and Malicious damage / Lightning / Explosion / Implosion / Aircraft damage, Impact damage / Subsidence and Landslide including Rock Slide / Bursting or Overflowing of Water Tanks & Pipes, Missile testing operations / Leakage from Automatic Sprinkler Installations, Bush Fire / other natural calamities.

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

Go Green Initiatives

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

the Company to effectively comply with this initiative.

Annual Return

Pursuant to Section 92(3) read and Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2021 is available on the website of the Company at the link: http://www.saharahousingfina.com/misc/SHCL_MGT-7_AGM-Draft.pdf

Acknowledgements

Your Directors wish to place on record their gratitude for the continued support of various authorities including the Reserve Bank of India, National Housing Bank, SEBI, BSE Limited, NSDL, CDSL and Credit Rating Agency (Infomercs Valuation & Rating Private Limited) and also for support and faith reposed in the Company by the Borrowers, all Bankers, Debenture holders, Trustees (Catalyst Trusteeship Limited) and others.

The Board also places on record its deep appreciation for the significant contributions made by its employees at all levels and for their dedication, commitment, hard work, co-operation and support because of which, the Company has been able to maintain its consistent growth.

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)
	<i>Director</i>	<i>Director</i>
Kolkata	<i>(DIN 00017600)</i>	<i>(DIN 05257404)</i>
13 August, 2021		



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 2020-21.	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 2020-21. 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 2020-21.
IV	The number of permanent employees on the rolls of the Company.	There were 36 permanent employees on the rolls of the Company, as on March 31, 2021.
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable as there was no increase in remuneration in the financial year 2020-21. (Save and except inflation adjustment)
VI	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

Particulars of Top Ten Employees for the year ended on March 31, 2021

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

Name	Age (Yrs)	No. of Share Held	Designation	Remuneration (₹)	Qualification	Experience (years)	Date of Commencement of Employment	Previous Employment
Shri D.J. Bagchi	58	-	Chief Executive Officer & Company Secretary	4,421,618	F.C.S. & LLB	31	16.02.2004	Dewan Housing Finance Corporation Ltd.
Shri Vivek Kapoor	52	-	Chief Financial Officer	1,611,639	Graduate	29	12.08.2003	Ganpati Projects Limited
Shri Anup Kirtan	52	-	Deputy Chief Manager	1,506,059	I.C.W.A.	21	07.07.2003	Lovelock & Lewes Services (P) Ltd.
Shri Sarvesh Kumar	51	-	Assistant Chief Manager	1,252,457	Post Graduate	27	16.01.2004	SBI Home Finance
Shri K.D. Bhattacharya	48	-	Assistant Chief Manager	1,193,957	MBA	24	01.07.2003	Bengal Ambuja Housing Development Ltd.
Shri R.N. Singh	58	-	Senior Manager	976,268	B.Tech (Civil)	28	16.10.2006	Dewan Housing Finance Corporation Ltd.
Shri Sumit Basu	58	-	Deputy Senior Manager	875,783	Graduate	34	25.08.2004	Senbo Engineering Ltd.
Shri Arnab Chaudhury	51	-	Assistant Senior Manager	775,743	Graduate & PGD.C.A	22	05.11.2004	Bengal Ambuja Metro Development Ltd.
Shri Ranjan Saha	57	-	Manager	743,121	Graduate	28	10.05.2006	Senbo Engineering Ltd.
Shri Nasir Karim Shaikh	46	-	Deputy Manager	718,799	Graduate	22	01.06.2005	Birla Housing Finance Ltd.

- Notes : 1. Nature of Employment and duties: Permanent and in accordance with terms and conditions as per Companies rules.
2. Remuneration received includes salary, allowances, retirement benefits and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.
3. No employee is a relative of any Director or Key Managerial Personnel of the Company, Ruls 5(2)(iii) of the captioned Rules is not applicable to any employee.

Annexure – 2
TO THE DIRECTORS' REPORT

Form No. MR-3
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, 2021.

To,
The Members,
Sahara Housingfina Corporation Limited.

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

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sahara Housingfina Corporation Limited** ('the Company') for the financial year ended on March 31, 2021 according to the provisions of:
 - (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (vi) The following laws specifically applicable to the Company vis-a-vis the nature of its business:-
 - (a) The National Housing Bank Act, 1987;
 - (b) The Housing Finance Companies (NHB) Directions 2010 effective till February 16, 2021 &
 - (c) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, effective from February 17, 2021
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;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013
3. I have also examined compliance with the applicable clauses of the following:-
- (i) Secretarial Standards with respect to board and general meetings issued by the Institute of Company Secretaries of India; &
 - (ii) The Listing Agreement entered into by the Company with BSE Ltd.
4. During the period under report the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:
- Whereas BSE Ltd., vide its email communication dated August 10, 2020, had pointed out to one non-compliance with the requirements of Regulation 20(2A) of SEBI (LODR) Regulations, 2015 during the Quarter ended June 2020 with regard to composition of Stakeholder Relationship Committee and had imposed a fine of Rs.2,14,760/- (inclusive of GST Rs.32,760/-) which the Company had paid.
5. I further report that:
- (i) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
 - (ii) Adequate notices were given to all directors to schedule the Board Meetings and Committee Meetings. Agenda and notes on agenda were sent at least seven days in advance and further information and clarifications on the agenda items were provided for meaningful participation at the meetings; and
 - (iii) All decisions at the Board Meetings and Committee Meetings, as represented by the management, were taken unanimously.
6. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, including general laws, labour laws, competition law and environment laws.
7. I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, such as laws related to taxation, local laws applicable to the areas of operation of business and other laws generally applicable to the Company.
8. I further report that, 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 above referred laws, rules, regulations, guidelines, standards, etc.
9. This report is to be read with my letter of even date which is annexed as **Appendix-I** and forms an integral part of this report.

P V SUBRAMANIAN

Company Secretary in Whole-time Practice
ACS No.: 4585
CoP. No.: 2077
UDIN: A004585C000776521

Place : Kolkata
Date : August 13, 2021

Appendix-I

(To the Secretarial Audit Report to the Members of Sahara Housingfina Corporation Limited for the financial year ended March 31, 2021)

To,
The Members,
Sahara Housingfina Corporation Limited.

My Secretarial Audit Report for the financial year ended March 31, 2021 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.
7. Due to prevailing circumstances of covid-19 pandemic, the audit was conducted by distance mode and my report is based on verification of company's books, papers, minutes books, forms and returns filed, documents and other records furnished by the company electronically and also the information provided by company and its officers by audio and visual means.

Place : Kolkata
Date : August 13, 2021

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No.: 4585
CoP. No.: 2077
UDIN: A004585C000776521



Related Party Transactions Policy of the Company

1. Brief Background:

Security Exchange Board of India (SEBI) vide its circular No.CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014, read with circular No.CIR/CFD/POLICY CELL/7/2014 dated 15 September 2014 has amended clause 35B and 49 of the listing agreement and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015. In terms of the said circular and as per Reg.23 of SEBI (LODR) Regulation, 2015, it is mandatory for the listed entities to formulate a policy on materiality of related party transactions and also on dealing with Related Party Transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

Sahara Housingfina Corporation Limited is a public limited company under the Companies Act, 1956 (CIN L18100WB1991PLC099782). The equity shares of the Company are listed on BSE Limited and as such the provisions of the listing agreements entered into by the Company with the said stock exchange (hereinafter referred to as the 'Listing Agreements') for equity shares, are applicable and binding on it. In addition to the above SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and amendments thereto is also applicable to the Company.

2. Objective of the Policy

The policy is framed as per requirements of Regulation 23 of SEBI (LODR) Regulations, 2015 and intended to ensure proper approval and transparent reporting of transactions between the Company and its Related Parties. Such transactions shall be appropriate only, if they are in the best interest of the Company and its shareholders.

3. Scope of the Policy

3.1. During the course of its business, the Company enters into transactions with various entities. Some of the transactions were deemed to be 'Related Party Transactions' as notified by the

Indian Accounting Standard on Related Party Disclosures (Ind AS 24) under the Companies (Indian Accounting Standards) Rules, 2015. Such transactions were duly disclosed in the Annual Reports of the Company. The policy shall be applicable to the transactions made with:

- a) Board of Directors and their relatives;
- b) Key Management Personnel (KMP) of the Company and their relatives; and
- c) Related parties, as defined under section 2 (76) of the Companies Act 2013 and as amended from time to time and the Regulation 2(1)(zb) of SEBI(LODR) Regulations, 2015.

3.2. The parties are considered to be related, if, one party has ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions.

4. Transactions are considered as related party transactions:

4.1. Following types of the transactions are considered as related party as per section 188 of Companies Act 2013:

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

- 4.2. Types of the transactions considered as related party as per Reg.2(lj)(zcj of SEBI(LODR) Regulations, 2015 and Ind AS-24, of the Companies (Indian Accounting Standards Rules, 2015.

Transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged, whether single transaction or group of transactions in a contract.

- 4.3. In addition to the above, following transactions between the related parties shall also be considered as related party transactions;
- a) Borrowings
 - b) Deposit
 - c) Placement of deposits
 - d) Advances
 - e) Investments
 - f) Non-funded commitments
 - g) Leasing/HP arrangements availed
 - h) Leasing/HP arrangements provided
 - i) Purchase of fixed assets
 - j) Sale of fixed assets
 - k) Interest paid
 - l) Interest received

5. Identification of potential related party transactions each Director and Key Managerial Personnel is responsible for providing notice to the Board or the Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/ Audit Committee may reasonably request desire. The Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The notice of any such potential Related Party Transaction should be given to the Board/Audit Committee well in advance so that the Audit

Committee has adequate time to obtain and review information about the proposed transaction.

6. Process for ascertaining related party

The Company shall prepare a list of related party on the basis of information collected from the related parties as on March 31, every year and as and when any person or entity becomes related party, in terms of this policy and declarations received. The related party list shall be updated whenever necessary and shall be reviewed at periodical intervals.

The internal Auditors/Statutory Auditor are required to verify the process of ascertaining the related parties and their correct recording/listing in register of Contracts/ arrangement etc. as well as their classification regarding whether they are on arm's length basis.

The list of the related parties shall be circulated and any transactions with the related parties shall be carried out as per the Related Party Transaction Policy.

7. Approval of Related Party Transaction:

7.1. Approval of Related party transactions by Audit Committee of the Board:

All related Party Transactions proposed to be entered into by the Company shall require prior approval of Audit Committee except those transactions exempted by the committee through omnibus specific approval. All "Material" related party transactions shall require approval of the shareholders through special resolution and no related party shall vote to approve such resolutions. However, this shall not be applicable in the following cases. Transactions entered into between two government companies;

- i. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

7.2. Approval of the Board of Directors: All the contracts/ arrangements prescribed under Section 188(1) of the Companies Act, 2013 and within the threshold limits, which are not in the ordinary course of business of the Company or on an arm's length basis shall along with the approval of the Audit Committee also require approval of the Board of Directors of the Company.

7.3. Approval of Shareholder: All the Material Related Party Transactions (as per Reg.23 of SEBI(LODR) Regulations, 2015) and Related Party Transactions exceeding the threshold limits, whether or not in the ordinary course of business of the Company or on an arm's length basis, shall require prior approval of the Audit Committee, the Board and the shareholders of the Company by way of Special Resolution and no related party shall vote to approve such resolution. The shareholders' approval shall not be required in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

In the following cases the prior approval of the Company by a resolution is required whenever a company is entering into a transaction, and such transaction is contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188 of the Companies Act, 2013:

- i. sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of the turnover of the company or ₹ 5 Cr, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
- ii. Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% or more of net worth of the company or ₹ 5 Cr, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;

- iii. Leasing of property of any kind amounting to 10% or more of the net worth of the company or 10% or more of turnover of the company or ₹ 5 Cr, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;
- iv. Availing or rendering of any services, directly or through appointment of agent, amounting to 10% or more of the turnover of the company or ₹ 5 crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188.

7.4. Omnibus approval by the Audit Committee

- i. In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company (including transactions for support services/sharing of services with Subsidiary/Associate Companies), the Audit Committee may consider grant of an omnibus approval for such Related Party Transactions proposed to be entered into by the Company, subject to the following conditions:
 - a. The Audit Committee shall lay down the criteria for granting such omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
 - b. The Audit Committee shall satisfy itself that the need for such omnibus approval and that such approval is in the business interest of the Company.
 - c. Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price or current contracted price and the formula for variation in the price, if any and (iii) such other conditions as the Audit Committee may deem fit;

- II. Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore (Rupees One Crore only) per transaction.
- III. The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.
- IV. Such omnibus approval shall be valid for a period not exceeding 1 (one) year and shall require fresh approval after the expiry of 1 (one) year from the date of the original approval granted by the Audit Committee, from time to time.
- V. In terms of Schedule II Part C Para B point 2 of SEBI (LODR) Regulations, 2015, the Audit Committee shall review the statement containing significant Related Party Transactions. The threshold limit for determining significant Related Party Transactions will be the same as applicable for Material Related Party Transactions under Explanation to Reg.23(1) of SEBI(LODR) Regulations, 2015, as amended from time to time.

8. Procedure of seeking approval of Related Party Transaction

As and when any transaction is contemplated with any Related Party, the concerned office entertaining the request shall submit the details of proposed transaction with details/draft contract/ draft agreement or other supporting documents justifying that the transactions are on arms' length basis in an ordinary course of business at prevailing market rate. The Concerned Department shall appropriately take it up for necessary prior approvals from the Audit Committee at its subsequent scheduled meeting and convey back the decision to the originator.

If the proposed transaction is not in ordinary course

of business but at arm's length basis, then a detailed note with justification shall be prepared, for entering into such transaction along with details of proposed transaction with draft agreement/MoU/other supporting documents. Based on the note, the matter shall escalate for necessary approvals of the Audit Committee/ Board/ Share Holders as may be applicable.

The Concerned Department, shall present to the Audit Committee the following information, to the extent relevant, with respect to actual or potential related Party Transaction.

- a. A General Description of the transactions
- b. The name of the related party and the basis on which such party is a related party.
- c. The related party interest in the transaction(s)
- d. The approximate rupee value
- e. In case of lease or other transaction providing for periodic payments or installments, the aggregate amount of all period payments of installments expected to be made.
- f. In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness.
- g. Any other material information regarding the transaction(s) or the related party's interest in the transactions

9. Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will reclude himself or herself and abstain from discussion and shall not vote to approve the relevant transaction.

To review a Related Party Transaction, the Committee will be provided with all, relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the

transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- a. Any transaction that involves providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

10. Related Party Transactions without the prior approval under this Policy

In the event, a transaction is construed as Related Party Transaction, the knowledge/awareness of which is discerned at a later stage and one that has not been approved under this Policy prior to its consummation and/or in case of any approved, notified and subsisting Related Party Transaction, the quantum and/or conditions of which may undergo change/modification (at a later date) in the interest of the Company, the matter (as the case may be) shall be reviewed by the Audit Committee in their immediate subsequent meeting. The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transactions and shall evaluate all options available to the Company, including ratification, approval, revision or disapprove of the said Related

Party Transaction. In case of the former, the Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

In connection with any review of a Related Party Transaction, the Audit Committee has the final authority to modify or waive any procedural requirements of this Policy.

11. Disclosures

11.1. The Company shall keep a register in the prescribed form (Annexure 3) giving the full particulars of contracts or arrangements in respect of all RPTs approved by the Audit Committee and the gist of such contracts/RPTs shall be placed before the Board periodically.

11.2. Necessary disclosures shall be made in the Annual Financial Statements as required under Ind AS-24 (Annexure 2). Further, as required under Para A of Schedule V of SEBI (LODR) Regulations, 2015 necessary details of all materially significant related party transactions which may have potential conflict with the interests of the Company at large, shall also be also given in Report on Corporate Governance section in Annual Report.

As per Point 2A of Para A of Schedule V of SEBI(LODR) regulations, 2015 disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results.

11.3. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on Corporate Governance.

11.4. The Company shall disclose the policy on dealing

with related party transactions on its website and a web link thereto shall be provided in the Annual Report.

11.5 The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

12 Records relating to Related Party/Supporting documents

All disclosures, supporting documents shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the Accounts Department and any other person authorized by the Board for the purpose.

Agreement or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate shall also be preserved for a period of 8 years from the end of the financial year to which it relates and shall be kept in the custody of the Board and/or any other person authorized by the Board for the Purpose.

13. Interpretation

In any circumstances where the terms of these policies and procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedure until such time as these policies and procedures are changed to confirm to the law, rule, regulation or standard.

14. Review of Related Party Transaction Policy

The Related Party Transaction Policy is a part of Corporate Governance Policy. Therefore, the same has to be reviewed at periodical intervals by the Board as per the Transactions.

Annexure 1 – Definitions

a. Arm's Length Transaction

Explanation Section 188(1)(b) of the Companies Act, 2013 defines an "arm's length transaction" to mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

b. Associate Company

A. Companies Act, 2013:

In terms of Section 2(6) of the Companies Act, 2013 "Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

"significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

"joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

B. Listing Agreement SEBI(LODR) Regulations, 2015:

As per Reg.2(1)(b) of SEBI(LODR) Regulations, 2015 "associate" shall mean any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

c. Audit Committee

The term "Audit Committee" means the committee of Board of Directors the Company constituted in accordance with the provisions of Reg. 18 of SEBI(LODR) Regulations, 2015, Companies Act, 2013 and Rules made there under.

d. Material Related Party Transaction

In terms of Explanation to Reg.23(1) of SEBI(LODR) Regulations,2015, a transaction with a related party

shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

In terms Reg.23 (1A) of SEBI (LODR) Regulations, 2015 notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

e. Related Party

A. Companies Act, 2013:

The term Related Party has been defined under Section 2(76) of the Companies Act, 2013 as follows-

Related Party with reference to a company means -

- (i) a Director or his relative;
- (ii) a Key Managerial Personnel or his relative;
- (iii) a firm, in which a Director, Manager or his relative is a partner;
- (iv) a private company in which a Director or Manager is a member or director;
- (v) a public company in which a Director or Manager is a Director and holds along with his relatives, more than 2% of its paid-up share capital;
- (vi) anybody corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager;
- (vii) any person on whose advice, directions or instructions a Director or Manager is

accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any company which is;

- (A) a holding, subsidiary or an associate company of such company; or
- (B) a subsidiary of a holding company to which it is also a subsidiary;
- (C) an investing company or the venture of the Company

Explanation- For the purpose of this clause, “the investing company or the venture of a Company” means a body corporate whose investment in the Company would result in the Company becoming an associate company of the body corporate.

- (ix) such other person as may be prescribed; Rule 3 of the Companies (Specification of definitions details) Rules, 2014, provides that a Director or Key Managerial Personnel of the holding company or his relative with reference to a company shall also be deemed to be a related party.

B. SEBI(LODR) Regulations.2015

The term Related Party has been defined under Regulation 2(1)(zb) of SEBI(LODR) Regulations, 2015 as follows:

“related party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

f. Related Party Transaction

Reg. 2 (1) (zc) of SEBI (LODR) Regulations, 2015 Clause 49(VII) (A) of the Listing Agreements defines a “Related Party Transaction” means to be a transfer

of resources, services or obligations between a company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

g. Relative

In terms of Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of definitions details) Rules, 2014 a person is said to be a relative of another, if -

- a. They are members of a Hindu undivided family;
- b. They are husband and wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son's wife;
- g. Daughter;
- h. Daughter's husband;
- i. Brother (including step-brother); or
- j. Sister (including step-sister).



Format for Related Party Disclosures

It may be noted that the format is merely illustrative and is not exhaustive.

Items / Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint Ventures	KMP@ Relatives Total of KMP
Borrowings#				
Deposit#				
Placement of deposits#				
Advances#				
Investments#				
Non funded commitments#				
Leasing arrangements availed#				
Leasing arrangements provided#				
Purchase of fixed assets				
Sale of fixed assets				
Interest paid				
Interest received				
Rendering of services				
Receiving of services				
Management contracts				

Format of declaration to be given by the Director/KMP/Related Party & Relatives

I Son/Daughter/spouse of resident of being a Director/ Key Management Personnel (KMP)/ relative of Director or KMP/related party in the Company hereby give notice of my interest of concern in the following company or companies, bodies, corporate, firms or other association of individual/ transactions;

1	Name of the Companies/Body Corporate/ firms/Association of Individuals	
2	The name of the related party and nature of relationship	
3	The nature, duration of the contract and particulars of the contract or arrangement	
4	Nature of Transactions	
5	Material terms of the contract or arrangement including the value, if any	
6	Any advice paid or received for the contract or arrangement, if any	
7	Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract.	
8	Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	
9	Whether arm's length transaction	
10	Whether as per approved scheme of the Company	
11	Any Other information relevant or important for the Board to take a decision on the proposed transaction	

Signature:

Date:

Designation:

**Format of Information in Related Party Transaction**

Name of the Account where facility availed:

Name of the related party and relationship:

Nature & Volume of transaction during the quarter:

A) Transaction of routine and repetitive in nature

Nature of Transactions	Total During the quarter	Cumulative during the financial year
Deposits		
Interest Paid/Accrued		
Advances		
Interest Paid/Accrued		
Other Services/Contracts		
Whether Staff rate and whether eligible		
Special concession, if any		
Whether at arm's length		

B) Transaction not covered under (A) and upto a monetary limit of Rs 1 Crore per transaction

Nature of Transactions	Total During the quarter	Cumulative during the financial year
Special concession, if any		
Whether at arm's length		

C) Material Transactions

Nature of Transactions	Total During the quarter	Cumulative during the financial year

**e.g. lease agreements, service contracts etc.

I/We hereby confirm that the transactions entered into by me/us/my relatives with the Company were at arm's length and no special benefits have accrued to me/us/relatives.

I/we also confirm that all transactions which are in the purview of the related party transaction have been reported by me.

(Signature/Authorised signatory)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

❖ Indian Real Estate Industry Report

Real estate sector is one of the most globally recognized sectors. It comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Market Size

By 2040, real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

The office market in top eight cities recorded transactions of 22.2 msf from July 2020 to December 2020, whereas new completions were recorded at 17.2 msf in the same period. In terms of share of sectoral occupiers, Information Technology (IT/ITeS) sector dominated with a 41% share in second half of 2020, followed by BSFI and Manufacturing sectors with 16% each, while Other Services and Co-working sectors recorded 17% and 10%, respectively.

In 2020, the manufacturing sector accounted for 24% of office space leasing at 5.7 million square feet. SMEs and electronic component manufacturers leased the most between Pune, Chennai and Delhi NCR, followed by auto sector leasing in Chennai, Ahmedabad and Pune. The 3PL, e-commerce and retail segments accounted

for 34%, 26% and 9% of office space leases, respectively. Of the total PE investments in real estate in Q4 FY21, the office segment attracted 71% share, followed by retail at 15% and residential and warehousing with 7% each.

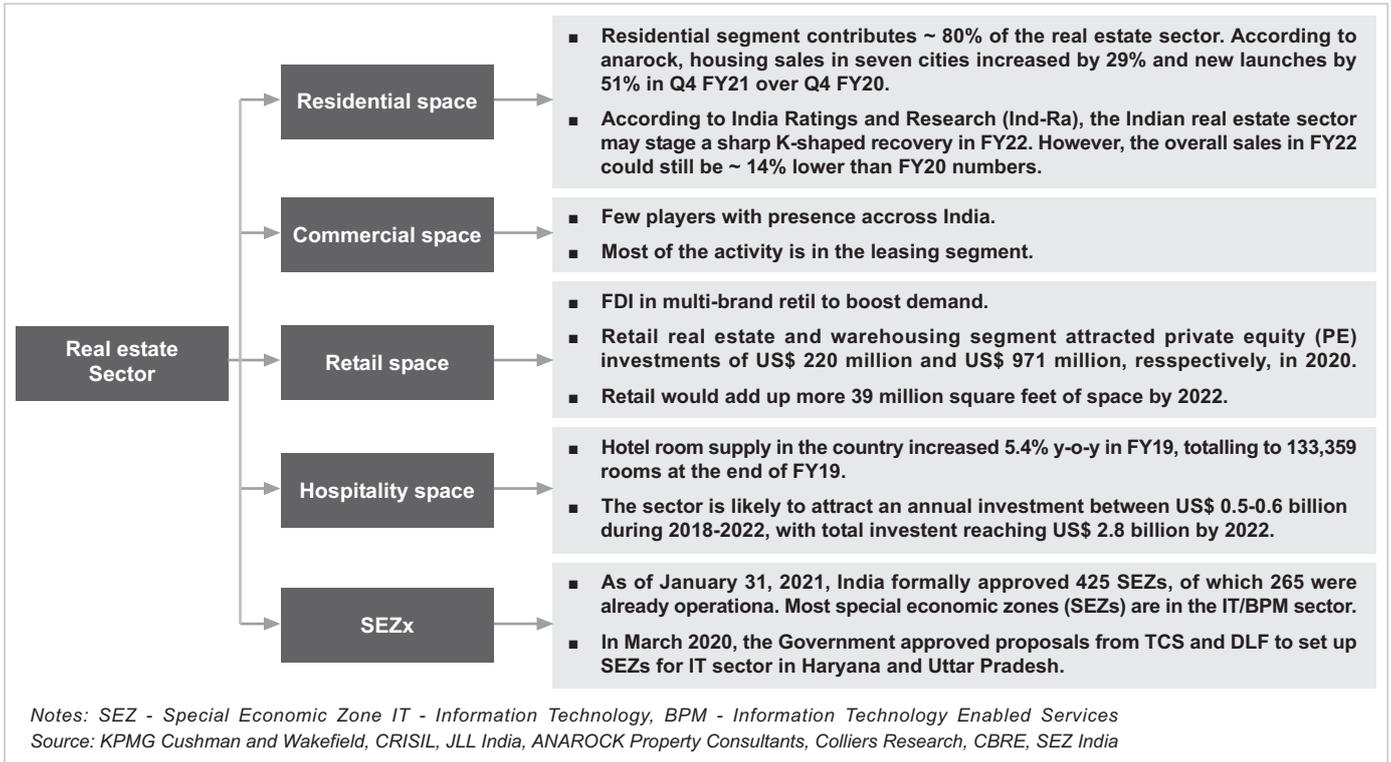
Retail real estate and warehousing segment attracted private equity (PE) investments of US\$ 220 million and US\$ 971 million, respectively, in 2020. Grade-A office space absorption is expected to cross 700 msf by 2022, with Delhi-NCR contributing the most to this demand and warehousing & cold storage is the next segment that is expected to rise in the next decade.

Housing launches were 86,139 units across the top eight Indian cities in the second half of 2020. Home sales volume across eight major cities in India jumped by 2x to 61,593 units from October 2020 to December 2020, compared with 33,403 units in the previous quarter, signifying healthy recovery post the strict lockdown imposed in the second quarter due to the spread of COVID-19 in the country.

According to the Economic Times Housing Finance Summit, about 3 houses are built per 1,000 people per year compared with the required construction rate of five houses per 1,000 population. The current shortage of housing in urban areas is estimated to be 10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

Investments / Developments

Indian real estate sector has witnessed high growth in the recent times with rise in demand for office as well as residential spaces. Indian real estate attracted US\$ 5 billion institutional investments in 2020, equivalent to 93% of transactions recorded in the previous year. Investments from private equity (PE) players and VC funds reached US\$ 4.06 billion in 2020. The real estate segment attracted private equity investments worth Rs. 23,946 crore (US\$ 3,241 million) across 19 deals in Q4 FY21. Investments in the sector grew 16x compared with Rs. 1,470 crore (US\$ 199 million) in Q4 FY20. In value terms, these investments were 80% of that in 2020 and 48% of 2019, according to a report by Knight Frank.



Exports from SEZs reached Rs. 7.96 lakh crore (US\$ 113.0 billion) in FY20 and grew - 13.6% from Rs. 7.1 lakh crore (US\$ 100.3 billion) in FY19.

According to the data released by Department for Promotion of Industry and Internal Trade Policy (DPIIT), construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development and construction activities) stood at US\$ 42.97 billion between April 2000 and September 2020.

Some of the major investments and developments in this sector are as follows;

- India's flexible space stock is likely to expand by 10-15% YoY, from the current 36 million sq. ft., in the next three years, according to a report by CBRE.
- In the top seven cities, housing sales increased by 29% and new launches by 51% in the fourth quarter of FY21. Delhi-NCR, Mumbai, Bengaluru and Pune together accounted for 83% sales in the same quarter.
- The performance of micro-markets in the Delhi-NCR region, including Noida and Gurgaon, posted a double-digit expansion in property appreciation prices with 11% and 13%, respectively, growth.
- Demand for residential real estate revived in Q4 FY21 as homebuyers took advantage of low mortgage

rates and incentives rendered by developers. Residential sales in this quarter recovered to >90% volumes recorded in 2020 across the top seven cities.

- Blackstone is one of the largest private market investors in India, managing about Rs. 3,694 crore (US\$ 50 billion) of market value in the real estate sector. The company anticipates investing Rs. 1,625 crore (US\$ 22 billion) in the next 10 years.
- In 2021, working remotely is being adopted at a fast pace and demand for affordable houses with ticket size below Rs. 40-50 lakh is expected to rise in Tier 2 and 3 cities, leading to an increase in prices in those geographies.

Government Initiatives

Under Union Budget 2021-22, tax deduction up to Rs. 1.5 lakh (US\$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.

- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore (US\$ 271,450.60) from November 12, 2020

to June 30, 2021) and in October 2020, the Ministry of Housing and Urban Affairs (MoHUA) launched an affordable rental housing complex portal.

- On October 27, 2020, the government announced the application of Real Estate (Regulation & Development) Act, 2016 in the union territory of Jammu & Kashmir. This has paved the way for any Indian citizen to buy non-agricultural land and property, as opposed to the eligibility of only local residents earlier.
- Blackstone is one of the largest private market investors in India, managing about Rs. 3,694 crore (US\$ 50 billion) of market value in the real estate sector. The company anticipates investing Rs. 1,625 crore (US\$ 22 billion) in the next 10 years.
- In order to revive around 1,600 stalled housing projects across top cities in the country, the Union Cabinet has approved the setting up of Rs. 25,000 crore (US\$ 3.58 billion) alternative investment fund (AIF) and the Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of Rs. 10,000 crore (US\$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.
- In 2021, working remotely is being adopted at a fast pace and demand for affordable houses with ticket size below Rs. 40-50 lakh is expected to rise in Tier 2 and 3 cities, leading to an increase in prices in those geographies.
- As of January 31, 2021, India formally approved 425 SEZs, of which 265 were already operational. Most special economic zones (SEZs) are in the IT/ BPM sector.

Road Ahead

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth Rs. 1.25 trillion (US\$ 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the

growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space. The current shortage of housing in urban areas is estimated to be 10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.



References: Media Reports, Press releases, Knight Frank India, VCC Edge, JLL Research, CREDAI-JL, Union Budget 2021-22

Source: <https://www.ibef.org/industry/real-estate-india.aspx>

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❖ Housing Scenario in India

House is one of the most important basic needs of human beings. A house with four walls and a roof does not mean that the person is provided with a house, a proper house is that in which a person has the chance to stay with having a proper interaction with the community and has the availability of basic services like water supply sanitation, solid waste disposal, electricity and other services which are essential to live a healthy and better quality of life. A proper house should provide easy accessibility to the local activities and should pose the affordability and offers a person the preference of individuality.

Abraham Maslow the famous psychologist who defined the human need pyramid and according to him the basic needs of human beings comprises with physical and safety needs and unless those needs are satisfied others will not get developed at all.



Abraham Maslow's Human Need Pyramid

In the eco-system model of neighbourhood comprises of five elements of planning which are people, community activities, place and environment. People wants to stay in a place where he / she is able to choose a proper environment, area and design in such a way that the local activities such as walking, playing, shopping, learning along with interactions at a community level can take place without a minimum difficulty and which in turn neighbourhood grows up and it attract more people to settle.



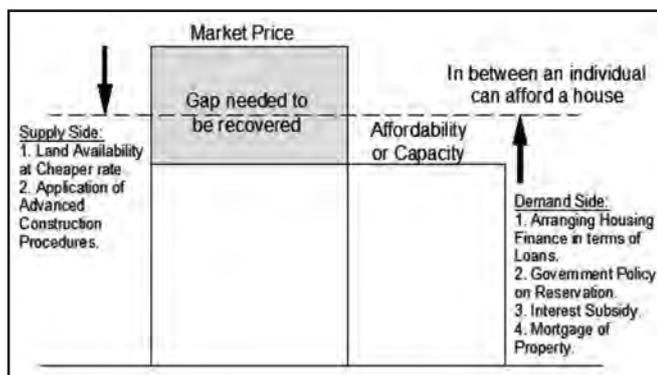
Eco System Model of Neighbourhood

The shift towards a predominantly urban world made the process of urbanization, one of the most significant Global Trends of the early 21st century. After the Second World War, there was a wave of national Independence movement throughout the world. The newly independent countries had a very strong desire to change their own fates to improve their economic and living conditions. As a developing nation India after independence gave maximum priority to agriculture and industries. The industrial sector is the sector which has the ability to generate maximum revenue and it will also attract a huge amount of foreign currency reserve for the country. On the other hand it requires a huge labour supply for its growth. The Urban population is not at all sufficient for this large requirement. So due to this reason people from rural areas migrated towards the industrial areas. But these rural populations were having very low levels of skill and education which forced them to opt for low wage works. Due to less availability of money in hand, these people barely satisfy their basic needs of food and clothing and having a proper shelter was like a dream for them. In this way the problems of informal settlements like slums and squatters originated in urban areas.

The housing shortage is defined as the gap between the total population of the country and number of housing stock available for them. If we look at the housing shortage or surplus in India in different time periods then we can able to assess the gravity of this housing shortage problem.

Year	Housing Shortage or Surplus (Million)
1991	-22.9
1996	-13.66
2001	-19.4
2007	-24.71
2012	-18.78
2017	-20

Source: <http://mohua.gov.in>



It is very much clear to us now that after getting Independence the housing shortage remains and with the increase of the population it will reach a huge value in upcoming years. As per the recent 12th Five Year Plan Report the housing shortage has been calculated based on the three criteria's, these are; (1) Homelessness, (2) Obsolescence Factor and (3) Congestion Factor. The report tells that there are 2,285,935 number of households who are living in unserviceable or obsolete structures; there are more than 6 billion households who are living in severe congestion in dwelling unit of size less than or equal to 300 sq. ft. i.e. one couple share their room with other adult members of their families. The total number of houseless population reported as 1.06 million. According to the report of the Technical Group Uttar Pradesh is having the maximum housing shortage with 3.07 million households, after that Maharashtra with 1.94 million, West Bengal with 1.33 million and Andhra Pradesh with 1.27 million stands.

As per the Government data in urban areas 1 individual out of 6 do not have a liveable home; in rural areas this ratio is 1 in 10. The reason behind this difference is that in urban areas people basically are migrants who do not have ownership of the houses they live in, but on the other hand for rural areas this is not present to some extent.

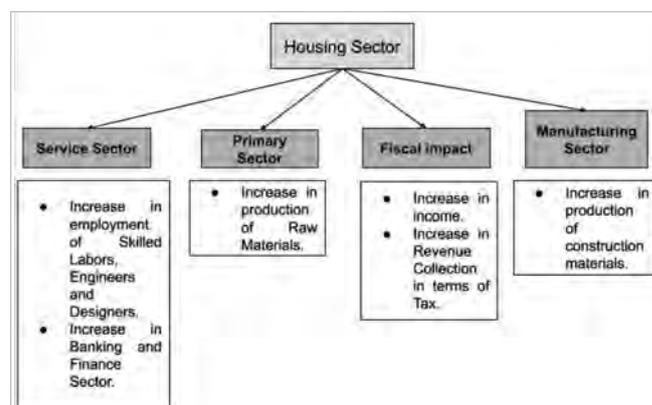
The report also revealed that the housing shortage is

very much high with almost 96% of total housing shortage within the Lower Income Group and Economically Weaker Section of people, whereas the demand in H.I.G and M.I.G people, is only about 4% of total shortage. But if we see the situation from the supply side the scenario is totally opposite with 85% of supply for H.I.G and M.I.G population and 15% of supply for L.I.G and E.W.S people. So the situation is that the economic class of people who have high demand of housing actually are getting allocated with a minimum number of houses.

Housing Sector contribution in the Indian Economy

In India the contribution of the service sector in total gross domestic product is 55.30% in the financial year 2019-20. This situation in the economy informs us that the employment is basically concentrated in a particular portion of the total population who are having money in their hand and having sufficient skill to avail the job in this sector. It is not at all desirable for the economy as it is increasing the overall employment indirectly.

The Government of India in the recent years is trying to shift the share of service sector to the industrial sector to generate more job opportunities and solve the unemployment problem in the country. One of the ways to achieve the objective is to increase the contribution of the housing sector in GDP. As we know that investment in this sector, like other sectors, is having a multiplier effect in the generation of income and employment.



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Opportunities & Threats

The Housing Finance sector in India registered steady growth for over a decade till 2019. However, challenging macroeconomic environment and covid-19 induced disruptions have induced a slowdown in growth numbers in the Financial Year 2020 and Financial Year 2021.

Despite the challenges, rising disposable incomes and India's low mortgage penetration promise an immense growth potential in the sector. HFCs have played an important role by providing funding to the unbanked sector by catering to the financial needs of the customers with regard to housing and construction. In the current year, the challenges for HFCs have moved from liquidity to asset quality with the COVID-19 outbreak and the impact on customer's repayment capacity to repay loans. Liquidity covers of the HFCs are largely dependent on the repayments that they receive from their customers. In order to revive the economy, the RBI had announced numerous measures to inject liquidity and keep the cost of funds benign to increase credit off take and promote economic growth.

In first half of FY 2020-21, collections were impacted, due to the announcement of lock down and rescheduling of payments announced by the regulator on repayments between March 1, 2020 to August 31, 2020. With the increase in economic activity, post partial lockdowns being lifted, collection efficiencies across the lending entities had improved post September 2020

The second wave of COVID-19 and its potential impact has now raised questions on the economic growth and credit off take in India. Imposition of sudden lock downs / delay in vaccination program, could result in a deeper economic recession in near future posing threats for our business and may impact disbursements and consequent growth in the portfolio. The pressure on asset quality is expected to mount due to lockdown coupled with cash flow and liquidity issues.

The Economist fraternity is expecting a sharp V-shaped recovery in the economy and are projecting India's GDP to grow in double digits which will result in increase in credit off take and consumer spending. We have a robust risk management framework with a deep understanding of underwriting and credit controls which will help us to mitigate the risk of deterioration in asset quality

Asset quality of NBFCs may deteriorate further as per Financial Stability Report

The latest issue of financial stability report (FSR) by the Reserve Bank of India (RBI) says asset quality of non-banking financial companies (NBFCs) is expected to deteriorate further due to business disruptions caused by the Covid-19 pandemic, especially in the industry sector, one of the major recipients of NBFC credit.

The sector is recovering from the shocks of failure of a

few large entities. While credit extended by them has fallen substantially, the sector has seen an increase in bad loans ratio, too.

A system-level stress test for the sector credit risk with a sample of 200 NBFCs, having an asset size of more than Rs 1,000 crore as of March 2020, reveals that under a high risk scenario the gross non-performing assets (NPAs) of NBFCs may increase from 6.8 per cent to 8.4 per cent, while in a medium risk scenario, it increases to 6.9 per cent. As of March 2020, NBFCs recorded gross NPAs of 6.3 per cent, up 100 basis points from March 2019. Also, during 2019-20, credit extended by NBFCs grew by 4.4 per cent against 22 per cent in 2018-19.

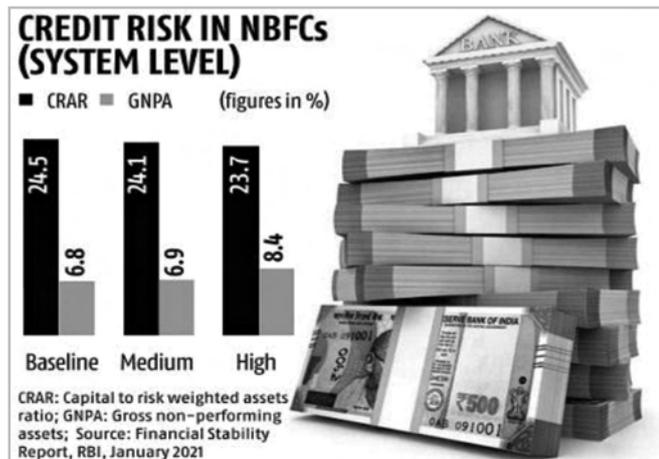
It is important to note that, as of August 31, 2020, the NBFCs had 44.94 per cent of their book under moratorium which is 26.58 per cent of their total customers. A close look at the moratorium book of NBFCs revealed, as per data put out by RBI, more than 37 per cent of their corporate book, 67 per cent of the MSME book, and 56.51 per cent of their individual book was under moratorium. On a system level, a little over 40 per cent of the total book of all the lenders was under moratorium.

The RBI says stress tests at the individual NBFC level indicated that under the baseline, medium and high risk scenarios, CRAR of 3.3 per cent, 9.7 per cent, and 10.3 per cent of NBFCs would fall below the minimum regulatory requirements.

The FSR report of RBI further goes on to say that NBFCs and housing finance companies (HFCs) are the largest borrowers of funds from the financial system. And, a substantial part of funding comes from banks. Therefore, failure of any NBFC or HFC will act as a solvency shock to their lenders, which can further spread by contagion.

While NBFCs were the largest net borrowers of funds from the financial system, with gross payables of Rs 9.37 trillion and gross receivables of Rs 0.93 trillion at end-September 2020, HFCs were the second largest borrowers of funds from the financial system, with gross payables of around Rs 6.20 trillion gross receivables of Rs 0.53 trillion as at end-September 2020.

"In the non-banking space, the dominant positions occupied by mutual funds and insurance companies need to be assessed against the fact that NBFCs and housing finance firms remain the largest borrowers, with systemic implications. Meanwhile, shrinking of the inter-bank market has reduced the risk of bank failure due to contagion effects," the RBI said in its report.



Source: https://www.business-standard.com/article/economy-policy/asset-quality-of-nbfc-may-deteriorate-further-financial-stability-report-121011200033_1.html
(Only the headline of this report may have been reworked by the SHCL staff; the rest of the content is auto-generated from a syndicated feed.)

The loan book of HFCs to grow 8-10% in Financial Year 22, stress levels to stay elevated as per report by ICRA

Building on demand revival in late 2020 and early this year, the loan book of Housing Finance Companies (HFC) in India, is expected to grow mostly at 8-10 per cent in FY22, according to ICRA.

The on-book portfolio growth moderated for HFCs in 9M FY2021 (compared to Mar-20) to 4.3 per cent (excluding the portfolio of one large player, which had sizeable write-offs) from portfolio growth of 6 per cent year-on-year in FY2020.

However, with the revival in demand for housing credit in the industry during the past two quarters, most of the HFCs have already reached near pre-Covid level disbursements. They are targeting to achieve further higher disbursements and expected to push up the growth rate for FY2021 to 6-8 per cent, it said.

While HFCs are expected to regain their profitability and growth trajectory in FY2022, the rising Covid-19 infections and localised lockdowns remain a concern area.

Sachin Sachdeva, Vice President and Sector Head, Financial Sector Ratings, ICRA, says, given the cash flow stress faced by the borrowers, the overdue of HFCs have increased in 9M FY2021 as reflected by proforma Gross Non-Performing Assets (NPAs) to around 2.7 per cent as on December 31, 2020 as compared to reported GNPA of 2.4 as on March 31, 2020. The asset quality indicators could be further impacted in Q4 FY2021.

ICRA estimates the reported GNPA for FY2021 to be higher by 50-100 basis points, compared to FY2020, and the same to remain elevated in FY2022 as well.

HFC's ability to maintain the growth momentum and keep slippages under control would be critical for maintaining the credit profile, the agency added.

From a liquidity perspective, the HFCs have been maintaining healthy on-balance sheet liquidity for the last few quarters. They have gradually reduced their reliance on short-term funding sources like CP, which has helped improve asset liability mismatches in the near-term buckets. They are expected to maintain healthy liquidity in the near-term given the challenging environment.

Sachdeva said, notwithstanding the improvement in business in Q3 FY2021 and Q4 FY2021, relatively lower business growth than the earlier years, and asset quality pressures would moderate the profitability for the HFCs in FY2021.

Nevertheless, healthy provision cover maintained by most of the entities is expected to provide cushion and protect the profitability from Covid related asset quality stress in FY2022, ICRA said.

Source: https://www.business-standard.com/article/finance/hfcs-loan-book-to-grow-8-10-in-fy22-stress-levels-to-stay-elevated-ICRA-121041200862_1.html

(Only the headline of this report may have been reworked by the SHCL staff; the rest of the content is auto-generated from a syndicated feed.)

The Securitisation for NBFCs, HFCs volume surged to Rs 17,500 Cr in Q1 as per reports by ICRA

Despite the impact of the second wave of COVID-19, securitisation volumes by non-banking financial companies and housing finance companies surged 2.3 times to Rs 17,500 crore of their loan assets in the first quarter of 2021-22, according to a report.

During the first quarter of 2020-21, the volumes had significantly fallen to Rs 7,500 crore due to the pandemic and the resultant nationwide lockdown in March 2020, ICRA Ratings said in a report released on Friday.

The agency expects securitisation volumes for NBFCs and HFCs in FY 2022 could be more than Rs 1.2 lakh crore, of which the majority would be in H2 FY 2022 if there is no resurgence of COVID infections in the country.

Despite the onset of the second wave in April 2021, securitisation volumes saw robust Y-o-Y growth in Q1 FY2022. This was because the lockdowns during the current fiscal were localised and less stringent compared to the nationwide lockdown last year, the agency's Vice



President and Group Head (structured finance ratings) Abhishek Dafria said.

There was gradual ease in lockdowns in June across most geographies and gradual improvement in collection efficiencies of NBFCs thereby gives investors the necessary comfort to participate in securitisation, he added.

Another factor that supported the volumes was that unlike Q1 FY2021, when the microfinance sector was almost absent from the securitisation market, the segment has been able to restrict the decline in collections and thus been able to find investor interest in the securitisation of its assets, Dafria said.

Securitisation is the process of pooling and repackaging homogenous illiquid financial assets into marketable securities that can be sold to investors.

Traditionally, securitisation through Direct Assignment (DA) transactions (bilateral assignment of a pool of retail loans from one entity to another) has accounted for about two-thirds of the total volume.

The balance one-third share is accounted by Pass-Through Certificate (PTC) transactions (loans are sold to an SPV which issues PTCs).

In Q1 FY2022, the volumes were almost equally distributed between DA and PTCs.

The reversal in the split between DA and PTCs can be attributed to the fact that PTC transactions have credit enhancement in form of subordination and credit collaterals unlike DA transactions, which do not have any credit enhancement, the agency said.

ICRA Assistant Vice President and Sector Head Sachin Joglekar said that in Q1 FY2022, the agency downgraded ratings of only one PTC transaction due to weak collections.

The ratings of other PTC transactions have been reaffirmed or upgraded supported by a build-up of credit enhancement coupled with the expectation of improvement in collections in Q2 FY2022, he noted.

Source: https://www.business-standard.com/article/economy-policy/securitisation-volumes-for-nbfc-hfc-surged-to-rs-17-500-cr-in-q1-ICRA-121070900723_1.html

(Only the headline of this report may have been reworked by the SHCL staff; the rest of the content is auto-generated from a syndicated feed.)

Quality of asset of NBFCs may deteriorate further as per Reserve Bank of India (RBI)

Asset quality of Non-Banking Financial Companies

(NBFCs) is expected to deteriorate further due to business disruptions caused by the Covid-19 pandemic, especially in the industry sector, one of the major recipients of NBFC credit, according to the latest financial stability report (FSR) by the Reserve Bank of India (RBI).

According to the report, NBFCs saw a decline in growth in 2019-20, largely due to isolated credit events in a few large NBFCs, challenges in accessing funds and the overall economic slowdown, with the pandemic's impact adding to the stress in the later period. During 2019-20, credit extended by NBFCs grew by 4.4 per cent as compared with 22 per cent in 2018-19.

A System level stress tests for the NBFC sector's credit risk were conducted for a sample of 200 NBFCs 27 with asset size of more than 1000 crore as on March 2020 reveals that under a high risk scenario the gross non-performing assets (NPAs) of NBFCs may increase from 6.8 per cent to 8.4 per cent, while in a medium risk scenario, it increases to 6.9 per cent.

"As of March 2020, NBFCs recorded gross NPAs of 6.3 per cent, up 100 basis points from March 2019. Also, during 2019-20, credit extended by NBFCs grew by 4.4 per cent against 22 per cent in 2018-19," the report added.

The apex bank in its report further said that stress tests at the individual NBFC level indicated that under the baseline, medium and high risk scenarios, CRAR of 3.3 per cent, 9.7 per cent, and 10.3 per cent of NBFCs would fall below the minimum regulatory requirements.

The FSR report of RBI further goes on to say that NBFCs and housing finance companies (HFCs) are the largest borrowers of funds from the financial system. And, a substantial part of funding comes from banks. Therefore, failure of any NBFC or HFC will act as a solvency shock to their lenders, which can further spread by contagion.

Since, as per the report, NBFCs were the largest net borrowers of funds from the financial system, with gross payables of Rs 9.37 trillion and gross receivables of Rs 0.93 trillion at end-September 2020, HFCs were the second largest borrowers of funds from the financial system, with gross payables of around Rs 6.20 trillion gross receivables of Rs 0.53 trillion as at end-September 2020.

"In the non-bank space, the dominant positions occupied by mutual funds and insurance companies need to be assessed against the fact that non-banking financial companies and housing finance companies remain the largest borrowers, with systemic implications. Meanwhile,

shrinking of the inter-bank market has reduced the risk of bank failure due to contagion effects," the RBI said.

Source: <https://knnindia.co.in/news/newsdetails/economy/asset-quality-of-nbfcs-may-deteriorate-further-rbi>

(Only the headline of this report may have been reworked by the SHCL staff; the rest of the content is auto-generated from a syndicated feed.)

❖ **The impact of COVID-19 on Housing Finance**

Every crisis favours some segments and punishes others. For example, emerging economies such as Malaysia, Indonesia, and many of the Nordic countries emerged as winners from the global financial crisis. This time, however, it appears no one can get away from the deathly grip of the virus. Nevertheless, if there is such a thing as a lower impact, then it has to be in the Housing Finance sector.

The customers in India have a great deal of emotional attachment to their homes and are likely to continue paying their EMI obligations even at the cost of defaulting on their other payments. The instances of cheques bouncing in housing finance are still quite low, and collection efficiency is relatively higher in April compared to other segments such as vehicle financing and small business loans. This trend is likely to continue as we come out of lockdown.

Moratorium: Two sides of the same coin

The Reserve Bank of India (RBI) issued guidelines on moratoriums on 27 March 2020. This gained wide publicity, and customers from all occupations had to enhance their vocabulary at short notice. RBI has left it to the Boards of each financial institution to decide on its moratorium program. HFCs are compelled to offer moratorium to the end consumer as his income sources are impacted, and he is unable to make his EMI payment. HFCs are, however, expected to meet their repayment obligations by their lenders. If cash flows from customers are impacted for an extended period, supported by moratorium instructions from RBI, then HFCs will also need moratorium support from their lenders. Asset Liability Management policies have not been stress tested for situations where inflows dry up completely.

As far as adoption of moratorium goes, customers in India have become far more mature in their understanding of such matter, and the media has also played a responsible role in explaining that 'moratorium' does not mean 'waiver'. It only implies a postponement and results in additional interest outflow in the long run. Many customers are coming back to cancel their moratoriums as the lockdown is being lifted in their areas.

RBI liquidity policy

Central Banks around the globe have been using the three popular tools used in such situations: Interest rates,

Reserve Requirements, and Open Market Operations. The Reserve Bank of India also came out with all guns blazing. The Repo rate was slashed to two-decade lowest at 4.4 percent, reverse repo rate was slashed to 3.75 percent, CRR was reduced to three percent, and Targeted Long Term Repo Operations, i.e. TLTRO 1.0 and 2.0 were also introduced. The response to TLTRO 1.0 was good but this benefited large AAA-rated HFCs. TLTRO 2.0 was targeted at providing support to smaller NBFCS, HFCs, and MFIs, but this received a tepid response. A crisis always makes the strong stronger.

Real Estate Sector: The pain continues

The real estate sector is one of the largest contributors to the GDP, but this is one sector that has gone through more than its fair share of difficulties over the last decade. There are two schools of thought on how the current crisis will affect this sector. One approach is that the low-income segment will be impacted the most due to the lockdown, and hence, this would result in lower demand for affordable housing. On the other hand, there could be a clampdown on discretionary spending in the high-income group and a flight to a value that could increase demand in the middle and lower segments. Non-availability of the workforce is an immediate concern with migrants wanting to return to their villages. New projects may take more time, but builders of projects under construction will mobilise resources to ensure completion. There is also a customer at the end of this chain who is keen to take possession and move in.

The Silver Lining: What has gone well so far?

Work-from-home became a buzzword. This is one contingency plan that worked. The companies that were operating with their applications on the cloud were able to seamlessly transition to WFH. The customers found it far easier to connect with their lenders and lenders were able to reach out to maximum customers in a short time frame owing to the high penetration of mobiles, smart phones, and social media. Digital payments got another booster dose (the first one was Demonetization) with all stakeholders realising its importance once more. The Central, as well as State governments, have released detailed guidelines on operating different businesses as lockdowns are being lifted. This will ensure that we progress gradually but consistently towards normalcy without a hiccup of resurgence in infections as seen in other parts of the world. Perhaps this story will finally have a happy conclusion in this country.

❖ **Risk Management**

The Company has in place a deep-rooted Risk Management framework covering all the aspects like market, credit, liquidity & operational risk. This framework governs by various policies and system & procedures to



monitor, review and report key risks. The Company continues to follow the NHB guidelines from time to time pertaining to High / Medium / Low categorisation of its customers.

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

The Company is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity. IND AS 108 regarding Segment-wise Reporting issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting

Standards) Amendments Rules, 2011 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 Counsellor's wherever deemed necessary. 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 anywhere in India within the jurisdiction of SHCL's Branches.
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 11.51 per cent p.a. as compared to 11.44 per cent p.a. in the previous year. The average all-inclusive cost of funds was 6.33 per cent p.a. as on March, 31, 2021. The spread on loans over the cost of borrowings for the year was 5.18 per cent p.a. as against 5.11 per cent p.a. in the previous year.

The NIM is under tremendous pressure and consequently the profitability will come under pressure too. The NPA resolution is neither going helped in any way by the legal system which still drags the cases for years.

❖ New Segments

The Company has been continuously analysing the housing needs and credit profile of underserved 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 a dedicated team of 36 Employees as on March 31, 2021, who have been contributing to the progress and growth of the Company. The manpower

requirement at Offices of the Company is assessed continuously and recruitment is conducted accordingly.

Loan asset per employee of the Company as at March 31, 2021 was Rs. 279.56 lacs.

❖ Key Ratios

Sl. No.	Particulars	2020-21	2019-20
1	CRAR (%)	87.12	78.73
2	Net Owned Fund (Rs in Lakh)	4701.18	4488.78
3	Operating Profit Margin (%) #	20.37	21.73
4	Net Profit Margin (%)	15.59	14.27
5	Return on Equity (%)	4.45	4.63
6	Leveraging of NOF (Times)	1.35	1.63

Operating Profit= Profit before tax - Other Income

❖ Business Outlook

The financial year 2020-21 was yet another year in which your Company has tried to deepen its presence in the housing finance sector and continued to strengthen its roots in the lending business, however, much could not be attached on account of the impact of Covid – 19 and its related restriction that continues till date. Having said so, the Company tried leveraging its key strengths which includes its diverse sources of funding and most importantly, its holistic approach towards lending.

❖ Indian Accounting Standards (Ind AS)

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended with effect from April 01, 2019 and accordingly the Company has been preparing Standalone Financial Statements since March 31, 2020 in accordance with Ind AS requirement.

The Balance Sheet comprises of the Statement of Profit and Loss, the statements of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2021 and accounting policies and other explanatory information (together hereinafter referred to as "Standalone



Financial Statements” or “Financial Statements”).

The financial statements are presented in Indian Rupees (Rs) and all values are rounded to the nearest Lakh except when otherwise stated.

❖ **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

Report on Corporate Governance

Your Company perceives its representation as a corporate citizen and endeavours to follow the best practices and the highest standards of corporate governance through clarity in business ethics, accountability to its customers, investor regulators, and other stakeholders. Your Company's activities are carried out in consonance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

Your Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing the value for all its stakeholders. Your Company will continue to focus its resources, strengths and strategies while upholding the core values of transparency, integrity, honesty and accountability.

The company has adopted the Code of Conduct which speaks the values, ethics and business principles and serves as a guide to the Company and its Directors and employees, supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the Code of conduct of the company. In addition to that your Company has adopted a Fair Practices Code, a Fit and Proper Policy for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis and also Whistle Blower Policy.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under;

Sl	Directors	DIN	No. of Directorships	No. of Committees		Category of Director
				Chairman	Member	
1.	Shri Brijendra Sahay	00017600	01	1	02	Independent Director
2.	Smt. Anshu Roy	05257404	–	–	–	Independent Director
3.	Shri Awdhesh Kumar Srivastava	02323304	01	1	04	Non-Executive Non-Independent

Note: i. Directorships and Committee Memberships of Directors are as on March 31, 2021.
ii. None of the directors hold any equity shares in the Company.

Board of Directors

Composition

The Board of Directors comprises of three (3) directors including a Woman Director, all professionals in their own right who bring in a wide range of skills and experience to the board. All the directors of the Company are non-executive directors. Out of the three non-executive directors, two are Independent Directors. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and are independent from the management. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company. None of the directors of the Company is related to each other. All directors are appointed by the members of the Company.

The directors bring to the board a wide range of experience and skills. Brief profiles of the directors, are set out elsewhere in the annual report. The composition of the board is in conformity with SEBI (LODR) Regulations, 2015. As per the SEBI (LODR) Regulations, 2015, no director can be a member in more than 10 committees or act as Chairman of more than 5 committees across all public companies in which he / she is a director. The compositions of the Board of Directors of the Company as on March 31, 2021, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are provided as 'Annexure A'.



Responsibilities

The Board of Directors represents the interest of the company's shareholders in optimizing long-term value by providing the management with guidance and strategic direction on the shareholders' behalf. The board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholders and reporting to shareholders.

Board Meetings

The meetings of the Board of Directors are generally held at the Registered Office of Sahara Housingfina Corporation Limited. Meetings are generally scheduled well in advance. The board meets at least once a quarter to review the quarterly performance and the financial results of the Company.

The Company Secretary and his team prepare the detailed agenda for the meetings. The board papers are circulated to the directors in advance. The members of the board have access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior management team is also invited to attend the board meetings and provide clarifications as and when required. During the year, the board met 5 times. The meetings were held on July 28, 2020, August 26, 2020, September 15, 2020, November 11, 2020 and February 11, 2021 respectively. The attendance of each director at the board meetings and at the last annual general meeting is as under:

Attendance at the Board Meetings and at Annual General Meeting (AGM) during the Financial Year 2020-2021;

Name of Director	No. of Board Meeting Attended (Total Meetings Held : 5)	Whether Attended Last AGM
Shri Brijendra Sahay	5	Yes
Smt. Anshu Roy	5	Yes
Shri Awdhesh Kumar Srivastava	3	Yes

DIRECTORS WITH MATERIAL PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

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

- Apart from receiving sitting fees for meetings of the Board & Committee meetings, they 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 Indian Accounting Standard (IND AS) issued by the Ministry of Corporate Affairs are disclosed in the Notes to the financial statements for the year 2020-21. 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 Audit 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 2020-21

Name of Directors	Sitting Fees paid for		Total (₹)
	Board Meeting (₹)	Audit Committee (₹)	
Shri Brijendra Sahay	40,000	40,000	80,000
Smt. Anshu Roy	40,000	40,000	80,000
Shri Awdhesh Kumar Srivastava	30,000	30,000	60,000

Note: Sitting fees of Rs. 10,000/- were paid for each Board and Audit Committee Meetings held during the year, except for the meetings of these committees, both held on August 26, 2020. No sitting fee was paid for other committee meetings.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on March 31, 2021, the Audit Committee comprised of Shri Brijendra Sahay (Chairperson), Smt. Anshu Roy and Shri Awdhesh Kumar Srivastava in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. All the members of the committee are financially literate and have accounting and financial management expertise.

Meeting of the Audit Committee are scheduled well in advance. The Auditor Committee met five times during the year under review on July 28, 2020, August 26, 2020, September 15, 2020, November 11, 2020 and February 11, 2021. The committee reviewed the quarterly/ annual financial statements before submission to the Board for approval.

The committee reviews the reports of the internal auditors and statutory auditors along with the comments and corrective action taken by the management. The Audit Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the committee.

Particulars of Meetings attended by the members of the Audit Committee;

Directors	No. of Meetings Attended
Shri Brijendra Sahay	5
Smt. Anshu Roy	5
Shri Awdhesh Kumar Srivastava	3

Stakeholders' Relationship Committee

The Stakeholders Relationship Committee (SRC) was reconstituted on July 28, 2020 in accordance with the provisions of Regulation 20 of the SEBI (LODR) (amendment) Regulations, 2018. Now the Stakeholders comprises of Relationship Committee all three (3) directors, namely Shri Brijendra Sahay (Chairperson), Smt. Anshu Roy and Shri Awdhesh Kumar Srivastava. The committee looks into redressal of shareholders, investors, depositors and customer complaints. The Stakeholders Relationship Committee met four times during the year on July 28, 2020, August 26, 2020 and February 11, 2021. The details of attendance at the committee meetings are as under:

Directors	No. of Meetings Attended
Shri Brijendra Sahay	3
Smt. Anshu Roy	3
Shri Awdhesh Kumar Srivastava	1

The Company Secretary of the Company acts as the Compliance Officer Name, designation and address of Compliance Officer are as under;

Shri D J Bagchi

Chief Executive Officer & Company Secretary
46, Dr. Sundari Mohan Avenue, Kolkata- 700014
Phone: 033- 2289 0148/ 6708
Email: info.saharahousingfina@sahara.in / info.saharahousingfina@gmail.com

Details of Complaints / Grievances during 2020-21

The complaints from the 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, 2021, there were no such pending / unresolved complaints.

Nomination and Remuneration Committee

As on March 31, 2021, the Nomination and Remuneration Committee is comprised of Smt. Anshu Roy (Chairperson), Shri Brijendra Sahay and Shri Awdhesh Kumar Srivastava. 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.



The role of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on Board diversity and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

During the year, the Nomination and Remuneration Committee met once time on February 11, 2021. The details of attendance at the Nomination and Remuneration Committee meeting are as under;

Directors	No. of Meetings Attended
Shri Brijendra Sahay	1
Ms. Anshu Roy	1
Shri Awdhesh Kumar Srivastava	1

Remuneration Policy

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

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

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

The Nomination, Remuneration and Evaluation policy of the Company aims at promoting diversity on the Board and recommends that the Board shall at all times represents an optimum combination of Executive and

Non-Executive Directors as well as Independent Directors with at least one woman Director and not less than fifty percent of the Board comprising of Independent Directors. The selection of candidate(s) for the directorship shall be based on factors like educational and professional background, personal achievements, experience, skills, etc. The appointment of Independent Directors shall be made in accordance with the provisions of Companies Act, 2013 and Listing and Obligation Agreement 2015 with SEBI.

Independent directors and non-independent non-executive directors may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission, if provided in the Articles of Association and duly approved by the General Body and within regulatory limits. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration. Overall remuneration practices should be consistent with recognized 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 (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

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

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

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

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

The Company shall appoint KMP i.e. Managing Director / Whole Time Director / Manager, Chief Executive Officer, Chief Financial Officer, Manager, 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 organization, work constructively with the existing team and enhance the efficiencies of the Company, shall be considered.

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

- i. The remuneration should be reasonable and sufficient to attract, retain and motivate employees and should be in line with the industry practice.
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. Remuneration shall involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

Evaluation Process

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

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Listing Agreement, a separate meeting of the Independent Directors without the attendance of Non- Independent Director and the members of the Management was held on February 11, 2021 to, inter-alia, review the performance of the Non-Executive Directors and the Board as a whole. The Independent Directors in the said meeting also assessed the quality, quantity and timelines of flow of information between the Company Management and the Board based on various



components viz. relevant and adequate information being provided, circulation of agenda and related notes in advance, regular information/updates, etc. Shri Brijendra Sahay acted as the Lead Independent Director.

Pursuant to the report / feedback on the evaluation as carried out by the Nomination and Remuneration Committee and the Independent Directors in a separate meeting, the Board conducted formal annual evaluation of its own performance, its Committees and the individual directors in its meeting held on February 11, 2021. 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.

Date of the Meeting and Attendance

Date of the Meeting	Shri Brijendra Sahay (Chairman)	Smt. Anshu Roy (Member)	Shri Awdhesh Kumar Srivastava (Member)	Shri D J Bagchi (CEO)	Shri Vivek Kapoor (CFO)
September 15, 2020	Yes	Yes	Yes	Yes	Yes

Details of Remuneration Including Commission and Other Payments to the Directors

Directors - Executive

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

Directors – Non-Executive

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

Risk Management Committee

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

The terms of reference of the Risk Management Committee includes the following;

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

Finance & Management Committee

The composition of the Finance & Management Committee is;

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

Terms of Reference of Finance & Management Committee

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

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

Separate Meeting of the Independent Directors

During the year, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, a separate meeting of the independent directors of the Company was held on February 11, 2021 without the attendance of non-independent directors and members of the management. All the independent directors were present at the meeting, wherein they had inter alia reviewed the performance of non-independent directors and the Board as a whole taking into account the views of the non-executive directors and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

Certificate under Regulation 34(3) of SEBI Listing Regulations

The Company has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations, from Shri P V Subramanian, ACS, Practicing Company Secretary, Kolkata, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authority. The said certificate forms part of this report as 'Annexure B'.

Disclosures

i. Materially significant related party transactions

The Company has adopted 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.

No penalty or stricture was imposed on the company by SEBI or any other authority on any matter related to capital market since last 3 year, save and except

- (i) a pecuniary stricture by BSE for Rs 2,17,120 (including GST) for the financial year 2018-19 (due to deviation

of Regulation 19(2) of SEBI (LODR) Regulation 2015, the company had represented to BSE that there has been no deviation, as alleged, as the Board of Directors of the company did not have a designated Chairman at any point of time, the Company, however, paid the requisite amount as purported fine to be in compliance);

- (ii) a levy of fine by National Housing Bank (NHB) for Rs. 5,900/- (including GST) for non-disclosure of information in terms of Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 for the financial year 2019-20; and
- (iii) a pecuniary stricture by BSE for Rs 2,14,760/- (including GST) for the financial year 2020-21 (due to non compliance with Regulation 20(2A) of SEBI (LODR) Regulations 2015.

iii. Whistle Blower Policy

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

The whistle Blower Policy has been uploaded on the Company's website and is available at URL: <http://www.saharahousingfina.com/wbp.html>

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

During the financial year 2020-21, the Company save as stated else were a in the report has complied with all mandatory requirements as specified in the SEBI Listing Regulations. The Company has adopted the below specified non-mandatory requirements in terms of Regulation 27(1) of SEBI Listing Regulations:

1. The Board

The Chairman of the Board is elected at the respective Board Meetings among the Directors present. The

Company has no executive director on its Board at present.

2. Shareholder's Rights

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

3. Audit Qualification

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

4. Separate Posts of Chairman and CEO

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

5. Reporting of Internal Auditor

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

Other Disclosures

1. Reconciliation of Share Capital Audit

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

2. Familiarization Programme

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

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

The familiarization 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 2020-21

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, 2021, 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

M/s Rahul Kumar Agarwal & Associates, Chartered Accountants in Practice [Firm Registration No: 330189E and Individual Membership No.: 310116], has certified that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations, 2015. The said certificate forms part of this Annual Report.

8. Fees Paid to Statutory Auditors

During the year, the total fee incurred by the Company, for services rendered by statutory auditors is given below;

Nature of Service	(₹)
a) Statutory Audit Fees	80,000
b) Tax Audit Fees	20,000
c) For Other Services	52,500
d) For reimbursement of expenses	139,000
e) Payments made to a firm in which some of the partners of the audit firm are partners – Income Tax Service	-
Total	291,500

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 on the website are:-

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

II. Electronic filing of Compliances on BSE

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

III. SEBI Complaints Redressal System (SCORES)

The Company is registered with SEBI Complaints

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

IV. Shares held in Electronic Form

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

V. Shares held in Physical Form

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

VI. Service of documents through electronic mode

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

VII. Details of Previous three General Body Meetings

Year	Date & Time	Location	Special resolution(s) passed
29th AGM	September 29, 2020 11.30 A.M	Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")	For re-appointment of Smt. Anshu Roy, as Independent Director u/sec 149 &152 of the Companies Act, 2013, for a period of five years till 12th February, 2025.
28th AGM	September 30, 2019 11.00 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata-700 071	For re-appointment of Shri Brijendra Sahay, as Independent Director u/sec 149 &152 of the Companies Act, 2013, for a period of five years till conclusion of the 33rd AGM.
27th AGM	September 27, 2018 11.00 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata-700 071	For re-appointment of Shri D.J. Bagchi, as Manager u/sec. 196, 197, 198 and 203 of the Companies Act, 2013, for a period of three years w.e.f 31.07.2018.

No Extra-Ordinary General Meeting of Shareholders was held during the year.

Postal Ballot

No Postal Ballot of Shareholders was held during the year.

VIII. General Shareholder Information

Financial Year	April 01 – March 31
Financial Reporting Calendar: 2020-2021 (Tentative)	<ul style="list-style-type: none"> • First Quarter Results Jul/ Aug 14, 2021 • Second Quarter Results Oct/Nov 14, 2021 • Third Quarter Results Jan/Feb 14, 2022 • Annual Results May 30, 2022
Listing on Stock Exchanges	BSE Limited Phiroze Jeejebhoy Towers Dalal Street, Fort, Mumbai- 400 001 [Annual Listing Fee for the year 2021-22 has 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
Corporate & Registered Office Address	Registered Office & Corporate Office 46 Dr. Sundari Mohan Avenue 2nd Floor, Kolkata – 700 014
Annual General Meeting and Book Closure Date	The details of AGM and Book Closure period date are being disclosed in the Notice conveying the 30th AGM and forming part of the Annual Report.

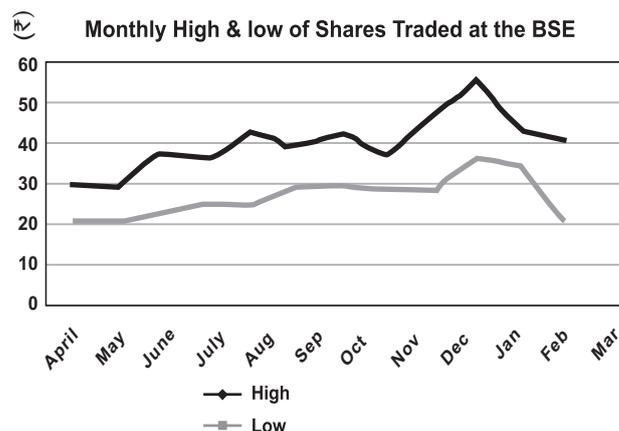
• Market (BSE) Price Data

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)	
2020	April	29.90	21.00	10754	
	May	29.55	21.10	14160	
	June	37.10	23.20	37684	
	July	35.95	25.55	32666	
	August	42.70	25.10	21831	
	September	38.80	29.40	30493	
	October	41.95	29.90	15273	
	November	36.95	28.65	12648	
	December	46.60	28.65	25627	
	2021	January	55.40	36.30	32104
		February	43.00	34.15	46522
		March	41.35	34.20	19776

YEAR HIGH: ₹ 55.40 YEAR LOW: ₹ 21 (Source: www.bseindia.com)

IX. Monthly High & low of Shares Traded on the BSE during the Financial Year 2020 -21





X. Shareholding Pattern as on March 31, 2021

No. of Ordinary Shares Held	No. of Shareholders	No. of Shares	Percentage (%)
PROMOTERS:			
Indian Promoters:			
– Sahara Prime City Limited	1	29,40,000	42
– Sahara India Corp Investment Limited.	1	16,38,587	23.41
– Sahara India Finance & Investment Limited	1	4,16,000	5.94
Total	3	49,94,587	71.35
OTHERS:			
Private Corporate Bodies	52	759838	10.85
NBFCs registered with RBI	–	–	–
Indian Public	6223	1239555	17.71
NRIs / NRNs	16	3942	00.06
Clearing Member	10	2078	00.03
Foreign Institutional Investors	–	–	–
Total	6301	20,05,413	28.65
Grand Total	6304*	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.

*Based on PAN for Stock Exchange Disclosure.

XI. Distribution of Shareholding (Shares) as on March 31, 2021

HOLDING	SHAREHOLDERS		SHARES	
	NUMBER	%	TOTAL SHARES	%
001 – 500	7356	95.46	432757	6.18
501 – 1000	182	2.36	148069	2.12
1001 – 2000	86	1.12	133016	1.90
2001 – 3000	38	0.49	97619	1.39
3001 – 4000	6	0.08	20224	0.29
4001 – 5000	5	0.06	22771	0.33
5001 – 10000	15	0.19	107572	1.54
10001 And Above	18	0.23	6037972	86.26
TOTAL	7706	100.00	7000000	100.00

XII. Share Transfer System

In terms of Regulation 40(2) of SEBI Listing Regulations, 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 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.

Compulsory Dematerialization of Securities

It is hereby brought to the notice of all shareholders of the Company that Securities & Exchange Board of India (SEBI) has vide its Press Release No. 51/2018 dated 3rd December, 2018, informed that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from April 1, 2019. Therefore, all the Shareholders holding their securities in physical form must dematerialize their securities in order to execute any transfer of securities on or after 1st April, 2019.

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, 2021

a total of 67,91,792 shares of the Company, which forms 97.02% 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 Vaishno Chambers, 5 th Floor, Room No.502 & 503, 6, Brabourne Road, Kolkata- 700 001 Ph: 033-4004 9728 Tele fax: 033- 4073 1698 E-mail: kolkata@linkintime.co.in Contact Person: Shri Kuntal Mustafi	Shri D J Bagchi Company Secretary & Compliance Officer 46 Dr. Sundari Mohan Avenue Kolkata- 700014 Ph: 033- 2289 0148/ 6708 e-mail: info.saharahousingfina@gmail.com/ info.saharahousingfina@sahara.in

Other Useful Information for Stakeholders

i. Subsidiary Companies

As at March 31, 2021, the Company does not have any Subsidiary Company.

ii. Unlisted Debt Securities

Unlisted Secured Non-Convertible Debenture aggregating to Rs 30 Cr.

Debenture Trustee

Catalyst Trusteeship Limited

GDA House
 Plot No.: 85, Bhusari Colony (Right)
 Paud Road, Pune - 411038

iii. Rating of Non-Convertible Debentures (NCDs)

Unlisted Secured Non-Convertible Debenture aggregating to Rs 30 Cr has been assigned rating of "BB- / Stable Outlook"

Rating Agency

Infomerics Valuation and Rating Pvt. Ltd.

Office No. 1105-B Wing, Kanakia Wallstreet,
 Off. Andheri Kurla Road, Andheria (East),
 Mumbai -400093

iv. 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>

v. Electronic filing of compliances on BSE

In terms of the Listing Agreement, 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.

vi. 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.

ANNEXURE – A

The Composition of the Board of Directors of the Company as on March 31, 2021, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are as follows:

Sl.	Directors	Category of Directors	Special Knowledge / Practical Experience / Skills / Expertise / Competencies	List of Category of Directorship in other Listed Companies
1.	Shri Brijendra Sahay	Non-Executive Independent	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 41 years in Finance, Administration, Industrial and Urban Development. He has expertise in field of administration, management and corporate planning.	Independent Director Sahara One Media Entertainment Limited
2.	Ms. Anshu Roy	Non-Executive Independent	Graduate from Calcutta University. Prior to joining Sahara Housingfina Corporation Limited, she had served as Director in other companies and has relevant industry experience.	Nil
3.	Shri Awdhesh Kumar Srivastava	Non-Executive Non-Independent	Holds Postgraduate and has been a part of the Sahara India Pariwar and have more than 31 years of experience with the Group. He is in the board of various listed / unlisted companies of the group and have vast and rich experience in management of companies.	Independent Director Sahara One Media Entertainment Limited

ANNEXURE – B

CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015]

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sahara Housingfina Corporation Limited (CIN: L18100WB1991PLC099782) and having registered office at 46 Dr. Sundari Mohan Avenue, Kolkata- 700014 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) and Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in Company	Date of Resignation from Board
1.	Shri Brijendra Sahay	00017600	24-08-2002	–
2.	Ms. Anshu Roy	05257404	13-02-2015	–
3.	Shri Awdhesh Kumar Srivastava	02323304	14-11-2019	–

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

P V Subramanian
 Company Secretary in Whole-time Practice
 ACS No.: 4585
 CoP No.: 2077
 UDIN: A004585C000776501

Kolkata
 Date : August 13, 2021



**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 for the year ended on March 31, 2021 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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 Rahul Kumar Agarwal & Associates

Chartered Accountants

Firm Reg. No.:330189E

Rahul Kumar Agarwal

Proprietor

M.No.: 310116

UDIN: 21310116AAAADT8504

Place: Kolkata

Date: August 10, 2021

**DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR THE
BOARD OF DIRECTORS 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, here by, 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 Senior Management Personnel", for the financial year 2020-21.

Place: Kolkata

Date : June 30, 2021

CEO & Company Secretary

Hosfinas' Financials





INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF
SAHARA HOUSINGFINA CORPORATION LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SAHARA HOUSINGFINA CORPORATION LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit (including Other Comprehensive Income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 40 to the financial statements in which the Company describes the uncertainties arising from the Covid-19 pandemic and its consequential effects on the Company’s business activities as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report: -

Key audit matter	How the matter was addressed in audit
Expected Credit Loss - Impairment of Loans to customers	
<p>The Company has reported total gross loans of ₹ 9277.68 lakhs and Expected Credit Loss (ECL)/Impairment allowance of ₹ 512.15 lakhs there against as on March 31, 2021 (Refer Note 6 to the financial statements).</p> <p>As per Ind AS 109, ECL is required to be determined for recognizing impairment loss on financial assets. Recognition and measurement of impairment loss or ECL involve significant management judgment requiring to estimate the probability of loss / expected loss based on past experience, loss ratios and, to the extent possible, forward looking analysis.</p> <p>The significant areas in the calculation of ECL where management estimates and judgements are required, are as under:</p> <ul style="list-style-type: none"> • Judgements about credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, property valuation, industry and other relevant factors for collective evaluation of impairment under various stages of ECL. • Loan staging criteria • Calculation of probability of default and loss given default • Consideration of probability weighted 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company’s key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes. • Understood and assessed the Company’s process on timely recognition of impairment in the loan portfolio and assessed the accuracy of the reports of ageing and defaults. • Obtained an understanding of the Company’s impairment provisioning methodology, the underlying assumptions and the sufficiency of the data used by management. • Compared the Company’s provisioning policy with the requirements of Ind AS 109 as well as relevant regulatory guidelines and pronouncements. • Tested on a sample basis data used for various components such as probability of defaults, loss given defaults etc. for calculation of impairment allowance. • Performed a test check of the Company’s process used to calculate the impairment charge and management review controls over measurement of

<p>scenario and forward looking macro-economic factors</p> <p>Further, the COVID-19 pandemic situation and the lockdown restrictions coupled with the moratorium granted by the Reserve Bank of India has cast an uncertainty on the timing and manner in which the Company would be able to collect the dues from its customers.</p> <p>In our opinion, this is considered a Key Audit Matter in view of the criticality of the item to the financial statements and the complex nature of assumptions and judgements exercised by the management.</p> <p>The Company's disclosures are included in Note 2.4.5.1.d and Note 6.2 to the financial statements, which outline the accounting policy for Impairment provision and details of Impairment allowance made in the books of account respectively.</p>	<p>impairment allowance.</p> <ul style="list-style-type: none"> • Enquired with the management regarding significant judgments and estimates involved in the impairment computation and reasonability of assumptions used. • Performed substantive procedures over validating completeness and correctness of the data and reasonableness of assumptions used by the management, more specifically in the light of the RBI moratorium guidelines and its probable ramifications. • Performed cut off procedures on a sample basis relating to the recoveries at the year-end having impact on staging of loans. • Performed analytical reviews of disaggregated data to identify any unusual trends warranting additional audit procedures. • Tested review controls over measurement of impairment allowance and disclosures in financial statements.
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Information Other than the Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other 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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and the accounting principles generally accepted in India. 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.

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



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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls over financial reporting in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply

with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure “B” to this report.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as

amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of the pending litigation on its financial position in the financial statements - Refer Note 38 to the financial statements.
- ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company during the year under review.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

LAXMI NARAIN JAIN
Partner
Membership No. 072579
UDIN – 21072579AAAAAU4230

New Delhi
June 30, 2021

ANNEXURE “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Property, plant and equipment have been physically verified by the management during the year pursuant to a regular programme designed for physical verification which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) According to the information and explanations 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 does not have any inventory and accordingly, the clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships 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 explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act with respect of loans, investments, guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended. Accordingly, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) According to the information and explanations given 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 activities carried on by the Company.
- (vii) According to the information and explanations given to us and on the basis of the records examined by us:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities. Considering the nature of business of the Company, Sales Tax, Custom Duty, Excise Duty, Cess and Value Added Tax are not applicable to the Company. There are no undisputed statutory dues outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there were no dues of the Income Tax, Goods and Service Tax and Service Tax which have not been deposited by the Company on account of any dispute except income tax demand of ₹ 38.78 lakhs for the assessment year 2010-11

under the Income Tax Act, 1961 pending before the Commissioner of Income Tax (Appeal). The Company had paid ₹ 7.76 lakhs under protest against this demand.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loan or borrowing from financial institution, Bank or government. There was no default in payment of dues to the debenture holder 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) or term loan during the year. Accordingly, the clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- (x) To the best of our knowledge and 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 managerial remuneration paid/ provided by the Company during the year is in accordance with the provisions of Section 197 of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions made with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (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 debentures during the year under review. Accordingly, the clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them as per provisions of Section 192 of the Act.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45–IA of the Reserve Bank of India Act, 1934.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

LAXMI NARAIN JAIN
Partner
Membership No. 072579
UDIN – 21072579AAAAAU4230

New Delhi
June 30, 2021

ANNEXURE “B” to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2021 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 (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of such internal financial controls, 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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over financial reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, 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, 2021, 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 issued by the ICAI.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

LAXMI NARAIN JAIN
Partner

Membership No. 072579
UDIN – 21072579AAAAAU4230

New Delhi
June 30, 2021



Sahara Housingfina Corporation Limited

CIN:L18100WB1991PLC099782

Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial Assets			
Cash and Cash Equivalents	3	504.34	867.19
Bank Balance other than Cash and Cash Equivalents	4	1528.24	1221.52
Receivables			
- Other Receivables	5	-	9.03
Loans	6	8765.53	9826.44
Investments	7	1.82	0.80
Other Financial Assets	8	16.92	18.06
Total Financial Assets		10816.85	11943.04
Non-Financial Assets			
Current Tax Assets (Net)	9	24.39	20.96
Deferred Tax Assets (Net)	10	130.69	115.62
Property, Plant and Equipment	11	78.91	89.50
Right of Use Assets	11	116.47	127.46
Intangible Assets	11	0.62	1.43
Other Non-Financial Assets	12	36.59	55.69
Total Non-Financial Assets		387.67	410.66
TOTAL ASSETS		11204.52	12353.70
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
- Trade Payables	13		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		7.10	10.72
Debt Securities	14	3000.00	3189.00
Borrowings (Other than Debt Securities)	15	3262.96	4164.56
Other Financial Liabilities	16	138.15	145.25
Total Financial Liabilities		6408.21	7509.53
Non-Financial Liabilities			
Provisions	17	14.58	15.86
Other Non-Financial Liabilities	18	80.55	339.53
Total Non-Financial Liabilities		95.13	355.39
EQUITY			
Equity Share Capital	19	700.00	700.00
Other Equity	20	4001.18	3788.78
		4701.18	4488.78
TOTAL LIABILITIES AND EQUITY		11204.52	12353.70
Significant Accounting Policies and notes forming part of the financial statements	1 - 50		

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E

LAXMI NARAIN JAIN

Partner
Membership No. 072579

New Delhi
June 30, 2021

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

Kolkata
June 30, 2021

Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

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

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue From Operations			
Interest Income	21	1264.38	1281.84
Net gain on fair value changes	22	1.02	-
Other Operating revenue	23	5.03	9.11
Total Revenue from Operations		1270.43	1290.95
Other Income	24	71.48	164.93
Total Income		1341.91	1455.88
EXPENSES			
Finance Costs	25	515.19	621.41
Net loss on fair value changes	26	-	0.84
Net loss on derecognition of financial instruments measured at amortised cost	27	14.78	21.92
Impairment on financial instruments	28	56.40	35.39
Employee benefit expenses	29	303.84	319.53
Depreciation and amortization	30	52.16	54.94
Other expenses	31	141.95	123.33
Total Expenses		1084.32	1177.36
Profit before exceptional items and tax		257.59	278.52
Exceptional Items		-	-
Profit before tax		257.59	278.52
Tax expenses:			
- Current Tax	32	63.31	58.75
- Deferred Tax	32	(16.13)	11.49
- Income Tax related to earlier years	32	1.16	0.58
Profit for the year		209.25	207.70
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		4.21	1.63
(ii) Income tax relating to items that will not be reclassified to profit or loss	10	(1.06)	(0.40)
B. (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Other Comprehensive Income for the year (A+B)		3.15	1.23
Total Comprehensive Income		212.40	208.93
Earnings Per Equity Share (Face value ₹ 10/- per share)			
Basic (₹)	42	2.99	2.97
Diluted (₹)	42	2.99	2.97

Significant Accounting Policies and notes forming part of the financial statements

1 - 50

As per our report of even date attached

For CHATURVEDI & PARTNERS

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Membership No. 072579

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Kolkata
June 30, 2021



Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

Statement of Cash Flow for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash flow from Operating Activities :		
Profit before tax	257.59	278.52
Adjustment for :		
Net loss/(gain) on Fair Value changes	(1.02)	0.84
Finance costs	515.19	621.41
Net loss/(gain) on Fair valuation of Financial Instruments	(1.05)	(1.04)
Amortised Interest reversed	(70.20)	(163.77)
Balance written off	12.50	-
Gain on modification of Lease	(0.18)	-
Net loss on derecognition of Financial Instruments measured at amortised cost	14.78	21.92
Depreciation and amortization	52.16	54.94
Profit on sale of Property, Plant and Equipment	(0.04)	(0.12)
Impairment on financial instruments	56.40	35.39
Operating profit before working capital changes	836.13	848.09
Adjustment for :		
(Increase)/decrease in Other Receivables	9.03	(9.03)
Increase/(decrease) in Trade Payable and Financial Liabilities	(3.66)	(1.64)
Increase/(decrease) in Provisions	2.56	(3.82)
Increase/(decrease) in Non-Financial Liabilities	(39.20)	(22.72)
(Increase)/decrease in Bank Balances other than Cash and Cash Equivalents	(306.72)	694.55
Interest paid	(753.85)	(95.07)
(Increase)/decrease in Non-Financial Assets	4.72	(6.86)
(Increase)/decrease in Other Financial Assets	1.63	0.14
(Increase)/decrease in Loans	1003.12	1656.20
Cash generated from operations	753.76	3059.84
Less: Direct Taxes Paid (Net of refund)	67.89	63.03
Net cash generated from operating activities (A)	685.87	2996.81
B. Cash Flow from Investing Activities :		
Purchase of property, plant and equipment	(0.66)	(0.28)
Proceeds from sale of property, plant and equipment	0.04	0.12
Net cash Flow used in investing activities (B)	(0.62)	(0.16)
C. Cash Flow from Financing Activities :		
Repayment of Borrowings (Other than Debt Securities)	(1000.00)	(2400.00)
Payment of Lease liabilities	(48.10)	(47.45)
Net cash outflow from financing activities (C)	(1048.10)	(2447.45)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(362.85)	549.20
Cash and cash equivalents at the beginning of the year	867.19	317.99
Cash and cash equivalents at the end of the year	504.34	867.19



Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

Statement of Cash Flow for the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Components of cash and cash equivalents		
Cash on hand	2.49	-
Balances with banks		
- on current accounts	175.04	237.02
Fixed Deposit with banks having original maturity less than 90 days	326.81	630.17
Total cash and cash equivalents	504.34	867.19

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard ("Ind AS 7") Statement of Cash Flows.

Significant Accounting Policies and notes
forming part of the financial statements

1 - 50

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E

LAXMI NARAIN JAIN

Partner
Membership No. 072579

New Delhi
June 30, 2021

FOR AND ON BEHALF OF THE BOARD

BRIJENDRA SAHAY Director (DIN 00017600)

ANSHU ROY Director (DIN 05257404)

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VIVEK KAPOOR Chief Financial Officer

Kolkata
June 30, 2021



Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

Statement of Changes In Equity for the year ended March 31, 2021

a) Equity Share Capital

(₹ in Lakhs)

Equity share of ₹10/- each issued, subscribed and fully paid-up	No. of Equity Shares	Amount
As at April 1, 2019	7,000,000	700.00
Changes in Equity Share Capital	-	-
As at March 31, 2020	7,000,000	700.00
Changes in Equity Share Capital	-	-
As at March 31, 2021	7,000,000	700.00

b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Special Reserve	Retained Earnings		
As at April 1, 2019	1.52	500.00	5.02	1100.39	1973.26	(0.34)	3579.85
Profit for the year	-	-	-	-	207.70	-	207.70
Transfer during the year	-	-	-	55.26	(55.26)	-	-
Remeasurement of the defined benefits plan (net)	-	-	-	-	-	1.23	1.23
As at March 31, 2020	1.52	500.00	5.02	1155.65	2125.70	0.89	3788.78
Profit for the year	-	-	-	-	209.25	-	209.25
Transfer during the year	-	-	-	57.40	(57.40)	-	-
Remeasurement of the defined benefits plan (net)	-	-	-	-	-	3.15	3.15
As at March 31, 2021	1.52	500.00	5.02	1213.05	2277.55	4.04	4001.18

Significant Accounting Policies and notes forming part of the financial statements

1 - 50

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants
 Firm Registration No. 307068E

LAXMI NARAIN JAIN

Partner
 Membership No. 072579

New Delhi
 June 30, 2021

FOR AND ON BEHALF OF THE BOARD

BRIJENDRA SAHAY Director (DIN 00017600)

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VIVEK KAPOOR Chief Financial Officer

Kolkata
 June 30, 2021

Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

Notes forming part of the financial statements for the year ended March 31, 2021

Note 1 Corporate information

Sahara Housingfina Corporation Limited ('the Company') is a Public Limited Company incorporated under the provisions of Companies Act, 1956 with its registered office in Kolkata to carry on the business of Housing Finance in India. The Company is registered with the National Housing Bank ("NHB"). Its shares are listed on Bombay Stock Exchange.

Note 2 Basis of Preparation and Presentation

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and presentation requirements of Division III to Schedule III to the Act and guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India ("RBI") to the extent applicable.

Company's financial statements are presented in Indian Rupees (INR), which is also Company's functional currency.

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on June 30, 2021.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

2.2 Basis of Accounting

The Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain Financial Assets and Liabilities are measured at fair value (refer accounting policy regarding financial instruments).
- Assets held for sale are measured at the lower of carrying value and fair value less costs to sell.
- Defined benefit plans where plan assets are measured at fair value.

2.3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Financial Statements in conformity with Ind AS and in compliance of guidelines requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expense during the reported period.

The estimates and judgements used are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including exceptions of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialized. The management believes that the estimates used in the preparation of Financial Statements are prudent and reasonable.

The following paragraphs provide an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Impairment of Financial Asset - ECL Model

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's Expected Credit Loss ("ECL") model comprises of number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

1. The classification of loan portfolio into various stages based on the number of days overdue.
2. Value of collaterals considered for loan loss allowance.

Notes forming part of the financial statements for the year ended March 31, 2021

3. The criteria for assessing if there has been a significant increase in credit risk.

The measurement of all expected credit losses for financial assets held at the reporting date is based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of assessing significant increase in credit risk.

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

ii) Income tax

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from the actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

iii) Contingencies

Management estimates the possible outflow of resources at the end of each reporting date, in respect of contingencies/claims/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

2.4 Significant Accounting Policies

1 Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of Property, Plant and Equipment are as stated below:

Office Equipment	5 years
Buildings	60 years
Furniture & Fittings	10 years
Vehicles	8 years
Air Conditioners	10 years
Electrical Fittings	10 years
Computers	3 years

2 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Intangible Assets are amortized on a straight line basis over their finite useful lives over the following period: Computer Software - 3 years

Notes forming part of the financial statements for the year ended March 31, 2021

3 Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or there coverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

4 Lease

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

The Company's lease assets primarily consist of leases for buildings.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

5 Financial Instruments

5.1 Financial Assets

a) Initial recognition and measurement

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly

Notes forming part of the financial statements for the year ended March 31, 2021

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

b) Classification of Financial Assets

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

- Amortized Cost
- Fair Value through Other Comprehensive Income ("FVOCI")
- Fair Value through Profit and Loss ("FVTPL")

Amortized Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit and Loss

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

c) Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Effective interest rate method

Income is recognized on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL.

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when

Notes forming part of the financial statements for the year ended March 31, 2021

the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the statement of profit and loss.

d) Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

The Company uses expected credit loss ("ECL") allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has used past data to observe actual defaults and subsequent recovery from its portfolio for potential credit losses. The estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with Ind AS 109.

The financial instruments are classified into Stage1–Standard Assets with zero day past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for period 0 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk (as represented by days past due status of the individual accounts) since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

e) Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit and loss.

5.2 Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

I. Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issues costs.

II. Financial Liabilities

a) Initial recognition and measurement

A financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that are attributable to the acquisition of the financial liability. Cost equates the fair value on the acquisition.



Notes forming part of the financial statements for the year ended March 31, 2021

b) Classification of Financial Liability

The Company classifies its financial liabilities as “Financial liability measured at amortised cost” except for the financial liability which is held for trading are designated as at FVTPL.

c) Subsequent measurement of Financial Liability

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

d) Derecognition of Financial Liability

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between the Company and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability

5.3 Fair value of Financial Instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities cannot be derived from active market, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Fair value measurement under Ind AS are categorized into a fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the assets or liability, either directly or indirectly;
- Level 3 where unobservable inputs are used for the valuation of assets and liabilities.

5.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

6. Employee Benefits Defined contribution plan

Contributions to defined contribution schemes such as employees’ provident fund, employees’ state insurance, employee pension schemes etc. are charged as an expense based on the amount of contribution required to be made as and when

Notes forming part of the financial statements for the year ended March 31, 2021

services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

The Company contributes to Defined Benefit Plans comprising of Gratuity and Compensated Absences. The Company has defined benefit plans namely - gratuity plan and compensated absence plan, the calculation of which is performed annually by a qualified actuary using the projected unit credit method, and incremental liability, if any, is provided in the books.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in other Comprehensive Income earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

The Company fully contributes all ascertained liabilities of Gratuity to the "Sahara Housingfina Corporation Limited Employees Group Gratuity Scheme ('the Trust')". Trustees took the policy from Life Insurance Corporation of India to administer contributions made to the Trust.

7. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed, where an inflow of economic benefit is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

8. Revenue Recognition Income on loans

Repayment of loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest income is recorded using the Effective Interest Rate (EIR) method.

EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. EMI commences once when the entire loan is disbursed. Pending Commencement of EMIs, Pre-EMI interest is payable every month."

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

Investment Income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend income can be measured reliably).



Notes forming part of the financial statements for the year ended March 31, 2021

Interest Income

Income from interest on deposits and interest bearing securities is recognized on the time proportionate method taking into account the amount outstanding and the rate applicable.

9. Finance Cost

Borrowing costs primarily include interest on amounts borrowed for the revenue operations of the Company. These are expensed to the statement of profit and loss using the EIR.

10. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

11. Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. A deferred tax asset are reviewed at each balance sheet date and is written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

12. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in financial liabilities in the balance sheet.

13. Segment Reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Company to make decisions for performance assessment and resource allocation. Operating Segment are reported in a manner consistent with the internal reporting provided to accounting policies are in line with the internal reporting provided to the Chief Operating Decision maker. The Company's main business is financing

Notes forming part of the financial statements for the year ended March 31, 2021

by way of loans for the purchase or construction of residential houses, commercial real estate or certain other purposes, in India. All other activities of the Corporation revolve around the main business. This in the context of Ind AS 108 – Operating Segments reporting is considered to constitute one reportable segment.

14. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15. Dividend

Final dividend on equity shares are recorded as a liability on the date of the approval by the shareholders and interim dividend are recorded as liability on the date of declaration by the Company's Board of Directors.

2.5 Indian Accounting Standards Issued but not effective as on March 31, 2021

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities'.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

2.6 Law enacted but not effective

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
3	Cash and Cash Equivalents		
	i. Cash on hand	2.49	-
	ii. Balances with banks		
	- On Current Account	175.04	237.02
	- Fixed Deposits having original maturity of less than 90 days	326.81	630.17
	Total	504.34	867.19
4	Banks Balances other than Cash and Cash Equivalents		
	Fixed Deposits with Banks having original maturity of more than 90 days	1528.24	1221.52
	Total	1528.24	1221.52
5	Receivables		
	Other Receivables		
	- Considered good-Secured	-	-
	- Considered good-Unsecured	-	9.03
	- Having significant increase in Credit Risk	-	-
	- Credit impaired	-	-
	Less : Impairment loss allowance	-	-
	Total	-	9.03
6	Loans		
	At Amortised Cost		
	A. Term Loans to		
	i. Individuals	7617.27	8697.24
	ii. Non Individuals	1660.41	1583.56
	Total Gross (A)	9277.68	10280.80
	Less: Impairment Loss Allowance (Expected Credit Loss)	512.15	454.36
	Total Net (A)	8765.53	9826.44
	B. i. Secured by tangible assets	9277.68	10280.80
	ii. Unsecured	-	-
	Total Gross (B)	9277.68	10280.80
	Less: Impairment Loss Allowance (Expected Credit Loss)	512.15	454.36
	Total Net (B)	8765.53	9826.44

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
	At Amortised Cost		
	(C) Loans in India		
	(i) Public Sector	-	-
	(ii) Others	9277.68	10280.80
	Total Gross (C) (I)	<u>9277.68</u>	<u>10280.80</u>
	Less: Impairment Loss Allowance (Expected Credit Loss)	512.15	454.36
	Total Net (C) (I)	<u>8765.53</u>	<u>9826.44</u>
	(II) Loans outside India	-	-
	Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
	Total Net (C) (II)	<u>-</u>	<u>-</u>
	Total Net (C) (I) and (II)	<u>8765.53</u>	<u>9826.44</u>

- 6.1 (a) Loans given by the company are secured by Equitable mortgage of property and one or combination of the following securities:
- Assignment of Life Insurance Policies and/or guarantee of solvent guarantors and/or any other acceptable collateral securities wherever applicable;
 - Corporate Guarantees, wherever applicable and
 - Undertaking to create a security.
- (b) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (as at March 31, 2020 Nil).

6.2

Reconciliation of gross carrying amount of loans

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021				Year Ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount Opening Balance	8996.40	384.95	808.53	10189.88	9985.48	1076.38	809.31	11871.17
New Assets Originated	1262.29	-	-	1262.29	827.92	-	-	827.92
Assets derecognized or repaid	(2191.09)	(18.56)	(56.36)	(2266.01)	(2158.35)	(334.65)	(87.69)	(2580.69)
Transfer between the stages (net)	(679.33)	566.08	111.85	(1.40)	341.35	(356.78)	86.91	71.48
Gross Carrying amount Closing Balance	7388.27	932.47	864.02	9184.76	8996.40	384.95	808.53	10189.88

The above balances of gross carrying amount exclude the interest receivables of ₹ 92.92 Lakhs (March 31, 2020 ₹ 90.92 Lakhs).



Notes forming part of the financial statements for the year ended March 31, 2021

Reconciliation of Expected Credit Loss Allowance (ECL) balance

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021				Year Ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance Opening Balance	51.56	0.82	389.20	441.58	55.02	5.93	355.71	416.66
New Assets Originated	9.85	-	-	9.85	4.76	-	-	4.76
Assets derecognized or repaid	(14.78)	(0.04)	(44.75)	(59.57)	(11.98)	(1.84)	(18.98)	(32.80)
Transfer between the stages Incremental ECL (net)	(3.93)	3.97	93.36	93.40	3.76	(3.27)	52.47	52.96
ECL Allowance Closing Balance	42.70	4.75	437.81	485.26	51.56	0.82	389.20	441.58

The above figures of ECL excludes the ECL on interest receivables amounting to ₹ 26.89 Lakhs (March 31, 2020 ₹12.78 Lakhs).

7. Investments

(₹ in Lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	At Amortised Cost	At Fair Value through Profit or loss	Total	At Amortised Cost	At Fair Value through Profit or loss	Total
Investment in Equity instruments	-	1.82	1.82	-	0.80	0.80
Total Gross (A)	-	1.82	1.82	-	0.80	0.80
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	1.82	1.82	-	0.80	0.80
Total (B)	-	1.82	1.82	-	0.80	0.80
Less: Impairment Loss Allowance (Expected Credit Loss) (C)	-	-	-	-	-	-
Total – Net (D)= (A)-(C)	-	1.82	1.82	-	0.80	0.80

Details of Investments

(₹ in Lakhs)

Particulars	Face Value (₹)	Amount	
		As at March 31, 2021	As at March 31, 2020
11,400 Equity shares (Previous Year 11,400 Equity shares) Indian Overseas Bank Limited	10/-	1.82	0.80
Total		1.82	0.80
Aggregate amount of market value of quoted investment		1.82	0.80

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
8	Other Financial Assets		
	Security Deposits - Unsecured; considered good	10.78	11.92
	Deposit with Government Authority (Refer Note 46)	6.14	6.14
	Total	16.92	18.06
9	Current Tax Assets (Net)		
	Advance Tax (Net of Provision)	24.39	20.96
	Total	24.39	20.96
10	Deferred Tax Assets (Net)		
	The major components of Deferred Tax Assets and Liabilities:		
	Deferred Tax Assets		
	Provision for Expected Credit Loss	128.90	111.58
	Provision for Employee Benefits	3.67	3.54
	Unamortised Processing Fees	21.02	22.98
	Fair Valuation of Investments	0.23	0.47
	Other Temporary differences	4.64	4.05
	Total (A)	158.46	142.62
	Deferred Tax Liabilities		
	Depreciation and Amortization	5.63	6.17
	Fair Valuation of Borrowings	2.21	6.45
	Interest Income on Non Performing Assets	19.93	14.38
	Total (B)	27.77	27.00
	Deferred Tax Asset (Net) (A-B)	130.69	115.62

Notes forming part of the financial statements for the year ended March 31, 2021

Movement in Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at April 1, 2020	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021
Deferred Tax Assets:				
Provision for Expected Credit Loss	111.58	17.32	-	128.90
Provision for Employee Benefits	3.54	1.19	(1.06)	3.67
Unamortised Processing Fees	22.98	(1.96)	-	21.02
Fair Valuation of Investments	0.47	(0.24)	-	0.23
Other Temporary differences	4.05	0.59	-	4.64
Total (A)	142.62	16.90	(1.06)	158.46
Deferred Tax Liabilities				
Depreciation and Amortization	6.17	(0.54)	-	5.63
Fair Valuation of Borrowings	6.45	(4.24)	-	2.21
Interest Income on Non Performing Assets	14.38	5.55	-	19.93
Total (B)	27.00	0.77	-	27.77
Deferred Tax Asset/ (Liabilities) (Net) (A-B)	115.62	16.13	(1.06)	130.69

Movement in Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at April 1, 2019	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2020
Deferred Tax Assets:				
Provision for Expected Credit Loss	116.95	(5.37)	-	111.58
Provision for Employee Benefits	5.54	(1.60)	(0.40)	3.54
Unamortised Processing Fees	30.95	(7.97)	-	22.98
Fair Valuation of Investments	0.30	0.17	-	0.47
Other Temporary differences	6.16	(2.11)	-	4.05
Total (A)	159.90	(16.88)	(0.40)	142.62
Deferred Tax Liabilities				
Depreciation and Amortization	7.51	(1.34)	-	6.17
Fair Valuation of Borrowings	11.10	(4.65)	-	6.45
Interest Income on Non Performing Assets	13.78	0.60	-	14.38
Total (B)	32.39	(5.39)	-	27.00
Deferred Tax Asset/ (Liabilities) (Net) (A-B)	127.51	(11.49)	(0.40)	115.62

Notes forming part of the financial statements for the year ended March 31, 2021

Note 11

(a) Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Buildings	Computers	Furniture and Fittings	Air Conditioners	Office Equipment	Electric Fittings	Vehicles	Total
Gross Block								
As at 01.04.2019	57.46	69.26	67.57	9.24	11.99	4.59	17.22	237.33
Additions	-	-	-	0.28	-	-	-	0.28
Disposals	-	(1.67)	-	-	(0.57)	-	-	(2.24)
As at 31.03.2020	57.46	67.59	67.57	9.52	11.42	4.59	17.22	235.37
Additions	-	0.66	-	-	-	-	-	0.66
Disposals	-	(1.69)	-	-	(0.50)	-	-	(2.19)
As at 31.03.2021	57.46	66.56	67.57	9.52	10.92	4.59	17.22	233.84
Accumulated Depreciation								
As at 01.04.2019	19.76	59.34	29.56	3.33	6.80	3.19	13.48	135.46
Additions	0.90	4.31	4.19	0.67	1.27	0.14	1.17	12.65
Disposals	-	(1.67)	-	-	(0.57)	-	-	(2.24)
As at 31.03.2020	20.66	61.98	33.75	4.00	7.50	3.33	14.65	145.87
Additions	0.90	2.96	4.14	0.67	1.27	0.14	1.17	11.25
Disposals	-	(1.69)	-	-	(0.50)	-	-	(2.19)
As at 31.03.2021	21.56	63.25	37.89	4.67	8.27	3.47	15.82	154.93
Net Block								
As at 31.03.2020	36.80	5.61	33.82	5.52	3.92	1.26	2.57	89.50
As at 31.03.2021	35.90	3.31	29.68	4.85	2.65	1.12	1.40	78.91

Notes forming part of the financial statements for the year ended March 31, 2021

(b) Right of Use Assets

(₹ in Lakhs)

Particulars	Buildings	Total
Gross Block		
As at 01.04.2019	156.01	156.01
Additions	52.73	52.73
Disposals/Adjustments	(18.96)	(18.96)
As at 31.03.2020	189.78	189.78
Additions	30.79	30.79
Disposals/Adjustments	(30.06)	(30.06)
As at 31.03.2021	190.51	190.51
Accumulated Depreciation		
As at 01.04.2019	39.79	39.79
Additions	41.49	41.49
Disposals/Adjustments	(18.96)	(18.96)
As at 31.03.2020	62.32	62.32
Additions	40.10	40.10
Disposals/Adjustments	(28.38)	(28.38)
As at 31.03.2021	74.04	74.04
Net Block		
As at 31.03.2020	127.46	127.46
As at 31.03.2021	116.47	116.47

(c) Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Block		
As at 01.04.2019	2.40	2.40
Additions	-	-
Disposals	-	-
As at 31.03.2020	2.40	2.40
Additions	-	-
Disposals	-	-
As at 31.03.2021	2.40	2.40
Accumulated Amortisation		
As at 01.04.2019	0.17	0.17
Additions	0.80	0.80
Disposals	-	-
As at 31.03.2020	0.97	0.97
Additions	0.81	0.81
Disposals	-	-
As at 31.03.2021	1.78	1.78
Net Block		
As at 31.03.2020	1.43	1.43
As at 31.03.2021	0.62	0.62

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
12	Other Non-Financial Assets		
	Unsecured; Considered good		
	Balances with Government Authorities	18.96	15.17
	Amount deposited under protest with Income Tax Department (Refer Note 38(i))	7.76	7.76
	Advances to Suppliers and Others - Prepaid Expenses	7.96	32.62
	Excess Payment to Gratuity Fund (Refer Note 37)	0.16	0.14
		1.75	-
	Total	36.59	55.69
13	Payables		
	Trade Payables		
	Total Outstanding dues of Micro Enterprises and Small Enterprises	-	-
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7.10	10.72
	Total	7.10	10.72

13.1. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act)

Particulars	As at March 31, 2021	As at March 31, 2020
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
b) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	-	-
c) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
d) The amount of interest accrued and remaining unpaid at the end of the year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-
Total	-	-

Disclosure of amounts due to Micro, Small and Medium enterprises is based on information available with the Company regarding the status of the suppliers.



Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
14	Debt Securities - At Amortised Cost		
	Secured		
	Non Convertible Debentures (Refer Note 14.1, 14.2 and 14.3)	3000.00	3189.00
	Total (A)	3000.00	3189.00
	Debt Securities in India	3000.00	3189.00
	Debt Securities outside India	-	-
	Total (B)	3000.00	3189.00

14.1 Non convertible debentures are secured by the first charge on the present and future receivables of the Company for the principle amount and interest thereon.

14.2 Terms of repayment and rate of interest are as under:

Non-Convertible Debentures (NCDs) repayable at par:

(₹ in Lakhs)

Rate of Interest	Maturity Date	As at March 31, 2021	As at March 31, 2020
7% p.a.	Call option of 30%, 30% and 40% of the issue price on March 31, 2025, March 31, 2026 and March 31, 2027 respectively with giving one month prior notice to call/put option. Interest payable on March 31 of every year	3000.00	3000.00
Total		3000.00	3000.00

14.3 The amount includes interest of ₹ Nil (March 31, 2020 ₹189 Lakhs).

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
15	Borrowings (Other than Debt Securities) - At Amortised Cost		
	Unsecured		
	Term Loans		
	- From Banks (Refer Note 15.2)	0.30	0.30
	- From Related Parties (Refer Note 15.1 and 15.2)	3262.66	4164.26
	Total	3262.96	4164.56
	Borrowings in India	3262.96	4164.56
	Borrowings Outside India	-	-
	Total	3262.96	4164.56

15.1 Borrowings include interest accrued and due as details given below:

(₹ in Lakhs)

Nature of Loan	March 31, 2021	March 31, 2020
Unsecured Loan	Nil	135.38

15.2 Terms of repayment of Borrowings (Other than Debt Securities)*

(₹ in Lakhs)

Particulars	Terms of Repayment	As at March 31, 2021	As at March 31, 2020
Unsecured			
Sahara India Commercial Corporation Limited	Repayable in the year 2021-22 Interest Free	692.39	1458.61
Sahara India Financial Corporation Limited	The rate of interest is 8.5% and entire amount is repayable in the year 2024-25. Interest payable on March 31 of every year.	2570.27	2570.27**
Andhra Bank (Merged with Union Bank of India)	Representing an item outstanding in Reconciliation statement	0.30	0.30
Total		3262.96	4029.18

* Excluding interest as referred in Note 15.1

** Non-Convertible Debentures of ₹2500.00 lakhs along-with interest of ₹70.27 lakhs matured on July 24, 2019 was converted into borrowings.



Notes forming part of the financial statements for the year ended March 31, 2021

		(₹ in Lakhs)	
Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
16	Other Financial Liabilities		
	Lease Liabilities (Refer Note 41)	131.29	138.36
	Others		
	- Employees benefit payable	3.61	4.70
	- Other Liabilities	3.25	2.19
	Total	138.15	145.25
17	Provisions		
	For Employee Benefits		
	- Compensated Leave (Unfunded)	14.58	14.10
	- Gratuity (Funded) (Refer Note 37)	-	0.37
	Provision on Loan Assets (Refer Note 40)	-	1.39
	Total	14.58	15.86
18	Other Non – Financial Liabilities		
	Advances from Customers	19.35	16.10
	Deferred Interest	60.51	279.99
	Statutory dues payable	0.53	41.17
	Other payables	0.16	2.27
	Total	80.55	339.53
19	Equity Share Capital		
	AUTHORISED CAPITAL :		
	30,000,000 Equity shares of ₹ 10/- each (Previous year 2019-20: 30,000,000 Equity shares of ₹ 10/- each)	3000.00	3000.00
	20,000,000 Preference Shares of ₹ 10/- each (Previous year 2019-20: 20,000,000 Preference shares of ₹ 10/- each)	2000.00	2000.00
	Total	5000.00	5000.00
	ISSUED,SUBSCRIBED & PAID UP:		
	7,000,000 Equity Shares of ₹ 10/- each, Fully paid-up (Previous year 2019-20: 7,000,000 Equity Shares of ₹ 10/- each)	700.00	700.00
	Total	700.00	700.00

Notes forming part of the financial statements for the year ended March 31, 2021

19.1 Reconciliation of the number of shares outstanding and the amount of share capital (₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount	No of Shares	Amount
Shares outstanding at the beginning of the year	7,000,000	700.00	7,000,000	700.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	7,000,000	700.00	7,000,000	700.00

19.2 : Terms/ Rights attached to Equity Shares

The company has only one class of Equity Shares having par value of ₹10/- each. Each holder of Equity Shares is entitled to one vote per share.

The holders of Equity Shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

19.3 Details of Shareholders holding more than 5% of Equity Shares in the Company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% of Holding	No of Shares	% of Holding
Sahara Prime City Limited	2,940,000	42.00	2,940,000	42.00
Sahara India Corp Investment Limited	1,638,587	23.41	1,638,587	23.41
Sahara India Finance and Investment Limited	416,000	5.94	416,000	5.94
Citrus Securities Private Limited	620,512	8.86	620,512	8.86



Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2021	As at March 31, 2020
20	Other Equity		
	Capital Reserve	1.52	1.52
	Securities Premium	500.00	500.00
	General Reserve	5.02	5.02
	Special Reserve	1213.05	1155.65
	Retained Earnings	2277.55	2125.70
	Other Comprehensive Income	4.04	0.89
	Total	4001.18	3788.78

20.1 Nature and purpose of reserves:

- (i) Capital Reserve: The Capital Reserve represents profit on forfeiture of equity shares by the Company. This reserve is not freely available for distribution to the shareholders.
- (ii) Securities Premium: The amount of difference between the issue price and the face value of the shares is recognised in Securities Premium.
- (iii) General Reserve: General Reserve is the accumulation of the portions of the net profits transferred by the Company in the past years.
- (iv) Special Reserve: As per Section 29C of National Housing Bank Act 1987, the Company is required to transfer atleast 20% of its Net profit every year to a reserve before any dividend is declared.
- (v) Retained earnings: Retained earnings comprise of the profits of the Company earned till date net of appropriation, distributions and other adjustments.
- (vi) Other Comprehensive Income: Other Comprehensive Income represents recognized remeasurement gains/ (loss) on defined benefit plans in other comprehensive income. These changes are accumulated within the other comprehensive income under Other Equity

20.2 As per Section 29C of National Housing Bank Act, 1987, the Company is required to transfer atleast 20% of its Net profit every year to a Special Reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of ₹ 57.40 Lakhs (PY 2019-20: ₹ 55.26 Lakhs) to Special Reserve as per provisions of the Section 36(1)(viii) of the Income Tax Act, 1961.

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
21	Interest Income		
	On Financial Assets measured at Amortised Cost		
	Interest on Loans	1179.07	1212.00
	Interest on Deposits with Banks	85.31	69.84
	Total	1264.38	1281.84
22	Net gain on fair value changes		
	On Investment measured through Profit or Loss		
	Investments (unrealised)	1.02	-
	Total	1.02	-
23	Other Operating Revenue		
	Document Retrieval and Other Charges	5.03	9.11
	Total	5.03	9.11
24	Other Income		
	Deferred Interest	70.20	163.77
	Fair valuation of Financial Assets	1.05	1.04
	Profit on sale of Property, plant and equipment	0.04	0.12
	Gain on modification of lease	0.18	-
	Miscellaneous Income	0.01	-
	Total	71.48	164.93
25	Finance Cost		
	On Financial liabilities measured at Amortised Cost		
	On Term Loans (Secured)	-	11.14
	On Non Convertible Debentures (Secured)	210.00	210.00
	On Term Loans (Unsecured)	291.52	305.80
	On Non Convertible Debentures (Unsecured)	-	78.08
	Interest on Lease liabilities	12.68	14.57
	Bank and Other Charges	0.99	1.82
	Total	515.19	621.41
26	Net loss on fair value changes		
	On Investment measured through Profit or Loss		
	Investments (unrealised)	-	0.84
	Total	-	0.84
27	Net Loss on Derecognition of Financial Instruments		
	Net Loss on Derecognition of Financial Instruments	14.78	21.92
	Total	14.78	21.92



Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
		On Financial Instruments measured At FVTOCI	At Amortised Cost	On Financial Instruments measured At FVTOCI	At Amortised Cost
28	Impairment on Financial Instruments				
	Loans	-	56.40	-	35.39
	Others	-	-	-	-
	Total	-	56.40	-	35.39

28.1 The details relating to movement in Impairment on Loans (Expected credit loss) are disclosed in Note 6.2

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
29	Employee Benefit Expenses		
	Salaries, allowances and benefits	286.74	301.75
	Company's Contribution to Provident and Other Funds	15.41	15.26
	Staff Welfare Expenses	1.69	2.52
	Total	303.84	319.53
30	Depreciation and Amortisation Expenses		
	Depreciation on Property, Plant and Equipment and Right of Use Assets (Refer Note 11 (a) and (b))	51.35	54.14
	Amortisation on Intangible Assets (Refer Note 11 (c))	0.81	0.80
	Total	52.16	54.94
31	Other Expenses		
	Rent	2.52	2.15
	Travelling and Conveyance	10.57	10.49
	Legal and Professional Fees	37.04	32.13
	Printing and Stationery	3.58	6.39
	Communication Charges	6.59	9.50
	General Expenses	20.46	20.76
	Exgratia on Interest	8.52	-
	Balance Written Off	12.50	-
	Insurance	0.43	0.21
	Repairs and Maintenance	2.93	2.54
	Rates, Taxes and Licenses	0.51	0.68
	Office Maintenance	6.90	6.45
	Vehicles Maintenance	22.62	21.78
	Advertisement and Publicity	0.68	2.02
	Electricity Charges	3.18	5.80
	Payment to Auditor		
	- Statutory Audit Fee	0.80	0.80
	- Tax Audit Fee	0.20	0.20
	- Limited Review and Certification Fee	0.53	0.43
	- Re-imburement Expenses	1.39	1.00
	Total	141.95	123.33

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
32	Income Tax		
	(a) Income Tax Expense in statement of profit and loss		
	Current Income Tax:		
	In respect of the current year	63.31	58.75
	Deferred Tax:		
	In respect of the current year	(16.13)	11.49
	Tax related to earlier year	1.16	0.58
	Total Income Tax Expense	48.34	70.82
	(b) Reconciliation of Income Tax Expense:		
	Profit before tax	257.59	278.52
	Income Tax Expenses	64.83	68.16
	Effect of :		
	Amount transferred under Section 36(1) (viii) under the Income Tax Act, 1961	(14.45)	(13.52)
	Tax Rate change impact	-	15.30
	Disallowance of expenses and other adjustments	(3.20)	0.30
	Tax related to earlier year	1.16	0.58
	Income Tax Expense recognised in the Statement of Profit and Loss	48.34	70.82

The section 115BAA of the Income Tax Act, 1961 provide existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess (Effective Rate 25.168%). The Company has availed this option to pay income tax at the lower rate from the financial year ended March 31, 2020 and the opening deferred tax assets (net) was remeasured accordingly.

33 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Lakhs)

ASSETS	As At March 31, 2021			As At March 31, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Assets						
Cash and Cash Equivalents	504.34	-	504.34	867.19	-	867.19
Bank Balance other than Cash and Cash Equivalent	1528.24	-	1528.24	1221.52	-	1221.52
Other Receivables	-	-	-	9.03	-	9.03
Loans	600.02	8165.51	8765.53	632.86	9193.58	9826.44
Investments	-	1.82	1.82	-	0.80	0.80
Other Financial Assets	1.86	15.06	16.92	3.29	14.77	18.06
Non-Financial Assets						
Current Tax Assets (net)	-	24.39	24.39	-	20.96	20.96
Deferred Tax Assets (net)	-	130.69	130.69	-	115.62	115.62
Property, Plant and Equipment	-	78.91	78.91	-	89.50	89.50
Right of Use Assets	-	116.47	116.47	-	127.46	127.46
Intangible Assets	-	0.62	0.62	-	1.43	1.43
Other Non-Financial Assets	28.83	7.76	36.59	47.93	7.76	55.69
Total Assets	2663.29	8541.23	11204.52	2781.82	9571.88	12353.70

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

LIABILITIES	As At March 31, 2021			As At March 31, 2020		
	Within 12-Months	After 12 Months	Total	Within 12-Months	After 12 Months	Total
Financial liabilities						
Trade Payable						
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7.10	-	7.10	10.72	-	10.72
Debt securities	-	3000.00	3000.00	189.00	3000.00	3189.00
Borrowings (other than debt securities)	692.69	2570.27	3262.96	135.68	4028.88	4164.56
Other financial liabilities	35.23	102.92	138.15	34.70	110.55	145.25
Non-Financial Liabilities						
Current Tax Liabilities (Net)						
Provisions	1.25	13.33	14.58	1.07	14.79	15.86
Other Non – Financial Liabilities	80.55	-	80.55	199.34	140.19	339.53
Total Liabilities	816.82	5686.52	6503.34	570.51	7294.41	7864.92

34 Fair Value Measurements

(i) Financial Instruments by Category

(₹ in Lakhs)

Particulars	As At March 31, 2021			As At March 31, 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Cash and Cash Equivalents	-	-	504.34	-	-	867.19
Bank Balance other than Cash and Cash Equivalent	-	-	1528.24	-	-	1221.52
Receivables						
- Other Receivables	-	-	-	-	-	9.03
Loans	-	-	8765.53	-	-	9826.44
Investments	1.82	-	-	0.80	-	-
Other Financial Assets	-	-	16.92	-	-	18.06
Total Financial Assets	1.82	-	10815.03	0.80	-	11942.24
Financial Liabilities						
Trade Payable						
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	-	7.10	-	-	10.72
Debt Securities	-	-	3000.00	-	-	3189.00
Borrowings (other than debt securities)	-	-	3262.96	-	-	4164.56
Other Financial Liabilities	-	-	138.15	-	-	145.25
Total Financial Liabilities	-	-	6408.21	-	-	7509.53

Notes forming part of the financial statements for the year ended March 31, 2021

(ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Lakhs)

As At March 31, 2021	Carrying Amount	Routed through OCI	Routed through P/L				Carried at Amortised cost			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets										
Cash and Cash Equivalents	504.34	-	-	-	-	-	-	-	504.34	504.34
Bank Balance other than Cash and Cash Equivalent Receivables	1528.24	-	-	-	-	-	-	-	1528.24	1528.24
- Other Receivables	-	-	-	-	-	-	-	-	-	-
Loans	8765.53	-	-	-	-	-	-	-	8765.53	8765.53
Investments	1.82	-	1.82	-	-	1.82	-	-	-	-
Other Financial Assets	16.92	-	-	-	-	-	-	-	16.92	16.92
Total Financial Assets	10816.85	-	1.82	-	-	1.82	-	-	10815.03	10815.03
Financial Liabilities										
Trade Payable										
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	7.10	-	-	-	-	-	-	-	7.10	7.10
Debt securities	3000.00	-	-	-	-	-	-	-	3000.00	3000.00
Borrowings (other than debt securities)	3262.96	-	-	-	-	-	-	-	3262.96	3262.96
Other Financial Liabilities	138.15	-	-	-	-	-	-	-	138.15	138.15
Total Financial Liabilities	6408.21	-	-	-	-	-	-	-	6408.21	6408.21

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

As At March 31, 2020	Carrying Amount	Routed through OCI	Routed through P/L				Carried at Amortised cost			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets										
Cash and Cash Equivalents	867.19	-	-	-	-	-	-	-	867.19	867.19
Bank Balance other than Cash and Cash Equivalent	1221.52	-	-	-	-	-	-	-	1221.52	1221.52
Receivables										
- Other Receivables	9.03	-	-	-	-	-	-	-	9.03	9.03
Loans	9826.44	-	-	-	-	-	-	-	9826.44	9826.44
Investments	0.80	-	0.80	-	-	0.80	-	-	-	-
Other Financial Assets	18.06	-	-	-	-	-	-	-	18.06	18.06
Total Financial Assets	11943.04	-	0.80	-	-	0.80	-	-	11942.24	11942.24
Financial Liabilities										
Trade Payable										
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	10.72	-	-	-	-	-	-	-	10.72	10.72
Debt securities	3189.00	-	-	-	-	-	-	-	3189.00	3189.00
Borrowings (other than debt securities)	4164.56	-	-	-	-	-	-	-	4164.56	4164.56
Other Financial Liabilities	145.25	-	-	-	-	-	-	-	145.25	145.25
Total Financial Liabilities	7509.53	-	-	-	-	-	-	-	7509.53	7509.53

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(i) Valuation technique used to determine fair value

The carrying amounts of cash and cash equivalents, other bank balances, trade payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans and other financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of debt securities and borrowings other than debt securities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes forming part of the financial statements for the year ended March 31, 2021

Note 35 (A) Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board. While the Company is exposed to various types of risks, the most important among them are credit risk, liquidity risk, interest rate risk and regulatory risk. This measurement, monitoring and management of risks remain a key focus area for the Company.

Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to company. In lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by various Product Policies. The Product Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level. The credit risk for individual borrowers is being managed at portfolio level for Housing Loans and Non Housing Loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Approval Authorities

The Board of Directors has delegated credit approval authority on the basis of cadre of employees with approval limits.

Credit Risk Assessment Methodology

Company's customers for housing loans and non housing loans are primarily low, middle and high-income, salaried and self-employed individuals. All housing loans and non housing loans are also subjected to risk based pricing wherein the individual cases are graded on a credit score linked to multiple parameters of appraisal.

The Company's credit officers evaluate credit proposals on the basis of active credit policies as on the date of approval. The criteria typically include factors such as the borrower's income & obligations, the loan-to-value ratio, Fixed obligation to income ratio and demographic parameters subject to regulatory guide lines. Any deviations need to be approved at the designated levels.

The various process controls such as KYC Check, CERSAI database scrubbing, Credit Bureau Report analysis are undertaken prior to approval of a loan. In addition External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes.

The housing loans and non housing loans are fully secured and have full recourse against the borrower. The Company has an equitable mortgage over the borrowers property. Where-ever the state laws provide, the memorandum of deposit of title deeds are also registered.

Risk Management and Portfolio Review

The Company ensures effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is determined depending on the risk associated with the product.

The Operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and compliance with regulatory guidelines.

The Company, regularly reviews the credit quality of the portfolio. A summary of there views carried out is submitted to the concerned teams.



Notes forming part of the financial statements for the year ended March 31, 2021

Liquidity Risk

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowing, trade payables and other financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Maturity Analysis is given in note 33.

Market risk

(i) Interest Rate Risk

The Company is exposed to interest rate risk as it has assets on floating interest rates and borrowing on fixed interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis. However, the Company does not have any exposure to interest rate risk in respect of its existing borrowing/debt securities as the rate of Interest is fixed.

Exposure to Loans and Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans (Floating Rate)	9277.68	10280.80
Borrowings and Debt Securities		
Borrowings and Debt Securities (Fixed Rate)	6262.96	7029.18
Total Borrowings and Debt Securities	6262.96	7029.18

Sensitivity Analysis

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

Interest Rate	Impact on Profit before Tax	
	Year ended March 31, 2021	Year ended March 31, 2020
Loans		
Increase by 50 basis points	46.39	51.40
Decrease by 50 basis points	(46.39)	(51.40)

(ii) Price Risk

The Company's exposure to investment in Equity is not significant and hence the Company's exposure to price risk is insignificant.

Regulatory Risk

The Company requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Company may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

Notes forming part of the financial statements for the year ended March 31, 2021

(B) Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI/NHB from time to time.

The Company has complied with the applicable capital requirements over the reported period.

(i) Risk management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and total equity balance.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings (undiscounted) net of cash and cash equivalents) divided by 'Equity' (as shown in the balance sheet).

The Company's strategy is to maintain a gearing ratio as stipulated by Reserve Bank of India. The gearing ratios are as follows :

	(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020
Debt securities (including Interest)	3,000.00	3,189.00
Borrowings (other than debt securities (including Interest))	3,332.23	4,470.94
Total Debt	6,332.23	7,659.94
Cash and Cash Equivalents	504.34	867.19
Net Debt	5,827.89	6,792.75
Total Equity	4,701.18	4,488.78
Net Debt to total Equity Ratio (in times)	1.24	1.51

Note 36 Related Party Disclosures

As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), details of related parties alongwith nature of the relationship, with whom company has entered transaction:

a. List of Related Parties

- (i) Major shareholder having control over the company
 - Sahara India Corp Investment Limited
 - Sahara Prime City Limited
 - Sahara India Finance & Investment Limited
- (ii) Key Management Personnel (KMP)
 - Shri D. J. Bagchi, Chief Executive Officer, Company Secretary/Manager
 - Shri Vivek Kapoor, Chief Financial Officer
- (iii) Companies under common control
 - Sahara India Financial Corporation Limited
 - Sahara India Commercial Corporation Limited
- (iv) Relative of Key Management Person
 - Smt. Sumana Bagchi – Wife of Shri D. J. Bagchi (KMP)



Notes forming part of the financial statements for the year ended March 31, 2021

b. Disclosure of Related Party Transactions between the company and related parties

(₹ in Lakhs)

Particulars	Financial Year 2020-21	Previous Year 2019-20
Directors' Sitting Fees Paid		
Shri Brijendra Sahay	0.80	0.90
Shri Awedsh Kumar Srivastava	0.60	0.50
Smt. Anshu Roy	0.80	0.90
Rent Expenses		
Sahara India Commercial Corporation Limited	2.16	2.16
Smt. Sumana Bagchi	7.20	7.20
Interest Expenses		
Sahara India Financial Corporation Limited	218.47	228.51
Un-secured Loan Repaid		
Sahara India Commercial Corporation Limited	1000.00	1900.00
Redeemable Debenture Redemption		
Sahara India Financial Corporation Limited*	-	2500.00
Un-secured Loan Received		
Sahara India Financial Corporation Limited*	-	2570.27
Outstanding Un-secured Loan		
Sahara India Commercial Corporation Limited**	692.39	1458.60
Sahara India Financial Corporation Limited	2570.27	2570.27
Interest Payable on Un-secured Loan		
Sahara India Financial Corporation Limited	-	135.38
Salary & Perquisites		
Shri D. J. Bagchi	44.22	43.56
Shri Vivek Kapoor	16.11	19.59

* Non-convertible Debenture alongwith interest thereon matured on July 24, 2019 were converted into Unsecured Loan.

** Carrying value as per Books of Account

Notes forming part of the financial statements for the year ended March 31, 2021

Note 37 Employee Benefits:

In compliance with the Indian Accounting Standard on 'Employee Benefits' (Ind AS 19), following disclosures have been made:

Defined Benefit Plans:

Provident Fund

An amount of ₹ 14.15 Lakhs (Previous year ₹ 13.70 Lakhs) has been charged to Statement of Profit and Loss on account of this defined benefit scheme.

Employees State Insurance

An amount of ₹ 1.26 lakhs (Previous Year ₹ 1.56 lakhs) has been charged to Statement of Profit and Loss of this defined benefit scheme.

Leave Encashment

An amount of ₹ 0.77 Lakhs (Previous year ₹ 1.79 Lakhs) has been charged to Statement of Profit and Loss of this benefit scheme during the year.

Gratuity Plan

Gratuity is payable to all the members at the rate of 15 days salary for each completed year of Service.

Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2021

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Change in Projected Benefit Obligation		
Present Value of Benefit Obligation as at beginning of the period	62.08	55.15
Interest Cost	4.35	4.25
Current Service Cost	4.42	4.42
Past Service Cost	-	-
Benefit Paid From the Fund	(2.78)	(0.86)
"Actuarial (Gains)/Losses on Obligations-Due to Change in Demographic Assumptions"	-	-
"Actuarial (Gains)/Losses on Obligations-Due to Change in Financial Assumptions"	0.47	3.16
Actuarial (Gains)/Losses on Obligations - Due to Experience	(2.57)	(4.04)
Present Value of Defined Benefit Obligation as at the end of the year	65.97	62.08
B. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	61.71	47.97
Interest income	4.39	4.07
Contributions by the employer	4.69	10.74
Benefit paid from the fund	(2.78)	(0.86)
Return on plan assets, excluding interest income	(0.29)	(0.21)
Fair Value of Plan Assets at the end of the year	67.72	61.71

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
C. Amount recognised in the Balance Sheet		
Defined Benefit Obligation	65.97	62.08
Fair Value of Plan Assets at the end of the Year	(67.72)	(61.71)
Funded Status – Short/(Excess)	(1.75)	0.37
Net Liability/(Asset) recognized in the Balance Sheet	(1.75)	0.37
D. Net interest cost for current year		
Present Value of Benefit Obligation at the Beginning of the Year	62.08	55.15
Fair Value of Plan Assets at the Beginning of the Year	(61.71)	(47.97)
Net Liability/(Asset) at the Beginning of the Year	0.37	7.18
Interest Cost	4.35	4.24
Interest Income	(4.39)	(4.07)
Net Interest Cost for Current the Year	(0.04)	0.17
E. Expenses recognised in Statement of Profit and Loss		
Current Service Cost	4.42	4.42
Net Interest Cost	(0.04)	0.17
Past Service Cost	-	-
Expected Contributions by the Employees	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Expenses recognized	4.38	4.59
F. Expenses recognized in the Other Comprehensive Income (OCI)		
Actuarial (Gains)/Losses on Obligation for the year	(2.10)	(0.88)
Return on Plan Assets, Excluding Interest Income	0.29	0.21
Net (Income)/Expense for the year recognized in OCI	(1.81)	(0.67)
G. Total amount recognized in Other Comprehensive Income consists of Remeasurement (Gains)/Losses	(1.81)	(0.67)
H. Principal actuarial assumptions used		
Expected Return on Plan Assets	6.90%	7.00%
Rate of Discounting	6.90%	7.00%
Rate of Salary Increase	6.00%	6.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Mortality Rate After Employment	Not Applicable	Not Applicable
I. Balance Sheet Reconciliation		
Opening Net Liability	0.37	7.18
Expenses recognized in Statement of Profit or Loss	4.38	4.59
Expenses recognized in OCI	(1.81)	(0.67)
Employer's Contribution	(4.69)	(10.74)
Net Liability/(Asset) recognized in the Balance Sheet	(1.75)	0.37

Notes forming part of the financial statements for the year ended March 31, 2021

J. Other Details

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
No. of Active Members	54	56
Per Month Salary for Active Members (₹ in Lakhs)	0.15	0.15
Average Expected Future Service (in Years)	14.52	15.38
Projected Benefit Obligation (₹ in Lakhs)	65.97	62.08
Prescribed Contribution for Next Year (12 Months) (₹ in Lakhs)	4.62	4.45

K. Maturity Analysis of the Benefit Payments from the Fund:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
1st Following Year	4.56	4.64
2nd Following Year	5.58	2.76
3rd Following Year	15.47	4.72
4th Following Year	2.31	17.12
5th Following Year	6.07	2.17
Sum of Years 6 To 10	28.16	26.07

The above information is as certified by the actuary

L. Sensitivity Analysis

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Projected Benefits Payable in Future Years from the date of Reporting		
Projected Benefit Obligation on Current Assumptions	65.97	62.08
Delta Effect of +1% Change in Rate of Discounting	4.51	(4.45)
Delta Effect of -1% Change in Rate of Discounting	(4.51)	5.07
Delta Effect of +1% Change in Rate of Salary Increase	5.41	5.35
Delta Effect of -1% Change in Rate of Salary Increase	(4.84)	(4.77)
Delta Effect of +1% Change in Rate of Employee Turnover	0.27	0.31
Delta Effect of -1% Change in Rate of Employee Turnover	(5.11)	(0.33)

38. Contingent Liabilities and Other Commitments

(i) Contingent Liabilities not provided for in respect of Income Tax Matters:

A demand of Income Tax of ₹ 38.78 Lakhs (Previous Year March 31, 2020 ₹38.78 Lakhs) is pending with respect to the financial year 2009-10 against certain disallowances under the Income Tax Act, 1961 against which appeal is pending before the Commissioner of Income Tax (Appeal). The Company had deposited ₹7.76 Lakhs (March 31, 2020, ₹7.76 Lakhs) in protest against this demand.

(ii) Other commitments: Nil (March 31, 2020 Nil)

39. Segment Reporting

The Company's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate or certain other purposes, in India. All other activities of the Company revolve around the main business. Hence, there are no separate reportable segments, as per Ind AS 108 dealing with Operating Segments as specified under Section 133 of the Companies Act, 2013.

Notes forming part of the financial statements for the year ended March 31, 2021

40. Impact of COVID-19

- 1 The Company's operations have been impacted because of lockdown and other restrictions imposed by the Government of India during the first half of Financial Year 2020-21 on account of the COVID-19 pandemic. After relaxations in the restrictions, the Company increased its business activities but due to onset of 'second wave' of COVID-19 pandemic in the month of March, 2021, things have deteriorated which has once again impacted the activities of the company.

The Company has used the principle of prudence to provide for the impact of pandemic on the financial statements and has performed an estimation of portfolio stress through analysing its portfolio in respect of various risk classification and has taken into account its historical experience of losses, current conditions of the pandemic as well as forecasts of future economic conditions as at the date of the approval of these financial statements.

The extent to which COVID-19 pandemic, including the current 'second wave' will impact the business activities and financial statements of the Company depends on future developments, which at present are highly uncertain. The impact may be different from that estimated by the management and the Company will continue to closely monitor any material changes to future economic conditions.

- 2 Disclosures as required by RBI circular 'Covid-19 Regulatory package asset classification and provisioning' dated April 17, 2020 are given below:

(₹ in Lakhs)

Particulars	Financial Year 2020-21	Financial Year 2019-20
Advances outstanding at the year-end in SMA/Overdue categories, where the moratorium was extended #	25.71	39.47
Advances outstanding at the year-end where asset classification benefit is extended	-	30.3
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the circular	1.52	1.39
Provisions adjusted against slippages in terms of paragraph 6 of the circular	2.91	-
Residual provisions at the year-end in terms of paragraph 6 of the circular	-	1.39

Moratorium was granted to these borrowers in the mid of the year, however these borrowers were regular at the end of the year

- 3 Hon'ble Supreme Court of India vide an interim order dated September 3, 2020 in a PIL has directed that accounts which were not declared NPA till August 31, 2020 under moratorium granted category, shall not be declared as NPA till further orders. Accordingly, the accounts that would have otherwise been classified as NPA post August, 2020 were not classified as NPA by the Company.

The above interim order stood vacated on March 23, 2021 vide the judgement of Hon'ble Supreme Court of India and the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions/IRAC norms as per paragraph 5 of the RBI circular dated April 7, 2021 issued in this connection.

- 4 The Company has not invoked/implemented any resolution plan under the 'Resolution framework for COVID-19 related stress' for any borrower account as per RBI Circular dated August 6, 2020.
- 5 The amount of 'interest on interest' to be refunded/adjusted by the Company in the borrower accounts in terms of RBI Circular dated April 7, 2021 is Nil.

41. Ind AS 116 : Leases

41.1 Amounts recognised in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation Expenses	40.10	41.49
Interest Expenses	12.68	14.57
Rent	2.52	2.15
Total	55.30	58.21

Notes forming part of the financial statements for the year ended March 31, 2021

41.2 The break-up of current and non-current Lease liabilities:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Current Lease liabilities	35.78	34.70
Non- Current Lease liabilities	95.51	103.66
Total	131.29	138.36

41.3 The movement in Lease liabilities:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Balance at the beginning of the year	138.36	119.20
Additions	30.22	52.04
Finance cost accrued during the period	12.68	14.57
Deletions/adjustments on cancellation/modification	(1.87)	-
Payment of lease liabilities	(48.10)	(47.45)
Balance at the end of the year	131.29	138.36

41.4 The details regarding the contractual maturities of Lease liabilities on undiscounted basis:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Less than one year	46.45	46.86
One to five years	112.93	108.76
More than five years	-	19.64
Balance at the end of the year	159.38	175.26

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

41.6 Extension and termination options

Extension and termination options are included in some of the leases across the Company. These are used to maximise operational flexibility in terms of managing the assets in the Company's operation. The majority of extension and termination options held are exercisable by both the Company and by the respective lessor. Further the company expects not to use those options.

42. Earnings per Share (EPS):

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit attributable to Equity Shareholders (₹ In Lakhs)	209.25	207.70
No. of Weighted Average Equity Shares Outstanding during the year for Basic & Diluted EPS	7,000,000	7,000,000
Face Value of Equity Shares (in ₹)	10	10
Basic & Diluted Earnings per Share (in ₹)	2.99	2.97

Notes forming part of the financial statements for the year ended March 31, 2021

43. Details of Movement in Provisions:

(₹ in Lakhs)

Particulars	As at April 01, 2020	Provision made during the year	Provision Reversed /Adjusted during the year	As at March 31, 2021
Non-Performing Assets	401.95	62.75	-	464.70
Standard Assets	52.41	-	(4.96)	47.45
Housing Loans under Differential Interest Rate	-	-	-	-
Investments	-	-	-	-
Taxation	747.89	64.47	-	812.36

44. Disclosures as required by Reserve Bank of India (RBI) :

The following disclosures have been given in terms of Annex IV of Company - Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, February 17, 2021 and in terms of the Circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010. Figures of the regulatory ratios, limits and disclosures for the previous year have been restated/reclassified as necessary to comply to the circular issued by Reserve Bank of India (RBI) on October 22, 2020 with respect to Regulatory Framework For Housing Finance Companies read with circular dated March 13, 2020 for promoting high quality and consistent Implementation of Indian Accounting Standards.

I. Capital to Risk Assets Ratio(CRAR):

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i)	CRAR (%)	87.12%	78.73%
ii)	CRAR - Tier I Capital (%)	86.32%	77.89%
iii)	CRAR - Tier II Capital (%)	0.80%	0.84%
iv)	Amount of subordinated debt raised as Tier- II Capital	Nil	Nil
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Note : Above ratios are calculated on the basis of Indian GAAP figures.

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

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	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 purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1155.65	1100.39
	Total (a + b)	1155.65	1100.39

Notes forming part of the financial statements for the year ended March 31, 2021

II. Reserve Fund u/s 29C of NHB Act, 1987: (Contd.)

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Addition / Appropriation / Withdrawal during the year		
	Add:		
a)	Amount transferred u/s 29C of the NHB Act, 1987	-	-
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	57.40	55.26
	Less:		
a)	Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b)	Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	-	-
	Balance at the end of the year		
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1213.05	1155.65
	Total (a + b)	1213.05	1155.65

III. Investments:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Value of Investments		
i)	Gross Value of Investments		
a)	In India	1.82	0.80
b)	Outside India	-	-
ii)	Provisions for Depreciation		
a)	In India	-	-
b)	Outside India	-	-
iii)	Net Value of Investments		
a)	In India	1.82	0.80
b)	Outside India	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

Movement of Provisions held towards depreciation on investments

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Provision on Investments		
i)	Opening balance	-	-
ii)	Add: Provisions made during the year	-	-
iii)	Less: Write-off/Written-back of excess provisions during the year	-	-
iv)	Closing Balance	-	-

IV. The Company has not entered into any of the following transaction during the financial year 2020-21 and previous financial year 2019-20:

- Derivative transactions, which includes Forward Rate Agreement (FRA)/Interest Rate Swap (IRS) and Exchange Traded Interest Rate (IR) Derivative. Accordingly, the Company has no disclosures in respect of Qualitative and Quantitative disclosure that is obligatory as per Clause 3.4 of Annex IV of Master Direction – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.
- Securitization and Assignment transaction of any kind which includes Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction. Accordingly, the Company has no disclosures to be made as per Clause 3.5 of Annex IV of Master Direction – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.
- Transaction of purchase and / or sale of non-performing financial assets. Accordingly, the Company has no disclosures to be made in respect of Clause 3.5 of Annex IV of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

Nonetheless, as mandated by RBI in Annexure IV of Master Direction – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, the “NIL/Not Applicable (as the case may be)” items listed for disclosure is also mentioned (as per the suggested format) so as to comply with the directives of Reserve Bank of India (RBI).

Derivatives

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

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i)	The notional principal of swap agreements	NIL	NIL
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
(iii)	Collateral required by the HFC upon entering into swaps	NIL	NIL
(iv)	Concentration of credit risk arising from swaps	NIL	NIL
(v)	The fair value of the swap book	NIL	NIL

Exchange Traded Interest Rate (IR) Derivative

(₹ in Lakhs)

Sl. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	NIL
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2021 (instrument-wise)	NIL
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	NIL
(iv)	Market to market value of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	NIL

Notes forming part of the financial statements for the year ended March 31, 2021

Disclosure on Risk Exposure in Derivatives

A. Qualitative Disclosure Derivatives

The Company has no exposure in Derivatives, hence qualitative disclosure on risk management policies pertaining to derivatives is not applicable.

B. Quantitative Disclosure Derivatives

Sl. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	NIL	NIL
(ii)	Marked to Market Position	NIL	NIL
	(a) Assets (+)	NIL	NIL
	(b) Liability (-)	NIL	NIL
(iii)	Credit Exposure	NIL	NIL
(iv)	Unhedged Exposures	NIL	NIL

Securitisation

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

Notes forming part of the financial statements for the year ended March 31, 2021

Details of Assignment transactions undertaken by HFCs

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i)	No. of accounts	NIL	NIL
(ii)	Aggregate value (net of provisions) of accounts assigned	NIL	NIL
(iii)	Aggregate consideration	NIL	NIL
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v)	Aggregate gain / loss over net book value	NIL	NIL

Details of Non-performing Financial Assets purchased / sold

The Company has not transacted in purchase/sale of non-performing financial assets with any HFC during the year under review and hence there is no information to disclose in respect of non-performing financial assets purchased or non-performing financial assets sold.

Details of Non-performing Financial Assets purchased:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
1	(a) No. of accounts purchased during the year	NIL	NIL
	(b) Aggregate outstanding	NIL	NIL
2	(a) Of these, number of accounts restructured during the year	NIL	NIL
	(b) Aggregate outstanding	NIL	NIL

Details of Non-performing Financial Assets sold:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
1.	No. of accounts sold	NIL	NIL
2.	Aggregate outstanding	NIL	NIL
3.	Aggregate consideration received	NIL	NIL

Notes forming part of the financial statements for the year ended March 31, 2021

V. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

(₹ in Lakhs)

Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign currency Liabilities	Advances	Investments	Foreign currency Assets
1 day to 7 days	-	0.29	-	-	296.07	-	-
8 days to 14 days	-	-	-	-	-	-	-
15 days to 30 days	-	-	-	-	84.66	-	-
Over one month to 2 months	-	-	-	-	84.87	-	-
Over 2 months to 3 months	-	-	-	-	85.13	-	-
Over 3 months to 6 months	-	-	-	-	216.08	-	-
Over 6 months to 1 year	-	-	761.65	-	265.57	-	-
Over 1 year to 3 years	-	-	-	-	2476.62	2.73	-
Over 3 years to 5 years	-	-	4370.27	-	2152.88	-	-
Over 5 years to 7 years	-	-	1200.00	-	1630.70	-	-
Over 7 years to 10 years	-	-	-	-	942.78	-	-
Over 10 years	-	-	-	-	1031.64	-	-
Total	-	0.29	6331.92	-	9267.00	2.73	-

Maturity pattern of certain items of assets and liabilities as at March 31, 2020

(₹ in Lakhs)

Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign currency Liabilities	Advances	Investments	Foreign currency Assets
1 day to 7 days	-	0.29	-	-	257.11	-	-
8 days to 14 days	-	-	-	-	-	-	-
15 day to 30 days	-	-	100.00	-	38.20	-	-
Over one month to 2 months	-	-	100.00	-	38.56	-	-
Over 2 months to 3 months	-	-	200.00	-	38.94	-	-
Over 3 months to 6 months	-	-	800.00	-	119.05	-	-
Over 6 months to 1 year	-	-	-	-	248.53	-	-
Over 1 year to 3 years	-	-	564.98	-	1584.31	2.73	-
Over 3 years to 5 years	-	-	3470.27	-	1860.93	-	-
Over 5 years to 7 years	-	-	2100.00	-	2210.07	-	-
Over 7 years to 10 years	-	-	-	-	2419.78	-	-
Over 10 years	-	-	-	-	1468.31	-	-
Total	-	0.29	7335.25	-	10283.79	2.73	-

Assets & Liabilities are classified & disclosed on undiscounted contractual basis.

Notes forming part of the financial statements for the year ended March 31, 2021

VI. Exposure to Real Estate Sector

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Direct Exposure		
i) Residential Mortgages		
Lending fully secured by mortgages of residential property that is or will be occupied by the borrower or that is rented	8591.61	9907.44
ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	686.07	373.36
iii) Investments in Mortgage backed Securities (MBS) and other Securitised Exposures		
- Residential	Nil	Nil
- 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
Total Exposure to Real Estate Sector	9277.68	10280.80

VII. Exposure to Capital Market

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	1.82	0.80
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

VII. Exposure to Capital Market: (Contd)

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows / issues;	-	-
viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total Exposure to Capital Market	1.82	0.80

VIII. Detail of financing of parent Company products:

These details are not applicable since the Company is not a subsidiary of any Company. Further the Company has not financed any products of any Company.

IX. The Company has not exceeded limit prescribed by Reserve Bank of India (RBI) as Single Borrower Limit (SGL) and Group Borrower Limit (GBL).

Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded as per prudential exposure limits during the year	Nil
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X. The Company has not given or offered any advances that can be classified under Unsecured Advances i.e. advances against intangible securities such as Rights, Licenses, Authority, etc. as Collateral Security.

XI. Exposure to group companies engaged in real estate business

Sl. No.	Description	Amount (₹ in Lakhs)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	NIL	NIL
(ii)	Exposure to all entities in a group engaged in real estate business	NIL	NIL

XII. Registration obtained from financial sector regulators:

NHB : vide registration number 02.0044.03
Ministry of Corporate Affairs : L18100WB1991PLC099782

XIII. The Company has not given any Loan & Advances against the collateral security of gold and gold jewellery.

XIV. Details of Disclosure of Penalties imposed

(₹ in Lakhs)

Penalties imposed by NHB/RBI and other regulator	Nil
Penalties imposed by Bombay Stock Exchange (BSE)	2.15

XV. As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), details of the related parties, nature of the relationship with whom Company has entered transactions and remuneration to directors, are given in Note No.36

XVI. Diagrammatic representation of Group Structure

The Company at present does not have any Subsidiary and/or Associate units to be represented in diagrammatic order as per clause 4.4 of Annexure IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, dated February 17, 2021:

XVII. Rating assigned by Credit Rating Agencies and migration of rating during the year:

The Secured 7% Non-Convertible Redeemable Debenture was assigned rating of BB-(Stable Outlook) by Infomeric Valuation and Rating Private Limited.

XVIII. During the year,

- No prior period items occurred which has material impact on Statement of Profit and Loss,
- The Company Implemented Ind AS as required by Ministry of Company Affairs and
- There were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.



Notes forming part of the financial statements for the year ended March 31, 2021

XIX. The Company has no subsidiary hence, requirement of consolidated financial statement is not applicable to the Company

XX. Provisions and Contingencies charged during the year:

(₹ in Lakhs)

SI. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i)	Provision for Depreciation on Investments	-	-
ii)	Provision made towards Income tax	63.31	58.75
iii)	Provision towards NPA	62.75	42.54
iv)	Provision for Standard Assets (CRE & NRP)	(4.96)	(8.54)
v)	Other Provision and Contingencies (General Provision for COVID-19 in line with RBI Circular dated 17-04-2020)	(1.39)	1.39

(₹ in Lakhs)

SI no.	Particulars	Housing		Non Housing	
		For Year Ended March 31, 2021	For Year Ended March 31, 2020	For Year Ended March 31, 2021	For Year Ended March 31, 2020
	Standard Assets				
a)	Total outstanding Amount	7,648.41	9,025.31	686.07	373.36
b)	Provisions made	39.58	48.39	7.87	4.02
	Sub – Standard Assets				
a)	Total outstanding Amount	423.06	362.29	-	-
b)	Provisions made	88.68	54.86	-	-
	Doubtful Assets-Category-I				
a)	Total outstanding Amount	108.92	128.15	-	-
b)	Provisions made	35.42	32.87	-	-
	Doubtful Assets – Category II				
a)	Total outstanding Amount	140.34	130.12	-	-
b)	Provisions made	69.72	52.65	-	-
	Doubtful Assets– Category III				
a)	Total outstanding Amount	270.88	261.57	-	-
b)	Provisions made	270.88	261.57	-	-
	Loss Assets				
a)	Total outstanding Amount	-	-	-	-
b)	Provisions made	-	-	-	-
	Total				
a)	Total outstanding Amount	8,591.61	9,907.44	686.07	373.36
b)	Provisions made	504.28	450.34	7.87	4.02

XXI. Concentration of Public Deposits:The Company has not accepted any public deposits.

XXII. Concentration of Loans & Advances:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Total Loans & Advances to twenty largest borrowers	2623.88	2701.84
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC.	28.28	26.28

Notes forming part of the financial statements for the year ended March 31, 2021

XXIII. Concentration of all Exposure (including off-balance sheet exposure): (₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i)	Total Loans & Advances to twenty largest borrowers	2623.88	2741.84
ii)	Percentage of Exposure to twenty largest borrowers/ customers to Total Exposure of the HFC on borrower/ customers	27.71	26.29

XXIV. Concentration of Non-performing Assets: (₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i)	Total Exposure to top ten NPA accounts	326.90	328.62

XXV. Sector-wise NPAs (Gross) (₹ in Lakhs)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		Year Ended March 31, 2021	Year Ended March 31, 2020
i)	Housing Loans		
	a. Individuals	12.53	10.22
	b. Builders/Project Loans	Nil	Nil
	c. Corporates	Nil	Nil
	d. Others (specify)	Nil	Nil
ii)	Non – Housing Loans		
	a. Individuals (Mortgage/Commercial)	Nil	Nil
	b. Builders/Project Loans	Nil	Nil
	c. Corporates	Nil	Nil
	d. Others (specify)	Nil	Nil

XXVI. Movement of NPAs: (₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i)	Net NPAs to Net Advances (%)	5.16	4.67
ii)	Movement of NPAs (Gross)		
	a) Opening balance	882.13	856.97
	b) Additions/(Reductions) during the year	61.07	25.16
	c) Closing balance	943.20	882.13
iii)	Movement of Net NPAs		
	a) Opening balance	480.18	497.56
	b) Additions/(Reductions) during the year	(1.68)	(17.38)
	c) Closing balance	478.50	480.18
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	401.95	359.41
	b) Provisions made/(Write-off/write-back) during the year	62.75	42.54
	c) Closing balance	464.70	401.95

Notes forming part of the financial statements for the year ended March 31, 2021

- XXVII.** The Company does not have any overseas assets and any off balance sheet Special Purpose Vehicle (SPV), which requires to be consolidated as per accounting norms.
- XXVIII.** There was no draw down from Reserves during the Current Financial Year. (Previous Year Nil)
- XXIX.** The company does not lend against security of shares.
- XXX.** The Company does not lend against security of single product gold jewellery.
- XXXI.** Liquidity Coverage Ratio (LCR) guidelines as defined in Para No.3.1.2 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 are not applicable presently to the Company.

XXXII. Institutional Set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee (ALCO) and the Risk Management Committee. The Board has the overall responsibility for management of liquidity risk. The board decides the strategy, policies and procedures to manage liquidity risk in accordance with liquidity risk tolerance/ limits approved by it. The Risk Management Committee (RMC), which is a committee of the board, is responsible for evaluating and monitoring the integrated risk management system of the Company including liquidity risk. The ALCO is responsible for ensuring adherence to the liquidity risk tolerance/limits set out in the board approved Asset Liability Management (ALM) policy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile for assets & liabilities, responsibilities and control for managing liquidity risk, and overseeing the liquidity position of the Company. The ALM Policy is reviewed periodically to realign the same pursuant to any regulatory changes/changes in the economic landscape or business needs and tabled to the Board for approval.

Management regularly reviews the position of cash equivalents by aligning the same with the projected maturity of financial assets and financial liabilities, economic environment, liquidity position in the financial market, anticipated pipeline of future borrowing & future liabilities and threshold of minimum liquidity define in the ALM policy with additional liquidity buffers as management overlay.

- XXXIII.** In compliance with RBI notification no. RBI/DNBS/2016-17/49/Master Direction DNBS.PPD.01/66.15.001/2016-17 dated September 09, 2016, during the year the company has reported “NIL” fraud case in relation to loans advanced to the borrowers to NHB (Previous Year Nil).

XXXIV. Disclosure of Complaints:

Sl. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i)	No. of complaints pending at the beginning of the year	-	-
ii)	No. of complaints received during the year	1	4
iii)	No. of complaints redressed during the year	1	4
iv)	No. of complaints pending at the end of the year	-	-

Disclosure made above is only for the complaints filed by customers directly on “Grievance Registration and Information Data base system (GRIDS)” NHB online website having the following URL:<http://grids.nhbonline.org.in>

XXXV. Details of principal business criteria in compliance to clause 16.1 of Chapter V of Master Direction - Non-Banking-Financial Company Housing Finance Company (Reserve Bank) Directions, 2021.

Exposure of Total Assets to Housing Loan Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Percentage of Housing Loan Assets to Total Assets	76.68	80.21
Percentage of Housing Loan Assets of Individuals to Total Assets	67.27	69.90



Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Assets side	Amount outstanding	Amount outstanding
(5) Break-up of Investments		
Long Term investments		
1. Quoted		
(i) Shares		
(a) Equity	1.82	0.80
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Current investments		
1. Quoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Other (Please Specify)	-	-

Notes forming part of the financial statements for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
(6) Borrower group-wise classification of assets financed as in (3) and (4) above :				
Category	Amount (net of provisions)		Amount (net of provisions)	
	Secured	Unsecured	Secured	Unsecured
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other Related parties	-	-	-	-
2. Other than Related parties	8,765.53	-	9,826.44	-
Total	8,765.53	-	9,826.44	-
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :				
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	1.82	1.82	0.80	0.80
Total	1.82	1.82	0.80	0.80
(8) Other information				
Particulars	Amount			
(i) Gross Non-Performing Assets				
(a) Related parties	-	-		
(b) Other than related parties	943.20	882.13		
(ii) Net Non-Performing Assets				
(a) Related parties	-	-		
(b) Other than related parties	478.50	480.18		
(iii) Assets acquired in satisfaction of debt	-	-		

Notes forming part of the financial statements for the year ended March 31, 2021

46. In compliance with RBI circular number RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2021, the comparison between provisions required under IRACP and Impairment Allowances made under Ind AS 109 is tabulated below:

As at March 31, 2021

(₹ in Lakhs)

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS 109 (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	7388.27	42.70	7345.57	37.73	4.97
	Stage 2	946.21	4.75	941.46	3.77	0.98
Subtotal		8334.48	47.45	8287.03	41.50	5.95
Non-Performing Assets (NPA)						
Sub standard	Stage 3	423.06	88.68	334.38	88.65	0.03
Doubtful - up to 1 year	Stage 3	108.92	35.42	73.50	35.21	0.21
1 to 3 years	Stage 3	140.34	69.72	70.62	68.43	1.29
More than 3 years	Stage 3	270.88	270.88	-	270.88	-
Subtotal for doubtful		520.14	376.02	144.12	374.52	1.50
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		943.20	464.70	478.50	463.17	1.53
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	7388.27	42.70	7345.57	37.73	4.97
	Stage 2	946.21	4.75	941.46	3.77	0.98
	Stage 3	943.20	464.70	478.50	463.17	1.53
Total		9277.68	512.15	8765.53	504.67	7.48

- Notes i In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Housing Finance Companies (HFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2021 and accordingly, no amount is required to be transferred to Impairment Reserve.
- ii Provisions required as per IRACP norms amount to ₹ 504.67 lakhs. The amounts tabulated above include ₹ 79.18 lakhs towards unrealised interest on Non-Performing Assets.

Notes forming part of the financial statements for the year ended March 31, 2021

- 47 Expenditure and Income in Foreign Currency : ₹ Nil (Previous Year : ₹ Nil)
- 48 During the financial year 2015-16, maturity proceeds of ₹6.14 lakhs in respect of investment in 11.43% GOI Stocks held in CSGL Account of the Company with ICICI Bank Limited was transferred to the Sahara-Sebi Account by the bank without any authorization from the Company, in compliance to an Order of the Hon'ble Supreme Court of India and directions by SEBI. The realization of this amount is subject to further Order by Hon'ble Supreme Court of India and instruction of SEBI.
- 49 Figures for previous year have been regrouped / restated where necessary. Few previous year figures have been restated Ind AS figures in terms of RBI circulars dated October 22, 2020 and March 13, 2020 applicable to Housing Finance Companies.
- 50 All amounts in the financial statements and notes have been presented in lakhs upto two decimals as per requirement of Schedule III except per share data and unless otherwise stated. Figures in brackets represent corresponding previous year figures.

As per our report of even date attached

For CHATURVEDI & PARTNERS

Chartered Accountants
Firm Registration No. 307068E

LAXMI NARAIN JAIN

Partner
Membership No. 072579
New Delhi
June 30, 2021

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

Kolkata
June 30, 2021



Notes

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2020-2021

