



SAHARA HOUSINGFINA CORPORATION LIMITED
BUILDING THE DREAM FOR EVERY INDIAN

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

Ashribad Building, 1st Floor
14 B M Sarani, Mahananda Para,
P.O & P.S - Siliguri, District - Darjelling - 734001

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. Fergusson 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 & Compliance Officer

Shri D.J. Bagchi

Chief Financial Officer

Shri Vivek Kapoor

Senior Management Personnel

Shri Anup Kumar 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

Union Bank of India
Indian Overseas Bank
State Bank of Hyderabad
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
(ISIN) – INE – 135C01012

Registered & Corporate office

CIN : L18100WB1991PLC099782
46, Dr. Sundari Mohan Avenue,
Kolkata - 700 014
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PROFILE OF DIRECTORS & KEY MANAGERIAL PERSONNEL

DIRECTORS PROFILE

❖ SHRI BRIJENDRA SAHAY (DIN: 00017600)



Shri Brijendra Sahay, age 84 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 42 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 (47 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 (73 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 32 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 59 years, is a Fellow member of the Institute of Company Secretaries of India (ICSI) and a LLB, having more than 32 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 53 years, holds Bachelor's degree in Commerce from Calcutta University and has experience of over 30 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 16 years and also looks after the regulatory compliance function as per RBI / 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 takes pleasure in presenting the Thirty-first Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2022.

FINANCIAL RESULTS

The Financial Performance of the Company for the financial year ended March 31, 2022, is summarised below;

Particulars	2021-22	2020-21
Gross Income	1267.00	1341.91
Less:		
– Interest	487.72	515.19
– Overheads	512.33	516.97
– Depreciation	48.93	52.16
Profit Before Tax (PBT)	218.02	257.59
Provision for Taxation		
– Current Tax	61.62	63.31
– Deferred Tax	(20.57)	(16.13)
– Income Tax related to earlier years	(1.52)	1.16
Profit After Tax (PAT)	178.49	209.25
Add: Profit carried from earlier years	2277.55	2125.70
Profit available for appropriations	2456.04	2334.95
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	55.13	57.40
Balance carried to Balance Sheet	2400.91	2277.55
Total	2400.91	2277.55

Note:

The Company has adopted Indian Accounting Standard (referred to as 'Ins AS') with effect from April 01, 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 Statement of Profit and Loss Account shows a Profit Before Tax (PBT) of ₹ 218.02 lakhs for the year ended March 31, 2022, 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 ₹ 257.59 lakhs for the previous year ended March 31, 2021. The provision for income tax is ₹ 39.53 lakhs and the Profit After Tax (PAT) for the year is ₹ 178.49 lakhs as against ₹ 209.25 lakhs in the previous year.

⇒ The Gross Income for the year under review was ₹ 1267.00 lakhs as against the previous financial year's income of ₹ 1341.91 lakhs.



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

- ⇒ Shareholder's Equity (Net Owned Fund) as at March 31, 2022 was ₹4641.65 lakhs as against ₹ 4453.40 lakhs in the previous year, representing an increase of 4.23 per cent.
- ⇒ The total Assets under Management of the Company as on March 31, 2022 was ₹9158.49 lakhs as against ₹ 9277.68 lakhs in the previous year.

Transfer to Special Reserve

During the year under review, your company transferred ₹55.12 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, 2022 was ₹ 2.55 as against ₹ 2.99 as at March 31, 2021.

Share Capital

The paid up equity share capital as on March 31, 2022 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 2021-22 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 2021-22.

c. Issue of Employee Stock Options

The Company did not issue any stock options during the financial year 2021-22.

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, 2022, your Company's outstanding secured long time borrowing was ₹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, 2022). The Capital Adequacy Ratio of your Company as at March 31 of Years 2022, 2021 and 2020 are set out in the table below:

Particulars	As at March 31		
	2022	2021	2020
Capital Adequacy Ratio (%)	91.10	86.98	78.73

Investment in Subsidiaries, Associates and Joint Ventures

Your Company does not have any subsidiary nor has it any 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 ₹ 1015.49 lakhs as against ₹ 1272.12 lakhs in the previous year. The overall outstanding loan portfolio as at March 31, 2022 stood at ₹ 9158.49 lakhs as against ₹ 9267.68 lakhs in the previous year March 31, 2021.

The Cumulative Log-in, Sanction and Disbursement as at March 31, 2022 and 2021 are as under;

Particulars	No. of Accounts		Amount (₹ in Lakhs)	
	2021-22	2020-21	2021-22	2020-21
Cumulative Log-in	6543	6502	70606.43	69520.67
Cumulative Sanction	4352	4319	46333.42	45331.06
Cumulative Disbursement	4194	4138	46157.55	45142.06

Fresh Loans

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

(₹ In Lakhs)

Particulars	31.03.22	31.03.21	31.03.20	31.03.19	31.03.18
Sanction	1085.76	1292.62	(4072.26)	1678.67	3722.60
Disbursement	1015.49	1272.12	836.03	1585.89	2584.66

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, 2022 was ₹823.70 lakhs against ₹943.20 lakhs as at March 31, 2021. 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, 2022.

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, 2022 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 Thirty-first 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 and rules made there under continues to serve your company.

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

Board Meetings

The Board during the relevant financial year had met four times on June 30, 2021, August 13, 2021, November 13, 2021 and February 14, 2022 respectively.

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

Pursuant to the provisions of the Companies Act, 2013, the Company has generally 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 accordance with provisions of the Companies Act, 2013, the current Statutory Auditors, M/s Chaturvedi & Partners, Chartered Accountants, (FRN. 307068E) hold office upto the conclusion of the ensuing AGM and as per the provisions of Section 139 of Companies Act, 2013, they are not eligible for re-appointment for fresh terms.

The Board of Directors places on record its appreciation for the services rendered by M/s Chaturvedi & Partners, Chartered Accountants, during their tenure as the Statutory Auditors of the Company.

The Statutory Auditors’ Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, has considered and recommended the appointment of M/s B M Chaturevdi & Co. (FRN: 114317W), Chartered Accountants’ as Statutory Auditors for a term of five years beginning from the conclusion of the 31st AGM till the conclusion of the 36th AGM, subject to approval of members at the ensuing AGM. The Statutory Auditors have confirmed their independent status and eligibility for the said appointment.

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 2021-2022. The Secretarial Audit Report for the financial year ended March 31, 2022, is annexed as “Annexure - 2”. The report does not contain any qualifications, reservations, adverse remarks or disclosures.

Directors Responsibility Statement

Your Directors would like to inform that the audited accounts for the year ended March 31, 2022 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, 2022, 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, 2022 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 Shri P V Subramanian, Practicing whole time Company Secretary ACS no. 4585 (CoP: 2077) 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 of Annexure -3.

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 is 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>

During the year under review there were no material transactions of the Company with any of its related parties. Therefore, the disclosure of Related Party Transactions as required under Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC-2 is not applicable to the Company for financial year 2021-22 and hence the same is not provided.

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 Management Committee (ALCO) which monitors 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 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/misc/SHCL_RBI_Fair_Practice_Code_13082021.pdf

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/misc/SHCL_Code_of_Conduct_Revised_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/NHB 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 2022-23.

Technology Updation

The ongoing assignment of upgrading the system and technology which earlier encountered logistical hindrance during the pandemic for most part of Year 2020 and 2021 has recently recommenced and is at the nascent stage of its envisaged development. The Company remains fully committed to this cause considering its benefits and most importantly the fact that once commissioned, it would only strengthen the entire gamut of the business. The emphasis, amongst others, remains to improve internal procedures so as to provide comprehensive checks and alerts against any attempt of fraud, ensure fair practice in dealing with customers/borrowers, effective and prompt management reporting mechanism and most importantly, prompt and precise regulatory/statutory compliances etc. While the objective to commission a dynamic system and upgraded technology commensurate to our present and foreseeable future requirement is unwavering, the major impediment is the capital involved, and bearing this in mind, the exercise is being initiated in a phased manner so as to ensure a seamless transition to the new working environment.

Depository System

The Company has entered into an agreement with CDSL / NSDL for transaction of shares in dematerialized form. As on March 31, 2022, only 2.96 per cent of the Company's paid up Share Capital consisting of 2,07,683 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.

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, 2022 is available on the website of the Company at the link: http://www.saharahousingfina.com/misc/SHCL_MGT-7_AGM-Draft-2021-2022.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 (Infomerics Valuation & Rating Private Limited) and also for their continued support and faith reposed in the Company by the Borrowers, all Bankers, Debenture holders, Trustees (Catalyst Trusteeship Limited) and others.

The Directors place on record their appreciation for the hard work, co-operation and dedication of all the employees of the company, especially during the difficult times of the pandemic

The Board would also like to express its sincere appreciation to the Company's RTA, Service Providers and Channel Partner 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>
10 August, 2022		

**Annexure – 1
TO THE DIRECTORS' REPORT**

SI. No.	Requirements	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2021-22.	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 2021-22. 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 2021-22.
IV	The number of permanent employees on the rolls of the Company.	There were 34 permanent employees on the rolls of the Company, as on March 31, 2022.
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 2021-22. (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, 2022

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	59	-	Chief Executive Officer & Company Secretary	4,435,143	F.C.S. & LLB	32	16.02.2004	Dewan Housing Finance Corporation Ltd.
Shri Vivek Kapoor	53	-	Chief Financial Officer	1,598,970	Graduate	30	12.08.2003	Ganpati Projects Limited
Shri Anup Kirtan	53	-	Deputy Chief Manager	1,529,331	I.C.W.A.	22	07.07.2003	Lovelock & Lewes Services (P) Ltd.
Shri Sarvesh Kumar	52	-	Assistant Chief Manager	1,274,274	Post Graduate	28	16.01.2004	SBI Home Finance
Shri K.D. Bhattacharya	49	-	Assistant Chief Manager	1,215,774	MBA	25	01.07.2003	Bengal Ambuja Housing Development Ltd.
Shri R.N. Singh	59	-	Senior Manager	997,143	B.Tech (Civil)	29	16.10.2006	Dewan Housing Finance Corporation Ltd.
Shri Sumit Basu	59	-	Deputy Senior Manager	895,167	Graduate	35	25.08.2004	Senbo Engineering Ltd.
Shri Arnab Chaudhury	52	-	Assistant Senior Manager	793,989	Graduate & PGD.C.A	23	05.11.2004	Bengal Ambuja Metro Development Ltd.
Shri Ranjan Saha	58	-	Manager	753,413	Graduate	29	10.05.2006	Senbo Engineering Ltd.
Shri Nasir Karim Shaikh	47	-	Deputy Manager	736,239	Graduate	23	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, Rules 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, 2022.

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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid 19 pandemic, I hereby report that, in my opinion, the Company, during the audit period covering the **financial year ended on March 31, 2022**, 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, 2022 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;
 - (f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
 - (vi) The following laws were specifically applicable to the Company vis-a-vis the nature of its business:-
 - (a) The National Housing Bank Act, 1987;
 - (b) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, effective from February 17, 2021 &
 - (c) Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.
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 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (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, 2021;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
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.
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.
7. I further report that, to the best of my understanding, the Company had not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.
8. This report is to be read with my letter of even date which is annexed as **Appendix-I** and forms an integral part of this report.

P V SUBRAMANIAN

Company Secretary in Whole-time Practice

ACS No.: 4585

CoP. No.: 2077

Form UDIN: A004585D000769921

PR No.: 1613/2021

Place : Kolkata

Date : August 10, 2022

Appendix-I

(To the Secretarial Audit Report to the Members of Sahara Housing Finance Corporation Limited for the financial year ended March 31, 2022)

To,
The Members,
Sahara Housing Finance Corporation Limited.

My Secretarial Audit Report for the financial year ended March 31, 2022 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.

Place : Kolkata
Date : August 10, 2022

P V SUBRAMANIAN
Company Secretary in Whole-time Practice
ACS No.: 4585
CoP. No.: 2077
Form UDIN: A004585D000769921
PR No.: 1613/2021



POLICY ON RELATED PARTY TRANSACTIONS

1. Introduction

The Companies Act, 2013 (the “Act”) and the rules framed thereunder as well as the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) contain detailed provisions relating to Related Party Transactions.

This Policy on Related Party Transactions (this “Policy”) has been framed as per the requirements of the Regulation 23 of Listing Regulations and is intended to ensure proper approval and reporting of the concerned transactions by the company with their related parties, as required under the Listing Regulations.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated November 9, 2021, this Policy has been amended and approved by the Board of Directors of the Company, based on the recommendation of the **Audit Committee, at its meeting held on May 28, 2022**. It is hereby clarified that the amendments introduced in the Listing Regulations that would come into force with effect from April 1, 2023 would be incorporated in this Policy as and when they become applicable

In accordance with the Listing Regulations, this Policy shall govern the Related Party Transactions by the Company to the extent applicable to them. This Policy shall be effective from April 1, 2022.

2. Purpose

The Regulation 23 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended (“Listing Regulations”) requires all listed companies 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. The regulation further requires that the audit committee of Company shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions. This Policy has been framed for complying with above requirement.

3. Definitions

- i. **“Act”** shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.
- ii. **“Arm’s length transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- iii. **“Associate Company”** shall mean “Associate Company” as defined in Section 2(6) of the Companies Act, 2013.
- iv. **“Board of Directors” or “Board”** means the Board of Directors of the Company, as constituted from time to time.
- v. **“Company”** means Sahara Housingfina Corporation Limited.
- vi. **“Director”** means a person as defined in Section 2(34) of the Companies Act, 2013.
- vii. **“Employees”** shall mean the employees and office-bearers of the Company, including but not limited to Directors.
- viii. **“Government Company”** shall mean “Government Company” as defined in Section 2 (45) of the Companies Act, 2013 read with related rules issued thereon.
- ix. **“Key Managerial Personnel”** shall mean “Key Managerial Personnel” as defined in Section 2 (51) of the Companies Act, 2013 read with related rules issued thereon
- x. **“Material Related Party Transaction”** In accordance with Regulation 23 of the Listing Regulations, w.e.f. April 01, 2022 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such other limit as may be specified in the applicable Regulation as amended from time to time.
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 five percent (or such other limit as may be specified in the applicable Regulation as amended from time to time) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- xi. **Material Modification** means increase in value of transactions approved by Audit Committee by 20%.
- xii. **“Office or Place of Profit” means any office or place**
- (i) where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
 - (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent free accommodation, or otherwise.”
- xiii. **“Ordinary Course of Business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association. The Audit Committee may lay down principles from time to time for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.
- xiv. **“Policy”** means Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions.
- xv. **“Relative”** shall mean **“relative”** as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under.
- xvi. **“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;
- (a) any person or entity forming a part of the promoter or promoter group of the Company; or
 - (b) any person or any entity, holding equity shares;
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more, with effect from April 1, 2023 in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party
- xvii. **“Related Party Transaction or transactions”** means a transaction involving a transfer of resources, services or obligations between;
- (i) a Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
 - (ii) a Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023;
- (a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The following corporate actions by the company which are uniformly applicable/offered to all shareholders in proportion to their shareholding;
 - (i) payment of dividend;
 - (ii) subdivision or consolidation of securities;
 - (iii) issuance of securities by way of a rights issue or a bonus issue; and
 - (iv) buy-back of securities.
 - (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:
- Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

4. Policy

- Procedure

A. Identification of Potential Related Party Transactions

For the purpose of identification of Potential Related Party Transactions, each Director and Key Managerial Personnel shall give notice of disclosure of interest on an annual basis and upon any subsequent modifications in the last disclosure provided. The Company shall ensure that no transaction is entered into with any Related Party without requisite approvals.

B. Review and approval of Related Party Transactions

1. Audit Committee approval

As per Regulation 23 of the Listing Regulations and Section 177 of the Companies Act, 2013, all the Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee whether at a meeting or by resolution by circulation or any other manner as provided by the Act or Rules made there under or Listing Regulations from time to time, subject to the following;

(a) Omnibus Audit Committee approval

- i) The Audit Committee may grant omnibus approval for Related Party Transactions provided it is satisfied that there is a need to grant such approval and the same is in the interest of the Company. Such approval may be granted by Audit Committee for the proposed transactions subject to the following;
 - a. Transactions are repetitive/frequent in nature;
 - b. Transactions are conducted at Arm's Length basis;
 - c. Transactions are in the ordinary course of business;
- ii) Such omnibus approval shall specify the following;
 - a. Name/s of the related party
 - b. Nature of transaction
 - c. Period of transaction
 - d. Maximum amount of transaction that can be entered into
 - e. The indicative base price/current contracted price and the formula for variation in the price if any and
 - f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations/amendments to these factors shall require a prior approval of the Audit Committee.

iii) Provided that where the need for related party transaction cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions, subject to their value not exceeding Rs. 1 Crore per transaction.

iv) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given. Further, such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of the same.

- **Board of Directors and Shareholders' approval: In accordance with Section 188 of the Companies Act, 2013**

In accordance with Section 188 of the Companies Act, 2013 and Listing Regulations, the Board of Directors and Shareholders of the Company shall accord prior approval for Related Party Transactions, subject to the following;

1. Board of Directors and Shareholders' approval in terms of Companies Act, 2013;

All Related Party Transactions which are either not on arm's length basis or not in the Ordinary Course of Business shall be recommended by the Audit Committee for the approval of the Board of Directors.

Provided the transactions as prescribed below shall be further recommended by the Board of Directors for the approval of the Shareholders of the Company by way of Ordinary Resolution, as provided under Section 188 of the Companies Act, 2013 read with related rules issued there under;

Transaction Covered	Transaction Value
Sale, Purchase or supply of any goods or materials directly or through appointment of agents*	Amounting to 10% or more of Turnover
Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents*	Amounting to 10% or more of Net Worth
Leasing of property of any kind*	Amounting to 10% or more of Turnover
Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration > Rs. 2.5 lakhs
Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company*	>1% of Net Worth

* *The limits shall apply for these transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.*

The concerned related party(ies) which are related to that transaction shall not vote to approve such relevant resolution.

2. Board of Directors and Shareholders' approval in terms of Listing Regulations;

The Listing Regulations require a Company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a resolution. The Company has fixed its materiality threshold at the level prescribed under Explanation to Regulation 23(1) the Listing Regulations (w.e.f. April 01, 2022 Provided that 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such other limit as may be specified in the applicable Regulation as amended from time to time). Accordingly, in terms of Regulation 23 of the Listing Regulations, all Material Related Party Transaction and subsequent material modifications as defined by the audit committee shall be recommended by the Board of Directors to the Shareholders for their approval by way of Ordinary Resolution.

No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

5. Exemption from obtaining approval in terms of the Listing Regulations

In terms of Regulation 23 of the Listing regulations, following transactions are exempted from the requirement of obtaining the Audit Committee/Board of Directors/ Shareholders approval;

- (i) Transactions entered into by Sahara Housingfina Corporation Limited with other Government Companies;
- (ii) Transactions entered into between Sahara Housingfina Corporation Limited and its wholly owned subsidiary (if any, though which is not applicable at this present juncture), whose accounts are consolidated with Sahara Housingfina Corporation Limited.
- (iii) Transactions entered into interse wholly-owned subsidiaries of Sahara Housingfina Corporation Limited, (if any, though which is not applicable at this present juncture), whose accounts are consolidated with Sahara Housingfina Corporation Limited.

However, an approval of Audit Committee and Board of Directors/ Shareholders (to the extent applicable), as the case may be, will be required for above listed transaction as per Section 177 and Section 188 of the Companies Act, 2013 read with the Rules made there under.

The Company shall avail exemptions grated under section 188, 177 of Companies Act, 2013 and/or the applicable provisions of The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time and after fulfilling conditions and requirements specified therein.

6. Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transactions, and shall evaluate all options available to the Company, including ratification



by it or recommending to the Board for their ratification or seeking approval of Shareholders, revision or termination of the Related Party Transactions.

7. Disclosers

- Particulars of contracts or arrangements with Related Parties referred to in sub Section(1) of Section 188 shall be disclosed in the Directors Report pursuant to any statutory requirement, if any
- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report. In addition to the above, the Company shall disclose related party transactions every six months to the Stock Exchanges within 15 days (w.e.f. April 01, 2022) from the date of publication of its standalone and consolidated financial results in the prescribed format, and simultaneously publish the same on its website. Provided further that the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.

8. Interpretation

- (a) Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made there under, SEBI Act or Rules and Regulations made there under Accounting Standards or any other relevant legislation / law applicable to the Company.

- (b) In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term /provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

9. Policy Review

This Policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013, Listing Regulations or any other regulations ("the Regulations") which makes any of the provisions in the Policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed and recommended by the Audit Committee at least once in every three years or as and when any changes are to be incorporated in the Policy due to change in the Regulations or as may be felt appropriate by the Audit Committee, whichever is earlier for approval of the Board of Directors. Any changes or modification on the Policy as recommended by the Audit Committee would be presented for review and approval of the Board of Directors.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

❖ Indian Real Estate Industry Report

The Indian real estate market is expected to register a CAGR of more than 15% during the period*.

The country's real estate market was affected by the COVID-19 pandemic. In addition, the residential sector was the worst hit as strict lockdown measures across major cities in India impacted housing sales as home registrations were suspended and home loan disbursement was slow. However, the sector is in a recovering phase due to an increase in house sales, new project launches, and increasing demand for new office and commercial spaces, etc.

However, real estate is the second largest sector in the country after agriculture in terms of providing employment opportunities. Moreover, the growth of the real estate market in the country is supported by increasing industrial activities, rapid urbanization, and improved income levels. This is further contributing to the economy of the country.

Furthermore, the government has initiated key policies for the development of the real estate sector, such as the Real Estate Regulatory Act (RERA) and the Benami Transactions Act. The government is also providing a boost to affordable housing construction, interest subsidy for home buyers, service tax exemption, Dividend Distribution Tax (DDT) exemption, PR for foreign investors, etc.

*Source: <https://www.mordorintelligence.com/industry-reports/real-estate-industry-in-india>

Key Market Trends

Residential Sector Witnessing Lucrative Growth

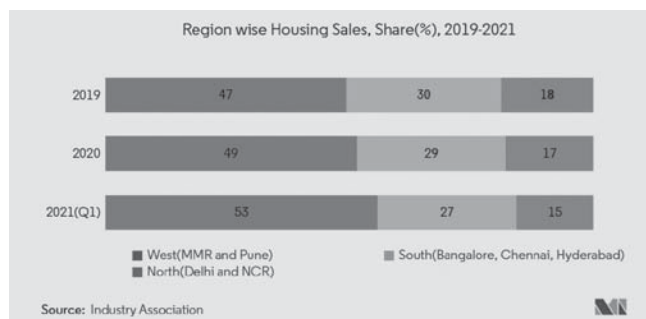
Major developers are focusing on affordable and mid-range housing units to meet increasing demand in the country. Moreover, the growth is driven by various factors such as rapid urbanization, a rise in the number of nuclear families, easy availability of home loans, etc.

In the first quarter of 2021, more than 58,300 units were sold, with Mumbai Metropolitan Region (MMR) and Pune holding more than a 53% share of sales. Cities in southern India, such as Bangalore, Hyderabad, and Chennai, contributed almost 27% of the sales in the residential sector, and the NCR region contributed more than 15% share of the sales.*

However, a greater number of new housing projects were launched, which outpaced the housing sales in the country. More than 62,000 housing units were launched in 2021 compared to 41,000 housing units in 2020. Meanwhile, Hyderabad recorded robust growth in the supply of new housing units, with 12,600 housing units in 2021 compared to 3,300 housing units in 2020. Also, Pune and Mumbai Metropolitan Region (MMR) saw significant growth rates of 75% and 40%, respectively.

*Source: <https://www.mordorintelligence.com/industry-reports/real-estate-industry-in-india>

Mumbai Metropolitan Region (MMR) plays a vital role in the development of the residential sector in terms of supply and absorption of housing units among major cities, and this demand is driven by stamp duty cuts, discounts, and reduced home loan rates. Furthermore, the sales share of the southern markets such as Bengaluru, Chennai, and Hyderabad remained consistent.



Increase in Office Space Absorption

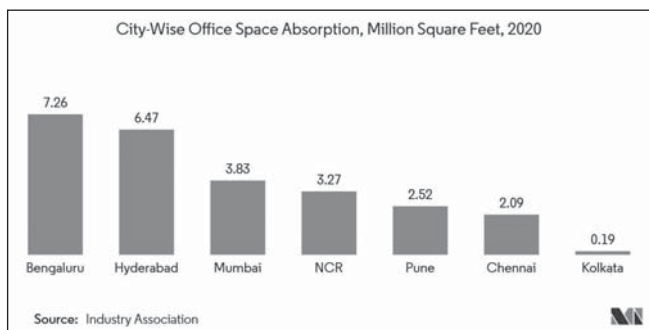
Many companies, including consultancies and those belonging to the BPM, IT, and Banking, Financial, and Insurance Services (BFIS) sectors, are generating huge demand for office space in the Indian real estate market due to high potential and relaxed FDI norms. In addition, Mumbai consulting firms contributed more than 36% demand for total office space leasing.

In addition, Bangalore is leading in India in terms of the highest volume of office absorption, with more than 7.26 million square feet, followed by Hyderabad. In New Delhi and the National Capital Region (NCR), most demand is contributed by Grade A offices' space absorption.

Furthermore, in 2021, the renewal of leasing activities was rising in the top six commercial real estate hubs, namely, Bengaluru, Mumbai, Pune, Chennai, Gurugram,

and Noida. More than 7,400 leases spanning approximately 90 million square feet area were to be renewed. Furthermore, Mumbai holds the highest share of more than 40% in leasing renewal activity, followed by Pune with a 17% share.

In 2020, various sectors announced plans for office space leasing, resulting in robust growth of office space absorption. For instance, the manufacturing sector accounted for 24% of office space leasing, followed by 3PL, e-commerce, and retail.



Recent Developments

In December 2021, Experion Developers announced plans to invest USD 350 million in the next two years to expand its business. The expansion is focused on the commercial and residential sectors in the country. Moreover, 70 to 80% of the investment is for residential sector development, while the company is also focusing on 3.5 lakh square feet of commercial development.

In September 2021, US realty firm Hines expanded in India by entering partnerships with three local developers and landowners. The company invested more than USD 400 million in equity for the development of projects across major cities. At present, Hines is developing seven projects, including three housing and four office projects in Gurugram, Mumbai, Bengaluru, and Pune.

Source: <https://www.mordorintelligence.com/industry-reports/real-estate-industry-in-india>

❖ Real Estate Investment Hits Record as Headwinds Emerge

Commercial real estate had its most active start to a year, as investors put pandemic restrictions behind them. At US\$292 billion, investment reached its highest first-quarter level on record in the first three months of 2022,

according to Jones Lang LaSalle Incorporated (JLL) data. The previous record for the first quarter of US\$225 billion was set in Q1 2018.

Behind the bumper figure was a resurgence in sectors that suffered during the depths of the COVID-19 pandemic. Offices, hotels and retail all saw quarterly investment figures rise year on year.

“There’s clearly now evidence of improved sentiment among investors towards those sectors as operational uncertainties diminish,” says Global Head of Capital Markets Research and Strategy at JLL.

However, while investment sentiment around real estate improved, it’s not without a sense of caution. Geopolitics, inflation and rising interest rates are combining to now create uncertainty in the market.

From monetary policy changes, to transport and trade bottlenecks and labor shortages - as well as the demand pressures created by companies looking to either near shore or reshore - the real estate sector has a lot to ponder at present.

Sectors back in favour

Some of the positive sentiment has come from a relative return to normalcy. After years of severe lockdowns, employees and companies have been eager to get back to the office amid the rise of hybrid working.

Such confidence saw a boost in office investment, with US\$81 billion invested globally in offices in the first quarter, the highest level since 2007, according to JLL.

“Investors are focused on identifying opportunities in sectors and we’re seeing office investment, for example, approach normalized levels, particularly in Europe,” Global Head of Capital Markets Research and Strategy at JLL says.

Similar confidence showed in the retail and hotel sectors. Global retail investment volumes were at US\$38 billion, nearly double from the year earlier, while hotel investment reached US\$16 billion, up 127% in the same period, according to JLL.

For offices, the global return to favor is largely thanks to improving occupier markets. Office leasing demand in the first quarter was 36% higher than in the same period in 2021 – and reached as high as 44% in the U.S.

“Technology companies continue to be a major driver of demand for office space, with the tech industry accounting for the largest share of space leased in the U.S. since the start of the year,” says Research Director in JLL’s Global Insight team. “Demand is at its highest for new or best-in-class space, so it’s clear that the flight to quality continues.”

That’s alongside continued investment in logistics and living sectors, which in the U.S. together drove half of investment activity in the first quarter. Within logistics, tight supply of new space is pushing rents higher, with annual rental growth now at 10% globally and in the U.S. and Europe reaching 16% and 11%, respectively.

“Despite record levels of new construction, new warehousing space can’t be completed fast enough to meet demand,” says Global Head of Capital Markets Research and Strategy at JLL. “That inability to keep up with demand puts vacancy levels in most major logistics markets below 5%.”

With dry powder now estimated to be at US\$388 billion, finding a home for capital will continue to be a challenge in 2022. An annual survey by real estate fund associations ANREV, INREV and NCREIF found that fundraising by real estate investment managers reached a pre-pandemic record high of €254 billion (US\$239.5 billion) globally last year.

While headwinds persist, such high levels of dry powder are reassuring, Global Head of Capital Markets Research and Strategy at JLL says.

“With many investment funds oversubscribed, where and how capital is deployed remains the critical discussion – but large, mature markets dominate and investors’ flight to diversification and quality continues,” Global Head of Capital Markets Research and Strategy at JLL says.

Source: <https://www.jll.co.in/en/trends-and-insights/investor/real-estate-investment-hits-record-as-headwinds-emerge>

❖ Indian Residential Real Estate—Highlights of 2021

The country entered the year 2021 with caution and anxiety as the pandemic was still raging across the world – and the situation in India was no different. 2020 had been a tough year for the Indian residential market as the 1st wave of the pandemic had brought everything to a standstill.

Nevertheless, all industries – including the real estate sector – emerged from the nationwide lockdown in 2020 with a valuable sense of resilience, damage-limiting skills and a new way of envisioning the business environment – especially in terms of technology adoption.

As such, confidence at the beginning of 2021 was high and real estate developers as well as brokerages were well-prepared to face any possible future disruptions.

In 2020, 1.28 lakh units* of new residential supply were added across the top 7 cities of India, while sales were clocked at 1.38 lakh units. From the previous peak of 2014, supply was down by 77% and sales were down by 60%. This large-scale decline indicated that the Indian Residential Market had bottomed out in 2020 and was likely to enter a long-term upcycle from 2021 onwards.

*Source: <https://www.constructionweekonline.in/people/indian-residential-real-estate-highlights-of-2021>

Situation in the year 2021

Reviewing the overall performance of the Indian residential real estate market in 2021 shows a definite upswing. Between Jan – Sep 2021, 1.63 lakh units of new residential supply were added across the top 7 Indian cities – 27% higher than 2020 full year supply – and 1.45 lakh units were sold – 5% higher than in the whole of 2020.

While this depicts a cumulative trend, the Indian residential real estate sector’s comeback after the 2nd wave in Q2 2021 was phenomenal, sharp V-shaped one.

A quick look:

*Q3 2021 supply – 64,500 units, 1.8X of Q2 2021

*Q3 2021 sales – 62,800 units, 2.6X of Q2 2021

The Indian real estate sector has transformed significantly during the past few years and the pandemic has accelerated the transformation.

The Key high points include:

- Digital adoption: In a mere 90 days, we have vaulted forward 10 years in consumer and business digital adoption. Real estate has become a digital-first sector.
- Range bound price increase: Unlike previously, developers now hike prices in a disciplined manner, primarily to compensate for increasing input costs.

They are cognizant of the fact that any unwarranted price hike will deter the demand cycle. Between Q3 2021 and Q3 2020, prices appreciated by a mere 3%.

- Majorly end-user-driven market: 80–85% of homebuyers are now end-users, and investors have more reasonable ROI expectations.
- Larger houses are in demand: In the past two years, demand has skewed towards homes large enough to accommodate the new WFH and e-schooling realities, and the average sizes of new unit launches have risen by 26%.
- Broad-based requirements: Along with apartments, a huge demand for plotted developments and villas led many developers to increase their focus on the non-apartment segment.

Luxury and ultra-luxury segment fared well as the net worth of the target group for luxury offerings was not severely impacted by the pandemic. These buyers proactively closed deals to take advantage of the market conditions (subdued demand, stamp duty reduction, developer discounts).

Villas, farmhouses and second homes were in demand as buyers looked to purchase properties that offered superior social distancing and lower infection risk in less populated, greener environs. Also, with WFH being the new normal, people could work from anywhere.

Peripheries witnessed increased traction with more than 60% launches in the further suburbs.

Accelerated Organization:

Structural reforms and policy changes have been ingrained into the Indian Real Estate Sector.

Consolidation – Nearly 1/3rd of the overall residential area today is sold by large listed and unlisted players. Only developers with adequate financial muscle, brand name, execution track record, and corporate governance will witness growth and success in the future.

Global funds' re-entry—e.g., 'Goldman Sachs' plan to return to Indian real estate with USD 2–3 Bn investment.

Perhaps the most important high point of 2021 for the Indian residential real estate market was that the business

did not come to a standstill despite the 2nd wave of the pandemic. This indicates that the steep learning curve induced over the last two pandemic years has led to superior business practices – and an overall stronger housing market.

In 2021, we witnessed a bull run not only in real estate stocks but also in the broader market. Ample liquidity targeted the stock markets on the back of satisfactory ROI expectations. The arrival of the Omicron strain towards the end of 2021 has slowed this movement to some extent; however, mid-to-long term prospects remain highly positive as COVID-19 has been reined in to a large extent in India, and most businesses are back on track.

Overall, real estate stocks boomed in 2021 as developers garnered good sales and were actively launching new projects. After the 1st wave, the real estate sector's recovery was pronounced and improved even further after the 2nd wave as the sector imbibed new learning's to overcome challenges.

In a visible consolidation mode, the sector now has large players commanding a significant share in overall housing sales. Housing demand remains high as Indians continue to spend considerable time at home due to WFH and remote working. Also, the macro conditions support home purchases with the interest rates on home loans are at a decadal low (starting at 6.5%) and the overall employment scenario looks secure enough to support long-term financial decisions.

The positivity around physical indicators such as new launches and sales is reflected in the stock markets.

The S&P BSE Realty Index (the broad indicator of real estate stock performance) was at 1,423 on 27th March 2020 (just after the announcement of the nationwide lockdown). On 1st Jan 2021, it was at 2,501 and as of mid-December 2021, it was at 4,028. The phenomenal momentum in the overall real estate market is clearly visible in the index movement.

The top listed and non-listed developers with good corporate governance practices, financial accountability, trust, and brand witnessed very good sales. There is a clear trend emerging wherein homebuyers are willing to pay a reasonable premium for the products being offered by the reputed players.

A few numbers;

- Brigade Enterprise's sales bookings grew by 59% to Rs 1310 cr in Apr-Sep 2021*
- Godrej Properties' sales bookings jumped 18% to Rs 3,072 cr in Apr-Sep 2021
- Prestige Group's Q2 FY22 sales bookings were up 88% Y-o-Y to Rs 2,112 cr
- Lodha sold properties worth Rs 3,000 cr in Apr-Sep 2021; on track to reach the Rs 9,000 cr target for FY22*
- Sobha achieved the best sales value of Rs 1,700 cr in Apr-Sep 2021*

*Source: <https://www.constructionweekonline.in/people/indian-residential-real-estate-highlights-of-2021>

With WFH and online schooling the new normal, there was a high demand for larger houses and as a result, mid-segment (units priced between Rs 40–80 lakh) and high-end (units priced between Rs 80 lakh-Rs 1.5 cr) did well. Altogether, around 65% of the supply between Jan-Sep 2021 came in these segments.

As per latest consumer sentiment survey, there was a clear rise in the preference for properties priced over Rs 90 lakh. During the 1st wave, 27% of the respondents preferred properties priced over Rs 90 lakh, which increased to 38% during the 2nd wave.

The luxury segment, which is a value-driven and not a volume game, also did well this year as the homebuyers of this segment looked to close deals at lucrative valuations.

The affordable housing segment, on the other hand, slowed down in 2021 because:

- Significant supply addition (Rs 1.7 lakh units) from 2019 till Q3 2021 (1/3rd of overall new launches). As a result, developers throttled back affordable housing supply to take stock of the situation and focus on execution rather than adding new projects.
- An affordable housing development is a long gestation, low margin – high volume business – and in the current market conditions, developers are looking at quick execution and exit.

- Covid-19 impacted the livelihoods of affordable segment homebuyers, causing demand to reduce.
- With the omicron variant not impacting India severely as the Delta strain and market conditions improving, the affordable housing segment will pick up again in the next few quarters. The government continues to remain focused on the affordable housing segment and is doing its best to spur demand through tax incentives to developers as well as buyers.

Outlook for the year 2022

The Indian residential real estate market seems to have embarked on a long-term upcycle, and 2022 is very likely to fare better than 2021. With covid-19 now having become a more accepted part of life and Indians getting used to the new normal, businesses are looking to expand. Compared to 2021, the residential real estate market in 2022 will see lower volatility.

Some Key Notable Trends:

- New supply and sales may reach 2019 levels by the next year i.e. 2022. Interest rates may start inching up from H2 2022.
- Prices may appreciate in the range of 5–10%
- The sector will get organized further and the share of the large players will increase – Grade A and organized developers will continue to dominate and capture more market share from smaller and unorganized players.
- Mid-end and high-end housing segments will continue to drive a majority of the demand.
- PE investments in the residential segment to rise further. The residential segment's share of PE investments has already increased to 22% during 1H FY22, from 14% during the same period last year.

Source: <https://www.constructionweekonline.in/people/indian-residential-real-estate-highlights-of-2021>

❖ Indian Affordable Housing: Post-Covid-19 Scenario

The pandemic brought with it a realisation of how important it is to own a house. Incentives such as home loans at historically low rates, stable prices and reduced stamp duty in certain states helped to translate the pent-up demand into sales. Although recovery continued at the

beginning of 2021, the second half of March witnessed a resurgence of Covid-19, Derailing the growth trajectory. However, residential sales were far more resilient as compared to the first wave.

The Government of India had launched “Housing for All by 2022” under its flagship mission Pradhan Mantri Awas Yojana (PMAY) in 2015. This scheme aims at providing affordable homes to the economically weaker section of society. Since the inception of the PMAY scheme, the affordable segment has been a major driver of residential real estate in India.

The definition of affordable homes varies from city to city. As per the latest orders, a 60 square metre house in a metropolitan city having value up to INR 45 lakh (around USD 60,000) will now be marked for affordable housing. The same limit has been revised to 90 square metres and a value of up to INR 45 lakh for non-metropolitan cities/towns. In H1 2021, residential launches in the affordable segment accounted for about 22% of the total launches in India. The southern cities of Bengaluru, Chennai and Hyderabad alone contributed to 59% of the affordable residential launches in India.

The factors that drove the demand for affordable housing primarily include an increase in the value of owning a home, stability of jobs and rising wages, reduction in home loan rates, and government policies and incentives. The pandemic fuelled the demand and importance of owning a house. The onset and resurgence of Covid-19 forced many organisations to reassess their real estate portfolio and move from a traditional office setup to a more flexible working environment such as work from home and hybrid working models. This led employees to spend a lot of time at home and became an aiding factor in increasing the trend of owning a house.

The impact of Covid-19 created stress in the stability of jobs in certain industries. However, the sectors that drive the affordable category such as IT/ITeS, manufacturing, healthcare and BFSI bounced back faster, and the hiring in these sectors remained healthy. The stability of jobs and rise in wages in these sectors will continue to drive the affordable market in the future.

Home loan rates are at an all-time low. Most banks are charging below 7% interest, and the trend is expected

to continue until the impact of Covid-19 is absorbed. Notably, home loan interest rates were more than 11% a couple of years back. The majority of homebuyers in the affordable category are dependent on institutional funding to buy a home. An all-time low interest rate coupled with the post-pandemic pent-up demand will aid this category to come back strongly into the property market.

The Government of India has been extending several benefits to boost the affordable segment in the country. Some of the benefits announced include granting infrastructure status to affordable homes, extension to construction timeline for affordable projects, reduction of GST from 8% to 1%, tax holidays to the developers of affordable housing projects and financial incentives to first-time home buyers.

The supportive government policies focused on affordable housing coupled with lower interest rates, attractive pricing and incentives offered by developers are likely to drive the demand for affordable homes in India post-pandemic. This will revive the residential segment and turn the dream of owning a house into a reality for everyone.

Source: <https://www.jll.co.in/en/trends-and-insights/research/indian-affordable-housing-postcovid-19-scenario>

❖ India's Housing Demand & Housing Finance Market Growth

We have witnessed subdued demand for high-priced homes in metros and faster growth in smaller districts in the recent past, and it resulted in a higher share of smaller districts in overall home loans over the past few years. According to the CRISIL (NS:CRSL) study, the top 50 districts in India accounted for 72% of the housing demand in fiscal 2019. The last two years (2019 and 2020) have mainly seen vivid growth in the share of smaller districts in the home loan disbursements, and this trend is anticipated to continue in the future, according to CRISIL.

During fiscal 2014 to 2019, the home loan market grew at 18% CAGR. In that market, the contribution of high-priced housing jumped from 44% in fiscal 2015 to 54% in fiscal 2019. Higher project launches in the high-priced housing segment led to the growth in contribution. Note that the market share of the high-priced housing segment

is increasing, albeit slowly, in volume terms. However, the low-priced housing segment (less than Rs 25 lacs) still holds more than 80% of the market share.

In June 2015, the Government of India launched an affordable housing initiative-Pradhan Mantri Awas Yojana–Urban (PMAY-U) that promises houses for all by 2022. Under the scheme, Government gives incentives to builders to construct affordable homes for the poor. During the fiscals 2020 to 2024, the overall residential construction is expected to rise at 6%-7% CAGR over the next three years, in value terms. It will be noteworthy compared to a negative growth of 1.5% in the last five years if it happens. According to the Twelfth Five Year Plan projections, India's urban segment witnessed a shortage of 18.78 million houses. Our country is shifting towards increased nuclearization leading to smaller family sizes. Note that housing demand has a direct relationship with an individual's yearly income and affordability of homes. Stagnant real estate prices and rising incomes led to better availability of affordable homes. However, the prices of houses are still exorbitantly high in some parts of India.

The Indian housing finance market witnessed a decent rise in home loan outstanding of 16% during fiscals 2015 to 2020. It was primarily due to higher disposable income, robust demand and a more significant number of competitors entering the vertical. In fiscal 2020, total housing loan outstanding remained at Rs 20.4 trillion. Housing loan outstanding growth plummeted in fiscals 2019 and 2020 due to the Housing Finance companies' slow growth (or HFCs.) The pandemic-induced nationwide lockdown had a tremendous impact on the overall construction activity. The return of 80% construction workforce of migrant laborers to their villages further aggravated the problems. Shrinking job prospectus coupled with limited income growth negatively impacted demand from end-buyers, primarily self-employed borrowers.

Market Share of Lenders in Housing Finance

Various players operating in the housing finance market include public sector banks (or PSBs), housing finance companies (or HFCs), new private sector banks, old private sector banks, and other lenders based on housing loan outstanding and housing loan disbursement. PSBs and HFCs accounted for 40% and 39% of the market

share based on the housing loan outstanding in FY2019. Over the last few years, the share of housing finance companies has expanded, whereas the same has contracted for public sector banks in the market based on housing loans outstanding. When measured in market share based on housing loan disbursement, PSBs' share was 37%, while for housing finance companies, the same was 41% in FY2019. For both major players, the share remained more or less the same over the past couple of years. Although PSBs lead in value terms, HFCs enjoy the highest market share in terms of volume compared with other lenders.

The home loan market is concentrated in the top 15 states, which accounted for 93% of the loan outstanding at the end of March 2019. With an overall share of 23%, Maharashtra tops the list, followed by Karnataka (10%), Tamil Nadu (NS:TNNP) (9%), Gujarat (8%), and Telangana (6%). The top four states account for slightly more than 50% of the home loans outstanding.

Housing Finance-Growth Drivers

Higher affordability, increased transparency, growing urbanization, and government incentives should drive the housing finance market's growth over the next five years. You should note that the urban population's share in the total population has consistently increased over the years. From 17% in 1951, it has risen to 35% in 2021. Demography-wise, we have one of the highest young populations globally, with a median age of 28 years. 90% of Indians were below the age of 60 by the end of 2020, of which around 63% were between 15 and 59 years. Nuclearization means a shift from a joint family to a small family. Nuclearization in urban areas is also driving the housing demand in India and, in turn, home finance.

Changing lifestyles, the rise of individual consciousness, social attitudes, and increased labor mobility have also pushed housing demand across the country. These trends are expected to continue in the future. Income growth gives rise to a tendency to shift to bigger houses. Higher demand for separate homes, young-age housing loan borrowers, government Initiatives of affordable housing, and interest subsidies under PMAY should keep pushing housing finance demand is going ahead.

Source: <https://in.investing.com/analysis/a-dive-into-indias-housing-finance-market-200497073>



❖ Risk Management

The Company has a risk management framework with overall governance and oversight by the Risk Management Committee, the Audit Committee and the Board of Directors. The Company recognises that risk management entails a combination of both, a bottom-up and a larger strategic overview of all functions across the company. Some of the risk scenarios identified during the year are given below;

★ People Risk

In light of the pandemic, the health and well being of the company's employees, borrowers, channel partner, shareholders and all other stakeholders is paramount.

❖ Credit Risk in the Construction Finance Portfolio

Delays in construction owing to the current environment could result in slower sales and possible delays in loan repayments.

❖ Credit Risk in Individual Loans

A substantial reduction in salary or job losses may lead to increased stress on the retail portfolio.

❖ Regulatory Risks

As HFCs transit to the new regulatory framework, there could be risks arising from varying interpretations of the regulatory framework and accounting standards.

❖ Interest Rate Risk - Variable

In view of the financial nature of the assets and liabilities of the company, changes in market interest rates can adversely affect its financial condition. The fluctuations in interest rates can be due to internal and external factors. Internal factors include the composition of assets and liabilities across maturities, existing rates and repricing of various sources of borrowings.

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.

Asset Liability Management (ALM)

Assets and liabilities are classified on the basis of their contracted maturities. However, the estimates based on past trends in respect of prepayment of loans and renewal of liabilities which are in accordance with the ALM guidelines issued by the regulator have not been taken into consideration while classifying the assets and liabilities under the Schedule III to the Companies Act, 2013.

The ALM position of the company is based on the maturity buckets as per the regulatory guidelines. In computing the information, certain estimates, assumptions and adjustments have been made by the management. The ALM is mentioned in Notes to Accounts in this Annual Report.

❖ 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, prescribed under Section 139 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) rules, 2015 as amended does not apply to your Company since revenues are derived mainly from 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 Channel Partner 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 matching with regulatory norms and guidance, 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 11.49 per cent p.a. as compared to 11.51 per cent p.a. in the previous year. The average all-inclusive cost

of funds was 6.39 per cent p.a. as on March, 31, 2022. The spread on loans over the cost of borrowings for the year was 5.10 per cent p.a. as against 5.18 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 34 Employees as on March 31, 2022, 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, 2022 was ₹ 269.37 lacs.

❖ Key Ratios

Sl. No.	Particulars	2021-22	2020-21
1	CRAR (%)	91.10	86.98
2	Net Owned Fund (Rs in Lakh)	4641.65	4453.40
3	Operating Profit Margin (%) #	17.21	19.20
4	Net Profit Margin (%)	14.09	15.59
5	Return on Equity (%)	3.85	4.70
6	Leveraging of NOF (Times)	1.29	1.42

Operating Profit= Profit before tax - Other Income

❖ Business Outlook

Company is constantly reassessing the current scenario and is adopting increased caution while funding projects and is considering the existing borrowers with credible repayment track record and cash flows before taking new exposure on them. More emphasis is being placed on the security value and manner of valuation in order to ensure that there is no dilution of security.

Company has also laid increased emphasis in strengthening its recovery mechanism and is having a focused approach to ensure its existing portfolio is intact. The Company is

focusing on sourcing retail loans of moderate ticket size with large volumes in order to mitigate the risks and is constantly modifying its product mix.

❖ Indian Accounting Standards (Ind AS)

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

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, 2022 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 (₹) and all values are rounded to the nearest Lakh except when otherwise stated.

❖ Conclusion (with caution)

We wish you all the best for the journey of excellence. We will remain true to our mission of enabling growth and progress and will continue to be true to our values as we serve our clients. As we have shown in FY 2021, our targets are achievable and we are committed to continue making steady progress towards them every day throughout FY 2022.

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. 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

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in housing finance business ethics, its accountability to the customers, regulators and stakeholders. The company's housing finance business is carried out in accordance with quality corporate practices and the company is constantly motivated to improve these practices by adopting best practices. The company believes that governance practices enable the management to control the affairs of the company in an efficient manner and to achieve the company's goal of maximizing value for all its stakeholders. The company will continue to focus its resources, strengths and strategies while keeping the core values i.e. transparency, integrity, honesty and accountability, which are fundamentals of the company.

The Company has complied with the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the corporate governance provisions as mentioned under the Chapter IX of Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

Details of the Board of Directors in terms of their directorships/memberships in committees of other 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	04	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, 2022.
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, 2022, 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 4 times. The meetings were held on June 30, 2021, August 13, 2021, November 13, 2021 and February 14, 2022 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 2021-2022;

Name of Director	No. of Board Meeting Attended (Total Meetings Held : 4)	Whether Attended Last AGM
Shri Brijendra Sahay	4	Yes
Smt. Anshu Roy	4	Yes
Shri Awdhesh Kumar Srivastava	4	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 2021-22. 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 2021-22

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	40,000	40,000	80,000

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

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on March 31, 2022, 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 Audit Committee met four times during the year under review on June 30, 2021, August 13, 2021, November 13, 2021 and February 14, 2022. 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	4
Smt. Anshu Roy	4
Shri Awdhesh Kumar Srivastava	4

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 Relationship Committee comprises of 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 three times during the year on August 13, 2021, November 13, 2021 and February 14, 2022. 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	3

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 and Compliance Officer

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 2021-22

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, 2022, there were no such pending / unresolved complaints.

Nomination and Remuneration Committee

As on March 31, 2022, 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 on August 13, 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 14, 2022 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 14, 2022. Based on the said evaluation, the Nomination and Remuneration Committee made recommendations for the appointment / re-appointment of the Directors.

Criteria for evaluation of Board and its Committees

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

Criteria for evaluation of Individual Directors

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

Details of Remuneration Including Commission and Other Payments to the Directors

Directors - Executive

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

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)
November 13, 2021	Yes	Yes	Yes	Yes	Yes

Finance & Management Committee

The composition of the Finance & Management Committee is;

Director/Member	Designation
Shri Brijendra Sahay	Chairman (Independent Director)
Smt. Anshu Roy	Independent Director
Shri Awdhesh Kumar Srivastava*	Non-Independent Director
Shri D J Bagchi	CEO & Company Secretary
Shri Vivek Kapoor	CFO

* Inducted w.e.f. November 13, 2021

Directors – Non-Executive

Presently, the non-executive Directors in the Company are only paid sitting fee of ₹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.

The Finance & Management Committee met one time during the financial year, the meeting date was February 14, 2022.

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 14, 2022 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/misc/SHCL_Related_Party_Transaction_Policy_Amended_28-May-2022.pdf

During the year under review there were no material transactions of the Company with any of its related parties. Therefore, the disclosure of Related Party Transactions as required under Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, Form AOC-2 is not applicable to the Company for financial year 2021-22 and hence the same is not provided.

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 levy of fine by National Housing Bank (NHB) for ₹ 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 (ii) a pecuniary stricture by BSE for ₹ 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 2021-22, the Company has complied with all mandatory requirements as specified in the SEBI Listing Regulations. The Company has adopted the below specified non-mandatory requirements in terms of Regulation 27(1) of SEBI Listing Regulations:

1. The Board

The Chairman of the Board is elected at the respective Board Meetings among the Directors present. The Company has no executive 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/SHCLFamiliarizationPolicyforIndependentDirectors.pdf>

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 http://www.saharahousingfina.com/misc/6_SHCL_Insider_Trading_Revised_13-Dec-2019.pdf

3. 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/misc/SHCL_Code_of_Conduct_Revised_13-Dec-2019.pdf

4. 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.

5. Secretarial Audit for Financial Year 2021-22

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, 2022, 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.

6. Auditors Certificate on Corporate Governance

Shri P V Subramanian, Practicing whole time Company Secretary (ACS no. 4585 / CoP: 2077) , 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.

7. 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	57,500
d) For reimbursement of expenses	92,100
Total	249,600

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.

VII. Details of Previous three General Body Meetings

Year	Date & Time	Location	Special resolution(s) passed
30th AGM	September 29, 2021 11.30 A.M	Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")	Special Resolution passed appointing Shri D J Bagchi, CEO as Manager u/sec. 196, 197, 198 and 203 of Companies Act 2013, for a period of three years.
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 33rd AGM.

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

Postal Ballot

No Postal Ballot of Shareholders was held during the year.

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".



VIII. General Shareholder Information

Financial Year	April 01 – March 31
Financial Reporting Calendar: 2022-2023 (Tentative)	<ul style="list-style-type: none"> • First Quarter Results Jul/ Aug 14, 2022 • Second Quarter Results Oct/Nov 14, 2022 • Third Quarter Results Jan/Feb 14, 2023 • Annual Results May 30, 2023
Listing on Stock Exchanges	BSE Limited Phiroze Jeejebhoy Towers Dalal Street, Fort, Mumbai- 400 001 [Annual Listing Fee for the year 2022-23 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
Registered & Corporate Office Address	Registered Office & Corporate Office 46 Dr. Sundari Mohan Avenue 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 31st AGM and forming part of the Annual Report.

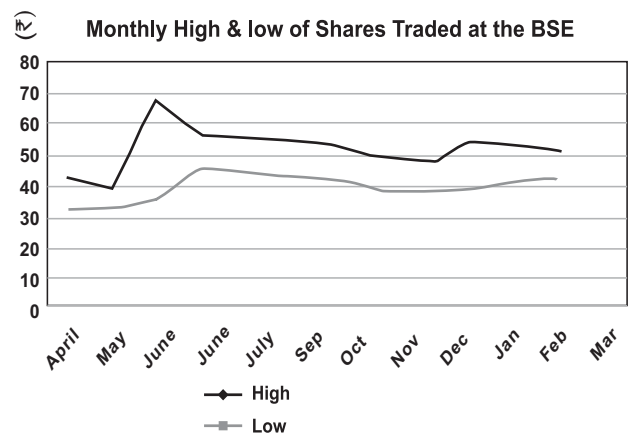
• Market (BSE) Price Data

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)	
2021	April	41.10	32.10	17155	
	May	39.50	32.30	26951	
	June	68.30	35.05	139567	
	July	55.90	45.70	65822	
	August	54.95	43.85	36037	
	September	53.95	43.05	20425	
	October	53.00	41.70	41714	
	November	48.95	38.75	20649	
	December	47.45	38.10	50830	
	2022	January	54.75	39.25	91995
		February	53.80	40.75	37606
		March	52.00	42.10	49737

YEAR HIGH: ₹ 68.30 YEAR LOW: ₹ 32.10 (Source: www.bseindia.com)

IX. Monthly High & low of Shares Traded on the BSE during the Financial Year 2021 -22



X. Shareholding Pattern as on March 31, 2022

No. of Ordinary Shares Held	No. of Shareholders	No. of Shares	Percentage (%)
PROMOTERS:			
Indian Promoters:			
– Sahara Prime City Limited	1	29,40,000	42.00
– 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	48	750702	10.72
NBFCs registered with RBI	–	–	–
Indian Public	6106	1246090	17.80
NRIs / NRNs	18	6576	00.09
Clearing Member	6	2045	00.04
Foreign Institutional Investors	–	–	–
Total	6178	20,05,413	28.65
Grand Total	6181*	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, 2022

HOLDING	SHAREHOLDERS		SHARES	
	NUMBER	%	TOTAL SHARES	%
001 – 500	7170	95.38	430539	6.15
501 – 1000	192	2.55	156849	2.24
1001 – 2000	78	1.04	121440	1.73
2001 – 3000	33	0.44	85350	1.22
3001 – 4000	5	0.07	17028	0.24
4001 – 5000	6	0.08	27288	0.39
5001 – 10000	14	0.19	97031	1.39
10001 And Above	19	0.25	6064475	86.64
TOTAL	7517	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 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. Therefore, all the Shareholders holding their securities in physical form must dematerialize their securities in order to execute any transfer of securities.



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 systems in India – NSDL (National Securities Depositories Limited) and CDSL (Central Depository Services India Limited). As on March 31, 2022

a total of 67,92,317 shares of the Company, which forms 97.04% 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, 2022, the Company does not have any Subsidiary Company.

ii. Unlisted Debt Securities

Unlisted Secured Non-Convertible Debenture aggregating to ₹ 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 ₹ 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, Andheri (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, 2022, 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 42 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 32 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.	Non-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 March 31, 2022 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: A004585D000769855
PR No.: 1613/2021

Kolkata
Date : August 10, 2022

**CERTIFICATE REGARDING COMPLIANCE
OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members Sahara Housingfina Corporation Limited

I have examined the compliance of conditions of Corporate Governance by **Sahara Housingfina Corporation Limited** (“the Company”) for the year ended on March 31, 2022 as stipulated in Regulations 17 to 27, and clauses (b) to (i) and (t) of sub regulation (2) of Regulation 46 para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI Listing Regulations”].

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof as adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations to the extent applicable to the Company for the year ended on on March 31, 2022.

I further state that such compliance 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: A004585D000769932
PR No.: 1613/2021

Place: Kolkata
Date: August 10, 2022

**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 2021-22.

Place: Kolkata
Date : May 28, 2022

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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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, 2022 and its profit, total comprehensive income, cash flows and the 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 thereunder 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 opinion.

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, 2022. 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 our audit
Impairment of loans (Expected Credit Loss)	
<p>In case of the Company, the loans to the customers form a major portion of its assets. As per Indian Accounting Standard (Ind AS) 109 – Financial Instruments, the Company is required to provide for impairment loss on its loan assets using the Expected Credit Loss (ECL) approach. The calculation of impairment loss or ECL involves an estimation of probability of weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, forward looking analysis to the extent possible and other factors which could impact the credit quality of the Company’s loan assets.</p> <p>In the process of calculation of ECL, a significant degree of judgement and estimates are applied by the management for:</p> <ul style="list-style-type: none"> • Grouping of borrowers • Staging of loans • Determination of exposure at default • Calculation of probability of default/loss given default • Consideration of probability weighted scenarios and forward looking macro-economic factors <p>The application of ECL model requires several data inputs which increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. The model being based on various uncertain variables,</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated appropriateness of the impairment principles used by management based on the requirements of Ind AS 109. • Assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment loss. • Evaluated management’s controls over collection of relevant information used for determining estimates for management overlays. • Test checked the calculations of determining the Exposure at default. • Performed substantive procedures over validating completeness and correctness of the data. • Tested assumptions used by the management in determining the overlay for macro-economic and other factors. • Performed cut off procedures on a sample basis relating to the recoveries at year end that would impact staging of loans.

<p>the actual credit loss may be different than that being estimated.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of ECL to the financial statements, it is considered a key audit matter.</p> <p>The Company's disclosures are included in Notes 2.4.5 and 5 to the financial statements, which outline the accounting policy for loans and ECL and details of loans and ECL.</p>	<ul style="list-style-type: none"> • Tested the arithmetical accuracy of computation of ECL provision. • Obtained management representations wherever considered necessary. • Evaluated the disclosures made in the financial statements in respect of ECL.
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Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for preparation of the other information. The other information comprises the information included in the Board's Report and its annexures, 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 are 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable to the Company, 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.

The 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 controls.
- 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 with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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 to the Company, 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, 2022 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.

Other Matter

We draw attention to Note 38.1 to the financial statements in which the Company describes the uncertainties arising from the Covid-19 pandemic. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 to the Company.
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 Flows 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, as applicable to the Company;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls with reference to these financial statements 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 under 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 by the Company during the year is in accordance with the provisions of Section 197 read with Schedule V 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 litigations on its financial position in the financial statements – Refer Note 36.1 to the financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses if any, on long term contracts. The Company did not have any derivative contracts.
- iii. There was no amount outstanding as at March 31, 2022 which was required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management of the Company has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from the borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any person or entity including foreign entity (“intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management of the Company has represented that, to the best of their knowledge

- and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Party”) with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us on the Company, nothing has come to our notice that has caused us to believe that the representations under sub-Clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend for/during the year.

New Delhi
May 28, 2022

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

LAXMI NARAIN JAIN
Partner
Membership No. 072579
UDIN – 22072579AJUOFK3756

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 to the members of **Sahara Housingfina Corporation Limited** on the Financial Statements for the year ended March 31,2022)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use assets. The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, the Property, plant and equipment (including Right of Use assets) have been physically verified by the management during the year and no material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than the properties where the Company is the lessee and the lease agreement is duly executed in favour of the Company) are held in the name of the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The Company does not have any inventory. Accordingly, the clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been sanctioned working capital limit in excess of Rs. 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, the clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company being a Non-Banking Finance Company (‘NBFC’) and having principal business of Housing Finance,
 - (a) the clause 3(iii)(a) of the Order is not applicable to the Company.
 - (b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of loans and advances in the nature of loans, prima facie, are not prejudicial to the Company’s interest. There are no guarantees provided or security given by the Company during the year.
 - (c) In respect of the loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts have been regular as per stipulations except in case of 342 loan accounts having outstanding balances aggregating to ₹ 2303.78 lakhs as at March 31, 2022 wherein the repayments of principal and payments of interest are not regular as disclosed by the management in Note 5.2 to the financial statements. Having regard to the nature of the Company’s business and the volume of information involved, it is not practicable to provide an itemised list of the irregular cases.
 - (d) In respect of the loans and advances in the nature of loans granted by the Company, the amount overdue for more than 90 days outstanding as at March 31, 2022 aggregate to ₹ 537.19 lakhs. In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the overdue principal and interest amount.
 - (e) The clause 3(iii)(e) of the Order is not applicable to the Company.
 - (f) In our opinion and according to the information and explanations given to us, the Company has not granted during the year any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (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 to loans, investments, guarantees and security, as applicable.
- (v) In our opinion and according to the information and explanations given to us, during the year the Company has not accepted any deposits or amounts which are deemed to be deposits from the public on which the directives issued by the Reserve Bank of India or the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules made thereunder are applicable.
- (vi) According to the information and explanations given to us,

the maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company.

(vii) In our opinion and 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 Goods and service tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other statutory dues applicable to the Company with the appropriate authorities. There were no undisputed amounts payable in respect of statutory dues outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub-clause (a) above, 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) According to the information and explanations given to us and on the basis of the records examined by us, the Company does not have any transactions not recorded in the books of account but surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.

(ix) In our opinion and according to the information and explanations given to us and on the basis of the records of the Company examined by us,

(a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) the Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) the Company has not raised any money from the term loan during the year. Accordingly, the clause 3 (ix)(c) of the Order is not applicable to the Company.

(d) there are no transactions of funds raised by the Company on short term basis and utilized, prima facie, for long term purposes during the year.

(e) the Company does not have any subsidiary or associate or joint venture during the year. Accordingly, the clause 3(ix)(e) of the Order is not applicable to the Company.

(f) the Company does not have any subsidiary or joint venture or associate company during the year. Accordingly, the clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) In our opinion and 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) during the year. Accordingly, the clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) during the year. Accordingly, the clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) 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 has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under Section 143(12) of the Act has been filed in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, no whistle blower complaint has been received by the Company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of the records examined by us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) During the course of our audit, we have considered the reports of the Internal Auditor issued for the period under audit.

(xv) In our opinion and according to the information and explanations given to us and on the basis of the records



examined by us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year.

- (xvi) (a) In our opinion and 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. Accordingly, the clause 3(xvi) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company is a Housing Finance Company registered with the National Housing Bank under the provisions of the National Housing Bank Act, 1987 for conducting housing finance business and is not required to obtain a separate Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 to conduct the Non-Banking Financial activities.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given to us, there is no Core Investment Company within the Group.
- (xvii) The Company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, the clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of examination of the financial ratios, ageing and expected dates of realization of financial

assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within the period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, the Company was not required to spend any amount on Corporate Social Responsibility (CSR) related activities during the year under review in terms of the provisions of Section 135 of the Act. Accordingly, the clause 3(xx) of the Order is not applicable to the Company.
- (xxi) Reporting under the clause 3(xxi) of the Order is not applicable to the standalone financial statements of the Company.

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

LAXMI NARAIN JAIN
Partner
Membership No. 072579
UDIN – 22072579AJUOFK3756

New Delhi
May 28, 2022

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 to the members of **Sahara Housingfina Corporation Limited** on the Financial Statements for the year ended March 31, 2022)

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, 2022 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 (‘the 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 Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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, 2022, 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 – 22072579AJUOFK3756

New Delhi
May 28, 2022



Sahara Housingfina Corporation Limited

CIN:L18100WB1991PLC099782

Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial Assets			
Cash and Cash Equivalents	3	390.12	504.34
Bank Balances other than Cash and Cash Equivalents	4	1672.77	1528.24
Loans	5	8576.77	8765.53
Investments	6	2.07	1.82
Other Financial Assets	7	17.39	16.92
Total Financial Assets		10659.12	10816.85
Non-Financial Assets			
Current Tax Assets (Net)	8	43.46	24.39
Deferred Tax Assets (Net)	9	149.76	130.69
Property, Plant and Equipment	10	71.96	78.91
Right of Use Assets	10	92.01	116.47
Intangible Assets	10	0.72	0.62
Other Non-Financial Assets	11	46.59	36.59
Total Non-Financial Assets		404.50	387.67
TOTAL ASSETS		11063.62	11204.52
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
- Trade Payables	12		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		3.11	7.10
Debt Securities	13	3000.00	3000.00
Borrowings (Other than Debt Securities)	14	2970.57	3262.96
Other Financial Liabilities	15	176.19	138.15
Total Financial Liabilities		6149.87	6408.21
Non-Financial Liabilities			
Provisions	16	13.55	14.58
Other Non-Financial Liabilities	17	16.06	80.55
Total Non-Financial Liabilities		29.61	95.13
EQUITY			
Equity Share Capital	18	700.00	700.00
Other Equity	19	4184.14	4001.18
		4884.14	4701.18
TOTAL LIABILITIES AND EQUITY		11063.62	11204.52
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
May 28, 2022

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
May 28, 2022

Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue From Operations			
Interest Income	20	1234.35	1264.38
Net gain on fair value changes	21	0.25	1.02
Other Operating revenue	22	5.43	5.03
Total Revenue from Operations		1240.03	1270.43
Other Income	23	26.97	71.48
Total Income		1267.00	1341.91
EXPENSES			
Finance costs	24	487.72	515.19
Net loss on derecognition of financial instruments measured at amortised cost	25	4.91	14.78
Impairment on financial instruments	26	69.57	56.40
Employee benefit expenses	27	299.24	303.84
Depreciation and amortization	28	48.93	52.16
Other expenses	29	138.61	141.95
Total Expenses		1048.98	1084.32
Profit before exceptional items and tax		218.02	257.59
Exceptional Items		-	-
Profit before tax		218.02	257.59
Tax expense			
- Current Tax	30	61.62	63.31
- Deferred Tax	30	(20.57)	(16.13)
- Income Tax related to earlier year	30	(1.52)	1.16
Profit for the year		178.49	209.25
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		5.97	4.21
(ii) Income tax relating to items that will not be reclassified to profit or loss	9	(1.50)	(1.06)
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)		4.47	3.15
Total Comprehensive Income		182.96	212.40
Earnings Per Equity Share (Face value ₹ 10/- per share)			
Basic (₹)	40	2.55	2.99
Diluted (₹)	40	2.55	2.99
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
May 28, 2022

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
May 28, 2022



Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

Statement of Cash Flow for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A. Cash flow from Operating Activities		
Profit before tax	218.02	257.59
Adjustment for :		
Net loss/(gain) on Fair Value changes	(0.25)	(1.02)
Finance costs	487.72	515.19
Net loss/(gain) on Fair valuation of Financial Instruments	(0.87)	(1.05)
Amortised Interest reversed	(26.04)	(70.20)
Balance written off	-	12.50
Gain on modification of Lease	-	(0.18)
Net loss on derecognition of Financial Instruments measured at amortised cost	4.91	14.78
Depreciation and amortization	48.93	52.16
Profit on disposal of Property, Plant and Equipment	-	(0.04)
Impairment on financial instruments	69.57	56.40
Operating profit before working capital changes	801.99	836.13
Adjustment for :		
(Increase)/decrease in Other Receivables	-	9.03
Increase/(decrease) in Trade Payable and other Financial Liabilities	56.59	(3.66)
Increase/(decrease) in Provisions	4.94	2.56
Increase/(decrease) in other Non-Financial Liabilities	(3.98)	(39.20)
(Increase)/decrease in Bank Balances other than Cash and Cash Equivalents	(144.53)	(306.72)
(Increase)/decrease in other Non-Financial Assets	(10.00)	4.72
(Increase)/decrease in Other Financial Assets	-	1.63
(Increase)/decrease in Loans	119.19	1003.12
Cash generated from operations before adjustments for interest and taxes paid	824.20	1507.61
Interest paid	(446.33)	(753.85)
Direct Taxes paid (Net)	(79.17)	(67.89)
Net cash generated from operating activities (A)	298.70	685.87
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment and intangible assets	(3.23)	(0.66)
Proceeds from sale of property, plant and equipment	-	0.04
Net cash (used in) investing activities (B)	(3.23)	(0.62)
C. Cash Flow from Financing Activities		
Repayment of Borrowings (Other than Debt Securities)	(361.65)	(1000.00)
Payment of Lease liabilities	(48.04)	(48.10)
Net cash (used in) financing activities (C)	(409.69)	(1048.10)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(114.22)	(362.85)
Cash and cash equivalents at the beginning of the year	504.34	867.19
Cash and cash equivalents at the end of the year	390.12	504.34



Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

Statement of Cash Flow for the year ended March 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Components of cash and cash equivalents		
Cash on hand	-	2.49
Balances with banks		
- on current accounts	88.84	175.04
Fixed Deposit with banks having original maturity less than 90 days	301.28	326.81
Total cash and cash equivalents	390.12	504.34

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
May 28, 2022

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
May 28, 2022



Sahara Housingfina Corporation Limited

CIN:L18100WB1991PLC099782

Statement of Changes in Equity for the year ended March 31, 2022

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, 2020	7,000,000	700.00
Changes in Equity Share Capital	-	-
As at March 31, 2021	7,000,000	700.00
Changes in Equity Share Capital	-	-
As at March 31, 2022	7,000,000	700.00

b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other item of other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Special Reserve	Retained Earnings		
As at April 1, 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
Profit for the year	-	-	-	-	178.49	-	178.49
Transfer during the year	-	-	-	55.13	(55.13)	-	-
Remeasurement of the defined benefits plan (net)	-	-	-	-	-	4.47	4.47
As at March 31, 2022	1.52	500.00	5.02	1268.18	2400.91	8.51	4184.14

(Refer Note 19 also)

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
May 28, 2022

FOR AND ON BEHALF OF THE BOARD

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Kolkata
May 28, 2022

Sahara Housingfina Corporation Limited
CIN:L18100WB1991PLC099782

Notes forming part of the financial statements for the year ended March 31, 2022

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 and Significant Accounting Policies

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/Directions 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 May 28, 2022.

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, 2022

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 statement of profit and 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, 2022

3 Impairment of Assets other than Financial Assets

The Company assesses at each Balance Sheet date whether there is any indication that carrying amount of Assets (Property, Plant and E quipment, Intangible Assets etc) 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 the recoverable 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 Recognition and Initial Measurement

All financial assets and liabilities, with the exception of loans and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.



Notes forming part of the financial statements for the year ended March 31, 2022

Loans are recognised when fund transfer is initiated or disbursement cheque is issued to the customer. The Company recognizes borrowings (other than debt securities) when funds are received by the Company.

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

5.2 Classification and Subsequent Measurement of Financial Assets

5.2.1 Financial Assets

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

- Amortised cost
- Fair Value through other comprehensive income
- Fair Value through Profit and Loss

5.2.1.1 Amortised Cost

The company classifies and measures cash and bank balances, Loans and other financial assets at amortised cost if the following condition is met:

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

5.2.1.2 Fair Value through Other Comprehensive Income ("FVOCI")

The Company classifies and measures certain debt instruments at FVOCI when the assets are held within a business model, the objective of which is achieved by both, collecting contractual cash flows and selling the financial instruments and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income and impairment losses in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from Equity to Statement of Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

5.2.1.3 Fair Value through Profit and Loss ("FVTPL")

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; and/or
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell;
or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement is recognized in the statement of profit and loss.

Notes forming part of the financial statements for the year ended March 31, 2022

5.3 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the Solely Payments of Principal and Interest on the principal amount outstanding (“SPPI”) and the business model test (refer note 5.3.1). The Company determines the business model at a level that reflects how the Company’s financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

5.3.1 Business Model Test

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company’s business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company considers all relevant information and evidence available when making the business model assessment such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company’s key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business model at each reporting period to determine whether the business model has changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

Solely Payments of Principal and Interest (“SPPI”) on the principal amount outstanding

For an asset to be classified and measured at amortised cost or at FVOCI, its contractual terms should give rise to cash flows that meet SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI, such financial assets are either classified as fair value through statement of profit and loss account or fair value through other comprehensive income.

5.3.1.1 Subsequent Measurement and Gain and Losses

Financial Assets at Amortised Cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost



Notes forming part of the financial statements for the year ended March 31, 2022

is reduced by impairment losses. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on derecognition is recognized in statement of profit and loss.

Debt Instrument at FVOCI

These assets are subsequently measured at fair value. Interest income and impairment loss are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognized in OCI will be recycled to statement of profit and loss.

Financial Assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in statement of profit and loss. The net gain or loss recognised in Statement of profit and loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, 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.

5.3.1.2 Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets

5.4 Impairment and Write-off

The Company recognizes loss allowances for Expected Credit Losses on Loans to customers, other financial assets and loan commitments that are not measured at FVTPL.

Equity instruments are measured at fair value and are not subject to an impairment loss.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Company has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognizes an allowance based on 12months ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Notes forming part of the financial statements for the year ended March 31, 2022

Stage 3: When loans are considered credit-impaired, the Company records an allowance for the life time expected credit losses.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

5.5 Determination of Expected Credit Loss (“ECL”)

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement.

In particular, the estimation of the amount and timing of future cash flows based on Company’s historical experience and collateral values when determining impairment losses along with 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.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on a collective basis.
- Company’s criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs/assumptions used.

The various inputs used and the process followed by the Company in measurement of ECL has been detailed below:

5.5.1 Measurement of Expected Credit Losses

The Company calculates ECL based on probability-weighted scenarios to measure expected cash shortfalls, discounted at an approximation to the portfolio. A cash shortfall is a difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset’s expected cash flows using the asset’s original EIR, regardless of whether it is measured on an individual basis or a collective basis.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Exposure at Default is an total amount outstanding including accrued interest as of reporting date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities after considering the credit conversion factor (for Stage 1 and Stage 2 assets), and accrued interest from missed payments.

Probability of Default represents the likelihood of a borrower defaulting on its financial obligation (as per “Definition of default and credit-impaired”) either over the next 12 months, or over the remaining lifetime of the obligation.

Loss Given Default represents the Company’s expectation of the extent of loss on a defaulted exposure which varies by type of borrowers, type and preference of claim and availability of collateral or other credit support.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime Default elements. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

5.5.2 Significant Increase in Credit Risk

The Company monitors all financial assets, including loan commitments and financial guarantee contracts issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company measures the loss allowance



Notes forming part of the financial statements for the year ended March 31, 2022

based on lifetime rather than 12-month ECL. The Company monitors all financial assets and issued loan commitments that are subject to impairment for a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.

The Company considers the quantitative factors that indicate a significant increase in credit risk on a timely basis. However, the Company still considers separately some qualitative factors to assess if credit risk has increased significantly. For Project/Builder loan, there is a particular focus on assets that are included on a watch list. Given an exposure is on a watch list once, there is a concern that the creditworthiness of the specific counterparty has deteriorated. ECL assessment for watch list accounts is done on a case by case approach after considering the probability of weighted average in a different recovery scenario. For individual loans the Company considers the expectation of forbearance, payment holidays, and events such as unemployment, bankruptcy, divorce, or death.

5.5.3 Credit-Impaired Financial Assets

A financial asset is credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loans due to financial difficulty of the borrowers;

It may not be possible to identify a single discrete event. Instead the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if debt instruments are credit impaired, the Company considers factors such as financial status, credit ratings and the ability of the borrower to raise funds. A loan is considered credit-impaired when a concession is granted to the borrower due to deterioration in the borrower's financial condition. The definition of default includes unlikelihood to pay indicators and a back-stop if amounts are overdue for more than 90 days.

5.5.4 Definition of Default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL. The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days+ Accounts Identified by the Company as NPA as per regulatory guidelines + Objective Evidence for impairment (Qualitative Overlay); or
- the borrower is unlikely to pay its credit obligations to the Company.

When it is assessed that the borrower is unlikely to pay their credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not as relevant for individual lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

5.5.5 Write-off

Loans are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets

Notes forming part of the financial statements for the year ended March 31, 2022

or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off/ may assign / sell loan exposure to Bank / financial institution for a negotiated consideration. Recoveries resulting from the Company's enforcement activities could result in impairment gains.

5.6 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.

5.7 Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

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.

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.



Notes forming part of the financial statements for the year ended March 31, 2022

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

5.8 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.

5.9 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 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 items of other Comprehensive Income 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.

Notes forming part of the financial statements for the year ended March 31, 2022

7. Revenue Recognition

Interest Income on loans

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and applicable effective interest rate (EIR).

EIR is the rate that 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.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the gross carrying amount less the allowance for expected credit losses.

Penal Interest and other related charges are recognised as income only when revenue is virtually certain which generally coincides with receipts.

Interest Income - others

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.

Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established.

8. 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.

9. 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.

10. Taxes

Current Tax

Current tax assets and liabilities for the year 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.

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.



Notes forming part of the financial statements for the year ended March 31, 2022

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.

11. 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.

12. 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 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.

13. 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.

14. 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.

15. 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.

Notes forming part of the financial statements for the year ended March 31, 2022

2.5 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.

2.6 Amendments in Ind AS

Ministry of Corporate Affairs (MCA), vide notification dated March 23, 2022, has made the following amendments to Ind AS which are effective from April 01, 2022 :

(a) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees are to be included by an entity when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

(b) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

(c) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its financial statements.

(d) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any significant impact in its financial statements.

(e) Ind AS 116- Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration, The Company does not expect the amendment to have any significant impact in its financial statements.



Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
3	Cash and Cash Equivalents		
	i. Cash on hand	-	2.49
	ii. Balances with banks		
	- On Current Account	88.84	175.04
	- Fixed Deposits having original maturity of less than 90 days	301.28	326.81
	Total	390.12	504.34
4	Banks Balances other than Cash and Cash Equivalents		
	Fixed Deposits with Banks having original maturity of more than 90 days	1672.77	1528.24
	Total	1672.77	1528.24
5	Loans		
	At Amortised Cost		
	A. Term Loans to		
	i. Individuals	7372.39	7617.27
	ii. Non Individuals	1786.10	1660.41
	Total Gross (A)	9158.49	9277.68
	Less: Impairment Loss Allowance (Expected Credit Loss)	581.72	512.15
	Total Net (A)	8576.77	8765.53
	B. i. Secured by tangible assets	9158.49	9277.68
	ii. Unsecured	-	-
	Total Gross (B)	9158.49	9277.68
	Less: Impairment Loss Allowance (Expected Credit Loss)	581.72	512.15
	Total Net (B)	8576.77	8765.53

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
	At Amortised Cost		
	(C) Loans in India		
	(i) Public Sector	-	-
	(ii) Others	9158.49	9277.68
	Total Gross (C) (I)	9158.49	9277.68
	Less: Impairment Loss Allowance (Expected Credit Loss)	581.72	512.15
	Total Net (C) (I)	8576.77	8765.53
	(II) Loans outside India	-	-
	Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
	Total Net (C) (II)	-	-
	Total Net (C) (I) and (II)	8576.77	8765.53

- 5.1 (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 (March 31, 2021: Nil).

5.2 Movement of gross carrying amount of loans

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022				Year Ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount Opening Balance	7388.27	932.47	864.02	9184.76	8996.40	384.95	808.53	10189.88
New Assets Originated	793.73	214.67	-	1008.40	1262.29	-	-	1262.29
Assets derecognized or repaid	(779.33)	(239.62)	(107.43)	(1126.38)	(2191.09)	(18.56)	(56.36)	(2266.01)
Transfer between the stages (net)	(547.96)	559.81	(11.85)	-	(679.33)	566.08	111.85	(1.40)
Gross Carrying amount Closing Balance	6854.71	1467.33	744.74	9066.78	7388.27	932.47	864.02	9184.76

The above balances of gross carrying amount exclude the interest receivables of ₹ 91.71 Lakhs (March 31, 2021 ₹ 92.92 Lakhs).

Notes forming part of the financial statements for the year ended March 31, 2022

5.3 Reconciliation of Expected Credit Loss Allowance (ECL) balance

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022				Year Ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance Opening Balance	42.70	4.75	437.81	485.26	51.56	0.82	389.20	441.58
New Assets Originated	6.14	1.50	-	7.64	9.85	-	-	9.85
Assets derecognized or repaid	(3.85)	(1.24)	(37.05)	(42.14)	(14.78)	(0.04)	(44.75)	(59.57)
Transfer between the stages and Incremental ECL (net)	(2.25)	2.57	51.68	52.00	(3.93)	3.97	93.36	93.40
ECL Allowance Closing Balance	42.74	7.58	452.44	502.76	42.70	4.75	437.81	485.26

The above figures of ECL excludes the ECL on interest receivables amounting to ₹ 78.96 Lakhs (March 31, 2021 ₹26.89 Lakhs).

6 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	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	-	2.07	2.07	-	1.82	1.82
Total Gross (A)	-	2.07	2.07	-	1.82	1.82
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	-	2.07	2.07	-	1.82	1.82
Total (B)	-	2.07	2.07	-	1.82	1.82
Less: Impairment Loss Allowance (Expected Credit Loss) (C)	-	-	-	-	-	-
Total – Net (D)= (A)-(C)	-	2.07	2.07	-	1.82	1.82

Details of Investments

(₹ in Lakhs)

Particulars	Face Value (₹)	Amount	
		As at March 31, 2022	As at March 31, 2021
11,400 (March 31, 2021: 11,400) Equity shares of Indian Overseas Bank Limited fully paid-up	10/-	2.07	1.82
Total		2.07	1.82
Aggregate amount of market value of quoted investment		2.07	1.82

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
7	Other Financial Assets		
	Security Deposits - Unsecured; considered good	11.25	10.78
	Deposit with Government Authority (Refer Note 48)	6.14	6.14
	Total	17.39	16.92
8	Current Tax Assets (Net)		
	Advance Tax (Net of Provision)	43.46	24.39
	Total	43.46	24.39
9	Deferred Tax Assets (Net)		
	The major components of Deferred Tax Assets and Liabilities:		
	Deferred Tax Assets		
	Provision for Expected Credit Loss	146.40	128.90
	Provision for Employee Benefits	3.41	3.67
	Unamortised Processing Fees	19.83	21.02
	Fair Valuation of Investments	0.17	0.23
	Other Temporary differences	4.99	4.64
	Total (A)	174.80	158.46
	Deferred Tax Liabilities		
	Depreciation and Amortization	5.17	5.63
	Fair Valuation of Borrowings	-	2.21
	Interest Income on Non Performing Assets	19.87	19.93
	Total (B)	25.04	27.77
	Deferred Tax Asset (Net) (A-B)	149.76	130.69

Notes forming part of the financial statements for the year ended March 31, 2022

Movement in Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at April 1, 2021	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Assets:				
Provision for Expected Credit Loss	128.90	17.50	-	146.40
Provision for Employee Benefits	3.67	1.24	(1.50)	3.41
Unamortised Processing Fees	21.02	(1.19)	-	19.83
Fair Valuation of Investments	0.23	(0.06)	-	0.17
Other Temporary differences	4.64	0.35	-	4.99
Total (A)	158.46	17.84	(1.50)	174.80
Deferred Tax Liabilities				
Depreciation and Amortization	5.63	(0.46)	-	5.17
Fair Valuation of Borrowings	2.21	(2.21)	-	-
Interest Income on Non Performing Assets	19.93	(0.06)	-	19.87
Total (B)	27.77	(2.73)	-	25.04
Deferred Tax Asset/ (Liabilities) (Net) (A-B)	130.69	20.57	(1.50)	149.76

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

Notes forming part of the financial statements for the year ended March 31, 2022

Note No. 10

(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 01.04.2020	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
Additions	-	2.48	-	-	-	-	-	2.48
Disposals	-	-	-	-	-	-	-	-
As at 31.03.2022	57.46	69.04	67.57	9.52	10.92	4.59	17.22	236.32
Accumulated Depreciation								
As at 01.04.2020	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
Additions	0.90	2.17	4.10	0.67	1.27	0.14	0.18	9.43
Disposals	-	-	-	-	-	-	-	-
As at 31.03.2022	22.46	65.42	41.99	5.34	9.54	3.61	16.00	164.36
Net Block								
As at 31.03.2021	35.90	3.31	29.68	4.85	2.65	1.12	1.40	78.91
As at 31.03.2022	35.00	3.62	25.58	4.18	1.38	0.98	1.22	71.96

10.1 Title Deed of Immovable Properties are held in the name of the Company.

Notes forming part of the financial statements for the year ended March 31, 2022

(b) Right of Use Assets

(₹ in Lakhs)

Particulars	Buildings	Total
Gross Block		
As at 01.04.2020	189.78	189.78
Additions	30.79	30.79
Disposals/Adjustments	(30.06)	(30.06)
As at 31.03.2021	190.51	190.51
Additions	14.39	14.39
Disposals/Adjustments	(13.97)	(13.97)
As at 31.03.2022	190.93	190.93
Accumulated Depreciation		
As at 01.04.2020	62.32	62.32
Additions	40.10	40.10
Disposals/Adjustments	(28.38)	(28.38)
As at 31.03.2021	74.04	74.04
Additions	38.85	38.85
Disposals/Adjustments	(13.97)	(13.97)
As at 31.03.2022	98.92	98.92
Net Block		
As at 31.03.2021	116.47	116.47
As at 31.03.2022	92.01	92.01

(c) Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Block		
As at 01.04.2020	2.40	2.40
Additions	-	-
Disposals	-	-
As at 31.03.2021	2.40	2.40
Additions	0.75	0.75
Disposals / Adjustments	(0.70)	(0.70)
As at 31.03.2022	2.45	2.45
Accumulated Amortisation		
As at 01.04.2020	0.97	0.97
Additions	0.81	0.81
Disposals	-	-
As at 31.03.2021	1.78	1.78
Additions	0.65	0.65
Disposals / Adjustments	(0.70)	(0.70)
As at 31.03.2022	1.73	1.73
Net Block		
As at 31.03.2021	0.62	0.62
As at 31.03.2022	0.72	0.72

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
11	Other Non-Financial Assets		
	Unsecured; Considered good		
	Balances with Government Authorities	24.35	18.96
	Amount deposited under protest with Income Tax Department (Refer Note 36(i))	7.76	7.76
	Advances to Suppliers and Others -	7.90	7.96
	Prepaid Expenses	1.95	0.16
	Excess Payment to Gratuity Fund (Refer Note 35)	4.63	1.75
	Total	46.59	36.59
12	Payables		
	Trade Payables		
	Total Outstanding dues of Micro Enterprises and Small Enterprises	-	-
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3.11	7.10
	Total	3.11	7.10

Ageing of Trade Payable

As at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	2.70	0.41	-	-	-	3.11
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

As at March 31, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	2.78	4.32	-	-	-	7.10
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Notes forming part of the financial statements for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
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.

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
13	Debt Securities - At Amortised Cost		
	Secured		
	Non Convertible Debentures (Refer Note 13.1, 13.2 and 13.3)	3000.00	3000.00
	Total (A)	3000.00	3000.00
	Debt Securities in India	3000.00	3000.00
	Debt Securities outside India	-	-
	Total (B)	3000.00	3000.00

13.1 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.

13.2 There is no delay in repayment of principal and payment of Interest thereon during the year.

13.3 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, 2022	As at March 31, 2021
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

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
14	Borrowings (Other than Debt Securities) - At Amortised Cost		
	Unsecured		
	Term Loans		
	- From Banks (Refer Note 14.2)	0.30	0.30
	- From Related Parties (Refer Note 14.1 and 14.2)	2970.27	3262.66
	Total	2970.57	3262.96
	Borrowings in India	2970.57	3262.96
	Borrowings Outside India	-	-
	Total	2970.57	3262.96

14.1 There is no delay in re-payment of principal and payment of Interest thereon during the year.

14.2 Terms of repayment of Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	Terms of Repayment	As at March 31, 2022	As at March 31, 2021
Unsecured			
Sahara India Commercial Corporation Limited	Repayable in the year 2021-22 Interest Free	-	692.39*
	The rate of interest 7.50% and entire amount repayable in the year 2028-29. The borrower has right to repay the amount any time during the tenure of borrowing after giving 30 days notice. Interest payable on March 31 every year	400.00*	-
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		2970.57	3262.96

* The term of Unsecured Loan matured on September 5, 2021 amounting to ₹ 400 lakhs has been extended as interest bearing loan for a further period of 7 years



Notes forming part of the financial statements for the year ended March 31, 2022

		(₹ in Lakhs)	
Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
15	Other Financial Liabilities		
	Lease Liabilities (Refer Note 39)	108.75	131.29
	Others		
	- Employees benefit payable	7.28	3.61
	- Other Liabilities (Note No. 15.1)	60.16	3.25
	Total	176.19	138.15
15.1	Other liabilities includes interest subsidy of ₹ 52.38 lakhs received from NHB for reimbursement to borrowers, which has been reimbursed to entitled borrowers on April 01, 2022.		
16	Provisions		
	For Employee Benefits		
	- Compensated Leave (Unfunded)	13.55	14.58
	- Gratuity (Funded) (Refer Note 35)	-	-
	Total	13.55	14.58
17	Other Non – Financial Liabilities		
	Advances from Customers	15.75	19.35
	Deferred Interest	-	60.51
	Statutory dues payable	0.15	0.53
	Other payables	0.16	0.16
	Total	16.06	80.55
18	Equity Share Capital		
	AUTHORISED CAPITAL :		
	30,000,000 Equity shares of ₹ 10/- each (March 31, 2021: 30,000,000 Equity shares of ₹ 10/- each)	3000.00	3000.00
	20,000,000 Preference Shares of ₹ 10/- each (March 31, 2021: 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 (March 31, 2021: 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, 2022

18.1

Reconciliation of the number of shares outstanding and the amount of share capital

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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

18.2 : 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.

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	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

18.4 Shareholding of the Promoters in the Company

Promoters Name	As at March 31, 2022		As at March 31, 2021		% of changes during the year
	No of Shares	% of Holding	No of Shares	% of Holding	
Sahara Prime City Limited	2,940,000	42.00	2,940,000	42.00	Nil
Sahara India Corp Investment Limited	1,638,587	23.41	1,638,587	23.41	Nil
Sahara India Finance and Investment Limited	416,000	5.94	416,000	5.94	Nil



Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2022	As at March 31, 2021
19	Other Equity		
	Capital Reserve	1.52	1.52
	Securities Premium	500.00	500.00
	General Reserve	5.02	5.02
	Special Reserve	1268.18	1213.05
	Retained Earnings	2400.91	2277.55
	Other Comprehensive Income	8.51	4.04
	Total	4184.14	4001.18

(Refer Statement of changes in Equity also)

19.1 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. The reserve is free available for distribution to the shareholders.
- (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. No withdrawals are permitted from this reserve without prior permission of the RBI/NHB.
- (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 other item of the other comprehensive income under "Other Equity".

19.2 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 ₹ 55.13 Lakhs (March 31, 2021: ₹ 57.40 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, 2022

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
20	Interest Income		
	On Financial Assets measured at Amortised Cost		
	Interest on Loans	1144.01	1179.07
	Interest on Deposits with Banks	90.34	85.31
	Total	1234.35	1264.38
21	Net gain on fair value changes		
	On Investment measured through Profit or Loss		
	Investments (unrealised)	0.25	1.02
	Total	0.25	1.02
22	Other Operating Revenue		
	Document Retrieval and Other Charges	5.43	5.03
	Total	5.43	5.03
23	Other Income		
	Deferred Interest	26.04	70.20
	Fair valuation of Financial Assets	0.87	1.05
	Profit on sale of Property, plant and equipment	-	0.04
	Gain on modification of lease	-	0.18
	Miscellaneous Income	0.06	0.01
	Total	26.97	71.48
24	Finance Cost		
	On Financial liabilities measured at Amortised Cost		
	On Non Convertible Debentures (Secured)	210.00	210.00
	On Term Loans (Unsecured)	265.18	291.52
	Interest on Lease liabilities	11.49	12.68
	Bank and Other Charges	1.05	0.99
	Total	487.72	515.19
25	Net Loss on Derecognition of Financial Instruments		
	Net Loss on Derecognition of Financial Instruments	4.91	14.78
	Total	4.91	14.78



Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
		On Financial Instruments measured At FVTOCI	At Amortised Cost	On Financial Instruments measured At FVTOCI	At Amortised Cost
26	Impairment on Financial Instruments				
	Loans	-	69.57	-	56.40
	Others	-	-	-	-
	Total	-	69.57	-	56.40

26.1 The details relating to movement in Impairment on Loans (Expected credit loss) are disclosed in Note 5.3

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
27	Employee Benefit Expenses		
	Salaries, allowances and benefits	270.95	279.18
	Gratuity and Leave Encashment Expenses	6.97	7.56
	Company's Contribution to Provident and Other Funds	14.51	15.41
	Staff Welfare Expenses	6.81	1.69
	Total	299.24	303.84
28	Depreciation and Amortisation		
	Depreciation on Property, Plant and Equipment and Right of Use Assets (Refer Note 10 (a) and (b))	48.28	51.35
	Amortisation on Intangible Assets (Refer Note 10 (c))	0.65	0.81
	Total	48.93	52.16
29	Other Expenses		
	Rent	2.25	2.52
	Travelling and Conveyance	13.27	10.57
	Legal and Professional Fees	38.72	37.04
	Printing and Stationery	5.22	3.58
	Communication Charges	6.22	6.59
	General Expenses	22.91	20.46
	Exgratia on Interest	-	8.52
	Balance Written Off	-	12.50
	Insurance	0.53	0.43
	Repairs and Maintenance	4.04	2.93
	Rates, Taxes and Licences	2.96	0.51
	Office Maintenance	8.63	6.90
	Vehicles Maintenance	26.10	22.62
	Advertisement and Publicity	1.25	0.68
	Electricity Charges	4.01	3.18
	Payment to Auditors		
	- As Statutory Auditors	0.80	0.80
	- As Tax Auditors	0.20	0.20
	- Other Capacity	0.58	0.53
	- Re-imbursment of Expenses	0.92	1.39
	Total	138.61	141.95

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
30	Income Tax		
	(a) Income Tax Expense in statement of profit and loss		
	Current Income Tax:		
	In respect of the current year	61.62	63.31
	Deferred Tax:		
	In respect of the current year	(20.57)	(16.13)
	Tax related to earlier year	(1.52)	1.16
	Total Income Tax Expense	39.53	48.34
	(b) Reconciliation of Income Tax Expense:		
	Effective tax rate	25.17%	25.17%
	Profit before tax	218.02	257.59
	Income Tax Expenses	54.87	64.83
	Effect of :		
	Amount transferred under Section 36(1) (viii) under the Income Tax Act, 1961	(13.87)	(14.45)
	Disallowance of expenses and other adjustments	0.05	(3.20)
	Tax related to earlier year	(1.52)	1.16
	Income Tax Expense recognised in the Statement of Profit and Loss	39.53	48.34

The Company has opted the option of section 115BAA of the Income Tax Act, 1961 to pay tax at a concessional rate of 22% plus applicable surcharge and cess (i.e Effective Rate 25.168%).

31 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, 2022			As At March 31, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial Assets						
Cash and Cash Equivalents	390.12	-	390.12	504.34	-	504.34
Bank Balances other than Cash and Cash Equivalent	1672.77	-	1672.77	1528.24	-	1528.24
Loans	1237.76	7339.01	8576.77	771.53	7994.00	8765.53
Investments	-	2.07	2.07	-	1.82	1.82
Other Financial Assets	0.24	17.15	17.39	1.86	15.06	16.92
Non-Financial Assets						
Current Tax Assets (net)	-	43.46	43.46	-	24.39	24.39
Deferred Tax Assets (net)	-	149.76	149.76	-	130.69	130.69
Property, Plant and Equipment	-	71.96	71.96	-	78.91	78.91
Right of Use Assets	-	92.01	92.01	-	116.47	116.47
Intangible Assets	-	0.72	0.72	-	0.62	0.62
Other Non-Financial Assets	38.83	7.76	46.59	28.83	7.76	36.59
Total Assets	3339.72	7723.90	11063.62	2834.74	8369.72	11204.52

Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

LIABILITIES	As At March 31, 2022			As At March 31, 2021		
	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	3.11	-	3.11	7.10	-	7.10
Debt securities	-	3000.00	3000.00	-	3000.00	3000.00
Borrowings (other than debt securities)	-	2970.57	2970.57	692.69	2570.27	3262.96
Other financial liabilities	100.18	76.01	176.19	42.64	95.51	138.15
Non-Financial Liabilities						
Current Tax Liabilities (Net)						
Provisions	0.62	12.93	13.55	1.25	13.33	14.58
Other Non – Financial Liabilities	16.06	-	16.06	80.55	-	80.55
Total Liabilities	119.97	6059.51	6179.48	824.23	5679.11	6503.34

32 Fair Value Measurements

(i) Financial Instruments by Category

(₹ in Lakhs)

Particulars	As At March 31, 2022			As At March 31, 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Cash and Cash Equivalents	-	-	390.12	-	-	504.34
Bank Balances other than Cash and Cash Equivalents	-	-	1672.77	-	-	1528.24
Loans	-	-	8576.77	-	-	8765.53
Investments	2.07	-	-	1.82	-	-
Other Financial Assets	-	-	17.39	-	-	16.92
Total Financial Assets	2.07	-	10657.05	1.82	-	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	-	-	3.11	-	-	7.10
Debt Securities	-	-	3000.00	-	-	3000.00
Borrowings (other than debt securities)	-	-	2970.57	-	-	3262.96
Other Financial Liabilities	-	-	176.19	-	-	138.15
Total Financial Liabilities	-	-	6149.87	-	-	6408.21

Notes forming part of the financial statements for the year ended March 31, 2022

(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.

As at March 31, 2022

(₹ in Lakhs)

Particulars	Carrying Amount	Routed through OCI	Routed through Profit or Loss				Carried at Amortised cost			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets										
Cash and Cash Equivalents	390.12	-	-	-	-	-	-	-	390.12	390.12
Bank Balances other than Cash and Cash Equivalent	1672.77	-	-	-	-	-	-	-	1672.77	1672.77
Loans	8576.77	-	-	-	-	-	-	-	8576.77	8576.77
Investments	2.07	-	2.07	-	-	2.07	-	-	-	-
Other Financial Assets	17.39	-	-	-	-	-	-	-	17.39	17.39
Total Financial Assets	10659.12	-	2.07	-	-	2.07	-	-	10657.05	10657.05
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	3.11	-	-	-	-	-	-	-	3.11	3.11
Debt securities	3000.00	-	-	-	-	-	-	-	3000.00	3000.00
Borrowings (other than debt securities)	2970.57	-	-	-	-	-	-	-	2970.57	2970.57
Other Financial Liabilities	176.19	-	-	-	-	-	-	-	176.19	176.19
Total Financial Liabilities	6149.87	-	-	-	-	-	-	-	6149.87	6149.87

Notes forming part of the financial statements for the year ended March 31, 2022

As at March 31, 2021

(₹ in Lakhs)

Particulars	Carrying Amount	Routed through OCI	Routed through Profit or Loss				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 Balances other than Cash and Cash Equivalents	1528.24	-	-	-	-	-	-	-	1528.24	1528.24
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

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, 2022

Note 33: Financial Risk Management and Capital Management

(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

Housing and Non-housing Loan to Individuals: 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 a equitable mortgage over the borrowers property. Where-ever the state laws provide, the memorandum of deposit of title deeds are also registered.

Builder/Project Finance : Loans advanced for the purpose of construction of Residential/Commercial Properties. The Company has a framework for appraisal of the application and subsequent execution of Builder/Project Finance loan that is encompassed in the Builder/Project Loan Policy. The Policy has been framed bearing in mind to create optimal risk identification, allocation and mitigation and helps minimize residual risk.

The Builder / Project Finance approval process includes intrinsic evaluation of technical, commercial, financial and legal with respect to the Projects and additionally evaluate the strength, experience and previous track record of the Borrower Group's and its promoters/venture partners/associates.

As part of the appraisal process, a note is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project and after internal credit appraisal, the Sanction Letter is issued to the applicant, which outlines the principal financial terms of the proposed facility, Borrowers/Security providers obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After satisfactory completion of all the security formalities by the applicant, a Loan Agreement is entered into with the applicant/borrower. Such loans are generally fully secured and have full recourse against the borrower. In most cases, the Company has registered mortgage of the financed Project. Security typically includes the project property (in part or full) as well as other tangible assets of



Notes forming part of the financial statements for the year ended March 31, 2022

the borrower, both present and future. The Company also takes additional credit comforts such as personal guarantees and undertaking from one or more promoters of the project. The Company mandates the borrower to submit periodic reports and continues to monitor the exposure until the loans are fully repaid.

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 these views carried out is submitted to the concerned teams.

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 – borrowings, 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 31. Adequate liquidity cover is maintained by the company in line with the RBI's liquidity risk management framework to the extent applicable to the company.

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, 2022	As at March 31, 2021
Loans (Floating Rate)	9158.49	9277.68
Borrowings and Debt Securities		
Borrowings and Debt Securities (Fixed Rate)	5970.57	6262.96
Total Borrowings and Debt Securities	5970.57	6262.96

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

(₹ in Lakhs)

Interest Rate	Impact on Profit before Tax	
	Year ended March 31, 2022	Year ended March 31, 2021
Loans		
Increase by 50 basis points	45.79	46.39
Decrease by 50 basis points	(45.79)	(46.39)

Notes forming part of the financial statements for the year ended March 31, 2022

(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.

(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.

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 gearing ratios are as follows :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt securities	3,000.00	3,000.00
Borrowings (other than debt securities)	2,970.57	3,332.22
Total Debt	5,970.57	6,332.22
Cash and Cash Equivalents	390.12	504.34
Net Debt	5,580.45	5,827.88
Total Equity	4,884.14	4,701.18
Net Debt to Total Equity Ratio (in times)	1.14	1.24

Note No. 34 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 the company has entered into 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) Non Executive Director
 - Shri Brijendra Sahay - Independent Director
 - Smt. Anshu Roy - Independent Director
 - Shri Awdhesh Kumar Srivastava - Non Independent Director



Notes forming part of the financial statements for the year ended March 31, 2022

- (iii) Key Management Personnel (KMP)
Shri D. J. Bagchi, Chief Executive Officer, Company Secretary/Manager and Compliance Officer
Shri Vivek Kapoor, Chief Financial Officer
- (iv) Companies under common control
- Sahara India Financial Corporation Limited
- Sahara India Commercial Corporation Limited
- (v) Relative of Key Management Personnel
Smt. Sumana Bagchi – Wife of Shri D. J. Bagchi

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

(₹ in Lakhs)

Particulars	Financial Year 2021-22	Previous Year 2020-21
Directors' Sitting Fees Paid		
Shri Brijendra Sahay	0.80	0.80
Shri Awdhesh Kumar Srivastava	0.80	0.60
Smt. Anshu Roy	0.80	0.80
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	218.47
Sahara India Commercial Corporation Limited	16.81	-
Un-secured Loan Repaid		
Sahara India Commercial Corporation Limited	361.65	1000.00
Un-secured Loan Received		
Sahara India Commercial Corporation Limited	400.00	-
Outstanding Un-secured Loan		
Sahara India Commercial Corporation Limited	400.00	692.39*
Sahara India Financial Corporation Limited	2570.27	2570.27
Remuneration #		
Shri D. J. Bagchi	44.35	43.71
Shri Vivek Kapoor	15.99	15.77

* Carrying value as per Books of Account

Expenses towards gratuity are determined actuarially on overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

c. Particulars of Remuneration to Key Management Personnel

Particulars	Shri D. J. Bagchi		Shri Vivek Kapoor	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Salary and Allowances	43.05	42.46	15.44	15.24
Contribution to PF	1.30	1.25	0.55	0.53
Value of perquisites calculated as per Income Tax Rules	-	-	-	-

d) No amount pertaining to related parties has been provided for as doubtful debts or written off.

e) Related party relationship is as identified by the Company.

Notes forming part of the financial statements for the year ended March 31, 2022

Note 35 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 ₹ 13.34 Lakhs (March 31, 2021: ₹ 14.15 Lakhs) has been charged to Statement of Profit and Loss on account of this defined benefit scheme.

Employees State Insurance

An amount of ₹ 1.17 lakhs (March 31, 2021: ₹ 1.26 lakhs) has been charged to Statement of Profit and Loss of this defined benefit scheme.

Leave Encashment

An amount of ₹ 2.86 Lakhs (March 31, 2021: ₹ 3.18 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, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A. Change in Projected Benefit Obligation		
Present Value of Benefit Obligation as at beginning of the period	65.97	62.08
Interest Cost	4.55	4.35
Current Service Cost	4.23	4.42
Past Service Cost	-	-
Benefit Paid From the Fund	(3.54)	(2.78)
"Actuarial (Gains)/Losses on Obligations-Due to Change in Demographic Assumptions"	-	-
"Actuarial (Gains)/Losses on Obligations-Due to Change in Financial Assumptions"	(0.89)	0.47
Actuarial (Gains)/Losses on Obligations - Due to Experience	(2.66)	(2.57)
Present Value of Defined Benefit Obligation as at the end of the year	67.66	65.97
B. Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the period	67.72	61.71
Interest income	4.68	4.39
Contributions by the employer	3.72	4.69
Benefit paid from the fund	(3.54)	(2.78)
Return on plan assets, excluding interest income	(0.28)	(0.29)
Fair Value of Plan Assets at the end of the year	72.30	67.72



Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
C. Amount recognised in the Balance Sheet		
Defined Benefit Obligation	67.67	65.97
Fair Value of Plan Assets at the end of the Year	72.30	67.72
Funded Status – Short/(Excess)	(4.63)	(1.75)
Net Liability/(Asset) recognized in the Balance Sheet	(4.63)	(1.75)
D. Net interest cost for current year		
Interest Cost	4.55	4.35
Interest Income	(4.68)	(4.39)
Net Interest Cost for Current the Year	(0.13)	(0.04)
E. Expenses recognised in Statement of Profit and Loss		
Current Service Cost	4.23	4.42
Net Interest Cost	(0.13)	(0.04)
Past Service Cost	-	-
Expected Contributions by the Employees	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Expenses recognized	4.10	4.38
F. Expenses recognized in the Other Comprehensive Income (OCI)		
Actuarial (Gains)/Losses on Obligation for the year	(3.55)	(2.10)
Return on Plan Assets, Excluding Interest Income	0.28	0.29
Net (Income)/Expense for the year recognized in OCI	(3.27)	(1.81)
G. Total amount recognized in Other Comprehensive Income consists of		
Remeasurement (Gains)/Losses	(3.27)	(1.81)
H. Principal actuarial assumptions used		
Expected Return on Plan Assets	7.10%	6.90%
Rate of Discounting	7.10%	6.90%
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	(1.75)	0.37
Expenses recognized in Statement of Profit or Loss	4.11	4.38
Expenses recognized in OCI	(3.27)	(1.81)
Employer's Contribution	(3.72)	(4.69)
Net Liability/(Asset) recognized in the Balance Sheet	(4.63)	(1.75)

Notes forming part of the financial statements for the year ended March 31, 2022

J. Other Details

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
No. of Active Members	51	54
Per Month Salary for Active Members (₹ in Lakhs)	0.15	0.15
Average Expected Future Service (in Years)	13.52	14.52
Projected Benefit Obligation (₹ in Lakhs)	67.67	65.97
Prescribed Contribution for Next Year (12 Months) (₹ in Lakhs)	4.23	4.62

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1st Following Year	14.58	4.56
2nd Following Year	6.18	5.58
3rd Following Year	2.37	15.47
4th Following Year	6.53	2.31
5th Following Year	5.33	6.07
Sum of Years 6 To 10	31.20	28.16

The above information is as certified by the actuary

L. Sensitivity Analysis

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Projected Benefits Payable in Future Years from the date of Reporting		
Projected Benefit Obligation on Current Assumptions	67.67	65.97
Delta Effect of +1% Change in Rate of Discounting	(4.29)	(4.51)
Delta Effect of -1% Change in Rate of Discounting	4.84	5.12
Delta Effect of +1% Change in Rate of Salary Increase	4.95	5.41
Delta Effect of -1% Change in Rate of Salary Increase	(4.43)	(4.84)
Delta Effect of +1% Change in Rate of Employee Turnover	0.32	0.27
Delta Effect of -1% Change in Rate of Employee Turnover	(0.34)	(0.30)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual changes in the projected benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

36. 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 (March 31, 2021: ₹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

Notes forming part of the financial statements for the year ended March 31, 2022

Commissioner of Income Tax (Appeal). The Company had deposited ₹7.76 Lakhs (March 31, 2021, ₹7.76 Lakhs) in protest against this demand.

(ii) **Other commitments: Nil (March 31, 2021: Nil)**

37. 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.

38. Impact of COVID-19

1 The Company has used the principle of prudence to provide for the impact of COVID-19 pandemic on the financial statements and has performed an estimation of portfolio stress through analyzing 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 and any further spread would 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 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 2021-22	Financial Year 2020-21
Advances outstanding at the year-end in SMA/Overdue categories, where the moratorium was extended #	-	25.71
Advances outstanding at the year-end where asset classification benefit is extended	-	-
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5 of the circular	-	1.52
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	-	-

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.

Notes forming part of the financial statements for the year ended March 31, 2022

39. Ind AS 116 : Leases

Amounts recognised in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Depreciation Expenses	38.85	40.10
Interest Expenses	11.49	12.68
Rent	2.25	2.52
Total	52.59	55.30

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Lease liabilities	32.74	35.78
Non- Current Lease liabilities	76.01	95.51
Total	108.75	131.29

The movement in Lease liabilities:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Balance at the beginning of the year	131.29	138.36
Additions	14.01	30.22
Finance cost accrued during the period	11.49	12.68
Deletions/adjustments on cancellation/modification	-	(1.87)
Payment of lease liabilities	(48.04)	(48.10)
Balance at the end of the year	108.75	131.29

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Less than one year	42.08	46.45
One to five years	86.30	112.93
More than five years	-	-
Balance at the end of the year	128.38	159.38

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

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.

Notes forming part of the financial statements for the year ended March 31, 2022

40. Earnings per Share (EPS):

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit attributable to Equity Shareholders (₹ In Lakhs)	178.49	209.25
No. of Weighted Average Equity Shares Outstanding during the year for Basic and Diluted EPS	7,000,000	7,000,000
Face Value of Equity Shares (in ₹)	10	10
Basic and Diluted Earnings per Share (in ₹)	2.55	2.99

41. Pursuant to RBI Circular RBI/2021-22/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021, on "Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications" the Company has taken necessary steps to revise its process of NPA classification to flag the borrower as overdue as part of the day-end process for the due date.

Further to this, on February 15, 2022, the RBI allowed deferment of para 10 of the aforesaid circular till September 30, 2022 pertaining to upgrade of Non-Performing Accounts. The Company opted for such deferment in case of 5 loan accounts having aggregate outstandings of ₹17.54 lakhs (including interest).

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

The following disclosures have been given in terms of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, February 17, 2021 and other disclosures required by RBI/NHB. Regulatory ratios, limits and disclosures are based on Ind As figures in accordance with RBI circular dated October 22, 2020 read with RBI circular dated March 13, 2020 relating to implementation of Ind AS.

I. Capital to Risk Assets Ratio (CRAR):

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
i)	CRAR (%)	91.10%	86.98%
ii)	CRAR - Tier I Capital (%)	90.13%	86.06%
iii)	CRAR - Tier II Capital (%)	0.97%	0.92%
iv)	Amount of subordinated debt raised as Tier- II Capital	Nil	Nil
v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Notes forming part of the financial statements for the year ended March 31, 2022

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

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	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	1213.05	1155.65
	Total (a + b)	1213.05	1155.65
	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	55.13	57.40
	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	1268.18	1213.05
	Total (a + b)	1268.18	1213.05

III. Investments:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	Value of Investments		
i)	Gross Value of Investments		
a)	In India	2.07	1.82
b)	Outside India	-	-
ii)	Provisions for Depreciation		
a)	In India	-	-
b)	Outside India	-	-
iii)	Net Value of Investments		
a)	In India	2.07	1.82
b)	Outside India	-	-

Notes forming part of the financial statements for the year ended March 31, 2022

Movement of Provisions held towards depreciation on investments

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	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 2021-22 and previous financial year 2020-21:

- 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 of Master Direction – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (as amended).
- 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 of Master Direction – Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (as amended).
- Transaction of purchase and / or sale of non-performing financial assets. Accordingly, the Company has no disclosures to be made in respect of Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (as amended).

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 (as amended), 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, 2022	Year Ended March 31, 2021
(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, 2022 (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, 2022

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, 2022	Year Ended March 31, 2021
(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, 2022

Details of Assignment transactions undertaken by HFCs

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(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, 2022	Year Ended March 31, 2021
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, 2022	Year Ended March 31, 2021
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, 2022

V. Asset Liability Management:

Maturity pattern of certain items of assets and liabilities as at March 31, 2022

(₹ in Lakhs)

Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign currency Liabilities	Advances	Investments	Foreign currency Assets
1 day to 7 days	-	0.30	-	-	29.28	-	-
8 days to 14 days	-	-	-	-	-	-	-
15 days to 30 days	-	-	-	-	98.55	-	-
Over one month to 2 months	-	-	-	-	99.11	-	-
Over 2 months to 3 months	-	-	-	-	99.52	-	-
Over 3 months to 6 months	-	-	-	-	298.63	-	-
Over 6 months to 1 year	-	-	-	-	612.67	-	-
Over 1 year to 3 years	-	-	3470.27	-	2245.61	2.73	-
Over 3 years to 5 years	-	-	2100.00	-	2088.07	-	-
Over 5 years	-	-	400.00	-	3587.05	-	-
Total	-	0.30	5970.27	-	9158.49	2.73	-

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	-	0.30	-	-	35.22	-	-
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	-	-	692.39	-	216.08	-	-
Over 6 months to 1 year	-	-	-	-	265.57	-	-
Over 1 year to 3 years	-	-	-	-	2476.62	2.73	-
Over 3 years to 5 years	-	-	4370.27	-	2751.06	-	-
Over 5 years	-	-	1200.00	-	3278.47	-	-
Total	-	0.30	6262.66	-	9277.68	2.73	-

Notes forming part of the financial statements for the year ended March 31, 2022

VI. Exposure to Real Estate Sector

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
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	8413.86	8591.61
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.) *	744.63	686.07
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	9158.49	9277.68

* Includes Non-Residential Property (NRP) Loan to Individuals of ₹ 149.29 Lakhs (March 31, 2021 ₹ 87.82 Lakhs)

VII. Exposure to Capital Market

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
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	2.07	1.82
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, 2022

VII. Exposure to Capital Market: (Contd)

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
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	2.07	1.82

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 during the year

(₹ in Lakhs)

Penalties imposed by NHB/RBI and other regulator	Nil
Penalties imposed by Bombay Stock Exchange (BSE)	Nil

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.34

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. Net Profit or Loss for the prior period items and changes in accounting policies:

There are no prior period items that have an impact on the current year's Profit or Loss.

Notes forming part of the financial statements for the year ended March 31, 2022

XIX. The Company has no subsidiary hence, requirement of consolidated financial statements is not applicable to the Company

XX. Provisions and Contingencies charged during the year:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
i)	Provision for Depreciation on Investments	-	-
ii)	Provision made towards Income tax	61.62	63.31
iii)	Provision towards NPA	66.70	62.75
iv)	Provision for Standard Assets (CRE & NRP)	2.87	(4.96)
v)	Other Provision and Contingencies (General Provision for COVID-19 in line with RBI Circular dated 17-04-2020)	-	(1.39)

(₹ in Lakhs)

SI no.	Particulars	Housing		Non Housing	
		For Year Ended March 31, 2022	For Year Ended March 31, 2021	For Year Ended March 31, 2022	For Year Ended March 31, 2021
	Standard Assets				
a)	Total outstanding Amount	7,590.16	7,648.41	744.63	686.07
b)	Provisions made	42.07	39.58	8.25	7.87
	Sub – Standard Assets				
a)	Total outstanding Amount	194.45	423.06	-	-
b)	Provisions made	50.22	88.68	-	-
	Doubtful Assets-Category-I				
a)	Total outstanding Amount	190.78	108.92	-	-
b)	Provisions made	81.84	35.42	-	-
	Doubtful Assets – Category II				
a)	Total outstanding Amount	148.43	140.34	-	-
b)	Provisions made	109.30	69.72	-	-
	Doubtful Assets– Category III				
a)	Total outstanding Amount	290.04	270.88	-	-
b)	Provisions made	290.04	270.88	-	-
	Loss Assets				
a)	Total outstanding Amount	-	-	-	-
b)	Provisions made	-	-	-	-
	Total				
a)	Total outstanding Amount	8,413.86	8,591.61	744.63	686.07
b)	Provisions made	573.47	504.28	8.25	7.87

Notes forming part of the financial statements for the year ended March 31, 2022

XXI. There are no loans transferred/acquired during the year ended March 31, 2022 under the Reserve Bank of India Master Direction on "Transfer of Loan Exposure" dated September 24, 2021.

XXII. Details of Gross Advances, Gross NPAs, Net Advances and Net NPAs during the year ended March 31, 2022 pursuant to the Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated October 1, 2021:

(₹ in Lakhs)

Particulars		Amount
Part A		
1.	Standard Advances	8334.79
2.	Gross Non-performing assets (NPAs)	823.70
3.	Gross Advances (1+2)	9158.49
4.	Gross NPAs as a percentage of Gross Advances (2/3) (in %)	8.99
5.	Deductions	
(i)	Provisions held in the case of NPA Accounts as per asset classification (including additional Provisions for NPAs at higher than prescribed rates).	531.40
(ii)	DICGC / ECGC claims received and held pending adjustment	Nil
(iii)	Part payment received and kept in Suspense Account or any Other similar	Nil
(iv)	Balance in Sundries Account (Interest Capitalization – Restructured Accounts), in respect of NPA Accounts	Nil
(v)	Floating Provisions	Nil
(vi)	Provisions in lieu of diminution in the fair value of restructured Accounts classifieds	Nil
(vii)	Provisions in lieu of diminution in the fair value of restructured accounts classified as standard assets	Nil
6.	Net Advances(3-5)	8627.09
7.	Net NPAs{2-5(i+ii+iii+iv+v+ vi)}	292.30
8.	Net NPAs as percentage of Net Advances (7/6)(in%)	3.39
Part B		
1.	Provisions on Standard Assets excluding 5(vi) in Part A	50.32
2.	Interest recorded as Memorandum Item	174.82
3.	Amount of cumulative Technical Write - Off in respect of NPA accounts reported in Part A above	Nil

XXIII Disclosure on Liquidity Risk, to the extent applicable in accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by Reserve Bank of India read with RBI circular no. DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016

a) Funding concentration based on significant counter party

(₹ in Lakhs)

Sl. No.	As at March 31, 2022				As at March 31, 2021			
	Number of significant counterparties	Amount	% of total deposits	% of total liabilities	Number of significant counterparties	Amount	% of total deposits	% of total liabilities
1	3	5970.27	-	96.61	3	6331.92	-	97.36

Notes forming part of the financial statements for the year ended March 31, 2022

b) Top 10 Borrowings

(₹ in Lakhs)

Sl. No.	Name	As at March 31, 2022			As at March 31, 2021		
		Borrowings from party	Total Borrowings	% of total Borrowings	Borrowings from party	Total Borrowings	% of total Borrowings
1	Humara India Credit Co-operative Society	3000.00	5970.57	50.24	3000.00	6332.22	47.38
2	Sahara India Financial Corporation Limited	2570.27	5970.57	43.05	2570.27	6332.22	40.59
3	Sahara India Commercial Corporation Limited	400.00	5970.57	6.70	761.65	6332.22	12.02
4	Union Bank of India (Formerly Andhra Bank)	0.30	5970.57	0.01	0.30	6332.22	0.01

c) Funding concentration based on instrument/product

(₹ in Lakhs)

Sl. No.	Name of the instrument	As at March 31, 2022		As at March 31, 2021	
		Amount	% of total liabilities	Amount	% of total liabilities
1	Debt Securities	3000.00	48.55	3000.00	46.13
2	Borrowings (Other than Debt Securities)	2970.57	48.07	3332.32	51.24

d) Stock Ratios - Other Short Term Liabilities

(₹ in Lakhs)

Sl. No.	As at March 31, 2022				As at March 31, 2021			
	Other Short term liabilities	% of total public fund	% of total liabilities	% of total assets	Other Short term liabilities	% of total public fund	% of total liabilities	% of total assets
1	119.97	2.01	1.94	1.08	71.04	1.12	1.09	0.63

e) The above amount of borrowings represent actual contractual liabilities.

XXIV. **Concentration of Public Deposits:** The Company has not accepted any public deposits.

XXV. Concentration of Loans & Advances:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Total Loans & Advances to twenty largest borrowers	3401.36	3265.45
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC.	37.14	35.20

XXVI. 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	3401.36	3265.45
ii)	Percentage of Exposure to twenty largest borrowers/ customers to Total Exposure of the HFC on borrower/ customers	36.20	34.49

Notes forming part of the financial statements for the year ended March 31, 2022

XXVII. Concentration of Non-performing Assets:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
i)	Total Exposure to top ten NPA accounts	339.30	326.90

XXVIII. Sector-wise NPAs (Gross)

(₹ in Lakhs)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		Year Ended March 31, 2022	Year Ended March 31, 2021
i)	Housing Loans		
	a. Individuals	11.40	12.53
	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

XXIX. NPAs:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
i)	Net NPAs to Net Advances (%)	3.39	5.43
ii)	Movement of NPAs (Gross)		
	a) Opening balance	943.20	882.13
	b) Additions/(Reductions) during the year	(119.50)	61.07
	c) Closing balance	823.70	943.20
iii)	Movement of Net NPAs		
	a) Opening balance	478.50	480.18
	b) Additions/(Reductions) during the year	(186.20)	(1.68)
	c) Closing balance	292.30	478.50
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	464.70	401.95
	b) Provisions made/(Write-off/write-back) during the year	66.70	62.75
	c) Closing balance	531.40	464.70

XXX. 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.

XXXI. There was no draw down from Reserves during the Current Financial Year. (March 31, 2021 Nil)

XXXII. The company has not lent against security of shares.

XXXIII. The Company has not lent against security of single product gold jewellery.

Notes forming part of the financial statements for the year ended March 31, 2022

XXXIV. 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.

XXXV. 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.

XXXVI. In compliance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by Reserve Bank of India read with RBI circular 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 (March 31, 2021 Nil).

XXXVII. Disclosure of Complaints:

Sl. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
i)	No. of complaints pending at the beginning of the year	-	-
ii)	No. of complaints received during the year	3	1
iii)	No. of complaints redressed during the year	3	1
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>

XXXVIII. 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, 2022	As at March 31, 2021
Percentage of Housing Loan Assets to Total Assets	77.75	78.43
Percentage of Housing Loan Assets of Individuals to Total Assets	66.75	68.72



Notes forming part of the financial statements for the year ended March 31, 2022

(₹ in Lakhs)

Assets side	Amount outstanding	Amount outstanding
(5) Break-up of Investments		
Long Term investments		
1. Quoted		
(i) Shares		
(a) Equity	2.07	1.82
(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, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
(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	8,576.77	-	8,765.53	-
Total	8,576.77	-	8,765.53	-
(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	2.07	2.07	1.82	1.82
Total	2.07	2.07	1.82	1.82
(8) Other information				
Particulars	Amount		Amount	
(i) Gross Non-Performing Assets				
(a) Related parties		-		-
(b) Other than related parties		823.70		943.20
(ii) Net Non-Performing Assets				
(a) Related parties		-		-
(b) Other than related parties		292.30		478.50
(iii) Assets acquired in satisfaction of debt		-		-

Notes forming part of the financial statements for the year ended March 31, 2022

44. 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, 2022 (₹ 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	6854.71	42.74	6811.97	35.90	6.84
	Stage 2	1480.08	7.58	1472.50	6.36	1.22
Subtotal		8334.79	50.32	8284.47	42.26	8.06
Non-Performing Assets (NPA)						
Sub standard	Stage 3	194.45	50.22	144.23	38.59	11.63
Doubtful - up to 1 year	Stage 3	190.78	81.84	108.94	66.43	15.41
1 to 3 years	Stage 3	148.43	109.30	39.13	74.34	34.96
More than 3 years	Stage 3	290.04	290.04	-	290.04	-
Subtotal for doubtful		629.25	481.18	148.07	430.81	50.37
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		823.70	531.40	292.30	469.40	62.00
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	6854.71	42.74	6811.97	35.90	6.84
	Stage 2	1480.08	7.58	1472.50	6.36	1.22
	Stage 3	823.70	531.40	292.30	469.40	62.00
Total		9158.49	581.72	8576.77	511.66	70.06

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, 2022 and accordingly, no amount is required to be transferred to Impairment Reserve.

ii Provisions required as per IRACP norms amount to ₹ 511.66 lakhs. The amounts tabulated above include ₹78.96 lakhs towards unrealised interest on Non-Performing Assets.

Notes forming part of the financial statements for the year ended March 31, 2022

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 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, 2022

45. Other disclosures/information

45.1 Additional information required as per Schedule III of the Companies Act, 2013:

(i) Details of benami property held

No proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding benami property under the Benami Transactions (Prohibition) Act (45 of 1988), as amended and rules made thereunder.

(ii) Borrowing secured against current assets

The Company has not borrowed any money from any bank or financial institution against security of current assets during the year.

(iii) Wilful defaulter

The company is not declared wilful defaulter by any bank, financial institution or lender as at March 31, 2022.

(iv) Relationship with struck off companies

There are no transactions made by the Company during the year with struck off companies as at March 31, 2022.

(v) Compliance with number of layers of companies

The Company does not have any subsidiary or Associate or Joint Venture company during the year.

(vi) Compliance with approved scheme(s) of arrangements

During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of Section 232 to 237 of the Companies Act, 2013. Accordingly, this clause is not applicable to the company.

(vii) Utilisation of borrowed funds and share premium

As a part of normal lending business, the company grants loans and advances on the basis of security/guarantee provided by the Borrower/Co borrower. These transactions are conducted after exercising proper due diligence.

Other than transactions described above, during the year the Company has not advanced or lend or invested funds (either from the borrowed funds or share premium or any other sources or kind of funds) to any person or entity, including foreign entity (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

The Company does not have any unrecorded transactions in the books of account which have been surrendered or disclosed as Income during the year in the tax assessment under the Income Tax Act, 1961.

(ix) Transactions in crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2022.

(x) Revaluation of property, plant & equipment and intangible asset

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year ended March 31, 2022.

(xi) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are pending to be registered with the Registrar of Companies as on March 31, 2022.

45.2 Other Statutory information

(i) Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on Corporate Social Responsibility (CSR) activities during the year ended March 31, 2022.

(ii) There was no amount outstanding and due for transfer to the Investor Education and Protection Fund during the year ended March 31, 2022.

Notes forming part of the financial statements for the year ended March 31, 2022

- (iii) The Company has no long term contracts including derivative contracts having material foreseeable losses as at March 31, 2022 other than disclosed in the other notes of the Financial Statement
- (iv) The Company has not received any whistleblower complaint during the year ended March 31, 2022.
- (v) There is no Core Investment Company within the group as defined in the regulations made by the Reserve Bank of India.

46 Ratios Analysis

Ratio	As at March 31,2022	As at March 31,2021	Variance (%)
Capital to risk-weighted assets ratio (CRAR) (%)	91.10	86.98	4.74
Tier I CRAR (%)	90.13	86.06	4.73
Tier II CRAR (%)	0.97	0.92	5.43
Liquidity Coverage Ratio (%)	Not Applicable	Not Applicable	Not Applicable

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.

- 47 Expenditure and Income in Foreign Currency : ₹ Nil (March 31, 2021 : ₹ 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 to the extent required by Schedule III amendments and Circulars/Directions/Clarification issued by RBI/NHB to make comparable with current year presentation.
- 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
May 28, 2022

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
May 28, 2022



Notes

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