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# ANNUAL REPORT 2019-2020

## Registered & Corporate Office

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

### EASTERN REGION

#### Region Office - East & Branch Office – Kolkata

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

#### Branch Office – Siliguri

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

#### Branch Office – Durgapur

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

#### Branch Office – Ranchi

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

### WESTERN REGION

#### Region Office - West & Branch Office – Mumbai

303, 3rd floor, "Paras Business Centre"  
Carter Road No. 1, Near Kasturba Marg  
Police Station, Borivalli East, Mumbai - 400 066  
Tel : (022) 28011083

#### Branch Office – Pune

1184/4, Shreenath Plaza, "A" Wing, Office No. 78, 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

Shri D.J. Bagchi

### Chief Financial Officer

Shri Vivek Kapoor

### Senior Management Personnel

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

### Statutory Auditor

M/s.Chaturvedi & Partners  
Chartered Accountants  
501, Devika Tower,  
6, Nehru Place  
New Delhi – 110019

### Internal Auditor

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

### Bankers

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

### Registrar & Share Transfer Agent

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

### Address of the Stock Exchange

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

### Registered & Corporate office

CIN : L18100WB1991PLC099782  
46, Dr. Sundari Mohan Avenue,  
Kolkata - 700 014  
Tel: +91 33 22896708, Fax: +91 33 22896708  
Visit us at: www.saharahousingfina.com,  
Email: info.saharahousingfina@gmail.com  
info.saharahousingfina@sahara.in

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## PROFILE OF DIRECTORS & KEY MANAGERIAL PERSONNEL

### PROMOTER DIRECTOR

#### ❖ Awdhesh Kumar Srivastava (DIN: 02323304) □



Shri Awdhesh Kumar Srivastava, holds a Master in Arts and Bachelor's Degree in Law. He has been part of the Sahara India Pariwar and has more than 30 years of experience with the Group. He is on the board of various listed / unlisted companies of the group and has vast and rich experience in management of companies.

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.



### INDEPENDENT DIRECTORS

#### ❖ SHRI BRIJENDRA SAHAY (DIN: 00017600) □

Shri Brijendra Sahay, age 82 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 40 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 view point on the working governance of institutions □



#### ❖ SMT. ANSHU ROY (DIN-05257404) □

Smt. Anshu Roy (45 years), Woman Independent Director, is a graduate from Calcutta University. She was appointed on the Board of the Company as Independent Director on February 13, 2015. She has served as Director in the companies like Rageswari Polytraders Private Limited, Oasis

### KEY MANAGERIAL PERSONNEL

#### ❖ SHRI D J BAGCHI (PAN: AAFPB2022A) □

Shri D J Bagchi, age 57 years, is a Fellow member of the Institute of Company Secretaries of India (ICSI) and a LLB, having more than 30 years' experience in the Mortgage Finance Industry. He is presently the Chief Executive Officer & Company Secretary of the Company, possessing business expertise and professional knowledge in the respective fields. □

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

#### ❖ SHRI VIVEK KAPOOR (PAN: AJTPK1894N) □

Shri Vivek Kapoor, age 51 years, holds Bachelor's degree in Commerce from Calcutta University and has experience of over 28 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 14 years and also looks after the regulatory compliance function as per NHB rules and regulations. He was designated as the Chief Financial Officer of the Company, as defined in Section 2(19) of the Companies Act, 2013, with effect from May 29, 2014. □

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

## DIRECTORS' REPORT

### Dear Members,

The Board of Directors of your Company takes pleasure in presenting the **Twenty-Ninth** Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2020.

### FINANCIAL RESULTS

The Financial Performance of the Company for the financial year ended March 31, 2020, is summarised below;□

Particulars □	2019-20 □	2018-19 □
Gross Income □	1455.88 □	1635.17 □
Less: □		
–□Interest □	621.41 □	768.69 □
–□Overheads □	501.01 □	476.48 □
–□Depreciation □	54.94 □	50.94 □
Profit Before Tax (PBT) □	278.52 □	339.06 □
Provision for Taxation □		
–□Current Tax □	58.75 □	66.47 □
–□Deferred Tax □	11.49 □	11.54 □
–□Income Tax related to earlier years □	0.58 □	0.17 □
Profit After Tax (PAT) □	207.70 □	260.88 □
Add: Profit carried from earlier years □	1973.26 □	1767.01 □
Profit available for appropriations □	2180.96 □	2027.89 □
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 □	55.26 □	54.63 □
Balance carried to Balance Sheet □	2125.70 □	1973.26 □
<b>Total □</b>	<b>2125.70 □</b>	<b>1973.26</b>

### Note:

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

### PERFORMANCE

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

#### Profit (PBT & PAT) & Income

- The Profit and Loss Account shows a Profit Before Tax (PBT) of ₹ 278.52 lakhs for the year ended

March 31, 2020, 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 ₹ 339.06 lakhs for the previous year ended March 31, 2019. The provision for income tax is ₹70.82 lakhs and the Profit After Tax (PAT) for the year is ₹ 207.70 lakhs as against ₹ 260.88 lakhs in the previous year. Taking

into account the balance of ₹1973.26 lakhs brought forward from the previous year, the distributable profit as at March 31, 2020 is ₹ 2180.96 lakhs.

- The Gross Income for the year under review was ₹ 1455.88 lakhs as against the previous financial year's income of ₹ 1635.16 lakhs.

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

- Shareholder's Equity (Net Owned Fund) as at March 31, 2020 was ₹4488.78 lakhs as against ₹ 4279.85 lakhs in the previous year, representing an increase of 4.88 per cent.
- The total Assets under Management of the Company as on March 31, 2020 was ₹ 10283.79 lakhs as against ₹ 11995.93 lakhs in the previous year.

#### Transfer to Special Reserve

During the year under review, your company transferred ₹ 55.26 lakhs to the Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the NHB Act, 1987.

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

#### Earnings per Share (EPS)

The Earnings per share (EPS) as at March 31, 2020 was ₹ 2.97 as against ₹ 3.73 as at March 31, 2019.

#### Share Capital

The paid up equity share capital as on March 31, 2020 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 2019-20 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 2019-20.

#### c. Issue of employee stock options

The Company did not issue any stock options during the financial year 2019-20.

#### 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. The outstanding subordinated debt in the form of Non Convertible Debt (Unsecured) of ₹ 25 crore alongwith interest thereon was fully extinguished on its due date i.e. July 24, 2019. As on March 31, 2020, there is no outstanding that can qualify as subordinated debt.

#### 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, 2020, 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 Housing Finance Companies (NHB) Directions, 2010, every Housing Finance Company (HFC) shall maintain a minimum Capital Adequacy Ratio (CAR) of 13 per cent (as on March 31, 2020). The Capital Adequacy Ratio of your company as at March 31 of Year 2020, 2019 and 2018 is set out in the table below:

Particulars	As at March 31		
	2020	2019	2018
Capital Adequacy Ratio (%)	78.73	61.63	55.21

#### Investment in Subsidiaries, Associates, and Joint Ventures

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

## Lending Performance

During the year under review, the Company disbursed loans aggregating to ₹ 836.09 lakhs as against ₹ 1585.89 lakhs in the previous year. The overall outstanding loan portfolio as at March 31, 2020 stood at ₹ 10283.79 lakhs as against ₹ 11995.93 lakhs in the previous year March 31, 2019.

**The Cumulative Log-in, Sanction and Disbursement as at March 31, 2020 and 2019 are as under:** □

Particulars □	No. of □ Accounts □		Amount (₹ in Lakhs) □	
	2019-20	2018-19	2019-20	2018-19
Cumulative Log-in □	6457 □	6421 □	68139.17	67153.07
Cumulative Sanction □	4278 □	4224 □	49040.10	48110.70
Cumulative Disbursement □	4088 □	4042 □	43869.94	43033.91

## Fresh Loans

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

(₹ In Lakhs)

Particulars □	31.03.20	31.03.19	31.03.18	31.03.17	31.03.16
Sanction □	929.40 □	1678.67	3722.60	2565.20	1697.68
Disbursement □	836.03 □	1585.89	2584.66	1884.61	1455.85

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

## NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

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

The amount of Gross Non-Performing Assets (GNPA) on the Housing Loan portfolio as on March 31, 2020 was

₹828.31 lakhs against ₹ 829.08 lakhs as at March 31, 2019. 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, 2020.

## 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, 2020 except short term investment in Fixed Deposit with Nationalised Bank.

## National Housing Bank (NHB) Guidelines

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

## Other Regulatory Compliance

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

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



CERSAI and the data in respect thereto is being submitted, from time to time.

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

Shri Joy Broto Roy (DIN: 00432043) resigned as a director of the Company with effect from November 14, 2019. The Board places on record its sincere appreciation of the contribution made by Shri Joy Broto Roy during his tenure as a member on the Board of the Company since February 13, 2017.

Based on the recommendation of the Nomination and Remuneration Committee and approval of the same by the Board at its meeting held on February 13, 2020, the Independent Director, Smt. Anshu Roy, being eligible for re-appointment as Independent Director for the second term of her office, having offered herself for re-appointment, is proposed to be re-appointed as Independent Director for a second consecutive term of 5 years from from February 13, 2020 to February 12, 2025. Resolution in this behalf is set out at item No.3 of the Notice of Annual General Meeting for Members' approval.

At its meeting held on November 14, 2019, the Board of Directors appointed Shri Awdesh Kumar Srivastava as an Additional Director (Non-executive Non-Independent) of the Company with effect from the said date. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Srivastava holds office till the date of the ensuing Annual General Meeting and is eligible for appointment as Director of the Company. A Resolution in this behalf is set out at item No.4 of the Notice of Annual General Meeting for Members' approval.

Brief resumes of the Directors, proposed to be appointed / re-appointed, nature of their expertise in specific functional areas and names of other companies in which they hold Directorship along with their Membership / Chairmanship of Committees of the Board as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 are provided in the annexure to the Notice of the Twenty Ninth Annual General Meeting being sent to the members along with the Annual Report.

Based on the confirmations received, none of the Directors are disqualified for being appointed / reappointed as Directors in terms of Section 164 the Companies Act, 2013.

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

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

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

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

### **Board Meetings**

The Board during the relevant financial year had met six times on May 29, 2019, August 14, 2019, September 14, 2019, November 14, 2019, December 13, 2019 and February 13, 2020 respectively.

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

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

### **Auditors**

Based on the recommendation of the Audit Committee, the Board of Directors has approved the re-appointment of M/s. Chaturvedi & Partners, [FRN: 307068E] Chartered Accountants, as the Statutory Auditors of the Company, from the conclusion of Twenty-ninth (29th) Annual General Meeting until the conclusion of the Thirty-first (31st) Annual General Meeting of the Company, subject to approval of the re-appointment by the members of the Company at the ensuing Annual General Meeting as per the provisions of the Companies Act, 2013.

The necessary resolution in this respect is being included in the Notice of the Twenty-ninth (29th) Annual General Meeting for the approval of Members of the Company. The Company has received consent from the Statutory



Auditors and confirmation to the effect that they are not disqualified to be appointed as the Statutory Auditor of the Company in terms of the provisions of Companies Act, 2013 and Rules framed thereunder.

### Notes to Accounts and Auditor's Report

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

### Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Shri P V Subramanian, Practicing Company Secretary (CP: 2077) as the Secretarial Auditor of the Company for the financial year 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2020, is annexed as "Annexure - 2" to this report. The observations made by the Secretarial Auditor in his report are self explanatory and, therefore, do not call for any further comments by the Board.

### Directors' Responsibility Statement

Your Directors would like to inform that the audited accounts for the year ended March 31, 2020 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, 2020, 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, 2020 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 Corporate Governance Report and Management Discussion and Analysis forms part of this Annual Report. The Corporate Governance Report also includes certain disclosures that are required, as per Companies Act, 2013.

The certificate by Rahul Kumar Agarwal & Associates, Practicing Chartered Accountants [Membership No.:- 310116, Firm Registration No.330189E] confirming compliance with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The said certificate for financial year 2019-20 does not contain any qualification, reservation or adverse remark.

### **Internal Control**

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

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

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

### **Change in the Nature of Business**

There are no changes in the Nature of Business.

### **Nomination (Including Boards Diversity) Remuneration & Evaluation Policy**

The Board has, on the recommendation of the Nomination

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

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

### **Related Party Transaction Policy**

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 as per requirement of Indian Accounting Standard Ind AS 24 are disclosed at Note No. 36 of the Notes forming part of the Accounts in the Annual Report annexed herewith.

The Related Party Policy is available on the website of the Company at the URL <http://www.saharahousingfina.com/annualreport/related-party-transaction-policy.pdf> and also forms a part of this Annual Report.

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

Provisions of the Companies Act, 2013 mandates formal annual evaluation of the Board of Directors and its committees. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015, also require that the Board shall monitor and review the Board Evaluation Framework.

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

### **Insurance of Company's Property**

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

### **Risk Management Policy & Asset Liability Management Committee (ALCO)**

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

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

### **Corporate Social Responsibility Policy**

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

## **Codes, Standards and Policies**

### **Know Your Customer & Anti-Money Laundering Measures**

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

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

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

### **Fair Practice Code**

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the 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 various circulars issued by the National Housing Bank.

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

### **Whistle Blower Policy (Vigil Mechanism)**

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

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



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

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

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

The said policy is available on website of the Company at the URL [http://www.saharahousingfina.com/Code\\_of\\_Conduct\\_Directors\\_Sr%20Mngmnt\\_PeRsl\\_RVISED\\_2015.pdf](http://www.saharahousingfina.com/Code_of_Conduct_Directors_Sr%20Mngmnt_PeRsl_RVISED_2015.pdf).

### **Code for Prevention of Insider Trading Practices**

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

### **Policy 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](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 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 listed under category (Group-X) on the BSE Ltd. The Company has paid the listing fees as payable to the BSE Ltd. for the financial year 2020-21.

### **Technology Updation**

The exercise of upgradation/implementation of the system software and information technology so as to be in harmony with the Guidelines of National Housing Bank concerning Information Technology Framework applicable for Housing Finance Companies based on size and complexity is currently under progress. Its commissioning shall augment the prevalent systems and processes, and also improve operational efficiencies, cyber security and governance. While, the company has initiated the procurement of software and hardware, essential to give effect to the said goal, the high capital outlay and manpower allocation, necessary for the purpose remain crucial factors considering the modest scale of operations and size of your company. Nonetheless, the Company is fully committed to the said objective and deciphering its benefits, your Company is progressively allocating funds from internal resources. The ongoing pandemic (COVID 19) may cause some delay in its envisaged timely implementation but once commissioned, the envisaged integrated information technology solution will fully strengthen the systems and processes in place.

### **Depository System**

The Company has entered into an agreement with CDSL / NSDL for transaction of shares in dematerialized form. As on March 31, 2020, only 2.98 per cent of the Company's paid up Share Capital consisting of 2,08,208 shares were

held in physical form. As per the Securities and Exchange Board of India's (SEBI) instructions, the Company's shares have to be transacted in dematerialised form and therefore, members are requested to convert their holdings to dematerialised form.

### Human Resources and Training

Your Company continues its focus to improve human resource competence and capabilities in the Company to deliver the desired / better results. The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Your company strives to ensure overall employee development and retention thus making them a core participant to the Company's success. Rewarding and recognizing high performing employees are vital to the company's success. The Board values and appreciates the contribution and commitment of the employees towards performance of your Company during the year. In pursuance of the Company's commitment to develop and retain the best available talent, the Company continued to offer in-house training programme to staff members in executive development leadership and management skills. The Company continues to sponsor its employees at various levels to attend various seminars, workshops and programmes conducted under the aegis of various organizations and institutions including training programmes conducted by National Housing Bank, ICAI, ICSI & others and firmly believes it to be an investment in building leadership qualities amongst selected promising employees.

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

### Insurance Coverage to Borrowers

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

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

Missile testing operations / Leakage from Automatic Sprinkler Installations, Bush Fire / other natural calamities.

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

### Go Green Initiatives

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

### Extract of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at March 31, 2020, in the prescribed form MGT 9, forms part of this report and is annexed as "Annexure - 3".

### Acknowledgements

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

The Board also places on record its deep appreciation for the significant contributions made by its employees at all levels and for their dedication, commitment, hardwork and cooperation that has been instrumental in maintaining the momentum in these challenging environment.

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

For and on behalf of the Board of Directors □

**(Brijendra Sahay)** □

Director □

Kolkata  
August 26, 2020  
(DIN 00017600) □

**(Anshu Roy)**

Director

(DIN 05257404)

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

Sl. No.	Requirements	Disclosure
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2019-20.	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 2019-20. 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 2019-20.
IV	The number of permanent employees on the rolls of the Company.	There were 38 permanent employees on the rolls of the Company, as on March 31, 2020.
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 2019-20. (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, 2020**

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	57	-	Chief Executive Officer & Company Secretary	4,356,348	F.C.S. & LLB	30	16.02.2004	Dewan Housing Finance Corporation Ltd.
Shri Vivek Kapoor	51	-	Chief Financial Officer	1,959,090	Graduate	28	12.08.2003	Ganpati Projects Limited
Shri Anup Kirtan	51	-	Deputy Chief Manager	1,697,787	I.C.W.A.	20	07.07.2003	Lovelock & Lewes Services (P) Ltd.
Shri Sarvesh Kumar	50	-	Assistant Chief Manager	1,395,646	Post Graduate	26	16.01.2004	SBI Home Finance
Shri K.D. Bhattacharya	47	-	Assistant Chief Manager	1,337,146	MBA	23	01.07.2003	Bengal Ambuja Housing Development Ltd.
Shri R.N. Singh	57	-	Senior Manager	1,070,387	B.Tech (Civil)	27	16.10.2006	Dewan Housing Finance Corporation Ltd.
Shri Sumit Basu	57	-	Deputy Senior Manager	1,021,399	Graduate	33	25.08.2004	Senbo Engineering Ltd.
Shri Sutanu Palit	59	-	Assistant Senior Manager	848,353	Graduate	29	02.06.2005	Senbo Engineering Ltd.
Shri Amab Chaudhury	50	-	Assistant Senior Manager	823,356	Graduate & P.G.D.C.A.	21	05.11.2004	Bengal Ambuja Metro Development Ltd.
Shri Ranjan Saha	56	-	Manager	744,681	Graduate	27	10.05.2006	Senbo Engineering Ltd.

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

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

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

**Annexure – 2  
TO THE DIRECTORS' REPORT**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020.**

To,  
The Members,  
**Sahara Housingfina Corporation Limited.**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company, during the audit period covering the financial year ended on March 31, 2020, 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, 2020 according to the provisions of:
  - (i)  The Companies Act, 2013 ('the Act') and the rules made thereunder;
  - (ii)  The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii)  The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
  - (iv)  Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
  - (v)  The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- 
    - (a)  The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b)  The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c)  The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (d)  The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
    - (e)  The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (vi)  The following laws specifically applicable to the Company vis-a-vis the nature of its business:- 
    - (a)  The National Housing Bank Act, 1987; &
    - (b)  The Housing Finance Companies (NHB) Directions, 2010.
2.  Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were **not applicable** to the Company during the financial year under report:- 
  - (a)  The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (b)  The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c)  The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (d)  The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and
  - (e)  The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013



3.  I have also examined compliance with the applicable clauses of the following:-
- (i)  Secretarial Standards with respect to board and general meetings issued by the Institute of Company Secretaries of India; &
  - (ii)  The Listing Agreement entered into by the Company with BSE Ltd.
4.  The Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above and, during the period under report, the Company paid a fine of Rs.5900/- (including GST) levied by National Housing Bank for non-disclosure of information in terms of Housing Finance Companies – Corporate Governance (NHB) Directions, 2016.
5.  I further report that:
- (i)  The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
  - (ii)  Adequate notices were given to all directors to schedule the Board Meetings and Committee Meetings. Agenda and notes on agenda were sent at least seven days in advance and further information and clarifications on the agenda items were provided for meaningful participation at the meetings; and
  - (iii)  All decisions at the Board Meetings and Committee Meetings, as represented by the management, were taken unanimously.
6.  I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, including general laws, labour laws, competition law and environment laws.
7.  I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, such as laws related to taxation, local laws applicable to the areas of operation of business and other laws generally applicable to the Company.
8.  I further report that, to the best of my understanding, the Company had not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.
9.  This report is to be read with my letter of even date which is annexed as Appendix-I and forms an integral part of this report.

Place  Kolkata  
Date  August 22, 2020

**P V SUBRAMANIAN**  
Company Secretary in Whole-time Practice  
ACS No.: 4585  
CoP. No.: 2077  
UDIN: A004585B000605011





**Appendix-I**

**(To the Secretarial Audit Report to the Members of Sahara Housingfina Corporation Limited for the financial year ended March 31, 2020)**

To,  
The Members,  
**Sahara Housingfina Corporation Limited.**

My Secretarial Audit Report for the financial year ended 31/03/2020 of even date is to be read along with this letter.

1.  Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2.  I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts reflected on secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3.  I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4.  Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5.  The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility  of the management. My examination was limited to the verification of procedures on test basis.
6.  The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.
7.  Due to prevailing circumstances of covid-19 pandemic, the audit was conducted by distance mode and my report is based on verification of company's books, papers, minutes books, forms and returns filed, documents and other records furnished by the company electronically and also the information provided by company and its officers by audio and visual means.

Place  Kolkata  
Date  August 22, 2020

**P V SUBRAMANIAN**  
Company Secretary in Whole-time Practice  
ACS No.: 4585  
CoP. No.: 2077  
UDIN: A004585B000605011



**Annexure – 3  
TO THE DIRECTORS' REPORT**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on Financial Year ended on March 31, 2020**

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

**I. REGISTRATION & OTHER DETAILS:**

1. CIN L18100WB1991PLC099782
2. Registration Date August 19, 1991
3. Name of the Company Sahara Housingfina Corporation Limited
4. Category/Sub-category of the Company Public Company, Limited by shares  
(Registered with National Housing Bank as a Non-deposit taking Housing Finance Company)
5. Address of the Registered office & contact details 46, Dr. Sundari Mohan Avenue  
Kolkata- 700 014  
Ph: +91 33 2289 6708  
Email: info.saharahousingfina@gmail.com;  
Website: www.saharahousingfina.com
6. Whether listed company Yes
7. Name, Address & contact details of Registrar & Transfer Agent, (if any). Link Intime India Private Limited  
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

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

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

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

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	4994587	-	4994587	71.35	4994587	-	4994587	71.35	00.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	4994587	-	4994587	71.35	4994587	-	4994587	71.35	00.00
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2) :</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	4994587	-	4994587	71.35	4994587	-	4994587	71.35	00.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-

<b>2. Non-Institutions</b>									
a) Bodies Corporate	769465	3700	773165	11.04	760804	3700	764504	10.92	(0.12)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	681682	206628	888310	12.69	681989	204508	886497	12.66	(0.03)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	258775	-	258775	3.70	266651	-	266651	3.81	0.11
c) NBFCs registered with RBI	121	-	121	0.00	-	-	-	-	(0.00)
d) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians (REPAT)	5550	-	5550	0.08	2336	-	2336	0.03	(0.05)
Non Resident Indians (NON REPAT)	2065	-	2065	0.03	2065	-	2065	0.03	0.00
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Hindu Undivided Family	71986	-	71986	1.03	82941	-	82941	1.19	0.16
Clearing Members	5441	-	5441	0.08	419	-	419	0.01	(0.07)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>1795085</b>	<b>210328</b>	<b>2005413</b>	<b>28.65</b>	<b>1797205</b>	<b>208208</b>	<b>2005413</b>	<b>28.65</b>	<b>00.00</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1795085	210328	2005413	28.65	1797205	208208	2005413	28.65	00.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>6789672</b>	<b>210328</b>	<b>7000000</b>	<b>100</b>	<b>6791792</b>	<b>208208</b>	<b>7000000</b>	<b>100</b>	

## II. Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 2019			Shareholding at the end of the year 2020			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Sahara Prime City Limited	2940000	42.00	-	2940000	42.00	-	00.00
2	Sahara India Corp Investment Limited	1638587	23.41	-	1638587	23.41	-	00.00
3	Sahara India Finance and Investment Limited	416000	5.94	-	416000	5.94	-	00.00

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

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

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 2019		Transactions during the year		Cumulative Shareholding at the end of the year 2020	
		No. of Shares	% of total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares	% of total Shares of the Company
1	Citrus Securities Pvt. Ltd.	-	-			-	-
	Transfer			27-Sep-19	529412	529412	7.56
	Transfer			04-Oct-19	91100	620512	8.86
	At the end of the year					620512	8.86
2	Gandevi Commerce Private Limited	723044	10.33			723044	10.33
	Transfer			27-Sep-19	(529412)	193632	2.77
	Transfer			04-Oct-19	(91100)	102532	1.46
	At the end of the year					102532	1.46
3	Vishnushankar B Mishra	86438	1.23			86438	1.23
	At the end of the year					86438	1.23
4	Madhu Bala Mittal	32221	0.46			32221	0.46
	Transfer			18-Oct-19	2000	34221	0.49
	At the end of the year					34221	0.49
5	Hirak Leasing and Investmets Pvt. Ltd.	25000	0.36			25000	0.36
	At the end of the year					25000	0.36
6	Chhagan Lal	21618	0.31			21618	0.31
	Transfer			17-May-19	1806	23424	0.33
	Transfer			07-Feb-20	(10472)	12952	0.18
	Transfer			14-Feb-20	(9346)	3606	0.05
	Transfer			21-Feb-20	3389	6995	0.10
	Transfer			28-Feb-20	133	7128	0.10
	Transfer			27-Mar-20	16296	23424	0.33
	At the end of the year					23424	0.33
7	Sunita Kantilal Vardhan	18591	0.27			18591	0.27
	Transfer			12-Jul-19	288	18879	0.27
	Transfer			11-Oct-19	100	18979	0.27
	Transfer			18-Oct-19	119	19098	0.27
	Transfer			25-Oct-19	414	19512	0.28
	Transfer			1-Nov-19	85	19597	0.28
	Transfer			15-Nov-19	200	19797	0.28
	Transfer			22-Nov-19	1165	20962	0.30
	Transfer			6-Dec-19	22	20984	0.30
	Transfer			3-Jan-20	410	21394	0.30
	Transfer			10-Jan-20	897	22291	0.31
	Transfer			17-Jan-20	367	22658	0.32
	Transfer			31-Jan-20	98	22756	0.32
	Transfer			7-Feb-20	592	23348	0.32
	Transfer			14-Feb-20	4	23352	0.33
	At the end of the year					23352	0.33
8	Radhey Shyam Mittal	17206	0.24			17206	0.24
	Transfer			20-Sep-19	999	18205	0.26
	Transfer			30-Sep-19	1	18206	0.26
	Transfer			27-Mar-20	3500	21706	0.31
	At the end of the year					21706	0.31
9	Meeta Kantilal Vardhan	19264	0.27			19264	0.27
	At the end of the year					19264	0.27



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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 2019		Transactions during the year		Cumulative Shareholding at the end of the year 2020	
		No. of Shares	% of total Shares of	Date of Transaction the Company	No. of Shares	No. of Shares	% of total Shares of the Company
10	Sharmila Parasa	24470	0.35			24470	0.35
	Transfer			3-May-19	(1025)	23445	0.33
	Transfer			10-May-19	(1415)	22030	0.31
	Transfer			23-Aug-19	(749)	21281	0.30
	Transfer			30-Aug-19	(1920)	19361	0.28
	Transfer			31-Jan-20	(725)	18636	0.27
	At the end of the year					18636	0.27
11	Atul Haribhai Chauhan	16357	0.24			16357	0.24
	Transfer			6-Dec-19	100	16457	0.24
	Transfer			13-Dec-19	300	16757	0.24
	Transfer			17-Jan-20	100	16857	0.24
	Transfer			24-Jan-20	40	16897	0.24
	Transfer			14-Feb-20	25	16922	0.24
	Transfer			28-Feb-20	78	17000	0.24
	At the end of the year					17000	0.24

Note: 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.

**V. Shareholding of Directors and Key Managerial Personnel:**

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

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

(₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	50,028,576	366,497,786	-	416,526,362
ii) Interest due but not paid	1,595	-	-	1,595
iii) Interest accrued but not due	3,825,000	-	-	3,825,000
<b>Total (i+ii+iii)</b>	<b>53,855,171</b>	<b>366,497,786</b>	<b>-</b>	<b>420,352,957</b>
<b>Change in Indebtedness during the financial year</b>				
i) Addition	-	257,027,397	-	257,027,397
ii) Reduction	53,825,000	190,000,000	-	243,825,000
<b>Net Change (i-ii)</b>	<b>53,825,000</b>	<b>67,027,397</b>	<b>-</b>	<b>13,202,397</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	28,576	433,525,183	-	433,553,759
ii) Interest due but not paid	1,595	-	-	1,595
iii) Interest accrued but not due	-	13,538,181	-	13,538,181
<b>Total (i+ii+iii)</b>	<b>30,171</b>	<b>447,063,364</b>	<b>-</b>	<b>447,093,535</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
	Name & Designation	D.J.Bagchi Manager
1	Gross Salary	(₹)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,186,869
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	169,479
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify	-
	Total	4,356,348
	Ceiling as per the Act	-

- In terms of the provisions of Section 197 of the Companies Act, 2013, (“Act”) the remuneration payable to the Managing Director/WTD/Manager shall not exceed 5% of the net profits of the Company calculated as per the Act. As per sub-section (3) of Section 197, notwithstanding anything contained in sub-sections (1) and (2), but subject to the provisions of Schedule V, if, in any financial year, a company has no profits or its profits are inadequate, the company shall not pay to its directors, including any managing or whole-time director or manager, by way of remuneration any sum exclusive of any fees payable to directors under sub-section (5) except in accordance with the provisions of Schedule V and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- The remuneration paid to Shri D J Bagchi is well within the limits prescribed under the Companies Act, 2013 read with the Sections 196, 197, 198, 203 and other applicable provisions, if any, read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, and the same is also authorized vide special resolution □ of the members of the Company passed at the 27th Annual General Meeting held on September 27, 2018.

## B. □ REMUNERATION TO OTHER DIRECTORS

### B1. REMUNERATION TO INDEPENDENT DIRECTORS □

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

### B2. REMUNERATION TO OTHER NON-INDEPENDENT, NON-EXECUTIVE DIRECTOR □

Sl. No. □	Name of Non-Independent, Non-Executive Director □	Fees for attending Board/Committee Meetings □ (in ₹) □	Total Amount □ (in ₹) □
1 □	Shri Awdhesh Kumar Srivastava* □	50000 □	50000 □
2 □	Shri Joy Broto Roy# □	- □	- □

\* □ Shri Awdhesh Kumar Srivastava, Director (Appointed on the Board w.e.f 14 November 2019) □

# □ Shri Joy Broto Roy, Director (Resigned from the Board of Directors w.e.f 14 November 2019)

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



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

Sl. No.	Particulars of Remuneration	Shri D. J. Bagchi * (CEO & CS)	Shri Vivek Kapoor (CFO)
1	Gross salary	(₹)	(₹)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,186,869	1,877,787
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	169,479	81,303
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission - as % of profit - others, specify...	–	–
5	Others, please specify	–	–
	<b>Total</b>	<b>4,356,348</b>	<b>1,959,090</b>

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

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

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

## Related Party Transactions Policy of the Company

### 1. Brief Background:

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

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

### 2. Objective of the Policy

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

### 3. Scope of the Policy

3.1. During the course of its business, the Company enters into transactions with various entities. Some of the transactions were deemed to be 'Related Party Transactions' as per the Accounting Standard on Related Party Disclosures (AS 18), as notified by the Companies (Accounting Standards) Rules, 2006 and Indian Accounting Standard on Related Party

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

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

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

### 4. Transactions are considered as related party transactions:

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

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

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

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

contract.□

4.3.□Types of the transactions considered as related party as per AS-18, Accounting Standard-18 of 2006;□

- a)□ Purchases or sales of goods (finished or unfinished);□
- b)□ Purchases or sales of fixed assets;□
- c)□ Rendering or receiving of services;□
- d)□ Agency arrangements;□
- e)□ Leasing or hire purchase arrangements;□
- f)□ Transfer of research and development;□
- g)□ License agreements;□
- h)□ Finance (including loans and equity contributions in cash or in kind);□
- i)□ Guarantees and Collaterals; and□
- j)□ Management contracts including for deputation of employees.□

4.4.□In addition to the above, following transactions between the related parties shall also be considered as related party transactions;□

- a)□ Borrowings□
- b)□ Deposit□
- c)□ Placement of deposits□
- d)□ Advances□
- e)□ Investments□
- f)□ Non-funded commitments□
- g)□ Leasing/HP arrangements availed□
- h)□ Leasing/HP arrangements provided□
- i)□ Purchase of fixed assets□
- j)□ Sale of fixed assets□
- k)□ Interest paid□
- l)□ Interest received

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

The notice of any such potential Related Party Transaction should be given to the Board/Audit Committee well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

#### 6.□ Process for ascertaining related party□

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

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

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

#### 7.□ Approval of Related Party Transaction:□

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

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

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

7.2.□ Approval of the Board of Directors: All the contracts/ arrangements prescribed under Section 188(1) of the Companies Act, 2013 and within

the threshold limits, which are not in the ordinary course of business of the Company or on an arm's length basis shall along with the approval of the Audit Committee also require approval of the Board of Directors of the Company.□

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

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

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

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

#### **7.4.□ Omnibus approval by the Audit Committee□**

- I.□ In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company (including transactions for support services/sharing of services with Subsidiary/Associate Companies), the Audit Committee may consider grant of an omnibus approval for such Related Party Transactions proposed to be entered into by the Company, □ subject to the following conditions:□
  - a.□ The Audit Committee shall lay down the criteria for granting such omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.□
  - b.□ The Audit Committee shall satisfy itself that the need for such omnibus approval and that such approval is in the business interest of the Company.□
  - c.□ Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price or current contracted price and the formula for variation in the price, if any and (iii) such other conditions as the Audit Committee may deem fit;□
- II.□ Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore (Rupees One Crore only) per transaction.□
- III.□ The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals

given.□

- IV.□ Such omnibus approval shall be valid for a period not exceeding 1 (one) year and shall require fresh approval after the expiry of 1 (one) year from the date of the original approval granted by the Audit Committee, from time to time.□
- V.□ In terms of Schedule II Part C Para B point 2 of SEBI (LODR) Regulations, 2015, the Audit Committee shall review the statement containing significant Related Party Transactions. The threshold limit for determining significant Related Party Transactions will be the same as applicable for Material Related Party Transactions under Explanation to Reg.23(1) of SEBI(LODR) Regulations, 2015, as amended from time to time.

#### 8.□ Procedure of seeking approval of Related Party Transaction□

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

If the proposed transaction is not in ordinary course of business but at arm's length basis, then a detailed note with justification shall be prepared, for entering into such transaction along with details of proposed transaction with draft agreement/MoU/other supporting documents. Based on the note, the matter shall escalate for necessary approvals of the Audit Committee/ Board/ Share Holders as may be applicable.□

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

- a.□ A General Description of the transactions□
- b.□ The name of the related party and the basis on

which such party is a related party.□

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

#### 9.□ Review and Approval of Related Party Transactions□

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

To review a Related Party Transaction, the Committee will be provided with all, relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.□

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

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

- a.□ Any transaction that involves providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of

reasonable business and travel expenses incurred in the ordinary course of business. □

- b. □ Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

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

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

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

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

#### **11. Disclosures □**

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

- 11.2. Necessary disclosures shall be made in the Annual Financial Statements as required under AS 18 and Ind AS-24 (Annexure 2). Further, as required under Para A of Schedule V of SEBI (LODR) Regulations, 2015 necessary details of all materially significant related party transactions which may have potential conflict with the interests of the Company at large, shall also be also given in Report on Corporate Governance section in Annual Report. □

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

- 11.3. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on Corporate Governance. □
- 11.4. The Company shall disclose the policy on dealing with related party transactions on its website and a web link thereto shall be provided in the Annual Report. □
- 11.5 The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

#### **12. Records relating to Related Party/Supporting documents □**

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

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

the Board and/or any other person authorized by the Board for the Purpose.

### 13. Interpretation

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

### 14. Secrecy Provisions

In terms of paragraph 5 of Accounting Standard 18, the disclosure requirements do not apply in circumstances when providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of statute, by regulator or similar competent authority. In terms of Paragraph 6 of Accounting Standard 18, in case a statute or SEBI prohibits the Company from disclosing certain information which is required to be disclosed, non-disclosure of such information would not be deemed as non-compliance with the requirements of Accounting Standard 18. It is clear from the above that on account of the judicially recognized common law duty of the Company to maintain the confidentiality of the customer details, they need not make such disclosures. In view of the above, where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, Company need not disclose any details pertaining to that related party other than the relationship with that related party.

### 15. Review of Related Party Transaction Policy

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

## Annexure 1 – Definitions

#### a. Arm's Length Transaction

Explanation Section 188(1)(b) of the Companies Act, 2013 defines an "arm's length transaction" to mean a transaction between two related parties that is

conducted as if they were unrelated, so that there is no conflict of interest.

#### b. Associate Company

##### A. Companies Act, 2013:

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

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

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

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

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

#### c. Audit Committee

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

#### d. Material Related Party Transaction

In terms of Explanation to Reg.23( 1) of SEBI(LODR) Regulations,2015, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

In terms Reg.23 (1A) of SEBI (LODR) Regulations, 2015 notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material

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

**e. Related Party**

**A. Companies Act, 2013:**

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

Related Party with reference to a company means -

- (i) a Director or his relative;
- (ii) a Key Managerial Personnel or his relative;
- (iii) a firm, in which a Director, Manager or his relative is a partner;
- (iv) a private company in which a Director or Manager is a member or director;
- (v) a public company in which a Director or Manager is a Director and holds along with his relatives, more than 2% of its paid-up share capital;
- (vi) anybody corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager;
- (vii) any person on whose advice, directions or instructions a Director or Manager is accustomed to act:  
 Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any company which is;
- (A) a holding, subsidiary or an associate company of such company; or
- (B) a subsidiary of a holding company to which it is also a subsidiary;
- (C) an investing company or the venture of the Company

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

(ix) such other person as may be prescribed;

Rule 3 of the Companies (Specification of definitions details) Rules, 2014, provides that a Director or Key Managerial Personnel of the holding company or his relative with reference to a company shall also be deemed to be a related party.

**B. SEBI(LODR) Regulations.2015**

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

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

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

**C. Accounting Standard**

As per Standard 10.1 of Accounting Standard 18 (AS 18) pertaining to Related Party Disclosures notified by the Companies (Accounting Standards) Rules, 2006, a Related Party is defined as follows -

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

In view of the above definition, AS 18 further defines the terms ‘control’ and ‘significant influence’ as follows -

**f. Control**

- a. ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or
- b. control of the composition of the board of



directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise, or

- c. a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

Significant Influence -Participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.

As per Accounting Standard 'AS-24' a "related Party" is a person or entity that is related to the entity that is preparing its financial statements (in this standard referred to as the 'reporting entity')

**g. Related Party Transaction**

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

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

**h. Relative**

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

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

**Format for Related Party Disclosures**

The manner of disclosures required by paragraphs 23 and 26 of AS 18 is illustrated below.  
It may be noted that the format is merely illustrative and is not exhaustive.

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

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

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

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

Signature:

Date:

Designation:



**Format of Information in Related Party Transaction**

Name of the Account where facility availed:

Name of the related party and relationship:

Nature & Volume of transaction during the quarter:

A) Transaction of routine and repetitive in nature

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

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

Nature of Transactions <input type="checkbox"/>	Total During the <input type="checkbox"/> quarter <input type="checkbox"/>	Cumulative during <input type="checkbox"/> the financial year <input type="checkbox"/>
Special concession, if any <input type="checkbox"/>		
Whether at arm's length		

C) Material Transactions

Nature of Transactions <input type="checkbox"/>	Total During the <input type="checkbox"/> quarter <input type="checkbox"/>	Cumulative during <input type="checkbox"/> the financial year <input type="checkbox"/>

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

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

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

(Signature/Authorised signatory)

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### n BUSINESS ENVIRONMENT

#### Macroeconomic Outlook

The global economic activity is witnessing a synchronised deceleration, though easy policy stances by the fiscal and monetary authorities in several economies are expected to cushion the pace of the slowdown. The global trade outlook is uncertain as the largest economies of the world struggle to come to consensus. Inflation pressures across geographies remain benign on soft commodity prices and slowing demand. Global growth and trade concerns are expected to remain the dominant theme of 2019, which will drive markets and condition future monetary and fiscal actions.

The global economy clocked growth rate of 2.9 percent in 2019. The trade policy uncertainty, geopolitical tensions, and characteristic stress in key emerging market economies continued to weigh on global economic activity, especially in manufacturing and trade in the second half of 2019. The monetary policy easing continued into the second half of 2019 in several economies.

COVID-19 pandemic is posing a risk to the stabilisation of global growth that came from a truce following the US-China trade war. The COVID-19 pandemic is inflicting high and rising human costs worldwide and the necessary protection measures are severely impacting economic activity. As a result of the COVID-19 pandemic, the International Monetary Fund (IMF) has projected global economy to de-grow 3 per cent in 2020 which is much worse than during the fiscal 2009 financial crisis. IMF has also projected that if COVID-19 pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalises, helped by policy support. Fiscal measures will need to be scaled up if the stoppages to economic activity are constant or the pickup in activity as restrictions are lifted is too weak.

As a whole the global economic activity is witnessing a synchronised deceleration, though easy policy stances by the fiscal and monetary authorities in several economies are expected to cushion the pace of the slowdown. The global trade outlook is uncertain as the largest economies of the world struggle to strike a deal. Inflation pressures across geographies remain benign on soft commodity prices and slowing demand. Global growth and trade concerns are expected to remain the dominant theme of

2020, which will drive markets and condition future monetary and fiscal actions.

The Government of India in last twelve months have taken several steps to lift growth, including a cut in Corporate Tax rates, a Real Estate fund for stressed housing projects and a national infrastructure pipeline. However, the domestic demand slowed more sharply than expected amid stress in the non-bank financial sector (NBFC) and a decline in credit growth. In fiscal 2020, India achieved a growth of 4.2 percent down from 6.1 percent growth in fiscal 2019. IMF forecasts India's growth at 1.9 per cent in fiscal 2020, change from the latest forecast from IMF in January of a 5.8 per cent growth due COVID-19 pandemic.

Credit quality pressure on Corporate India, which has been rising because of economic slowdown and consumption droops, is set to intensify with Covid-19 pandemic. The impact will vary with sectors and will be influenced by the extent of trade disruption, social distancing and resultant economic slowdown.

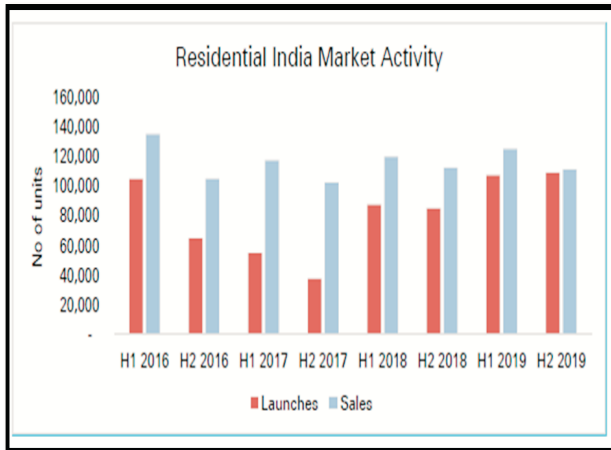
#### n Real Estate Industry Outlook

Real Estate industry has undergone a massive change since 2014 with the imposition of regulatory policies like the Real Estate (Regulation and Development) Act, 2016 (RERA), Goods and Services Tax Act (GST) and demonetisation, in the midst of a long-lasting correction in demand and prices. While coming to terms with the new regulatory scenario, developers have also been increasingly aligning themselves with the needs of home buyers by reducing ticket sizes and unit sizes in a bid to encourage sales.

The Indian property market is transient through a key consolidation as half of the real estate developers operating in 2012 across the top 14 cities have withdrawn from the business or tied up with big developers due to a multi-year demand slowdown and incremental regulatory compliance.

The developers during this turn around phase of right-sizing & right-pricing of new residential product and greater transparency due to increased regulation has led to a steady growth in sales in the trailing half-yearly periods leading up to Calendar Year 2019. These stabilisations in volumes are attributed largely to the fact that developers have been focusing more on affordable housing and on lower ticket / unit sizes. The 60% of launches during

Calendar Year 2019 have occurred in ticket sizes under Rs 5.0 million and 82% under Rs 10.0 million and 48% of the sales as well were concentrated in the under Rs 5.0 million ticket size.



Source: Knight Frank

Out of eight cities, only Mumbai, Kolkata and Pune saw year to year sales growth and fall during second half of 2019 while Bengaluru was the only city that saw double-digit year to year growth for the same period, with the other markets posting more modest growth numbers.

#### Market Activity 2019 – City Wise

CITY NAME	LAUNCHES (No. of Units)	SALES (No. of Units)	SALES GROWTH (%)
MMR	79,810	60,943	-5
NCR	22,905	42,828	5
Bengaluru	33,772	48,076	10
Pune	44,660	32,801	-2
Chennai	11,542	16,959	6
Hyderabad	13,495	16,267	4
Kolkata	5,654	11,266	-12
Ahmadabad	11,487	16,713	3

Source: Knight Frank

During the last four years, the growth in residential prices in most of the top eight cities of India has been below retail inflation growth and the gap has progressively increased since 2016.

#### Income Ratio to Price of House

The Real Estate in India has managed to attract Commercial investments from institutional investors in last couple of

years despite slowdown in real estate market. The oversubscription of Embassy REIT, the investors have shown their interest towards commercial real estate investments. The various new trends like co-working have successfully emerged in the market with flexi working spaces and the reduced cost coupled with flexible working environment have attracted several corporate, particularly in Tier I cities.

CITY NAME	2010	2019
Mumbai	11.0	7.1
NCR	6.0	5.0
Bengaluru	5.6	3.9
Pune	4.6	2.5
Chennai	5.4	3.9
Hyderabad	5.7	5.0
Kolkata	5.7	2.9
Ahmadabad	4.3	3.1

Source: Knight Frank

The COVID-19 pandemic is expected to weigh heavily both on demand and supply front for the real estate sector. Residential demand is expected to fall sharply in fiscal 2021 as consumers will defer high ticket spending like real estate. Fall in demand for real estate, which is already reeling under pressure of unsold inventory in major cities like MMR and NCR, due to pandemic will have additional stress on the sector. Growth in supply is expected to be hit due to delay in projects during the first quarter of fiscal 2021, which may be aggravated due to availability of labour post lockdown as mobilisation will take time. Project timelines will see significant deferment. However, demand for ready to move inventory is expected to grow.

Housing is an important sector for any economy as it has inter-linkages with other industries. The development of housing sector can have direct impact on employment generation, GDP growth and consumption pattern in the economy. To accelerate development in housing in the country, there is need to have a well-developed housing finance market.

#### Structure & Development of Housing Finance Industry

The housing loan outstanding grew 14% on year in the nine months of fiscal 2020. The growth in housing loan outstanding was majorly supported by banks, which have witnessed a healthy growth of 18% in their books during the period, whereas HFCs / NBFCs grew at a relatively slower pace of 8% during the same period.

The liquidity constraints of housing finance companies have halted the growth momentum and after witnessing steadfast growth of over 20 per cent in fiscals 2014-18. Housing Finance Companies (HFCs) lending has considerably dropped in the second half of fiscal 2019 to less than 10%, primarily due to the crisis in the sector triggered by defaults by few large players.

As traditional borrowing routes of term lending from banks and capital market borrowings shrank, HFCs had to switch to loan securitisation, which has witnessed an unprecedented rise in the fiscal 2019 and 2020 to manage the liquidity and ALM challenges. The affordable housing, which accounts for roughly 15% of the overall portfolio of HFCs, continued to grow in double digits (10-12%) in fiscal 2019 and 2020, however, growth has certainly decelerated from a rate of above 20% in fiscal 2018. Tier-2 & Tier-3 Cities are the major growth drivers, especially in western and southern regions.

Housing Finance Companies having a strong parentage (either bank or public sector undertaking or large conglomerate group) have recorded faster growth than other HFCs have in the first half of fiscal 2020 as they continued to receive funds while market borrowings had dried up.

Housing Finance Companies are restructuring / recreating their business model while the asset quality has taken a hit mainly in the non-housing segments. NPAs have witnessed an upward movement owing to stress in the wholesale loan portfolio, predominantly the builder and loan against property (LAP) segments and with the realtors still struggling to get refinance and the lender / investor community shutting down the funding tap, stress in the real estate sector adversely impacted the asset quality of HFCs. This is expected to deteriorate further in fiscal 2021 due to stress in the developer loan segment due to economic slowdown on account of COVID-19 pandemic.

It will be difficult to expect the mortgage loan portfolio will grow in the fiscal 2021 due to the COVID pandemic. The sector will witness a lower credit growth driven by near term shutdown and will only recover gradually over a period of time. However, the affordable homes will continue to see demand specifically from first time home buyers and home buyers facing the impact of COVID-19 in urban slums. Similarly, the requirement for physical distancing and work from home culture of COVID-19 may create demand for bigger houses/flats.

## Developments in Regulatory bodies

Housing Finance market in India is very complex. Central and the respective State governments is the facilitator and are assisted by the two regulators, Reserve Bank of India (RBI) and National Housing Bank (NHB). There are number of players in the housing finance market which includes commercial banks, both domestic and foreign.

In addition to the scheduled commercial banks there are cooperative banks, housing finance companies, self-help groups, micro-finance institutions, and NGOs also plays a major part in the housing finance market. The Reserve Bank of India (RBI) regulates commercial banks and partially cooperative banks (which are mainly governed by the State Governments under State Cooperative Acts) while the NHB regulates the housing finance companies. The others are not regulated by any authority in the country.

During fiscal 2019, the regulatory oversight for Housing Finance Companies was moved from National Housing Bank (NHB) to Reserve Bank of India (RBI), while NHB will continue to be the supervisor and will provide refinance. In the meantime, NHB took steps to ensure stability and quality in the Housing Finance Companies by increasing the requirement for capital and reducing the leverage limits whereby trying to build confidence in the investor community.

The government, along with the regulator, has been taking steps to ease stress in the real estate and HFC / NBFC sectors by announcing various measures to address the liquidity crunch and provide relief to stalled real estate projects such as;

- Relaxation on the minimum holding period for which assets eligible for securitisation
- Providing a partial credit guarantee to public sector banks for purchasing the high rated pooled assets of financially sound NBFCs
- Relaxation of ECB guidelines for affordable housing
- Establishing an Alternate Investment Fund (AIF) amounting to Rs 25,000 Cr aimed at priority debt financing for the completion of stalled housing projects
- Higher income tax exemption for home buyers in the affordable housing segment

## Steps taken by Regulator relating to COVID-19

The government and RBI, in wake of COVID-19 pandemic out-break, came into action and announced a slew of

measures to ensure that there is adequate liquidity in the financial market and the burden on the common man is reduced. In order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, Reserve Bank of India has permitted Financial Institutions to grant a moratorium of up to three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020, which was extended by further three months upto August 31, 2020 by RBI. The regulator also allowed dispensation to the financial institutions extending such moratorium by way of freezing the days past due for such customers.

In addition to aforesaid measures, RBI reduced the rate by 115 bps and CRR for banks by 50 bps. RBI also announced Targeted Long Term Repo (LTRO) which enables banks to onward lend to NBFCs / HFCs / MFs and other financial sector players to ease their liquidity requirements. It also announced liquidity package for MFs separately. The step taken by RBI has a positive impact in the market and funds are available to NBFCs / HFCs with relatively stable profiles. National Housing Bank (NHB) has also announced relaxation in the form of moratorium on payments related to refinance.

### **HFC Asset Quality to come under pressure post COVID: Report**

Home loan growth and its asset quality of housing finance companies (HFCs) will come under pressure following the economic impact of Corona Virus pandemic as salaried class and self-employed face the prospect of a job loss salary cuts, according to ratings firm ICRA.

ICRA Ratings expects the Covid-19 related slowdown in home loans extended by HFCs 11-13% in FY'2020. It expects the slowdown in home loan disbursements in the first half of FY'2021 as well. Recovery in the second half would be dependent on the overall economic turnaround, it said.

"It is likely that people will defer their home purchases and home improvement/extension decisions in the current fiscal, till they are able to achieve stability in income levels and resumption of business activities" said Vice President and Sector Head Financial Sector Ratings, ICRA.

ICRA expects non-performing assets in the housing segment to increase to 1.8-2% by March 2021 from 1.4% as of December 2019. While slippages in the non-housing

segment could be higher with gross NPAs increasing to 3-3.5% in FY'2021 from 2.1% as on December 31, 2019. "Liquidity of repossessed properties could get impacted, leading to delays in recoveries or possibly higher losses on the sale of such properties" added Vice President and Sector Head Financial Sector Ratings, ICRA.

The RBI has also taken steps to infuse liquidity into the system via targeted long-term repo operations (TLTROs), which could increase the available liquidity. The Rs. 50,000 crore of additional TLTROs announced on April 17, 2020 and the additional Rs. 10,000 crore of refinance facility to National Housing Bank (NHB) will support the immediate liquidity requirements of HFCs to some extent, especially those operating in the affordable housing space where collections are likely to be impacted more .

Source:[https://economictimes.indiatimes.com/news/economy/indicators/housing-finance-companies-to-see-slower-credit-growth-in-fy21-report/articleshow/75253277.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/economy/indicators/housing-finance-companies-to-see-slower-credit-growth-in-fy21-report/articleshow/75253277.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst) this story has been published from a wire agency feed without modifications to the text. Only the headline has been changed.

### **■ Way forward in Housing Finance Industry**

The recent NBFC (Non-Banking Financial Company) crisis in India has brought to the fore the funding and low equity capitalisation issues, especially of the housing finance company (HFC) sector. The problems are serious, and therefore the regulators and NBFCs have rightly themselves sprung into action to alleviate the situation.

However, even with the pessimistic views regarding the NBFC sector, one must remember that NBFCs and, especially, Housing Finance Companies (HFCs) still remain an attractive business opportunity in the years to come.

The one strategy institutional investors have utilised to participate in the Indian housing finance market is through taking equity stakes in housing finance institutions. The recent buyout of an upcoming housing finance company by global asset manager Blackstone is an example of this strategy.

Alternatively, institutional investors interested in the Indian housing finance sector can look to aggregate smaller housing finance institutions through a "platform structure" and grow this through leveraged acquisitions. This strategy would allow for the creation of businesses that stand to benefit significantly from a country with rising income



levels, high urbanisation and relatively low per capita home ownership

The reasons a "platform structure" focused on housing finance holds value in India are twofold. Firstly, due to the fragmented nature of the market, and secondly, due to the sizeable future market size.

As per an ICRA estimate, India's housing finance market has more than 80-odd players, but the top five have 78% of the market share. More importantly, the average loan size for HFCs is at approximately Rs 30 lakh (\$35,000 as per ICRA at year-end 2018) in India, and coupled with a total housing demand that ranges from 12 to 20 million units give a market size that is comfortably more than Rs 28 lakh crore (\$400 billion), thereby providing an idea of the tremendous market potential that housing finance holds.

From an operational perspective, a housing finance platform will have to identify strategies that help drive robust quality demand. Aggregation will create scale and processes that help improve systems and utilise technology to increase efficiency.

Operationally, HFC platforms will also have to focus on the selection and financing of land banks.

To elaborate further, we need to understand the concept of "location rent", which helps to delineate the rental value. In common parlance, "location rent theory" tells us that the rent derived from land is the sum of non-urban use opportunity cost, the cost of building housing, and the rent one pays for the "location as a function of its distance from the city centre". Therefore operationally, the HFC platforms can add value by increasingly focusing on the correct "location" choice for the land banks.

It is essential to realise the importance of the HFC platform and its operational involvement with the land banks on the B2B side when working with real estate developers. The poor "location" choice and excessive land bank values paid have significantly contributed to asset quality issues for the real estate industry in general and non-performing assets (NPAs) for the HFCs. In the past, HFCs have had a mixed result working with real estate developers. Going forward more attention to the careful selection of the land banks will be essential for a robust HFC balance sheet, and this is where a significant operator in the HFC platform space can add value.

From a financial perspective, aggregating smaller HFC companies into a larger platform will help create better

and low-cost funding sources. Operational scale, capacity to select better land banks for the housing projects and locational diversity through a larger platform will help create a balance sheet that is more robust. But over and above these conditions, a large institution with both operational and financial capacity will also be able to bring down the cost of funding through a diversified liability structure.

The operational and financial advantages of an HFC platform are symbiotic. For instance, the land bank sourcing mentioned above also translates into a financial advantage should the HFC platform be able to procure large quantities of land at incrementally better rates. Given just how vital a component land prices are to the value of urban housing, incremental improvements can be significant drivers of value creation.

A large institutionally-backed HFC platform will also have the capacity to use a more sophisticated capital structure than would small fragmented players. The ability to issue bonds backed by a strong balance sheet, utilise capital markets to securitise assets and source relatively low-cost foreign currency funding when required are all factors that will help an HFC platform deliver value. For smaller HFCs with limited funding sources, chasing high-risk borrowers has led to a vicious cycle of higher NPAs, poorer credit profile and consequently a higher cost of funding.

The ability to utilise the operational advantages of a large platform to generate structural balance sheet advantages can indeed help HFC platforms deliver value. With a growing market, the opportunity lies in accessing new customers as opposed to just competing for market share with incumbents.

*Source: <https://www.livemint.com/industry/infrastructure/opinion-housing-finance-still-remains-an-attractive-business-in-years-to-come-1550379748921.html> this story has been published from a wire agency feed without modifications to the text. Only the headline has been changed.*

## ■ Risk Management

The Company has in place a Risk Management framework covering all the aspects like market, credit, liquidity & operational risk. This framework governs by various policies and system & procedures to monitor, review and report key risks. The Company continues to follow the NHB guidelines from time to time pertaining to High / Medium / Low categorisation of its customers.

### Risk Management Committee

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

### ■ Segment Reporting

The Company is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity. IND AS 108 regarding Segment-wise Reporting issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Amendments Rules, 2011 does not apply to your Company since revenues are derived from only one segment i.e. housing finance activity.

### 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.

### ■ Marketing and Selling Arrangements

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

### ■ Loan Products

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

### ■ Credit Evaluation

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

### ■ Spread on Loans

The weighted average rate of lending during the year was 11.44 per cent p.a. as compared to 11.40 per cent p.a. in the previous year. The average all-inclusive cost of funds was 6.33 per cent p.a. as on March, 31, 2020. The spread on loans over the cost of borrowings for the year was 5.11 per cent p.a. as against 4.42 per cent p.a. in the previous year.

The NIM is under tremendous pressure and consequently the profitability will come under pressure too. NPA resolution remains a challenge under the stressed conditions at present.

### ■ 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

The Company aims to be a prominent Corporate Citizen in promoting housing activities through customer friendly home finance schemes within a service oriented atmosphere and to consolidate and grow in a competitive environment reflecting the ethical standards 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 38 Employees as on March 31, 2020, 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, 2020 was ₹ 270.63 lakhs.

### Key Ratios

Sl. No.	Particulars	2019-20	2018-19
1	CRAR (%)	78.73%	61.63%
2	Net Owned Fund (₹ in Lakh)	4488.78	4279.85
3	Operating Profit Margin (%) #	21.57	25.23
4	Net Profit Margin (%)	16.09	19.42
5	Return on Equity (%)	4.63	6.10
6	Leveraging of NOF (Times)	1.63	2.26

# Operating Profit= Profit before tax - Other Income

### ■ Business Outlook

The financial year 2019-20 was yet another challenging year in which your Company tried to deepen its presence in the housing finance sector and to strengthen its roots in the lending business. The holistic approach towards lending enabled your Company to maintain a quality asset portfolio.

Your Company maintains a positive outlook, driven by the leadership qualities of its manpower in the housing finance industry and competitive strengths. As all key long-term business enablers are currently showing favourable signs, your Company expects to maintain profitability during financial year 2020-21 and to strengthen it further on the basis of the long term optimism shared by all active in the housing finance industry.

From an operational standpoint, the Company will have to identify strategies that help drive asset quality. Disbursements are expected to be muted. The Company is projected to report profitability indicators in the short run, similar to FY 2019-20; however, long-term prospects for the sector remain encouraging, as the challenges in the market ease off. RBI is infusing greater liquidity in the economy as well as lowering interest rates, indirectly supporting the performance and development of NBFCs and HFCs.

### ■ Indian Accounting Standards (Ind AS)

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended with effect from



April 01, 2019. Accordingly, the Company has prepared these Standalone Financial Statements, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the statements of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2020, and accounting policies and other explanatory information (together hereinafter referred to as “Standalone Financial Statements” or “Financial Statements”).

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments and certain employee benefit assets are measured at fair values at the end of each reporting period.

#### ■ **Conclusion (with Caution)**

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

## CORPORATE GOVERNANCE REPORT

### Report on Corporate Governance

Your company believes “Corporate Governance” is about commitment to values through which an organisation directs and controls itself and the people associated with it by established standards and codes of conduct. Corporate Governance is the key to integrity of corporations, financial institutions and market.

The Company firmly believes in being transparent in all the areas of its operations and also to all the stakeholders which has been embodied in its culture. This is practiced through open working methods and emphasis is given on continuous communication, timely, complete disclosures and being transparent about its entire gamut of activities.

The Company is effectively and honestly discharging its obligations to the government and the society as a responsible corporate citizen and always stresses on the empowerment of the employees. Acutely aware of the accountability of its Board of Directors which ultimately is essential to the Company acting with utmost integrity, the principle of responsibility is observed with all the seriousness it deserves.

The Company never lose sight of being ethical and is always fair, transparent, honest & truthful about the way it conducts its business and treats its vital place in the corporate world with due importance.

The Company has adopted Code of Conduct for its employees and Directors which is hosted on the Company’s website. The Company complies with all the requirements stipulated under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (SEBI (LODR)) and shortened version of Listing Agreement

entered into with the Stock Exchanges with regard to Corporate Governance.

### 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, 2020, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are provided as ‘Annexure A’.

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

Sl	Directors	DIN	No. of Directorships	No. of Committees		Category of Directorship
				Chairman	Member	
1.	Shri Brijendra Sahay	00017600	1	0	2	Independent Director
2.	Smt. Anshu Roy	05257404	–	–	–	Independent Director
3.	Shri Awdhesh Kumar Srivastava*	02323304	1	1	4	Non-Executive Non-Independent

\* Shri Awdhesh Kumar Srivastava, Director (Appointed on the Board w.e.f November 14, 2019)

Note: i. Directorships and Committee Memberships of Directors are as on March 31, 2020. ii. None of the directors hold any equity shares in the Company.



## 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 6 times. The meetings were held on May 29, 2019, August 14, 2019, September 14, 2019, November 14, 2019, December 13, 2019 and February 13, 2020 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 2019-2020;

Name of Director	No. of Board Meeting Attended (Total Meetings Held : 6)	Whether Attended Last AGM
Shri Joy Broto Roy#	-	No
Shri Brijendra Sahay	6	Yes
Smt. Anshu Roy	6	Yes
Shri Awdhesh Kumar Srivastava*	3	N.A.

\* Shri Awdhesh Kumar Srivastava, Director (Appointed on the Board w.e.f November 14, 2019)

# Shri Joy Broto Roy, Director (Resigned from the Board of Directors w.e.f November 14, 2019)

## 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:
  - n Statutory audit firm or the internal audit firm that is associated with the Company.
  - n 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 2019-20. 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 2019-20

Name of Directors	Sitting Fees paid for		Total (₹)
	Board Meeting (₹)	Audit Committee (₹)	
Shri Joy Broto Roy	-	-	-
Shri Brijendra Sahay	50,000	40,000	90,000
Smt. Anshu Roy	50,000	40,000	90,000
Shri Awdhesh Kumar Srivastava*	30,000	20,000	50,000

\* Shri Awdhesh Kumar Srivastava, Director (Appointed on the Board w.e.f November 14, 2019)

# Shri Joy Broto Roy, Director (Resigned from the Board of Directors w.e.f November 14, 2019)

Note: Sitting fees @ ₹ 10,000/- were paid for each Board and Audit Committee Meetings held during the year, except for the meetings of these committees, held on August 14, 2019. No sitting fee was paid for other committee meetings.

#### COMMITTEE OF THE BOARD

##### AUDIT COMMITTEE:

The Audit Committee was reconstituted on 14th November 2019 after the resignation of Shri Joy Broto Roy from Board. Now the Audit Committee comprises 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 five times during the year under review on May 29, 2019, August 14, 2019, September 14, 2019, December 13, 2019 and February 13, 2020. 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 Joy Broto Roy#	-
Shri Brijendra Sahay	5
Smt. Anshu Roy	5
Shri Awdhesh Kumar Srivastava*	2

\* Shri Awdhesh Kumar Srivastava, Director (Appointed on Board w.e.f November 14, 2019)

# Shri Joy Broto Roy, Director (Resigned from the Board of Directors w.e.f November 14, 2019)

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

As on March 31, 2020, the Stakeholders Relationship Committee (SRC) comprised of Shri Brijendra Sahay (Chairman) and Smt. Anshu Roy. The committee looks into redressal of shareholders, investors, depositors and customer complaints. The Stakeholders Relationship Committee met four times during the year on May 29, 2019, August 14, 2019, November 14, 2019, and February 13, 2020. The details of attendance at the committee meetings are as under:

Directors	No. of Meetings Attended
Shri Brijendra Sahay	4
Smt. Anshu Roy	4

\* Shri Awdhesh Kumar Srivastava, Director was inducted as a member of the Committee on 28 July, 2020

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

##### Shri D J Bagchi

Chief Executive Officer & Company Secretary  
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 2019-20

The complaints from its shareholders relating to non receipt of share transfer certificates, non receipt of annual report etc. received during the year were redressed to the satisfaction of the concerned shareholders. As at end of financial year ending March 31, 2020, there were no such pending / unresolved complaints.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee was reconstituted on November 14, 2019 after the resignation of Shri Joy Broto Roy from Board. Now the Nomination and Remuneration Committee comprises 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 two times on August 14, 2019 and February 13, 2020. The details of attendance at the Nomination and Remuneration Committee meeting are as under;

Directors <input type="checkbox"/>	No. of Meetings Attended <input type="checkbox"/>
Shri Brijendra Sahay <input type="checkbox"/>	2 <input type="checkbox"/>
Shri Joy Broto Roy# <input type="checkbox"/>	- <input type="checkbox"/>
Smt. Anshu Roy <input type="checkbox"/>	2 <input type="checkbox"/>
Shri Awdhesh Kumar <input type="checkbox"/> Srivastava* <input type="checkbox"/>	1 <input type="checkbox"/>

\*  Shri Awdhesh Kumar Srivastava, Director (Appointed on Board w.e.f November 14, 2019)

#  Shri Joy Broto Roy, Director (Resigned from the Board of Directors w.e.f November 14, 2019)

## 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 Directors and the members of the Management was held on February 13, 2020 to, inter-alia, review the performance of the Non-Executive Directors and the Board as a whole. The Independent Directors in the said meeting also assessed



the quality, quantity and timelines of flow of information between the Company Management and the Board based on various components viz. relevant and adequate information being provided, circulation of agenda and related notes in advance, regular information/updates, etc. Shri Brijendra Sahay acted as the Lead Independent Director.

Pursuant to the report / feedback on the evaluation as carried out by the Nomination and Remuneration Committee and the Independent Directors in a separate meeting, the Board conducted formal annual evaluation of its own performance, its Committees and the individual directors in its meeting held on February 13, 2020. Based on the said evaluation, the Nomination and Remuneration Committee made recommendations for the appointment/ re-appointment of the Directors.

#### Criteria for evaluation of Board and its Committees

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

#### Criteria for evaluation of Individual Directors

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

#### Date of the Meeting and Attendance

Date of the Meeting <input type="checkbox"/>	Shri Brijendra Sahay <input type="checkbox"/> (Chairman) <input type="checkbox"/>	Smt. Anshu Roy <input type="checkbox"/> (Member) <input type="checkbox"/>	Shri Joy Broto Roy <input type="checkbox"/> (Member) <input type="checkbox"/>	Shri D J Bagchi <input type="checkbox"/> (CEO) <input type="checkbox"/>	Shri Vivek Kapoor <input type="checkbox"/> (CFO)
August 14, 2019 <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes

\* Shri Awdhesh Kumar Srivastava, Director (Appointed on Board w.e.f November 14, 2019)

# Shri Joy Broto Roy, Director (Resigned from the Board of Directors w.e.f November 14, 2019)

The Company has complied with all the requirements of the Listing Agreements as well as the regulations and guidelines of SEBI and there has been no non-compliance of any legal requirements or strictures imposed by any Stock Exchanges, SEBI or Regional Director, Company law Board, National

#### Details of Remuneration Including Commission and Other Payments to the Directors

##### Directors - Executive

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

##### Directors – Non-Executive

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

#### Risk Management Committee

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

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

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

Housing Bank (NHB) over the last three years for the year ended March 31, 2020. No penalty or stricture was imposed on the company by SEBI or any other authority on any matter related to capital market since last year, save and except a pecuniary stricture by NHB for Rs 5,900 (including GST).

## Finance & Management Committee

The composition of the Finance & Management Committee is;

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

The Finance & Management Committee met one time during the financial year, the meeting date was July 21, 2019.

### 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 13, 2020 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

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

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

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

No penalty or stricture was imposed on the company by SEBI or any other authority on any matter related to capital market since last 3 year, save and except (i) a pecuniary stricture by BSE for Rs 2,17,120 (including GST) for the financial year 2018-19; and (ii) a levy of fine by National Housing Bank (NHB) for Rs. 5900/- (including GST) for non-disclosure of

information in terms of Housing Finance Companies – Corporate Governance (NHB) Directions, 2016.

### 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 2019-20, 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](http://www.saharahousingfina.com).

#### 3. Audit Qualification

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

#### 4. Separate Posts of Chairman and CEO

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

### 5. Reporting of Internal Auditor

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

### Other Disclosures

#### 1. Reconciliation of Share Capital Audit

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

#### 2. Familiarization Programme

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

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

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

#### 3. Code of Conduct for Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has in place a comprehensive Code of Conduct for its Directors and Senior Management Officers. The Code contains guidelines which advise them on procedures to be followed, disclosures to be made, closure of Trading Window and cautioning them of the consequences of violation of the code. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code. This Code

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

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

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

The Code requires the Directors and employees to act honestly, fairly and with integrity and in a professional manner. The Board of Directors and members of the senior management personnel have provided their affirmation to the compliance with this code. A declaration regarding compliance by the Board of Directors and the Senior Management Personnel with the said Code of Conduct duly signed by the Chief Executive Officer forms part of this Annual Report. This Code has been uploaded on the Company's website and is available; [http://www.saharahousingfina.com/Code\\_of\\_Conduct\\_Directors\\_Sr%20Mngmnt\\_Persl\\_REVISED\\_2015.pdf](http://www.saharahousingfina.com/Code_of_Conduct_Directors_Sr%20Mngmnt_Persl_REVISED_2015.pdf).

#### 5. CEO / CFO Certification

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

#### 6. Secretarial Audit for Financial Year 2019-20

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, 2020, as per the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report addressed to the Members of the Company forms part of this Annual Report.

#### 7. Auditors Certificate on Corporate Governance

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

#### 8. Fees Paid to Statutory Auditors

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

Nature of Service	(₹)
a) Statutory Audit Fees	80,000
b) Tax Audit Fees	20,000
c) For Other Services	22,500
d) For reimbursement of expenses	-
e) Payments made to a firm in which some of the partners of the audit firm are partners – Income Tax Service	-
<b>Total</b>	<b>1,22,500</b>

#### 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](http://www.saharahousingfina.com) and other than that as required under SEBI Listing Regulations, 2015, the quarterly / annual financial results are published in widely circulated national english newspaper and in a vernacular newspaper.

The information available in the website;

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

##### II. Electronic filing of compliances on BSE

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

##### III. SEBI Complaints Redressal System (SCORES)

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



#### IV. Shares held in Electronic Form

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

#### V. Shares held in Physical Form

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

#### VI. Service of documents through electronic mode

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

#### VII. DETAILS OF PREVIOUS THREE GENERAL BODY MEETINGS

Year	Date & Time	Location	Special resolution(s) passed
28th A.G.M.	September 30, 2019 11.00 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata - 700 071	For re-appointment of Shri Brijendra Sahay, as Independent Director u/sec 149 & 152 of the Companies Act, 2013, for a period of five years till conclusion of the 33rd AGM.
27th A.G.M.	September 27, 2018 11.00 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata - 700 071	For re-appointment of Shri D. J. Bagchi, as Manager u/sec. 196, 197, 198 and 203 of the Companies Act, 2013, for a period of three years w.e.f. 31.07.18
26th A.G.M.	September 28, 2017 11.00 A.M	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata - 700 071	No Special Resolution

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

#### Postal Ballot

During the year under review, the Company had passed one Special Resolution through Postal Ballot for the continuation of directorship of Shri Brijendra Sahay (DIN: 00017600), Independent Director, pursuant to SEBI (LODR) Amendment Regulations 2018.

The Board had appointed Mr P V Subramanian (Membership No.A4585, CP No.2077), Practicing Company Secretary, as the Scrutinizer to conduct the Postal Ballot and e-voting process.

Due process was followed to conduct the Postal Ballot in accordance with Section 110 of the Companies Act, 2013, and other applicable provisos, if any, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Details of voting pattern of Postal Ballot

No. of valid votes polled	No. of votes cast in favour	% of votes cast in favour	No. of votes cast against	% of votes cast against
4997351	4997321	99.9994%	30	0.0006%

The Company does not propose to conduct any special resolution through postal ballot under Section 110 of the Companies Act, 2013 and rules framed thereunder before the forthcoming Annual General Meeting.

In the forthcoming Annual General Meeting, there is no special resolution on the agenda that needs approval through postal ballot

### VIII. GENERAL SHAREHOLDER INFORMATION

Financial Year	April 01 – March 31
Financial Reporting Calendar: 2020-21	<ul style="list-style-type: none"> <li>• First Quarter Results (Extension due to the Covid-19 pandemic Situation) Aug/ Sep 15, 2020</li> <li>• Second Quarter Results Oct/Nov 14, 2020</li> <li>• Third Quarter Results Jan/Feb 14, 2021</li> <li>• Annual Results 30 May, 2021</li> </ul>
Listing on Stock Exchanges	Bombay Stock Exchange Limited (BSE Ltd.) Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai- 400 001 [Annual Listing Fee for the year 2020-21 has been paid]
Stock Code at BSE	511533
ISIN (Equity Shares) of the Company	INE- 135C01012
ISIN (NCDs) of the Company	INE- 135C08025
Corporate Identification No. (CIN)	L18100WB1991PLC099782
Website of the Company	www.saharahousingfina.com
Corporate & Registered Office Address	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 29th AGM and forming part of the Annual Report.

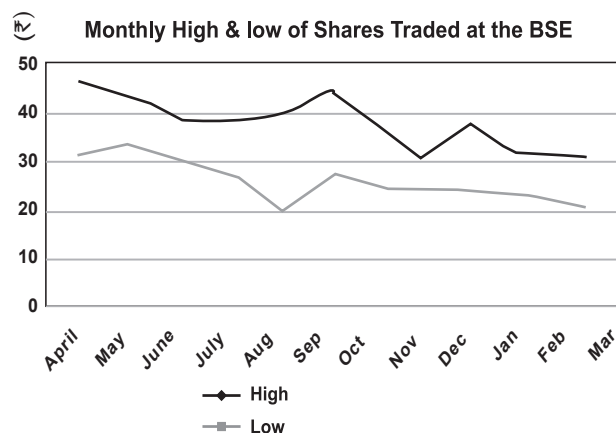
#### Market (BSE) Price Data

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)	
2019	April	45	31.3	11949	
	May	42	33.05	8369	
	June	39	29.05	20147	
	July	36.85	25.7	29824	
	August	37.8	20	37570	
	September	43	26.55	30976	
	October	39.3	24.15	12430	
	November	30.2	24.15	10107	
	December	36.4	23.2	12724	
	2020	January	32.3	23	9532
		February	33	22.2	7322
		March	30.5	20.8	8621

Year High: ₹ 45 Year Low: ₹ 20 (Source: www.bseindia.com)

#### IX. Monthly High & low of Shares Traded on the BSE during the Financial Year 2019-20





#### X. SHAREHOLDING PATTERN AS ON MARCH 31, 2020

No. of Ordinary Shares Held	No. of Shareholders	No. of Shares	Percentage
<b>PROMOTERS:</b>			
<b>Indian Promoters:</b>			
– Sahara Prime City Limited	01	2940000	42.00
– Sahara India Corp Investment Limited.	01	1638587	23.41
– Sahara India Finance & Investment Limited	01	416000	05.94
<b>Total</b>	<b>03</b>	<b>4994587</b>	<b>71.35</b>
<b>OTHERS :</b>			
Private Corporate Bodies	67	764504	10.92
NBFCs registered with RBI	-	-	-
Indian Public	6495	1236089	17.65
NRIs / NRNs	19	4401	00.07
Clearing Member	5	419	00.01
Foreign Institutional Investors	-	-	-
<b>Total</b>	<b>6586</b>	<b>20,05,413</b>	<b>28.65</b>
<b>Grand Total</b>	<b>6589*</b>	<b>70,00,000</b>	<b>100</b>

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, 2020

HOLDING	SHAREHOLDERS		SHARES	
	NUMBER	%	TOTAL SHARES	%
001 - 500	7674	95.58	453180	6.47
501 - 1000	184	2.29	150499	2.15
1001 - 2000	95	1.18	146271	2.09
2001 - 3000	36	0.45	90737	1.30
3001 - 4000	6	0.07	18706	0.27
4001 - 5000	4	0.05	18641	0.26
5001 - 10000	12	0.15	88156	1.26
10001 And Above	18	0.22	6033810	86.20
<b>TOTAL</b>	<b>8029</b>	<b>100</b>	<b>7000000</b>	<b>100</b>

#### XII. SHARE TRANSFER SYSTEM

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

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

#### Compulsory Dematerialization of Securities

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



### XIII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the depository system in India – NSDL (National Securities Depositories Limited) and CDSL (Central Depository Services

India Limited). As on March 31, 2020 a total of 67,91,792 shares of the Company, which forms 97.02% of the total shares, stand dematerialized. The processing activities with respect to the requests received for dematerialization are completed within 15 days (maximum) from the date of receipt of the request.

### XIV. ADDRESS FOR CORRESPONDENCE

<b>Registrar and Share Transfer Agents</b>	<b>Sahara Housingfina Corporation Limited (Secretarial Department)</b>
<p>Link Intime India Private Limited Vaishno Chambers, 5<sup>th</sup> Floor, Room No.502 &amp; 503, 6, Brabourne Road, Kolkata- 700 001 Ph: 033-4004 9728 Tele fax: 033- 4073 1698 E-mail: kolkata@linkintime.co.in <b>Contact Person: Shri Kuntal Mustafi</b></p>	<p><b>Shri D J Bagchi</b> Company Secretary &amp; Compliance Officer 46 Dr. Sundari Mohan Avenue Kolkata- 700014 Ph: 033- 2289 0148/ 6708 e-mail: info.saharahousingfina@gmail.com/ info.saharahousingfina@sahara.in</p>

### OTHER USEFUL INFORMATION FOR STAKEHOLDERS

#### i. Subsidiary Companies

As at March 31, 2020, the Company does not have any Subsidiary Company.

#### ii. Unlisted Debt Securities

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

##### Debenture Trustee

##### Catalyst Trusteeship Limited

GDA House

Plot No.: 85, Bhusari Colony (Right)

Paud Road, Pune - 411038

#### iii. Rating of Non-Convertible Debentures (NCDs)

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

##### Rating Agency

##### Infomerics Valuation and Rating Pvt. Ltd.

Office No. 1105, B-Wing, Kanakia Wall Street, off Andheri Kurla Road, Andheri (East), Mumbai – 400 093.

#### 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 and NSE

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.

#### iv. SEBI Complaints Redress System (SCORES)

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

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

**ANNEXURE – A**

The Composition of the Board of Directors of the Company as on March 31, 2020, including skill sets/ expertise/ competencies/ practical knowledge and list & category of Directorship in other listed companies are as follows:

Sl. No.	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 38 years in Finance, Administration, Industrial and Urban Development. He has expertise in field of administration, management and corporate planning.	Non-Executive Director Sahara One Media Entertainment Limited
2.	Smt. 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 Degree and possess more than 30 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-Executive Director Sahara One Media Entertainment Limited

**ANNEXURE – B**

**CERTIFICATE**

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

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

In my opinion and to the best of information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the company as stated below for the Financial Year ending on 31st March, 2020 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 Joy Broto Roy	00432043	13-02-2017	14-11-2019
2.	Shri Brijendra Sahay	00017600	24-08-2002	–
3.	Smt. Anshu Roy	05257404	13-02-2015	–
4.	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.

Kolkata  
Date : August 22, 2020

P V Subramanian  
Company Secretary in Whole-time Practice  
ACS No.: 4585  
CoP No.: 2077  
UDIN: A004585B000605009



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

**To the Members**

**Sahara Housingfina Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by Sahara Housingfina Corporation Limited for the year ended on 31st March, 2020 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

**For Rahul Kumar Agarwal & Associates**

Chartered Accountants

Firm Reg. No.:330189E

Rahul Kumar Agarwal

Proprietor

M.No.: 310116

UDIN: 20310116AAAABJ8198

Place: Kolkata

Date: August 10, 2020

**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 2019-20.

Place: Kolkata

Date : July 28, 2020

CEO & Company Secretary

# Hosfinas' Financials





## INDEPENDENT AUDITOR’S REPORT

### TO THE MEMBERS OF SAHARA HOUSINGFINA CORPORATION LIMITED

#### Report on Audit of the Ind AS Financial Statements

#### 1. Opinion

We have audited the accompanying Ind AS financial statements of **Sahara Housingfina Corporation Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, and 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 a summary of significant accounting policies and other explanatory information  (hereinafter referred to as 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, 2020, and its profit, total comprehensive income, its 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### 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, 2020. 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 matters described below to be the key audit matters to be communicated in our report: -

Key Audit Matters	How the Key Audit Matter was addressed in the Audit
<b>A) Adoption of new Accounting framework (Ind AS)</b>	
<p>On 1 April 2019, the Company adopted the Indian Accounting Standard (“Ind AS”) notified by the Ministry of Corporate Affairs with effect from April 01, 2018 being transition date.</p> <p>The Company has followed Ind AS notified under Section 133 of the Companies Act 2013 (‘the Act’), read with the relevant rules for preparation of the Financial Statements.</p> <p>As a part of the transition from previous GAAP to Ind AS, the major areas of impact for the Company are:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Impairment on financial instruments</li> <li><input type="checkbox"/> Fair valuation of financial instruments</li> <li><input type="checkbox"/> Recognition of deferred tax liabilities</li> <li><input type="checkbox"/> Presentation and disclosures of the Financial Statements</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Understood the methodology planned by the management to give impact to the transition adjustments.</li> <li><input type="checkbox"/> Assessed that the adjustments made for the financial statements are in lines with the Ind AS requirements.</li> <li><input type="checkbox"/> Tested the accuracy of key inputs used in the calculation and independently evaluated the reasonableness of the assumptions made for the adjustments.</li> <li><input type="checkbox"/> Assessed the accuracy of the computations.</li> <li><input type="checkbox"/> Verified the appropriateness of the disclosures required for the first-time adoption of Ind AS.</li> <li><input type="checkbox"/> Tested management review controls over completeness and measurement of disclosures in Financial Statements.</li> </ul>
<b>B) Impairment of Loans to customers</b>	
<p>Recognition and measurement of impairment of loans involve significant management judgment.</p> <p>As per Ind AS 109, the Company is required to estimate the probability of loss / expected loss based on past experience and future considerations. There is a risk that inappropriate</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Obtained an understanding of the Company’s key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes.</li> </ul>

<p>impairment provisions are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying loans into various stages stipulated in Ind AS 109 and determining related provision requirements, this audit area is considered a key audit risk.</p> <p>The Company's disclosures are included in Note 2.5.6 and Note 6.2 to the financial statements, which outline the accounting policy for Impairment provision policy and details of Impairment provision made in the books of account respectively.</p>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/> Obtained an understanding of the Company's impairment provisioning policy and compared it with the requirements of Ind AS 109 as well as relevant regulatory guidelines and pronouncements.</li> <li>• <input type="checkbox"/> Obtained an understanding of the Company's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management.</li> <li>• <input type="checkbox"/> Tested on a sample basis data used for various components such as probability of defaults, loss given defaults etc. for Expected Credit Loss calculation.</li> <li>• <input type="checkbox"/> Enquired with the management regarding significant judgments and estimates involved in the impairment computation and evaluated the reasonability of such estimates made in accordance with Ind AS 109.</li> <li>• <input type="checkbox"/> Performed analytical reviews of disaggregated data to identify any unusual trends warranting additional audit procedures.</li> <li>• <input type="checkbox"/> Tested review controls over measurement of impairment allowances and disclosures in financial statements.</li> </ul>
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**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including its Annexures, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Other Information as described above 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management Discussion and Analysis, Board's Report including its Annexures, Corporate Governance and Shareholder's information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance to correct the same. If material misstatement of the other information remains uncorrected, we may take appropriate action considering our legal rights and obligations, to seek and have the uncorrected misstatement appropriately brought to the attention of the user for whom the Auditor's Report is prepared.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS 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 other 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless



management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 Matters**

The comparative financial information of the Company for the year ended March 31, 2019 and the opening balance sheet as at April 1, 2018 included in these financial statements, have been prepared by the management after adjusting the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued financial statements were audited by us and our report for the financial year ended March 31, 2018 and March 31, 2019 dated May 29, 2018 and May 29, 2019 respectively expressed an unmodified opinion on those financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

Our opinion on the financial statements is not modified in respect of the above matters on the comparative financial information.

### **Report on Other Legal and Regulatory Requirements**

1.  As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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.
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 Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.□
- e)□ On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.□
- f)□ With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal □ financial controls over financial reporting.□
- g)□ With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements □ of section 197(16) of the Act, as amended:□

In our opinion and to the best of our information and according to the explanation given to us, the Company has not paid/provided any managerial remuneration covered under section 197 of the Act to its directors during the year. The remuneration paid by the Company to a manager 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, we further report that:□
  - i.□ the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements- Refer Note 39 of the Financial Statements.□
  - ii.□ The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.□
  - iii.□ There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year under review.

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

**ANUJ MAHANSARIA**  
Partner□  
Membership No. 500819  
UDIN - 20500819AAAAAK3800

Place□□Noida  
Dated : July 28, 2020

## ANNEXURE - 'A' to the Independent Auditor's Report

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

- (i)  (a)  The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b)  These fixed assets have been physically verified by the management during the year pursuant to a regular programme designed for physical verification which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material  discrepancies were noticed on such verification.
- (c)  According to the information and explanations given to us and on the basis of examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii)  The Company does not have any inventory and accordingly, the clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii)  The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the clause (iii)(a), (b) and (c) of paragraph 3 of the Order is not applicable to the Company
- (iv)  In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments guarantees and security.
- (v)  According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi)  According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the business of the company.
- (vii)  According to the information and explanations given to us, in respect of statutory dues:
- (a)  The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities and there are no undisputed statutory dues outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b)  According to the information and explanations given to us, there were no due of the Income Tax, Service Tax, Goods and Services Tax, Value Added Tax, Excise Duty and Sales Tax which have not been deposited on account of any dispute except for income tax of ₹ 38.78 lakhs for the assessment year 2010-11 as per the Income Tax Act, 1961 against which the company had filed appeal before Commissioner of Income Tax (Appeal) and deposited ₹ 7.76 lakhs as interim payment under protest.
- (viii)  In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from banks, financial institutions and Government. There was default of 1 day in payment of interest of ₹ 189 lakhs to the  debenture holder which was due on March 31, 2020.
- (ix)  The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loan availed during the year were applied for the purpose for which term loan was taken (read with Note No. 14.4).
- (x)  According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi)  According to the information and explanations given to us, the Company has not paid/provided any managerial remuneration covered under section 197 of the Act to its directors during the year. The remuneration paid by the Company to a manager during the year is in accordance with the provisions of section 197 read with schedule V of the Act.
- (xii)  The Company is not a Nidhi Company. Accordingly, the clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- (xiii)  In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements  as required by the applicable accounting standards.
- (xiv)  According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv)  According to the information and explanations given to us, the Company has not entered into any non cash transaction with directors or persons connected to its directors as per section 192 of the Companies Act, 2013.
- (xvi)  According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

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

**ANUJ MAHANSARIA**  
Partner   
Membership No. 500819  
UDIN - 20500819AAAAAK3800

Place  Noida  
Dated : July 28, 2020

## **ANNEXURE - 'B' to the Independent Auditor's Report**

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

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

We have audited the internal financial controls over financial reporting of Sahara Housingfina Corporation Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, 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, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**ANUJ MAHANSARIA**  
*Partner*

Membership No. 500819  
UDIN - 20500819AAAAAK3800

Place □□ Noida  
Dated : July 28, 2020



## Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and Cash Equivalents	3	867.19	317.99	982.36
Bank Balance other than Cash and Cash Equivalents	4	1221.52	1916.07	273.79
Receivables				
-Other Receivables	5	9.03	-	0.07
Loans	6	9826.44	11516.65	12218.05
Investments	7	0.80	1.64	1.97
Other Financial Assets	8	18.06	17.84	17.24
<b>Total Financial Assets</b>		<b>11943.04</b>	<b>13770.19</b>	<b>13493.48</b>
<b>Non-Financial Assets</b>				
Current Tax Assets (net)	9	20.96	17.61	18.32
Deferred Tax Assets (net)	10	115.62	127.51	138.49
Property, Plant and Equipment	11	89.50	101.87	102.33
Right of Use Assets	11	127.46	116.22	155.60
Other Intangible Assets	11	1.43	2.23	-
Other Non-Financial Assets	12	55.69	48.83	43.43
<b>Total Non-Financial Assets</b>		<b>410.66</b>	<b>414.27</b>	<b>458.17</b>
<b>Total Assets</b>		<b>12353.70</b>	<b>14184.46</b>	<b>13951.65</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
<b>Payables</b>				
-Trade Payable	13			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		10.72	12.39	13.67
Debt Securities	14	3189.00	5500.00	5500.00
Borrowings (other than debt securities)	15	4164.56	3292.02	3003.76
Other Financial Liabilities	16	145.25	126.07	155.97
<b>Total Financial Liabilities</b>		<b>7509.53</b>	<b>8930.48</b>	<b>8673.40</b>
<b>Non-Financial Liabilities</b>				
Current Tax Liabilities (Net)	17	-	0.35	3.57
Provisions	18	15.86	19.92	53.65
Other Non-Financial Liabilities	19	339.53	953.86	1200.61
<b>Total Non-Financial Liabilities</b>		<b>355.39</b>	<b>974.13</b>	<b>1257.83</b>
<b>Equity</b>				
Equity Share Capital	20	700.00	700.00	700.00
Other Equity	21	3788.78	3579.85	3320.42
<b>Total Equity</b>		<b>4488.78</b>	<b>4279.85</b>	<b>4020.42</b>
<b>Total Liabilities and Equity</b>		<b>12353.70</b>	<b>14184.46</b>	<b>13951.65</b>
Significant Accounting Policies and notes forming part of the financial statements	1 - 48			

As per our report of even date attached

### For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

### ANUJ MAHANSARIA

Partner

Membership No. 500819

Place: Noida

Dated: July 28, 2020

### FOR AND ON BEHALF OF THE BOARD

BRIJENDRA SAHAY Director (DIN 00017600)

ANSHU ROY Director (DIN 05257404)

D. J. BAGCHI Chief Executive Officer & Company Secretary

VIVEK KAPOOR Chief Financial Officer

## Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Revenue From Operations</b>			
Interest Income	22	1281.84	1336.86
Other Operating Revenue	23	9.11	6.76
<b>Total Revenue From Operations</b>		<b>1290.95</b>	<b>1343.62</b>
Other Income	24	164.93	291.55
<b>Total Income</b>		<b>1455.88</b>	<b>1635.17</b>
<b>Expenses</b>			
Finance Costs	25	621.41	768.69
Net Loss on fair value changes	26	0.84	0.32
Net loss on derecognition of financial Instruments measured at amortised cost	27	21.92	-
Impairment on Financial Assets	28	35.39	35.09
Employee Benefits Expenses	29	319.53	317.70
Depreciation and Amortisation Expenses	30	54.94	50.94
Other Expenses	31	123.33	123.37
<b>Total Expenses</b>		<b>1177.36</b>	<b>1296.11</b>
<b>Profit before exceptional item and tax</b>		<b>278.52</b>	<b>339.06</b>
Exceptional Item		-	-
<b>Profit before Tax</b>		<b>278.52</b>	<b>339.06</b>
<b>Tax Expense</b>			
-Current Tax	32	58.75	66.47
-Deferred Tax	32	11.49	11.54
-Income Tax related to earlier year	32	0.58	0.17
<b>Profit for the year</b>		<b>207.70</b>	<b>260.88</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss	38	1.63	(2.01)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10	(0.40)	0.56
<b>Other Comprehensive Income for the year</b>		<b>1.23</b>	<b>(1.45)</b>
<b>Total Comprehensive Income</b>		<b>208.93</b>	<b>259.43</b>
Earnings Per Equity Share			
Basic (₹)	43	2.97	3.73
Diluted (₹)	43	2.97	3.73
Significant Accounting Policies and notes forming part of the financial statements	1 - 48		

As per our report of even date attached

**For CHATURVEDI & PARTNERS**

Chartered Accountants

Firm Registration No. 307068E

**ANUJ MAHANSARIA**

Partner

Membership No. 500819

Place: Noida

Dated: July 28, 2020

**FOR AND ON BEHALF OF THE BOARD**

**BRIJENDRA SAHAY** Director (DIN 00017600)

**ANSHU ROY** Director (DIN 05257404)

**D. J. BAGCHI** Chief Executive Officer & Company Secretary

**VIVEK KAPOOR** Chief Financial Officer

## Statement of Cash Flow for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Cash flow from Operating Activities :</b>		
Profit before Tax	278.52	339.06
<b>Adjustments For :</b>		
Net loss on fair value changes	0.84	0.32
Finance Costs	621.41	768.69
Fair valuation of financial instruments	(1.04)	(1.02)
Amortised Interest reversed	(163.77)	(290.27)
Net loss on derecognition of financial Instruments measured at amortised cost	21.92	-
Depreciation and Amortization	54.94	50.94
Profit on sale of Property, Plant and Equipment	(0.12)	(0.23)
Impairment on financial instruments	35.39	35.09
<b>Operating cash flow before working capital changes</b>	<b>848.09</b>	<b>902.58</b>
<b>Adjustments For :</b>		
(Increase)/decrease in Other receivables	(9.03)	0.07
Increase/(decrease) in Financial liabilities	(1.64)	(0.38)
Increase/(decrease) in Provisions	(3.82)	(35.73)
Increase/(decrease) in Non-financial liabilities	(22.73)	43.52
(Increase)/decrease in Bank Balances other than Cash and cash equivalents	694.55	(1642.29)
Interest Paid	(95.07)	(466.79)
(Increase)/decrease in Non-financial assets	(6.86)	(5.40)
(Increase)/decrease in Other financial assets	0.14	0.01
<b>Cash Generated from Operations</b>	<b>1403.64</b>	<b>(1204.41)</b>
Direct Taxes Paid (Net of Refund)	(63.03)	(69.15)
<b>Net Cash From/ (used in) Operation</b>	<b>1340.61</b>	<b>(1273.56)</b>
(Increase)/Decrease in Loans	1656.20	666.32
<b>Net Cash used in Operating Activities (A)</b>	<b>2996.82</b>	<b>(607.24)</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Property, Plant and Equipment	(0.28)	(13.11)
Proceeds from Sale of Property, Plant and Equipment	0.12	0.43
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(0.16)</b>	<b>(12.68)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Repayments of Borrowings (Other than Debt Securities)	(2400.00)	(0.34)
Payment of Lease liabilities	(47.45)	(44.11)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(2447.45)</b>	<b>(44.45)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>549.20</b>	<b>(664.37)</b>
Cash and Cash Equivalents at the beginning of the year	317.99	982.36
<b>Cash and Cash Equivalents at the end of the year</b>	<b>867.19</b>	<b>317.99</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	-	1.09
Balances with Banks		
- On Current Accounts	237.02	316.90
- Fixed Deposit having original maturity less than 3 months	630.17	-
<b>Total Cash and Cash Equivalents</b>	<b>867.19</b>	<b>317.99</b>

## Cash Flow Statement for the year ended March 31, 2020 (Contd.)

- a)  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.
- b)  Previous year's figures have been regrouped/reclassified wherever applicable.

Significant Accounting Policies and notes  
forming part of the financial statements

1 - 48

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As per our report of even date attached

**For CHATURVEDI & PARTNERS**

*Chartered Accountants*

Firm Registration No. 307068E

**ANUJ MAHANSARIA**

*Partner*

Membership No. 500819

Place  Noida

Dated  July 28, 2020

**FOR AND ON BEHALF OF THE BOARD**

**BRIJENDRA SAHAY**  *Director (DIN 00017600)*

**ANSHU ROY**  *Director (DIN 05257404)*

**D. J. BAGCHI**  *Chief Executive Officer & Company Secretary*

**VIVEK KAPOOR**  *Chief Financial Officer*



## Statement of Changes In Equity for the year ended March 31, 2020

### a) Equity Share Capital

(₹ in Lakhs)

Equity share of ₹10/- each issued, subscribed and fully paid	No. of Equity Shares	Amount
As at April 1, 2018	7,000,000	700.00
Changes in Equity Share Capital	-	-
As at March 31, 2019	7,000,000	700.00
Changes in Equity Share Capital	-	-
As at March 31, 2020	7,000,000	700.00

### b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Special Reserve	Retained Earnings		
As at April 1, 2018	1.52	500.00	5.02	1045.76	1767.01	1.11	3320.42
Profit for the year	-	-	-	-	260.88	-	260.88
Transfer during the year	-	-	-	54.63	(54.63)	-	-
Remeasurement of the defined benefits plan (net)	-	-	-	-	-	(1.45)	(1.45)
As at March 31, 2019	1.52	500.00	5.02	1100.39	1973.26	(0.34)	3579.85
Profit for the year	-	-	-	-	207.70	-	207.70
Transfer during the year	-	-	-	55.26	(55.26)	-	-
Remeasurement of the defined benefits plan (net)	-	-	-	-	-	1.23	1.23
As at March 31, 2020	1.52	500.00	5.02	1155.65	2125.70	0.89	3788.78

Significant Accounting Policies and notes forming part of the financial statements

1 - 48

As per our report of even date attached

#### For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

#### ANUJ MAHANSARIA

Partner

Membership No. 500819

Place: Noida

Dated: July 28, 2020

#### FOR AND ON BEHALF OF THE BOARD

BRIJENDRA SAHAY Director (DIN 00017600)

ANSHU ROY Director (DIN 05257404)

D. J. BAGCHI Chief Executive Officer & Company Secretary

VIVEK KAPOOR Chief Financial Officer



## Notes forming part of the financial statements for the year ended March 31, 2020

### Note 1 Corporate information

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

### Note 2 Basis of Preparation and Presentation

#### 2.1 Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (here in after referred to as Ind AS) and the provisions of Companies Act, 2013 ("the Act"). The Ind AS are prescribed under section 133 of the Act read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Financial Statements for the year ended March 31, 2020 are the first financials with comparatives, prepared under Ind AS. Effective April 1, 2019, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from the Indian Accounting Principle generally accepted in India as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Refer Note 37 for an explanation of how the transition from previous GAAP to Ind AS has affected the Financial Position, Financial Performance and Cash Flows of the Company.

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

The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on July 28, 2020.

#### 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.
- 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 requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

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

#### 2.4 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.

## Notes forming part of the financial statements for the year ended March 31, 2020

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

### Note 2.5 Significant Accounting Policies □

#### 1 □ Property, plant and equipment□

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

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

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

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

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

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

#### 2 □ Intangible Assets□

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

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

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

#### 3 □ Impairment of Assets□

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered

## Notes forming part of the financial statements for the year ended March 31, 2020

as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or there coverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. □

### 4 □ Lease □

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

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

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

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

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

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

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

### 5 □ Financial Instruments □

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

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

## Notes forming part of the financial statements for the year ended March 31, 2020

### 6 Financial Assets

#### 6.1 Classification of Financial Assets

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

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

#### 6.2 Amortized Cost

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

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) 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.

#### 6.3 Fair Value through Other Comprehensive Income

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

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) 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.

#### 6.4 Fair Value through Profit and Loss

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

#### 6.5 Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

##### Amortised cost

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

##### Effective interest rate method

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

## Notes forming part of the financial statements for the year ended March 31, 2020

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. □

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

### 6.6 Impairment of Financial Assets □

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

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

The financial instruments are classified into Stage 1—Standard Assets with zero day past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for period 0 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. □

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

### 7 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. □

### 8 Financial Liabilities and Equity Instruments □

#### Classification as debt or equity □

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



## Notes forming part of the financial statements for the year ended March 31, 2020

### 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 recognized at the proceeds received, net of direct issue costs.□

### Financial liabilities□

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

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as 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 a financial liability and of allocating interest expense 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 the 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.□

### Derecognition of financial liabilities□

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.□

### 9□ 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 Comprehensive Income earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.□

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

## Notes forming part of the financial statements for the year ended March 31, 2020

### 10 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.

### 11 Revenue Recognition Income on loans

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

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

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

#### Investment Income

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

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.

### 12 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.

### 13 Taxes

#### Current Tax

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



## Notes forming part of the financial statements for the year ended March 31, 2020

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 tax assets and deferred tax liabilities are off set, 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. □

### 14 □ 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 current liabilities in the balancesheet. □

### 15 □ Segment Reporting □

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. □

### 16 □ 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. □

### 17 □ 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.

Note 2.6 There is no Accounting Standards issued but not yet effective/ Recent Accounting Pronouncements as at March 31, 2020.



## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>3</b>	<b>Cash and Cash Equivalents</b>			
	(i) Cash on hand	-	1.09	2.07
	(ii) Balances with banks			
	- On Current Accounts	237.02	316.90	980.29
	- Fixed Deposits having original maturity less than three months	630.17	-	-
	<b>Total</b>	<b>867.19</b>	<b>317.99</b>	<b>982.36</b>
<b>4</b>	<b>Banks Balances other than Cash and Cash Equivalents</b>			
	Fixed Deposits with Banks having maturity for more than three months	1221.52	1916.07	273.79
	<b>Total</b>	<b>1221.52</b>	<b>1916.07</b>	<b>273.79</b>
<b>5</b>	<b>Receivables</b>			
	<b>Other Receivables</b>			
	- Interest Receivable	9.03	-	0.07
	<b>Total</b>	<b>9.03</b>	<b>-</b>	<b>0.07</b>
<b>6</b>	<b>Loans</b>			
	<b>At Amortised Cost</b>			
	(A) Loans to			
	(i) Individuals	8697.24	10681.16	11235.81
	(ii) Non Individuals	1583.56	1255.85	1367.51
	<b>Total Gross (A)</b>	<b>10280.80</b>	<b>11937.01</b>	<b>12603.32</b>
	Less: Impairment Loss Allowance (Expected Credit Loss)	454.36	420.36	385.27
	<b>Total Net (A)</b>	<b>9826.44</b>	<b>11516.65</b>	<b>12218.05</b>
	(B) (i) Secured by tangible assets	10280.80	11937.01	12603.32
	(ii) Unsecured	-	-	-
	<b>Total Gross (B)</b>	<b>10280.80</b>	<b>11937.01</b>	<b>12603.32</b>
	Less: Impairment Loss Allowance (Expected Credit Loss)	454.36	420.36	385.27
	<b>Total Net (B)</b>	<b>9826.44</b>	<b>11516.65</b>	<b>12218.05</b>



## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Note No. □	Particulars □	As at March 31, 2020 □	As at March 31, 2019 □	As at April 1, 2018 □
	<b>At Amortised Cost □</b>			
	(C) Loans in India □			
	(i) Public Sector □	- □	- □	- □
	(ii) Others □	10280.80 □	11937.01 □	12603.32 □
	<b>Total Gross (C) (I) □</b>	<b>10280.80 □</b>	<b>11937.01 □</b>	<b>12603.32 □</b>
	Less: Impairment Loss Allowance (Expected Credit Loss) □	454.36 □	420.36 □	385.27 □
	<b>Total Net (C) (I) □</b>	<b>9826.44 □</b>	<b>11516.65 □</b>	<b>12218.05 □</b>
	(II) Loans outside India □	- □	- □	- □
	Less: Impairment Loss Allowance (Expected Credit Loss) □	- □	- □	- □
	<b>Total Net (C) (II) □</b>	<b>- □</b>	<b>- □</b>	<b>- □</b>
	<b>Total Net (C) (I) and (II) □</b>	<b>9826.44 □</b>	<b>11516.65 □</b>	<b>12218.05 □</b>

6.1 (a) Loans given by the company are secured by one or combination of the following securities: □

- i) Equitable mortgage of property and /or; □
- ii) Assignment of Life Insurance Policies and/or guarantee of solvent guarantors and/or any other acceptable collateral securities wherever applicable; □
- iii) Corporate Guarantees, wherever applicable and □
- iv) Undertaking to create a security. □

(b) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (as at March 31, 2019 is Nil and as at April 1, 2018 is Nil). □

(c) For Moratorium availed by the borrowers Refer Note 41

### Note 6.2

#### Analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to home loans

(₹ in Lakhs)

Particulars □	2019-2020 □				2018-2019 □			
	Stage 1 □	Stage 2 □	Stage 3 □	Total □	Stage 1 □	Stage 2 □	Stage 3 □	Total □
<b>Gross Carrying amount Opening Balance □</b>	<b>9985.48 □</b>	<b>1076.38 □</b>	<b>809.31 □</b>	<b>11871.17 □</b>	<b>10949.89 □</b>	<b>902.44 □</b>	<b>693.49 □</b>	<b>12545.82 □</b>
□ New Assets Originated □	827.92 □	- □	- □	827.92 □	1182.49 □	394.66 □	- □	1577.16 □
□ Assets derecognised or repaid □	(2158.35) □	(334.65) □	(87.69) □	(2580.70) □	(2054.51) □	(205.95) □	(25.62) □	(2286.08) □
□ Transfers between the stages (net) □	341.35 □	(356.78) □	86.91 □	71.49 □	(92.39) □	(14.78) □	141.44 □	34.27 □
<b>□ Gross Carrying amount Closing Balance □</b>	<b>8996.40 □</b>	<b>384.95 □</b>	<b>808.52 □</b>	<b>10189.88 □</b>	<b>9985.48 □</b>	<b>1076.38 □</b>	<b>809.31 □</b>	<b>11871.17 □</b>

The above balances of gross carrying amount exclude the interest receivables of ₹ 90.92 Lakhs (March 31, 2019 ₹ 65.84 lakhs and April 01, 2018 ₹ 57.50 lakhs).

## Notes forming part of the financial statements for the year ended March 31, 2020

### Reconciliation of Expected Credit Loss Allowance (ECL) balance

(₹ in Lakhs)

Particulars	2019-2020				2018-2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>ECL Allowance Opening Balance</b>	55.02	5.93	355.71	416.66	61.83	5.10	318.35	385.27
New Assets Originated	4.76	-	-	4.76	6.64	2.23	-	8.87
Assets derecognised or repaid	(11.98)	(1.85)	(18.98)	(32.80)	(11.60)	(1.16)	(6.12)	(18.89)
Transfers between the stages / incremental ECL (net)	3.76	(3.27)	52.47	52.96	(1.84)	(0.23)	43.48	41.41
<b>ECL Allowance Closing Balance</b>	<b>51.57</b>	<b>0.82</b>	<b>389.20</b>	<b>441.58</b>	<b>55.02</b>	<b>5.93</b>	<b>355.71</b>	<b>416.66</b>

The above figures of ECL excludes the ECL on interest receivables amounting to ₹ 12.78 lakhs (March 31, 2019 ₹ 3.70 lakhs).

### 7. Investments

(₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	At Amortised Cost	At Fair Value through Profit or loss	Total	At Amortised Cost	At Fair Value through Profit or loss	Total	At Amortised Cost	At Fair Value through Profit or loss	Total
Equity instruments	-	0.80	0.80	-	1.64	1.64	-	1.97	1.97
Debt securities	-	-	-	-	-	-	-	-	-
<b>Total Gross (A)</b>	<b>-</b>	<b>0.80</b>	<b>0.80</b>	<b>-</b>	<b>1.64</b>	<b>1.64</b>	<b>-</b>	<b>1.97</b>	<b>1.97</b>
(i) Investments outside India	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	0.80	0.80	-	1.64	1.64	-	1.97	1.97
<b>Total (B)</b>	<b>-</b>	<b>0.80</b>	<b>0.80</b>	<b>-</b>	<b>1.64</b>	<b>1.64</b>	<b>-</b>	<b>1.97</b>	<b>1.97</b>
Less: Impairment Loss Allowance (Expected Credit Loss) (C)	-	-	-	-	-	-	-	-	-
<b>Total – Net (D)= (A)-(C)</b>	<b>-</b>	<b>0.80</b>	<b>0.80</b>	<b>-</b>	<b>1.64</b>	<b>1.64</b>	<b>-</b>	<b>1.97</b>	<b>1.97</b>

### Details of Investments

(₹ in Lakhs)

Particulars	Face Value (₹)	Amount		
		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
11,400 Units (Previous Year 11,400 Units) Indian Overseas Bank Limited	10/-	0.80	1.64	1.97
<b>Total</b>		<b>0.80</b>	<b>1.64</b>	<b>1.97</b>
Aggregate amount of market value of quoted investment		0.80	1.64	1.97



## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>8</b>	<b>Other Financial Assets</b>			
	Security Deposits - Unsecured; considered good	11.92	11.70	11.10
	Deposit with Government Authority (Refer Note 8.1)	6.14	6.14	6.14
	<b>Total</b>	<b>18.06</b>	<b>17.84</b>	<b>17.24</b>
8.1	₹ 6.14 lakhs was deposited in the SEBI Sahara Account as per the direction of Hon'ble Supreme Court of India.			
<b>9</b>	<b>Current Tax Assets (Net)</b>			
	Advance Tax (Net of Provision)	20.96	17.61	18.32
	<b>Total</b>	<b>20.96</b>	<b>17.61</b>	<b>18.32</b>
<b>10</b>	<b>Deferred Tax Assets (Net)</b>			
	<b>The major components of Deferred Tax Assets and Liabilities:</b>			
	<b>Deferred Tax Assets</b>			
	Provision for Expected Credit Loss	111.58	116.95	106.15
	Provision for Employee Benefits	3.54	5.54	14.78
	Ind AS Adjustments as per Effective Interest Rates (EIR) Method	8.60	17.17	21.62
	Fair Valuation of Investments	0.47	0.30	0.21
	Other Temporary differences	4.05	6.16	2.77
	<b>Total (A)</b>	<b>128.24</b>	<b>146.12</b>	<b>145.53</b>
	<b>Deferred Tax Liabilities</b>			
	Depreciation and Amortization	6.17	7.51	7.04
	Fair Valuation of Borrowings	6.45	11.10	-
	<b>Total (B)</b>	<b>12.62</b>	<b>18.61</b>	<b>7.04</b>
	<b>Deferred Tax Asset (net) (A-B)</b>	<b>115.62</b>	<b>127.51</b>	<b>138.49</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

### Movement in Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at April 1, 2019	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2020
<b>Deferred Tax Assets:</b> □				
Provision for Expected Credit Loss□	116.95□	(5.37)□	-□	111.58□
Provision for Employee Benefits□	5.54□	(1.60)□	(0.40)□	3.54□
Ind AS Adjustments as per EIR Method□	17.17□	(8.57)□	-□	8.60□
Fair Valuation of Investments□	0.30□	0.17□	-□	0.47□
Other Temporary differences□	6.16□	(2.11)□	-□	4.05□
<b>Total (A)□</b>	<b>146.12□</b>	<b>(17.48)□</b>	<b>(0.40)□</b>	<b>128.24□</b>
<b>Deferred Tax Liabilities</b> □				
Depreciation and Amortization□	7.51□	(1.34)□	-□	6.17□
Fair Valuation of Borrowings□	11.10□	(4.65)□	-□	6.45□
<b>Total (B)□</b>	<b>18.61□</b>	<b>(5.99)□</b>	<b>-□</b>	<b>12.62□</b>
<b>Deferred Tax Asset/ (Liabilities) □ (net) (A-B)□</b>	<b>127.51□</b>	<b>(11.49)□</b>	<b>(0.40)</b>	<b>115.62</b>

(₹ in Lakhs)

Particulars	As at April 1, 2018	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2019
<b>Deferred Tax Assets:</b> □				
Provision for Expected Credit Loss□	106.15□	10.80□	-□	116.95□
Provision for Employee Benefits□	14.78□	(9.80)□	0.56□	5.54□
Ind AS Adjustments as per EIR Method□	21.62□	(4.45)□	-□	17.17□
Fair Valuation of Investments□	0.21□	0.09□	-□	0.30□
Other Temporary differences□	2.77□	3.39□	-□	6.16□
<b>Total (A)□</b>	<b>145.53□</b>	<b>0.03□</b>	<b>0.56□</b>	<b>146.12□</b>
<b>Deferred Tax Liabilities</b> □				
Depreciation and Amortization□	7.04□	0.47□	-□	7.51□
Fair Valuation of Borrowings□	-□	11.10□	-□	11.10□
<b>Total (B)□</b>	<b>7.04□</b>	<b>11.57□</b>	<b>-□</b>	<b>18.61□</b>
<b>Deferred Tax Asset/ (Liabilities) □ (net) (A-B)□</b>	<b>138.49□</b>	<b>(11.54)□</b>	<b>0.56</b>	<b>127.51</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

### Note 11

#### (a) Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Buildings	Computers	Furniture and Fittings	Air Conditioners	Office Equipment	Electric Fittings	Vehicles	Total
<b>Gross Block</b>								
As at 01.04.2018*	57.46	62.70	66.47	9.52	10.63	4.59	22.97	234.33
Additions	-	7.73	1.55	-	1.43	-	-	10.71
Disposals	-	(1.18)	(0.43)	(0.28)	(0.07)	-	(5.75)	(7.71)
<b>As at 31.03.2019</b>	<b>57.46</b>	<b>69.25</b>	<b>67.57</b>	<b>9.24</b>	<b>11.99</b>	<b>4.59</b>	<b>17.22</b>	<b>237.32</b>
Additions	-	-	-	0.28	-	-	-	0.28
Disposals	-	(1.67)	-	-	(0.57)	-	-	(2.24)
<b>As at 31.03.2020</b>	<b>57.46</b>	<b>67.59</b>	<b>67.57</b>	<b>9.52</b>	<b>11.42</b>	<b>4.59</b>	<b>17.22</b>	<b>235.36</b>
<b>Accumulated Depreciation</b>								
As at 01.04.2018*	18.86	57.94	25.59	2.86	5.63	3.05	18.06	132.00
Additions	0.90	2.58	4.21	0.74	1.24	0.14	1.17	10.97
Disposals	-	(1.18)	(0.24)	(0.27)	(0.07)	-	(5.75)	(7.51)
<b>As at 31.03.2019</b>	<b>19.76</b>	<b>59.34</b>	<b>29.56</b>	<b>3.34</b>	<b>6.80</b>	<b>3.19</b>	<b>13.48</b>	<b>135.46</b>
Additions	0.90	4.31	4.19	0.67	1.27	0.14	1.17	12.65
Disposals	-	(1.67)	-	-	(0.57)	-	-	(2.24)
<b>As at 31.03.2020</b>	<b>20.66</b>	<b>61.98</b>	<b>33.75</b>	<b>4.01</b>	<b>7.50</b>	<b>3.32</b>	<b>14.65</b>	<b>145.87</b>
<b>Net Block</b>								
As at 01.04.2018*	38.60	4.76	40.88	6.65	5.00	1.54	4.92	102.33
As at 31.03.2019	37.70	9.91	38.01	5.91	5.19	1.41	3.75	101.87
As at 31.03.2020	36.80	5.60	33.82	5.52	3.92	1.27	2.58	89.50

\*At deemed cost as per Ind AS 101 (Refer Note 37.1.1)

#### (b) Other Intangible Assets

(₹ in Lakhs)

Particulars	Computer Software	Total
<b>Gross Block</b>		
As at 01.04.2018	-	-
Additions	2.40	2.40
Disposals	-	-
<b>As at 31.03.2019</b>	<b>2.40</b>	<b>2.40</b>
Additions	-	-
Disposals	-	-
<b>As at 31.03.2020</b>	<b>2.40</b>	<b>2.40</b>
<b>Accumulated Amortisation</b>		
As at 01.04.2018	-	-
Additions	0.17	0.17
Disposals	-	-
<b>As at 31.03.2019</b>	<b>0.17</b>	<b>0.17</b>
Additions	0.80	0.80
Disposals	-	-
<b>As at 31.03.2020</b>	<b>0.97</b>	<b>0.97</b>
<b>Net Block</b>		
As at 01.04.2018	-	-
As at 31.03.2019	2.23	2.23
As at 31.03.2020	1.43	1.43

## Notes forming part of the financial statements for the year ended March 31, 2020

### (c) Right of Use Assets

(₹ in Lakhs)

Particulars	Buildings	Total
<b>As at 01.04.2018*</b>		
<b>Gross Block</b>	<b>155.60</b>	<b>155.60</b>
Additions	0.41	0.41
Disposals	-	-
<b>As at 31.03.2019</b>	<b>156.01</b>	<b>156.01</b>
Additions	52.73	52.73
Disposals	(18.96)	(18.96)
<b>As at 31.03.2020</b>	<b>189.78</b>	<b>189.78</b>
<b>Accumulated Depreciation</b>		
<b>As at 01.04.2018*</b>	-	-
Additions	39.79	39.79
Disposals	-	-
<b>As at 31.03.2019</b>	<b>39.79</b>	<b>39.79</b>
Additions	41.49	41.49
Disposals	(18.96)	(18.96)
<b>As at 31.03.2020</b>	<b>62.32</b>	<b>62.32</b>
<b>Net Block</b>		
<b>As at 01.04.2018*</b>	<b>155.60</b>	<b>155.60</b>
<b>As at 31.03.2019</b>	<b>116.22</b>	<b>116.22</b>
<b>As at 31.03.2020</b>	<b>127.46</b>	<b>127.46</b>

\* Refer Note 37.1.5 and 42

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>12</b>	<b>Other Non Financial Assets</b>			
	Balances with Government Authorities	15.17	10.15	3.93
	Amount deposited under protest with Income Tax Department (Refer Note 39(i))	7.76	7.76	7.76
	Advances to Suppliers and Others - Unsecured; Considered Good	32.62	30.92	31.74
	Prepaid Expenses	0.14	-	-
	<b>Total</b>	<b>55.69</b>	<b>48.83</b>	<b>43.43</b>
<b>13</b>	<b>Payables</b>			
	<b>Trade Payables</b>			
	Total Outstanding dues of micro enterprises and small enterprises	-	-	-
	Total Outstanding dues of creditors other than micro enterprises and small enterprises	10.72	12.39	13.67
	<b>Total</b>	<b>10.72</b>	<b>12.39</b>	<b>13.67</b>



## Notes forming part of the financial statements for the year ended March 31, 2020

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
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.	-	-	-
<b>Total</b>	-	-	-

Disclosure of amounts due to Micro, Small and Medium enterprises is based on information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006' (MSMED). This has been relied upon by the auditors.

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>14</b>	<b>Debt Securities - At Amortised Cost</b>			
	<b>I) Secured</b>			
	Non Convertible Debentures (Refer Note 14.1, 14.2 and 14.3)	3189.00	3000.00	3000.00
	<b>II) Unsecured</b>			
	Non Convertible Debentures (Refer Note 14.2 and 14.4)	-	2500.00	2500.00
	<b>Total (A) (I + II)</b>	<b>3189.00</b>	<b>5500.00</b>	<b>5500.00</b>
	Debt Securities in India	3189.00	5500.00	5500.00
	Debt Securities outside India	-	-	-
	<b>Total (B)</b>	<b>3189.00</b>	<b>5500.00</b>	<b>5500.00</b>

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

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



## Notes forming part of the financial statements for the year ended March 31, 2020

### Non-Convertible Debentures (NCDs) repayable at par:

(₹ in Lakhs)

Rate of Interest	Maturity Date	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
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	3000.00
10% p.a.	Financial Year 2019-20 Interest payable on March 31 of every year	-	2500.00	2500.00
	<b>Total</b>	<b>3000.00</b>	<b>5500.00</b>	<b>5500.00</b>

14.3 The amount includes interest of ₹189 lakhs (March 31, 2019 Nil and April 01, 2018 Nil).

14.4 Non Convertible Debentures of ₹ 2500 lakhs alongwith interest of ₹ 70.28 lakhs matured on July 24, 2019, was converted into borrowings during the year.

14.5 There is no amount of continuing default as on the Balance Sheet date in Terms of Repayment of Debt Securities and interest on Debt Securities of the Company except details given below:

(₹ in Lakhs)

Nature of Loan	Amount Due	Due Date	Date of payment	Delay as on March 31, 2020
Interest on 7% Non-Convertible Debenture	189.00	31-03-2020	28-04-2020	1 Day

14.6 There was a delay in servicing of interest obligation due on March 31, 2020 by the Company on account of the operational restrictions due to the nation-wide lockdown imposed by the Central government. The obligation was fully serviced during the first relaxation in lockdown in the month of April, 2020. The Cash and cash equivalents maintained by the Company as at March 31, 2020 was ₹ 867.19 lakhs against its total interest liability of ₹ 324.38 lakhs towards NCD and unsecured borrowings.

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>15</b>	<b>Borrowings (Other than Debt Securities) - At Amortised Cost</b>			
	<b>Secured</b>			
	<b>Term Loans</b>			
	- From Banks	-	-	-
	- From Body Corporate (Refer Note 15.2 , 15.3 and 15.4)	-	538.25	500.00
	<b>Unsecured</b>			
	<b>Term Loans</b>			
	- From Banks	0.30	0.30	0.30
	- From Related Parties (Refer Note 15.1 and 15.4 )	4164.26	2,753.47	2503.46
	<b>Total</b>	<b>4164.56</b>	<b>3292.02</b>	<b>3003.76</b>
	Borrowings in India	4164.56	3292.02	3003.76
	Borrowings Outside India	-	-	-
	<b>Total</b>	<b>4164.56</b>	<b>3292.02</b>	<b>3003.76</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

15.1 Borrowings include interest accrued and due as details given below: (₹ in Lakhs)

Nature of Loan	March 31, 2020	March 31, 2019	April 01, 2018
Unsecured Loan	135.38	-	-

15.2 Borrowings include interest accrued but not due as details given below: (₹ in Lakhs)

Nature of Loan	March 31, 2020	March 31, 2019	April 01, 2018
Secured Loan	-	38.25	-

15.3 The Term Loan is secured by hypothecation of specific book debt in respect of the identified housing loan assets.

15.4 Terms of repayment of Borrowings (Other than Debt Securities)\* (₹ in Lakhs)

Particulars	Terms of Repayment	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>Secured</b>				
Gandevi Commerce Private Limited	The Interest rate is 10.00% p.a. and entire outstanding loan is repayable in the Financial Year 2024-25. Interest payable on April 01 of every year.	-	500.00	500.00
<b>Unsecured</b>				
Sahara India Commercial Corporation Limited	Repayable in the year 2021-22 Interest Free	1458.60	2753.47	2503.46
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.	2570.28**	-	-
Andhra Bank	Representing an item outstanding in Reconciliation statement	0.30	0.30	0.30
<b>Total</b>		<b>4029.18</b>	<b>3253.77</b>	<b>3003.76</b>

\* Excluding interest as referred in Note 15.1 and 15.2

\*\* Refer Note 14.4

15.5 There is no amount of continuing default as on the Balance Sheet date in Terms of Repayment of loans & interest on Borrowings of the Company except details given below: (₹ in Lakhs)

Nature of Loan	Amount Due	Due Date	Date of payment	Delay as on March 31, 2020
Unsecured Loan	135.38*	31-03-2020	28-04-2020	1 Day

\*(Refer Note 14.6)

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>16</b>	<b>Other Financial Liabilities</b>			
	Lease Liabilities (Refer Note 42)	138.36	119.20	150.00
	Others			
	- Payable to Employees	4.70	5.46	0.51
	- Other Liabilities	2.19	1.41	5.46
	<b>Total</b>	<b>145.25</b>	<b>126.07</b>	<b>155.97</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>17</b>	<b>Current Tax Liabilities (Net)</b>			
	Provision for Taxation (Net of Advance Tax)	-	0.35	3.57
	<b>Total</b>	<b>-</b>	<b>0.35</b>	<b>3.57</b>
<b>18</b>	<b>Provisions</b>			
	For Employee Benefits			
	- Compensated Leave (Unfunded)	14.10	12.74	10.61
	- Gratuity (Funded) (Refer Note-38)	0.37	7.18	43.04
	Provision on Loan Assets (Refer Note - 41)	1.39	-	-
	<b>Total</b>	<b>15.86</b>	<b>19.92</b>	<b>53.65</b>
<b>19</b>	<b>Other Non – Financial Liabilities</b>			
	Advances from Customers	16.10	25.32	19.87
	Deferred Interest	279.99	871.59	1,161.86
	Statutory dues payable	41.17	55.49	3.43
	Other payables	2.27	1.46	15.45
	<b>Total</b>	<b>339.53</b>	<b>953.86</b>	<b>1,200.61</b>
<b>20</b>	<b>Equity Share Capital</b>			
	<b>AUTHORISED CAPITAL :</b>			
	30,000,000 Equity shares of ₹ 10/- each (PY 2018-19: 30,000,000 Equity shares of ₹ 10 each and April 01, 2018: 30,000,000 Equity shares of ₹ 10/- each)	3000.00	3000.00	3000.00
	20,000,000 Preference Shares of ₹ 10/- each (PY 2018-19: 20,000,000 Preference shares of ₹ 10/- each and April 01, 2018: 20,000,000 Preference shares of ₹ 10/- each)	2000.00	2000.00	2000.00
		<b>5000.00</b>	<b>5000.00</b>	<b>5000.00</b>
	<b>ISSUED, SUBSCRIBED &amp; PAID UP:</b>			
	7,000,000 Equity Shares of ₹ 10/- each, Fully paid-up (PY 2018-19: 7,000,000 Equity Shares of ₹ 10/- each and April 01, 2018: 7,000,000 Equity Shares of ₹ 10/- each)	700.00	700.00	700.00
	<b>Total</b>	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>



## Notes forming part of the financial statements for the year ended March 31, 2020

### 20.1 Reconciliation of the number of shares outstanding (₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No of Shares	Amount	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	7,000,000	700.00
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	7,000,000	700.00	7,000,000	700.00	7,000,000	700.00

### 20.2 : 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.

### 20.3 Details of Shareholders holding more than 5% of Equity Shares in the Company (₹ in Lakhs)

Name of Shareholder	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding
Sahara Prime City Limited	2,940,000	42.00	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	1,638,587	23.41
Sahara India Finance and Investment Limited	416,000	5.94	416,000	5.94	416,000	5.94
Citrus Securities Private Limited	620,512	8.86	-	-	-	-
Gandevi Commerce Private Limited	102,532	1.46	723,044	10.33	723,044	10.33

## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>21</b>	<b>Other Equity</b>			
	<b>Capital Reserve</b>			
	Balance at the beginning of the year	1.52	1.52	1.52
	Add : Transferred during the year	-	-	-
	<b>Balance at the end of the year</b>	<b>1.52</b>	<b>1.52</b>	<b>1.52</b>
	<b>Securities Premium</b>			
	Balance at the beginning of the year	500.00	500.00	500.00
	Add : Transferred during the year	-	-	-
	<b>Balance at the end of the year</b>	<b>500.00</b>	<b>500.00</b>	<b>500.00</b>
	<b>General Reserve</b>			
	Balance at the beginning of the year	5.02	5.02	5.02
	Add : Transferred during the year	-	-	-
	<b>Balance at the end of the year</b>	<b>5.02</b>	<b>5.02</b>	<b>5.02</b>
	<b>Special Reserve</b>			
	As per Section 29C of the National Housing Bank Act, 1987			
	Balance at the beginning of the year	1100.39	1045.76	978.20
	Add : Transferred during the year	55.26	54.63	67.56
	<b>Balance at the end of the year</b>	<b>1155.65</b>	<b>1100.39</b>	<b>1045.76</b>
	<b>Retained Earnings</b>			
	Balance at the beginning of the year	1973.26	1767.01	1366.26
	Profit for the Year	207.70	260.88	468.32
	<b>Amount available for Appropriations</b>	<b>2180.96</b>	<b>2027.89</b>	<b>1834.57</b>
	<b>Appropriations</b>			
	Transferred to Special Reserve	55.26	54.63	67.56
	<b>Balance at the end of the year</b>	<b>2125.70</b>	<b>1973.26</b>	<b>1767.01</b>
	<b>Other Comprehensive Income</b>			
	Balance at the beginning of the year	(0.34)	1.11	1.11
	Add : Transferred during the year	1.23	(1.45)	-
	<b>Balance at the end of the year</b>	<b>0.89</b>	<b>(0.34)</b>	<b>1.11</b>
	<b>Total</b>	<b>3788.78</b>	<b>3579.85</b>	<b>3320.42</b>

### 21.1 Nature and purpose of reserves:

- (i) Capital Reserve: The Capital Reserve represents profit on forfeiture of equity shares by the Company. This reserve is not freely available for distribution to the shareholders.
- (ii) Securities Premium: The amount of difference between the issue price and the face value of the shares is recognised in Securities Premium.
- (iii) General Reserve: General Reserve is the accumulation of the portions of the net profits transferred by the Company in the past years.
- (iv) Special Reserve: As per Section 29C of National Housing Bank Act 1987, the Company is required to transfer atleast 20% of its Net profit every year to a reserve before any dividend is declared (Refer Note 21.2)

## Notes forming part of the financial statements for the year ended March 31, 2020

(v) Retained earnings: Retained earnings comprise of the profits of the Company earned till date net of appropriation, distributions and other adjustments.

(vi) Other Comprehensive Income: Other Comprehensive Income represents recognized remeasurement gains/ (loss) on defined benefit plans in other comprehensive income. These changes are accumulated within the other comprehensive income under Other Equity

### Note No. 21.2

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 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 ₹ 55.26 Lakhs (PY 2018-19: ₹ 54.63 Lakhs) to Special Reserve in terms of Section 36(1)(viii) of the Income Tax Act, 1961.

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>22</b>	<b>Interest Income</b>		
	<b>On Financial Assets measured at Amortised Cost</b>		
	Interest on Loans	1212.00	1245.70
	Interest on Deposits with Banks	69.84	91.16
	<b>Total</b>	<b>1281.84</b>	<b>1336.86</b>
<b>23</b>	<b>Other Operating Revenue</b>		
	Document Retrieval and Other Charges	9.11	6.76
	<b>Total</b>	<b>9.11</b>	<b>6.76</b>
<b>24</b>	<b>Other Income</b>		
	Deferred Interest	163.77	290.27
	Fair valuation of Financial Assets	1.04	1.02
	Profit on sale of Property, plant and equipment	0.12	0.23
	Miscellaneous Income	-	0.03
	<b>Total</b>	<b>164.93</b>	<b>291.55</b>
<b>25</b>	<b>Finance Cost</b>		
	<b>On Financial liabilities measured at Amortised Cost</b>		
	On Term Loans (Secured)	11.14	42.50
	On Non Convertible Debentures (Secured)	210.00	210.00
	On Term Loans (Unsecured)	305.80	250.35
	On Non Convertible Debentures (Unsecured)	78.08	250.00
	Interest on Leased liabilities	14.57	13.31
	Bank and Other Charges	1.82	2.53
	<b>Total</b>	<b>621.41</b>	<b>768.69</b>
<b>26</b>	<b>Net loss on fair value changes</b>		
	<b>On Investment measured through Profit or Loss</b>		
	Investments	0.84	0.32
	<b>Total</b>	<b>0.84</b>	<b>0.32</b>
<b>27</b>	<b>Loss on Derecognition of Financial Instruments (Net)</b>		
	Loss on Derecognition of Financial Instruments (Net)	21.92	-
	<b>Total</b>	<b>21.92</b>	<b>-</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2020		Year Ended March 31, 2019	
		On Financial Instruments measured At FVTOCI	At Amortised Cost	On Financial Instruments measured At FVTOCI	At Amortised Cost
<b>28</b>	<b>Impairment on Financial Instruments</b>				
	Loans	-	35.39	-	35.09
	Others	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>35.39</b>	<b>-</b>	<b>35.09</b>

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

(₹ in Lakhs)

Note No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>29</b>	<b>Employee Benefit Expenses</b>		
	Salaries	301.75	300.05
	Company's Contribution to Provident and Other Funds	15.26	15.77
	Staff Welfare Expenses	2.52	1.88
	<b>Total</b>	<b>319.53</b>	<b>317.70</b>
<b>30</b>	<b>Depreciation and Amortisation Expenses</b>		
	Depreciation on Property, Plant and Equipment and Right of Use Assets (Refer Note 11 (a) and (c))	54.14	50.94
	Amortisation on Intangible Assets (Refer Note 11 (b))	0.80	-
	<b>Total</b>	<b>54.94</b>	<b>50.94</b>
<b>31</b>	<b>Other Expenses</b>		
	Rent	2.15	3.79
	Travelling and Conveyance	11.49	14.70
	Legal and Professional Fees	32.13	30.87
	Printing and Stationery	6.39	6.08
	Communication Charges	9.50	9.28
	General Expenses	20.76	19.90
	Insurance	0.21	0.69
	Repairs and Maintenance	2.54	1.74
	Rates, Taxes and Licenses	0.68	1.03
	Office Maintenance	6.45	5.52
	Vehicles Maintenance	21.78	22.13
	Advertisement and Publicity	2.02	1.03
	Electricity Charges	5.80	5.38
	Payment to Auditor		
	- Statutory Audit Fee	0.80	0.80
	- Tax Audit Fee	0.20	0.20
	- Limited Review and Certification Fee	0.43	0.23
	<b>Total</b>	<b>123.33</b>	<b>123.37</b>



## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Note No. □	Particulars □	Year Ended March 31, 2020 □	Year Ended March 31, 2019 □
<b>32 □</b>	<b>Income Tax □</b>		
	<b>(a) Income Tax Expense in statement of profit and loss □</b>		
	<b>Current Income Tax: □</b>		
	In respect of the current year □	58.75 □	66.47 □
	<b>Deferred Tax: □</b>		
	In respect of the current year □	11.49 □	11.54 □
	Tax related to earlier year □	0.58 □	0.17 □
	<b>Total Income Tax Expense □</b>	<b>70.82 □</b>	<b>78.18 □</b>
	<b>(b) Reconciliation of Income Tax Expense of the year can be reconciled to the accounting Profit as follows : □</b>		
	Profit Before Tax □	278.52 □	339.06 □
	Income Tax Expenses □	68.16 □	94.32 □
	Effect of : □		
	Amount transferred under Section 36(1) (viii) under the Income Tax Act, 1961 □	(13.52) □	(15.20) □
	Tax Rate change Impact □	15.30 □	(1.34) □
	Disallowance of expenses □	0.30 □	0.23 □
	<b>Tax related to earlier year □</b>	<b>0.58 □</b>	<b>0.17 □</b>
	<b>Income Tax Expense recognised in the Statement of Profit and Loss □</b>	<b>70.82 □</b>	<b>78.18 □</b>

The tax rate used for the above reconciliation is the corporate tax rate of 24.48% for the year 2019-20 and 27.82% for the year 2018-19 payable by the company in India on taxable profits under tax law in Indian jurisdiction. □

Pursuant to taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019, the company has opted to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate ( i.e. 24.48%) from the current financial year. The tax expense for the year ended March 31, 2020 is after considering the impact of revised tax laws.

### 33 □ Maturity Analysis of Assets and Liabilities □

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

(₹ in Lakhs)

ASSETS □	As At March 31, 2020 □			As At March 31, 2019 □			As At April 01, 2018		
	Within 12 Months □	After 12 Months □	Total □	Within 12 Months □	After 12 Months □	Total □	Within 12 Months □	After 12 Months □	Total □
<b>Financial Assets □</b>									
Cash and Cash Equivalents □	867.19 □	- □	867.19 □	317.99 □	- □	317.99 □	982.36 □	- □	982.36 □
Bank Balance other than Cash and Cash Equivalent □	1221.52 □	- □	1221.52 □	1916.07 □	- □	1916.07 □	273.79 □	- □	273.79 □
Receivables □									
-Trade Receivables □	- □	- □	- □	- □	- □	- □	- □	- □	- □
-Other Receivables □	9.03 □	- □	9.03 □	- □	- □	- □	0.07 □	- □	0.07 □
Loans □	632.86 □	9193.58 □	9826.44 □	716.79 □	10799.86 □	11516.65 □	674.67 □	11543.38 □	12218.05 □
Investments □	- □	0.80 □	0.80 □	- □	1.64 □	1.64 □	- □	1.97 □	1.97 □
Other Financial Assets □	3.29 □	14.77 □	18.06 □	2.67 □	15.17 □	17.84 □	0.14 □	17.10 □	17.24 □
<b>Non-Financial Assets □</b>									
Current Tax Assets (net) □	- □	20.96 □	20.96 □	- □	17.61 □	17.61 □	- □	18.32 □	18.32 □
Deferred Tax Assets (net) □	- □	115.62 □	115.62 □	- □	127.51 □	127.51 □	- □	138.49 □	138.49 □
Property, Plant and Equipment □	- □	89.50 □	89.50 □	- □	101.87 □	101.87 □	- □	102.34 □	102.34 □
Other Intangible Assets □	- □	1.43 □	1.43 □	- □	2.23 □	2.23 □	- □	- □	- □
Right of Use Assets □	- □	127.46 □	127.46 □	- □	116.22 □	116.22 □	- □	155.60 □	155.60 □
Other Non-Financial Assets □	47.93 □	7.76 □	55.69 □	41.07 □	7.76 □	48.83 □	35.67 □	7.76 □	43.43 □
<b>Total Assets □</b>			<b>12353.70 □</b>			<b>14184.46 □</b>			<b>13591.65 □</b>



## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

LIABILITIES	As At March 31, 2020			As At March 31, 2019			As At April 01, 2018		
	Within 12-Months	After 12-Months	Total	Within 12-Months	After 12-Months	Total	Within 12-Months	After 12-Months	Total
<b>Financial liabilities</b>									
Trade Payable									
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	10.72	-	10.72	12.39	-	12.39	13.67	-	13.67
Debt securities	189.00	3000.00	3189.00	2500.00	3000.00	5500.00	-	5500.00	5500.00
Borrowings (other than debt securities)	135.68	4028.88	4164.56	38.55	3,253.47	3292.02	0.30	3003.46	3003.76
Other financial liabilities	41.59	109.68	145.25	28.66	97.41	126.07	7.22	148.75	155.97
<b>Non-Financial Liabilities</b>									
Current Tax Liabilities (Net)	-	-	-	0.35	-	0.35	3.57	-	3.57
Provisions	1.07	14.79	15.86	3.23	16.70	19.92	14.36	39.29	53.65
Other Non – Financial Liabilities	199.34	140.19	339.53	372.53	581.33	953.86	329.02	871.59	1200.61
<b>Total Liabilities</b>			<b>7864.92</b>			<b>9904.61</b>			<b>9931.23</b>

### 34 Fair Value Measurements

#### (i) Financial Instruments by Category

(₹ in Lakhs)

Particulars	As At March 31, 2020			As At March 31, 2019			As At April 01, 2018		
	EVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>									
Cash and Cash Equivalents	-	-	867.19	-	-	317.99	-	-	982.36
Bank Balance other than Cash and Cash Equivalent	-	-	1221.52	-	-	1916.07	-	-	273.79
Receivables									
-Trade Receivables	-	-	-	-	-	-	-	-	-
- Other Receivables	-	-	9.03	-	-	-	-	-	0.07
Loans	-	-	9826.44	-	-	11516.65	-	-	12218.05
Investments	0.80	-	-	1.64	-	-	1.97	-	-
Other Financial Assets	-	-	18.06	-	-	17.84	-	-	17.24
<b>Total Financial Assets</b>	<b>0.80</b>		<b>11942.24</b>	<b>1.64</b>		<b>13768.55</b>	<b>1.97</b>		<b>13491.51</b>
<b>Financial Liabilities</b>									
Trade Payable									
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-	-	-	-
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	-	10.72	-	-	12.39	-	-	13.67
Debt securities	-	-	3189.00	-	-	5500.00	-	-	5500.00
Borrowings (other than debt securities)	-	-	4164.56	-	-	3292.02	-	-	3003.76
Other Financial Liabilities	-	-	145.25	-	-	126.07	-	-	155.97
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>7509.53</b>	<b>-</b>	<b>-</b>	<b>8930.48</b>	<b>-</b>	<b>-</b>	<b>8673.40</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

### (ii) Fair Value Hierarchy

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

(₹ in Lakhs)

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

## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

As At March 31, 2019	Carrying Amount	Routed through OCI	Routed through P/L				Carried at Amortised cost			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>										
Cash and Cash Equivalents	317.99	-	-	-	-	-	-	-	317.99	317.99
Bank Balance other than Cash and Cash Equivalents	1916.07	-	-	-	-	-	-	-	1916.07	1916.07
Receivables										
- Trade Receivables	-	-	-	-	-	-	-	-	-	-
- Other Receivables	-	-	-	-	-	-	-	-	-	-
Loans	11516.65	-	-	-	-	-	-	-	11516.65	11516.65
Investments	1.64	-	1.64	-	-	1.64	-	-	-	-
Other Financial Assets	17.84	-	-	-	-	-	-	-	17.84	17.84
<b>Total Financial Assets</b>	<b>13770.19</b>	<b>-</b>	<b>1.64</b>	<b>-</b>	<b>-</b>	<b>1.64</b>	<b>-</b>	<b>-</b>	<b>13768.55</b>	<b>13768.55</b>
<b>Financial Liabilities</b>										
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	12.39	-	-	-	-	-	-	-	12.39	12.39
Debt securities	5500.00	-	-	-	-	-	-	-	5500.00	5500.00
Borrowings (other than debt securities)	3292.02	-	-	-	-	-	-	-	3292.02	3292.02
Other financial liabilities	126.07	-	-	-	-	-	-	-	126.07	126.07
<b>Total Financial Liabilities</b>	<b>8930.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8930.48</b>	<b>8930.48</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

As At April 1, 2018	Carrying Amount	Routed through OCI	Routed through P/L				Carried at Amortised cost			
			Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>										
Cash and Cash Equivalents	982.36	-	-	-	-	-	-	-	982.36	982.36
Bank Balance other than Cash and Cash Equivalents	273.79	-	-	-	-	-	-	-	273.79	273.79
Receivables										
- Trade Receivables	-	-	-	-	-	-	-	-	-	-
- Other Receivables	0.07	-	-	-	-	-	-	-	0.07	0.07
Loans	12218.05	-	-	-	-	-	-	-	12218.05	12218.05
Investments	1.97	-	1.97	-	-	1.97	-	-	-	-
Other Financial Assets	17.24	-	-	-	-	-	-	-	17.24	17.24
<b>Total Financial Assets</b>	<b>13493.48</b>	<b>-</b>	<b>1.97</b>	<b>-</b>	<b>-</b>	<b>1.97</b>	<b>-</b>	<b>-</b>	<b>13491.51</b>	<b>13491.51</b>
<b>Financial Liabilities</b>										
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	13.67	-	-	-	-	-	-	-	13.67	13.67
Debt securities	5500.00	-	-	-	-	-	-	-	5500.00	5500.00
Borrowings (other than debt securities)	3003.76	-	-	-	-	-	-	-	3003.76	3003.76
Other financial liabilities	155.97	-	-	-	-	-	-	-	155.97	155.97
<b>Total Financial Liabilities</b>	<b>8673.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8673.40</b>	<b>8673.40</b>

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, 2020

### Note 35 (A) Financial Risk Management

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

#### Credit Risk

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

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

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

#### Credit Approval Authorities

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

#### Credit Risk Assessment Methodology

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

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

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

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

#### Risk Management and Portfolio Review

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

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

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

The Company reviews adherence to policies and processes, carries out audit through internal auditor and briefs the Audit Committee and the Board periodically.

#### Liquidity Risk



## Notes forming part of the financial statements for the year ended March 31, 2020

### **Maturities of Financial Liabilities**

The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for essential for an understanding of the timing of the cashflows.

The amounts disclosed in note 33 are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

### **Market risk**

#### **(i) Interest Rate Risk**

The Company is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating 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.

#### **(ii) Price Risk**

##### **(a) Exposure**

The Company's exposure to 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 National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by NHB.

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

#### **(i) Risk management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and 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 Total 'equity' (as shown in the balance sheet).

## Notes forming part of the financial statements for the year ended March 31, 2020

The Company's strategy is to maintain a gearing ratio as stipulated by National Housing Bank. The gearing ratios were as follows :

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Debt securities (including Interest)	3,189.00	5,500.00	5,500.00
Borrowings (other than debt securities (including Interest))	4,470.94	4,203.53	4,165.62
<b>Total Debt</b>	<b>7,659.94</b>	<b>9,703.53</b>	<b>9,665.62</b>
Cash and Cash Equivalents	867.19	317.99	982.36
<b>Net Debt</b>	<b>6,792.75</b>	<b>9,385.54</b>	<b>8,683.26</b>
<b>Total Equity</b>	<b>4,488.78</b>	<b>4,279.85</b>	<b>4,020.42</b>
<b>Net Debt to Equity Ratio (in times)</b>	<b>1.51</b>	<b>2.19</b>	<b>2.16</b>

### Note 36 Related Party Disclosures

As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), details of related parties, nature of the relationship, with whom company has entered transaction: All these transactions with related parties were carried out in ordinary course of business and on arm's length basis.

#### a. List of Related Parties

(i) Major shareholder having control over the company

- Sahara India Corp Investment Limited
- Sahara Prime City Limited
- Sahara India Finance & Investment Limited

(ii) Key Management Personnel (KMP)

- Shri D. J. Bagchi, Chief Executive Officer, Company Secretary/Manager
- Shri Vivek Kapoor, Chief Financial Officer

(iii) Companies under common control

- Sahara India Financial Corporation Limited
- Sahara India Commercial Corporation Limited

(iv) Relative of Key Management Person

- Sumana Bagchi – Wife of KMP



## Notes forming part of the financial statements for the year ended March 31, 2020

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Directors' Sitting Fees Paid</b>		
Shri Brijendra Sahay	0.90	0.90
Shri Joy Broto Roy	-	0.90
Shri Awedsh Kumar Srivastava	0.50	-
Smt. Anshu Roy	0.90	0.90
<b>Rent Paid</b>		
Sahara India Commercial Corporation Limited	2.16	2.19
Smt. Sumana Bagchi	7.20	7.20
<b>Interest Expenses</b>		
Sahara India Financial Corporation Limited	228.51	250.00
<b>Un-secured Loan Repaid</b>		
Sahara India Commercial Corporation Limited	1900.00	0.34
<b>Redeemable Debenture Redemption*</b>		
Sahara India Financial Corporation Limited	2500.00	-
<b>Un-secured Loan Received*</b>		
Sahara India Financial Corporation Limited	2570.27	-
<b>Outstanding Redeemable Debenture</b>		
Sahara India Financial Corporation Limited	-	2500.00
<b>Outstanding Un-secured Loan</b>		
Sahara India Commercial Corporation Limited**	1458.60	2753.47
Sahara India Financial Corporation Limited	2570.27	-
<b>Interest Payable on Un-secured Loan</b>		
Sahara India Financial Corporation Limited	135.38	-
<b>Salary &amp; Perquisites</b>		
Shri D. J. Bagchi	43.56	45.03
Shri Vivek Kapoor	19.59	16.42

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

\*\* Carrying value as per Books of Account

c. Related party relationship given above is as identified by the Company and relied upon by the Auditor.



## Notes forming part of the financial statements for the year ended March 31, 2020

### Note 37 □ Note on Transition of Financial Statements to Ind AS

Sl. No. □	Particulars □
	<b>Transition to Ind AS □</b>
	<p>The Company has prepared financial statements for the year ended March 31, 2020, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounting Standards) Rules, 2006, as amended (Previous GAAP). Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2020, together with comparative information as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2018 i.e. the transition date to Ind AS for the Company. Previous GAAP financial statements as on April 1, 2018 being transition date and for previous year ended March 31, 2019 have been restated as per Ind AS. □</p> <p>This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2018, and the financial statements as at and for the year ended March 31, 2019. □</p>
37.1 □	Exemptions availed □
37.1.1 □	Deemed Cost for Property, Plant and Equipment □
	The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2018 (the transition date), measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS. □
37.1.2 □	Classification and Measurement of Financial Asset □
	The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS. □
37.1.3 □	Estimates □
	<p>On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: □</p> <p>Impairment of financial assets based on expected credit loss model. □</p>
37.1.4 □	Classification and measurement of financial assets □
	The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS. □
37.1.5 □	Leases □
	<p>The Company has adopted Ind AS -116 "Leases" on April 01, 2019 and applied to all lease contracts existing on the Ind AS transition date i.e. April 01, 2018 as per the requirement of Ind AS -101, First time adoption of Indian Accounting Standards. □</p> <p>The Company availed the exemption in respect of the following : □</p> <ol style="list-style-type: none"> <li>1) □ Right of Use Assets measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS. □</li> <li>2) □ Apply single discount rate to a portfolio of leases with reasonably similar characteristics. □</li> <li>3) □ Elect not to apply the requirements to leases for which the lease term ends within 12 months of the date of transition to Ind AS. □</li> <li>4) □ Elect not to apply the requirements to leases for which the underlying asset is of low value.</li> </ol>

## Notes forming part of the financial statements for the year ended March 31, 2020

37.2.1 □ Reconciliation of net profit for the year ended March 31, 2019 between the Previous GAAP and Ind AS is as under:

(₹ in Lakhs)

Particulars □	Year Ended □ March 31, 2019 □
<b>Net Profit after tax as per Previous GAAP □</b>	<b>212.70 □</b>
Add/(Less) □	
Adjustment on account of effective interest rate on financial assets and liabilities recognised at □ amortized cost/net interest on credit impaired loans □	52.49 □
Reversal of Deferred tax liability on amount transferred under Section 36(1) (viii) of the Income □ Tax Act, 1961 □	17.99 □
Other Adjustments □	(11.05) □
Taxes on above □	(11.25) □
<b>Net Profit after tax as per Ind AS □</b>	<b>260.88 □</b>
Other Comprehensive Income (net of tax) □	(1.45) □
<b>Total Comprehensive Income as per Ind AS</b>	<b>259.43</b>

37.2.2 □ Reconciliation of Equity reported in Previous GAAP and Ind AS is as under:

(₹ in Lakhs)

Particulars □	As at □ March 31, 2019 □	As at □ April 1, 2018 □
<b>Equity as per Previous GAAP □</b>	<b>4021.12 □</b>	<b>3808.42 □</b>
Adjustment on account of effective interest rate on financial assets and □ liabilities recognised at amortized cost/net interest on credit impaired loans □	(22.52) □	(78.46) □
Reversal of Deferred tax liability on amount transferred under Section □ 36(1)(viii) of the Income Tax Act, 1961 □	306.13 □	288.14 □
Other Adjustments □	(43.15) □	(26.64) □
Taxes on above □	18.27 □	28.96 □
<b>Equity reported in Ind AS □</b>	<b>4279.85</b>	<b>4020.42</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

### 37.2.3 Reconciliation of Equity as at April 1, 2018 and March 31, 2019 and Total Comprehensive income for the year ended March 31, 2019

#### Reconciliation of Equity as at April 01, 2018

(₹ in Lakhs)

Particulars	Notes to First time adoption	Opening Balance Sheet as at April 01, 2018		
		Previous GAAP *	Ind AS Adjustments	Ind AS
<b>Assets</b>				
<b>Financial assets</b>				
Cash and Cash Equivalents		982.36	-	982.36
Bank balance other than Cash and Cash Equivalents		273.79	-	273.79
Receivables				
-Trade Receivables		-	-	-
-Other Receivables		0.07	.	0.07
Loans	37.3.4 & 37.3.11	12324.91	(106.86)	12218.05
Investments		1.97	-	1.97
Other Financial Assets	37.3.2	22.84	(5.60)	17.24
<b>Total Financial Assets</b>		<b>13605.94</b>	<b>(112.46)</b>	<b>13493.48</b>
<b>Non-Financial assets</b>				
Current Tax Assets (net)		18.32	-	18.32
Deferred Tax Assets (net)	37.3.3 & 37.3.8	(178.61)	317.10	138.49
Property, Plant and Equipment		102.33	-	102.33
Other Intangible Assets		-	-	-
Right of Use Assets	37.3.10	-	155.60	155.60
Other Non-Financial Assets		43.43	-	43.43
<b>Total Non-Financial Assets</b>		<b>(14.53)</b>	<b>472.70</b>	<b>458.17</b>
<b>Total Assets</b>		<b>13591.41</b>	<b>360.24</b>	<b>13951.65</b>
<b>Liabilities and Equity</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
<b>Payables</b>				
<b>-Trade Payable</b>				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		13.67	-	13.67
Debt Securities		5500.00	-	5500.00
Borrowings (other than debt securities)	37.3.6	4165.62	(1161.86)	3003.76
Other Financial Liabilities	37.3.10	5.97	150.00	155.97
<b>Total Financial Liabilities</b>		<b>9685.26</b>	<b>(1011.86)</b>	<b>8673.40</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Notes to First time adoption	Opening Balance Sheet as at April 01,2018		
		Previous GAAP *	Ind AS Adjustments	Ind AS
<b>Non-Financial Liabilities</b>				
Current tax liabilities (Net)		3.57	-	3.57
Provisions	37.3.5	55.41	(1.76)	53.65
Other non-financial Liabilities	37.3.6	38.75	1161.86	1200.61
<b>Total Non-Financial Liabilities</b>		<b>97.73</b>	<b>1160.10</b>	<b>1257.83</b>
<b>Total Liabilities</b>		<b>9782.99</b>	<b>148.24</b>	<b>1257.83</b>
Equity		700.00	-	700.00
Other Equity	37.3.9	3108.42	212.00	3220.42
<b>Total Equity</b>		<b>3808.42</b>	<b>212.00</b>	<b>4020.42</b>
<b>Total Liabilities and Equity</b>		<b>13591.41</b>	<b>360.24</b>	<b>13951.65</b>

\*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

### Reconciliation of Equity as at March 31, 2019

(₹ in Lakhs)

Particulars	Notes to First time adoption	Balance Sheet as at March 31,2019		
		Previous GAAP *	Ind AS Adjustments	Ind AS
<b>Assets</b>				
<b>Financial assets</b>				
Cash and Cash Equivalents		317.99	-	317.99
Bank balance other than Cash and Cash Equivalents		1916.07	-	1916.07
Receivables				
-Trade Receivables		-	-	-
-Other Receivables		-	-	-
Loans	37.3.4 & 37.3.11	11613.56	(96.91)	11516.65
Investments		1.64	-	1.64
Other Financial Assets	37.3.2	22.83	(4.99)	17.84
<b>Total Financial Assets</b>		<b>13872.09</b>	<b>(101.90)</b>	<b>13770.19</b>
<b>Non-Financial assets</b>				
Current Tax Assets (net)		17.61	-	17.61
Deferred Tax Assets (net)	37.3.3 & 37.3.8	(196.89)	324.40	127.51
Property, Plant and Equipment		101.87		101.87
Other Intangible Assets		2.23	-	2.23
Right of Use Assets	37.3.10	-	116.22	116.22
Other Non-Financial Assets		48.83	-	48.83
<b>Total Non-Financial Assets</b>		<b>(26.35)</b>	<b>440.62</b>	<b>414.27</b>
<b>Total Assets</b>		<b>13845.74</b>	<b>338.72</b>	<b>14184.46</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Notes to First time adoption	Balance Sheet as at March 31, 2019		
		Previous GAAP *	Ind AS Adjustments	Ind AS
<b>Liabilities and Equity</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
<b>Payables</b>				
<b>-Trade Payable</b>				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		12.39	-	12.39
Debt Securities		5500.00	-	5500.00
Borrowings (other than debt securities)	37.3.6	4203.53	(911.51)	3292.02
Other Financial Liabilities	37.2.10	6.87	119.20	126.07
<b>Total Financial Liabilities</b>		<b>9722.79</b>	<b>(792.31)</b>	<b>8930.48</b>
<b>Non-Financial Liabilities</b>				
Current tax liabilities (Net)		0.35	-	0.35
Provisions		19.92	-	19.92
Other non-financial Liabilities	37.3.6	81.56	872.30	953.86
<b>Total Non-Financial Liabilities</b>		<b>101.83</b>	<b>872.30</b>	<b>974.13</b>
<b>Total Liabilities</b>		<b>9824.62</b>	<b>79.99</b>	<b>9904.61</b>
<b>Equity</b>				
Other Equity	37.2.9	3321.12	258.73	3579.85
<b>Total Equity</b>		<b>4021.12</b>	<b>258.73</b>	<b>4279.85</b>
<b>Total Liabilities and Equity</b>		<b>13845.74</b>	<b>338.72</b>	<b>14184.46</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

## Notes forming part of the financial statements for the year ended March 31, 2020

### 37.2.4 Reconciliation of Total Comprehensive Income for year ended March 31, 2019

(₹ in Lakhs)

Particulars	Notes to First time adoption	Year Ended March 31, 2019		
		Previous GAAP *	Ind AS Adjustments	Ind AS
<b>Revenue from operations</b>				
Interest income	37.3.4	1325.67	11.19	1336.86
Other Operating Revenue	37.3.4	5.38	1.38	6.76
<b>Total revenue from operations</b>		<b>1331.05</b>	<b>12.57</b>	<b>1343.62</b>
Other income	37.3.2 & 37.3.6	0.26	291.29	291.55
<b>Total Revenue</b>		<b>1331.31</b>	<b>303.86</b>	<b>1635.17</b>
<b>Expenses</b>				
Finance costs	37.3.6 & 37.3.10	505.04	263.65	768.69
Net loss on fair value changes		0.32	-	0.32
Net loss on derecognition of financial Instruments measured at amortised cost				
Impairment on Financial Instruments (Expected Credit Loss)	37.3.11	31.76	3.33	35.09
Employee Benefits Expenses	37.3.5	317.95	(0.25)	317.70
Depreciation and Amortisation Expense	37.3.10	11.14	39.80	50.94
Others Expenses	37.3.10	167.48	(44.11)	123.37
<b>Total Expenses</b>		<b>1033.69</b>	<b>262.42</b>	<b>1296.11</b>
<b>Profit before Exceptional Items and Tax</b>		<b>297.62</b>	<b>41.44</b>	<b>339.06</b>
Exceptional Items		-	-	-
Profit before Tax		<b>297.62</b>	<b>41.44</b>	<b>339.06</b>
Less: Tax Expense				
- Current Tax		66.47	-	66.47
- Deferred Tax (Net)	37.3.3 & 37.3.8	18.28	(6.74)	11.54
- Income Tax related to earlier years		0.17	-	0.17
<b>Profit for the Period</b>		<b>212.70</b>	<b>48.18</b>	<b>260.88</b>
<b>Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss	37.3.7	-	(2.01)	(2.01)
(ii) Income tax relating to items that will not be reclassified to profit or loss	37.3.8	-	0.56	0.56
<b>Other Comprehensive Income</b>		<b>-</b>	<b>(1.45)</b>	<b>(1.45)</b>
<b>Total Comprehensive Income for the Year</b>		<b>212.70</b>	<b>46.73</b>	<b>259.43</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

37.2.5 The transition from Previous GAAP to Ind AS has no material adjustments on the Statement of Cash Flow except reclassification of certain items to confirm Ind AS presentation.

## Notes forming part of the financial statements for the year ended March 31, 2020

Sl. No. □	Particulars
37.3.1 □	<b>Classification of Financial Instruments</b> □ The company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets/financial liabilities. Accordingly, bifurcation of assets/liabilities as financial/Non-financial is identified and reclassified. However, this reclassification is not presented as transition adjustments.
37.3.2 □	<b>Fair Valuation of Security Deposit</b> □ Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, refundable and non-statutory security deposits are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under Ind AS. Difference between fair value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as Right of Use Assets (RoUA). Subsequent to initial recognition, the security deposits are measured at amortized cost using the effective interest rate method with the carrying amount increased over the period upto the remaining tenure of such deposit. The amount of increase in the carrying amount of such deposits is recognized as 'Other Income' and RoUA Value are amortized over the remaining tenure of such deposit as Depreciation.
37.3.3 □	<b>Reversal of Deferred Tax Liability on Special Reserve</b> □ As per previous GAAP, DTL was created on the special reserve created under section 36(1)(viii) of the Income Tax Act, 1961 as per the requirement of circular no NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014. Under Ind AS 12-Taxes on Income, there is no difference between carrying amount of special reserve as per books of account and its tax base. Accordingly, DTL is not required to be created on the special reserve.
37.3.4 □	<b>Effective Interest Rate (EIR)</b> □ Under Previous GAAP, transaction costs charged to customers and incurred by the Company was recognised upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset/financial liability and recognised as interest income/interest expense using the effective interest method.
37.3.5 □	<b>Employee Benefit Expenses</b> □ Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gain and losses, are charged to profit or loss. Under Ind AS,remeasurements(comprising of actuarial gains and losses, the effect of assets ceiling, excluding amounts included in net interest on the net defined benefit liability and return on plan assets excluding amount included in net interest on the net defined benefit liability) are recognised in Other Comprehensive Income (OCI).
37.3.6 □	<b>Fair valuation for Financial Assets and Liabilities</b> □ The Company has valued financial assets and Liabilities, at fair value and changes are recognised in Statement of Profit and Loss.
37.3.7 □	<b>Other Comprehensive Income</b> □ Re-measurement of defined benefit plan liability are recognised in OCI.
37.3.8 □	<b>Deferred tax impact due to Ind AS Adjustments</b> □ The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Retained Earnings, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods.
37.3.9 □	<b>Retained Earnings</b> □ Retained Earnings as at 1st April, 2018 have been adjusted consequent to the above Ind AS transition adjustments.
37.3.10 □	<b>Leases</b> □ The Company has recognized Right of Use Assets (RoUA) and lease liabilities as per provision of Ind AS 116 "Leases" therefore Depreciation and Interest on RoUA and lease liabilities respectively is charged to the Statement of Profit and Loss as compared to Rent in Previous GAAP.
37.3.11 □	<b>Expected Credit Loss</b> □ The Company made estimate of Impairment of Financial Assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP



## Notes forming part of the financial statements for the year ended March 31, 2020

### Note 38 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 ₹ 13.70 Lakhs (Previous year ₹ 13.12 Lakhs) has been charged to Statement of Profit and Loss on account of this defined benefit scheme.

##### Leave Encashment

An amount of ₹ 1.79 Lakhs (Previous year ₹ 0.73 Lakhs) has been charged to Statement of Profit and Loss for 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, 2020

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Change in Projected Benefit Obligation</b>		
Present Value of Benefit Obligation as at beginning of the period	55.15	43.05
Interest Cost	4.25	3.30
Current Service Cost	4.42	4.25
Past Service Cost	-	-
(Benefit Paid From the Fund)	(0.86)	(0.28)
"Actuarial		
(Gains)/Losses on Obligations-Due to Change in Demographic Assumptions"	-	-
"Actuarial		
(Gains)/Losses on Obligations-Due to Change in Financial Assumptions"	3.16	0.22
Actuarial (Gains)/Losses on Obligations - Due to Experience	(4.04)	4.61
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>62.08</b>	<b>55.15</b>
<b>B. Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the period	47.97	-
Interest income*	4.07	-
Contributions by the employer	10.74	45.93
(Benefit paid from the fund)	(0.86)	(0.28)
Return on plan assets, excluding interest income	(0.21)	2.32
<b>Fair Value of Plan Assets at the end of the year</b>	<b>61.71</b>	<b>47.97</b>



## Notes forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>C. Amount recognised in the Balance Sheet</b>		
Defined Benefit Obligation	62.08	55.15
Fair Value of Plan Assets at the end of the Period	61.71	47.97
Funded Status – Short/(Excess)	0.37	7.18
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>0.37</b>	<b>7.18</b>
<b>D. Net interest cost for current year</b>		
Present Value of Benefit Obligation at the Beginning of the Period (Fair Value of Plan Assets at the Beginning of the Period)	55.15 (47.97)	43.04 -
Net Liability/(Asset) at the Beginning	7.18	43.04
Interest Cost (Interest Income)	4.24 (4.07)	3.30 -
<b>Net Interest Cost for Current Period</b>	<b>0.17</b>	<b>3.30</b>
<b>E. Expenses recognised in Statement of Profit and Loss</b>		
Current Service Cost	4.42	4.25
Net Interest Cost	0.17	3.30
Past Service Cost	-	-
Expected Contributions by the Employees (Gains)/Losses on Curtailments And Settlements	- -	- -
<b>Expenses Recognized</b>	<b>4.59</b>	<b>7.55</b>
<b>F. Expenses Recognized in the Other Comprehensive Income (OCI) for current year</b>		
Actuarial (Gains)/Losses on Obligation For the Period	(0.88)	4.83
Return on Plan Assets, Excluding Interest Income	0.21	(2.32)
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>(0.67)</b>	<b>2.51</b>
<b>G. Total amount recognized in Other Comprehensive Income consists of:</b>		
Remeasurement (Gains)/Losses	(0.67)	2.51
<b>H. Principal actuarial assumptions used:</b>		
Expected Return on Plan Assets	7.00%	7.70%
Rate of Discounting	7.00%	7.70%
Rate of Salary Increase	6.00%	6.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.
<b>I. Balance Sheet Reconciliation</b>		
Opening Net Liability	7.18	43.04
Expenses Recognized in Statement of Profit or Loss	4.59	7.56
Expenses Recognized in OCI (Employer's Contribution)	(0.67) (10.74)	2.51 (45.93)
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>0.37</b>	<b>7.18</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

### J. Other Details

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
No of Active Members	56	60
Per Month Salary For Active Members	0.15	0.14
Average Expected Future Service (in Years)	15.38	16.74
Projected Benefit Obligation	62.08	55.15
Prescribed Contribution For Next Year (12 Months)	4.45	2.51

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

(₹ in Lakhs)

Projected Benefits Payable in Future Years from the date of Reporting	Year Ended March 31, 2020	Year Ended March 31, 2019
1st Following Year	4.64	2.51
2nd Following Year	2.76	2.75
3rd Following Year	4.72	4.70
4th Following Year	17.12	4.46
5th Following Year	2.17	16.00
Sum of Years 6 To 10	26.07	20.93
Sum of Years 11 and above	61.37	70.95

### L. Sensitivity Analysis

(₹ in Lakhs)

Projected Benefits Payable in Future Years from the date of Reporting	Year Ended March 31, 2020	Year Ended March 31, 2019
Projected Benefit Obligation on Current Assumptions	62.08	55.15
Delta Effect of +1% Change in Rate of Discounting	(4.45)	(4.15)
Delta Effect of -1% Change in Rate of Discounting	5.07	4.85
Delta Effect of +1% Change in Rate of Salary Increase	5.35	5.07
Delta Effect of -1% Change in Rate of Salary Increase	(4.77)	(4.50)
Delta Effect of +1% Change in Rate of Employee Turnover	0.31	0.53
Delta Effect of -1% Change in Rate of Employee Turnover	(0.33)	(0.58)

### NOTE 39: Contingent Liabilities and Other Commitments

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

The Income Tax Assessments of the company have been completed up to Assessment Year 2015-16. Based on the decision of the Appellate Authorities and the interpretation of relevant tax provisions, the Company has been legally advised that the additions made in the Assessment Year 2010-11 are likely to be deleted or substantially reduced. Tax value of matters under appeal as at March 31, 2020 is ₹ 38.78 lakhs (March 31, 2019 and April 01, 2018 ₹ 38.78 lakhs) against which the company had deposited ₹ 7.76 lakhs (March 31, 2019 and April 01, 2018 ₹ 7.76 lakhs).

#### (ii) Other commitments: NIL (March 31, 2019 and April 01, 2018: NIL)

## Notes forming part of the financial statements for the year ended March 31, 2020

### 40. Segment Reporting

The Company's main business is to provide loans for the purchase or construction of residential units. All other activities 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.

### 41. Impact of COVID-19

- i) The outbreak of infectious disease COVID-19 across the globe and India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. On March 11, 2020, the World Health Organisation declared that novel coronavirus (COVID-19) as a global pandemic. Besides the toll that this outbreak has had on human life, it has also disrupted the social, economic and financial structures of the entire world.
- ii) The government of India declared a national lockdown from March 25, 2020 thereby restricting the movement of the entire population of the country as a preventive measure against the spread of COVID-19. Following the lockdown directives, the Company closed its all offices and seamlessly shifted to Work from home (WFH).
- iii) Reserve Bank of India (RBI) has issued guidelines (from time to time) relating to COVID-19 Regulatory Package on moratorium, asset classification and provisioning etc. In terms of the guidelines, the Company has offered a moratorium on the payment of instalments falling due between March 01, 2020 and August 31, 2020 to its all eligible borrowers.
- iv) General provision required to be maintained in respect of accounts in default but standard and asset classification benefit extended, as per RBI circular dated April 17, 2020 is 5% which amounts to ₹ 1.39 lakhs. Against this, the Company holds a provision of ₹ 1.39 lakhs. This provision amount is disclosed as Special Provisioning for RBI regulatory package under Note No. 18 "Provisions".

(₹ in Lakhs)

v) Particulars	As at March 31, 2020
1. Amounts in SMA/overdue categories, where the moratorium/deferment was extended	39.47
2. Amount where asset classification benefit is extended	30.30
3. Provisions made during the quarter ended March 31, 2020	1.39
4. Provisions adjusted during the respective accounting periods slippages and the residual provisions	-

- vi) The Company is well capitalized and has maintained adequate liquidity. The Company has started opening up its offices in phased manner complying with the directives of the Central/state government. The extent to which the COVID-19 pandemic will impact the business and financial results of the Company depends on future developments which are, at this point of time, highly uncertain. The Company will continue to closely monitor any material changes to future economic conditions. However, operating in the secured mortgage asset business, we believe, we hold a much stable asset class which can withstand the pandemic relatively better compared other asset classes.

### 42. Ind AS 116 : Leases

#### 42.1 Amounts recognised in the Statement of Profit and Loss is given below:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation Expenses	41.49	39.79
Interest Expenses	14.57	13.30
Rent	2.15	3.79
<b>Total</b>	<b>58.20</b>	<b>56.89</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

### 42.2 The break-up of current and non-current lease liabilities as at March 31, 2020 is as under :

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current lease liability	34.70	21.79
Non-current lease liability	103.66	97.41
<b>Total</b>	<b>138.36</b>	<b>119.20</b>

### 42.3 The movement in lease liabilities during the year ended March 31, 2020 is as under:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Balance at the beginning	119.20	115.00
Additions	52.04	-
Finance cost accrued during the period	14.57	13.30
Deletions	-	-
Payment of lease liabilities	(47.45)	(44.11)
<b>Balance at the end of the year</b>	<b>138.36</b>	<b>119.20</b>

### 42.4 The details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis is given below:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Less than one year	32.61	46.86
One to five year	86.99	108.76
More than five year	41.06	19.64
<b>Balance at the end of the year</b>	<b>160.66</b>	<b>175.26</b>

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

### 42.6 Extension and termination options

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

## 43. Earnings Per Share:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit attributable to Equity Shareholders (₹ In Lakhs)	207.70	260.88
No. of Weighted Average Equity Shares Outstanding during the year (Basic & Diluted)	7,000,000	7,000,000
Nominal Value of Equity Shares (in ₹)	10	10
Basic & Diluted Earnings per Share (in ₹)	2.97	3.73

## Notes forming part of the financial statements for the year ended March 31, 2020

### 44. Details of Movement in Provisions:

(₹ in Lakhs)

Particulars	As at April 01, 2019	Provision made during the year	Provision Reversed /Adjusted during the year	As at March 31, 2020
Non-Performing Assets	348.79	29.54	-	378.33
Standard Assets	49.88	-	3.91	45.97
Housing Loans under Differential Interest Rate	-	-	-	-
Investments	1.09	0.84	-	1.93
Taxation	689.14	58.75	-	747.89

Outflow in respect of above provisions; both timing & certainty would depend on developments/ Outcome of these events.

### 45. Disclosure as required by National Housing Bank (NHB):

The following disclosures have been given in terms of NHB's Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016, dated 9th February, 2017 and in terms of the Circular no. NHB/ND/DRS/Pol-No.35/2010-11 dated October 11, 2010. Further, the disclosures which are for regulatory and supervisory purpose have been made so as to comply with NHB's Policy Circular No. NHB(ND)/DRS/ Policy Circular No. 89/2017-18 dated June 14, 2018 which requires Housing Finance Companies to continue to follow the extent provisions of National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions 2010 including framework on prudential norms and other related circulars issued in this regards by NHB from time to time and the same have been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, read with the Companies (Accounting Standards) Rules, 2006, as amended (Indian GAAP).

#### i. Capital to Risk Assets Ratio(CRAR):

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	CRAR (%)	78.73%	61.63%
ii)	CRAR - Tier I Capital (%)	77.89%	60.86%
iii)	CRAR - Tier II Capital (%)	0.84%	0.77%
iv)	Amount of subordinated debt raised as Tier- II Capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

#### ii. Reserve fund u/s 29C of NHB Act,1987:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
	<b>Balance at the beginning of the year</b>		
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	1100.39	1045.76
	<b>Total (a + b)</b>	<b>1100.39</b>	<b>1045.76</b>

## Notes forming part of the financial statements for the year ended March 31, 2020

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

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
	<b>Addition / Appropriation / Withdrawal during the year</b>		
	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	55.26	54.63
	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	-	-
	<b>Balance at the end of the year</b>		
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1155.65	1100.39
	<b>Total (a + b)</b>	<b>1155.65</b>	<b>1100.39</b>

### III. Investments:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
	<b>Value of Investments</b>		
i)	Gross Value of Investments		
a)	In India	2.73	2.73
b)	Outside India	-	-
ii)	Provisions for Depreciation		
a)	In India	1.93	1.09
b)	Outside India	-	-
iii)	Net Value of Investments		
a)	In India	0.80	1.64
b)	Outside India	-	-

## Notes forming part of the financial statements for the year ended March 31, 2020

### Movement of Provisions held towards depreciation on investments

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
	<b>Provision on Investments</b>		
i)	Opening balance	1.09	0.77
ii)	Add: Provisions made during the year	0.84	0.32
iii)	Less: Write-off/Written-back of excess provisions during the year	-	-
iv)	Closing Balance	1.93	1.09

### IV. The Company has not entered into any of the following transaction during the financial year under review and even during previous financial year i.e. 2018-19:

- a) Derivative transactions, which includes Forward Rate Agreement (FRA)/Interest Rate Swap (IRS) and Exchange Traded Interest Rate (IR) Derivative. Accordingly, the Company has no disclosures in respect of Qualitative and Quantitative disclosure that is obligatory as per Clause 3.4.3 of NHB's Notification No. Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017.
- b) Securitization and Assignment transaction of any kind which includes Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction. Accordingly, the Company has no disclosures to be made as per Clause 3.5.1, 3.5.2 and 3.5.3 of NHB's Notification No. Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017.
- c) Transaction of purchase and / or sale of non-performing financial assets. Accordingly, the Company has NO disclosures to be made in respect of Clause 3.5.4 of NHB's Notification No. Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017.

Nonetheless, as mandated by NHB in Annexure 4 of its Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017, 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 NHB.

### Derivatives

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

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(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, 2020 (instrument-wise)	NIL
(iii)	Notional principal amount 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, 2020

### Disclosure on Risk Exposure in Derivatives

#### A. Qualitative Disclosure

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

#### B. Quantitative Disclosure

(₹ in Lakhs)

Sl. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	NIL	NIL
(ii)	Marked to Market (1)	NIL	NIL
	(a) Assets (+)	NIL	NIL
	(b) Liability (-)	NIL	NIL
(iii)	Credit Exposure (2)	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 securitizations	NIL
	(b) Exposure to third party securitizations	NIL
	(II) On-balance sheet exposures towards Credit Enhancements	NIL
	(a) Exposure to own securitizations	NIL
	(b) Exposure to third party securitizations	NIL

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

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(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, 2020

### Details of Assignment transactions under by HFCs

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31, 2020	As at March 31, 2019
(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	As at March 31, 2020	As at March 31, 2019
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	As at March 31, 2020	As at March 31, 2019
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, 2020

### V. Asset Liability Management:

Assets & Liabilities are classified & disclosed as per the guidelines issued by the NHB.

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

(₹ in Lakhs)

Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings (Refer Note-a)	Foreign currency Liabilities	Advances (Refer Note-b)	Investments	Foreign currency Assets
1 day to 30 days (one month)	-	0.29	100.00	-	295.31	2.73	-
Over one month to 2 months	-	-	100.00	-	38.56	-	-
Over 2 months to 3 months	-	-	200.00	-	38.94	-	-
Over 3 months to 6 months	-	-	800.00	-	119.05	-	-
Over 6 months to 1 year	-	-	-	-	248.53	-	-
Over 1 year to 3 years	-	-	565.00	-	1584.31	-	-
Over 3 years to 5 years	-	-	3470.00	-	1860.93	-	-
Over 5 years to 7 years	-	-	2100.00	-	2210.07	-	-
Over 7 years to 10 years	-	-	-	-	2419.78	-	-
Over 10 years	-	-	-	-	1468.31	-	-
<b>Total</b>	-	<b>0.29</b>	<b>7335.00</b>	-	<b>10283.79</b>	<b>2.73</b>	-

a) The unsecured loan from Sahara India Commercial Corporation Limited was due for payment in financial year 2021-22, however, the Company opted to prepay ₹ 1000.00 lakhs upto May, 2020 considering availability of surplus funds in its hands.

b) The Company has given maturity pattern based on amortisation schedule as the impact of the moratorium declared in COVID -19 Regulatory Package by Reserve Bank of India can be determined subsequent when moratorium period is over.

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

(₹ in Lakhs)

Particulars	Liabilities				Assets		
	Deposits	Borrowings from banks	Market Borrowings	Foreign currency Liabilities	Advances	Investments	Foreign currency Assets
1 day to 30 days (one month)	-	0.29	-	-	298.82	2.73	-
Over one month to 2 months	-	-	-	-	45.17	-	-
Over 2 months to 3 months	-	-	-	-	45.60	-	-
Over 3 months to 6 months	-	-	2500.00	-	739.12	-	-
Over 6 months to 1 year	-	-	-	-	790.84	-	-
Over 1 year to 3 years	-	-	3664.98	-	3696.66	-	-
Over 3 years to 5 years	-	-	-	-	2695.12	-	-
Over 5 years to 7 years	-	-	2300.00	-	2377.92	-	-
Over 7 years to 10 years	-	-	1200.00	-	922.20	-	-
Over 10 years	-	-	-	-	384.48	-	-
<b>Total</b>	-	<b>0.29</b>	<b>9664.98</b>	-	<b>11995.93</b>	<b>2.73</b>	-

## Notes forming part of the financial statements for the year ended March 31, 2020

### VI. Exposure to Real Estate Sector

(₹ in Lakhs)

Sl. No.	Category	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	<b>Direct Exposure</b>		
a)	<b>Residential Mortgages</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to 15 lakh may be shown separately) - Individual Housing Loans up to Rs. 15 Lakhs - Individual Housing Loans above Rs. 15 Lakhs - Housing Loans to Corporate Bodies	5942.71 2678.36 1290.28	7329.93 3318.54 1150.32
b)	<b>Commercial Real Estate</b> 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.). Exposure would also include non-fund based (NFB) limits; - Commercial Loans - Housing Loans to Others	- 372.43	- 197.13
c)	<b>Investments in Mortgage Backed Securities (MBS) and other Securitised Exposures</b> - Residential - Commercial Real Estate	- -	- -
ii)	<b>Indirect Exposure</b> Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

### VII. Exposure to Capital Market:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
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 corporatedebt;	2.73	2.73
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, 2020

### VII. Exposure to Capital Market: (Contd)

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
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)	-	-
	<b>Total Exposure to Capital Market</b>	<b>2.73</b>	<b>2.73</b>

VIII. The company has not financed any products of its parent company during the current financial year under review.

### IX. The Company has not exceeded limit prescribed by NHB for 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. The Company has not obtained registration from any other financial sector regulators.

XII. The Company has not given any Loan & Advances against the collateral security of gold and gold jewellery.

XIII. Disclosure of Penalties imposed by NHB and other regulators.

Disclosure of Penalties imposed by NHB and other regulators (₹ in lakhs)	0.06
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XIV. As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), details of the related parties, nature of the relationship with whom Company has entered transactions and remuneration to directors, are given in Note no. 36.

XV. 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.

XVI. During the year,

a) No prior period items occurred which has impact on Statement of Profit and Loss,

b) The Company Implemented Ind AS as required by Ministry of Company Affairs and

c) There were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

XVII. The Company has no subsidiary hence, requirement of consolidated financial statement is Not applicable to the Company.

## Notes forming part of the financial statements for the year ended March 31, 2020

### XX. Provisions and Contingencies charged during the year:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Provision for Depreciation on Investments	0.84	0.32
ii)	Provision made towards Income tax	58.75	66.47
iii)	Provision towards NPA	28.14	35.07
iv)	Provision for Standard Assets (With details like teaser loan, CRE, RE-RH etc.)	(3.91)	(3.31)
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, 2020	For Year Ended March 31, 2019	For Year Ended March 31, 2020	For Year Ended March 31, 2019
	<b>Standard Assets</b>				
a)	Total outstanding Amount	9083.05	10969.71	372.43	197.13
b)	Provisions made	42.25	47.91	3.72	1.97
	<b>Sub – Standard Assets</b>				
a)	Total outstanding Amount	347.96	386.63	-	-
b)	Provisions made	52.19	57.99	-	-
	<b>Doubtful Assets-Category-I</b>				
a)	Total outstanding Amount	114.80	77.21	-	-
b)	Provisions made	28.70	19.30	-	-
	<b>Doubtful Assets – Category II</b>				
a)	Total outstanding Amount	113.52	156.25	-	-
b)	Provisions made	45.41	62.50	-	-
	<b>Doubtful Assets– Category III</b>				
a)	Total outstanding Amount	252.03	209.00	-	-
b)	Provisions made	252.03	209.00	-	-
	<b>Loss Assets</b>				
a)	Total outstanding Amount	-	-	-	-
b)	Provisions made	-	-	-	-
	<b>Total</b>				
a)	Total outstanding Amount	9911.36	11798.79	372.43	197.13
b)	Provisions made	420.58	396.70	3.72	1.97

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

### XXII. Concentration of Loans & Advances:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Total Loans & Advances to twenty largest borrowers	2680.10	2532.25
ii)	Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC.	26.06	21.11

## Notes forming part of the financial statements for the year ended March 31, 2020

### XXIII. Concentration of all Exposure (including off-balance sheet exposure):

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Total Loans & Advances to twenty largest borrowers	2720.10	2532.25
ii)	Percentage of Exposure to twenty largest borrowers/ customers to Total Exposure of the HFC on borrower/ customers	26.08	16.67

### XXIV. Concentration of Non-performing Assets:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Total Exposure to top ten NPA accounts	311.18	322.14

### XXV. Sector-wise NPAs:

(₹ in Lakhs)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	<b>Housing Loans</b>		
	a. Individuals	9.61	7.79
	b. Builders/Project Loans	-	-
	c. Corporates	-	-
	d. Others (specify)	-	-
ii)	<b>Non – Housing Loans</b>		
	a. Individuals (Mortgage/Commercial)	-	-
	b. Builders/Project Loans	-	-
	c. Corporates	-	-
	d. Others (specify)	-	-

### XXVI. Movement of NPAs:

(₹ in Lakhs)

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Net NPAs to Net Advances (%)	4.38	4.00
ii)	<b>Movement of NPAs (Gross)</b>		
	a) Opening balance	829.08	708.61
	b) Additions/( Reductions) during the year	(0.77)	120.47
	c) Closing balance	828.31	829.08
iii)	<b>Movement of Net NPAs</b>		
	a) Opening balance	480.29	394.89
	b) Additions/( Reductions) during the year	(30.31)	85.40
	c) Closing balance	449.98	480.29
iv)	<b>Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
	a) Opening balance	348.79	313.72
	b) Provisions made/( Write-off/write-back) during the year	29.54	35.07
	c) Closing balance	378.33	348.79

## Notes forming part of the financial statements for the year ended March 31, 2020

**XXVII.** The Company does not have any overseas assets and any off balance sheet Special Purpose Vehicle (SPV), which requires to be consolidated as per accounting norms.

**XXVIII.** There was no draw down from Reserves during the Current Financial Year. (Previous Year Nil)

**XXIX. Disclosure of Complaints:**

Sl. No.	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i)	No. of complaints pending at the beginning of the year	-	-
ii)	No. of complaints received during the year	4	1
iii)	No. of complaints redressed during the year	4	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>

**46.** Expenditure and Income in Foreign Currency : ₹ Nil (Previous Year : ₹ Nil)

**47.** Figures for previous year have been regrouped / reclassified wherever necessary.

**48.** 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

**ANUJ MAHANSARIA**

Partner

Membership No. 500819

Place: Noida

Dated: July 28, 2020

**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



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## Notes

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SAHARA HOUSINGFINA CORPORATION LIMITED

*Building the dream home for every Indian*

**Visuals of the 28th Annual General Meeting held on Monday, September 30, 2019**





Registered & Corporate Office: 46 Dr. Sundari Mohan Avenue, Kolkata - 700 014, INDIA  
[www.saharahousingfina.com](http://www.saharahousingfina.com)