

My Dear Shareholders and Friends,

It is my privilege to place your Company's Annual Report for the year 2007-2008 before you. Through this article, I am sharing with you the present status of SHCL. During the year, SHCL has reported 105.73% increase in PAT and 53% increase in Income from operations.

Housing provides emotional and social bond to the individual with the family and the society. Housing is the common link between retail credit, growing urbanization and fiscal incentives. Increasing home ownership in India is the SHCL's raison d'être. Over years of its existence, SHCL has pursued this mission relentlessly and successfully. SHCL, however, realizes that its efforts are miniscule compared to the scale of housing shortage in the country. Mortgage penetration is barely 6 % of GDP abysmally low compared to its Asian peers. Nevertheless, SHCL remains unwavering in its commitment to increase home ownership, which in turn provides families with a safe haven and a sense of security- all for the betterment of the society.

India has been one of the best performers in the world economy in recent years averaging an 8.35 percent growth rate in the last four fiscal years (2003-04 to 2006-07), with 9.4 percent (in 2006-07) being the highest in the last 18 years. With strong macroeconomic fundamentals the country continues to be a safe and stable investment destination, despite international financial turmoil. As the Indian market becomes more and more attractive, offering decent return, foreign direct investment (FDI) grows simultaneously.

Despite the global uncertainties stemming from the subprime meltdown and the potential slowdown in the United States, real estate demand in India across sectors remains strong, riding on the phenomenal economic performance. And as the retail industry is growing, demand for property shall also rise. The easy availability of housing finance and likely stability in property prices are strong growth drivers. The investment in housing is prioritized in the national agenda as it contributes substantially to the country's GDP growth directly. Tax incentives have increased and so have salaries. So for the first time, the salaried Indian has been able to leverage current earnings to buy a future asset. The average age of a new homeowner is now 32 years compared with 45 years a decade ago. There is also an overall transparency in the sector which was hitherto missing as banks and financial institutions are lending aggressively both to investors and developers. In the IT and ITes centres, demand for housing will continue to be strong given the young age profile of employees and the nuclear family culture. A person who needs 100 square feet of office space to work will certainly require at least 500 square feet of residential space to live and thus housing will remain the prime driver for developers.

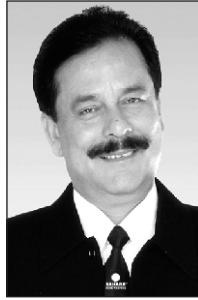
SHCL has been playing a significant part in the economic and social life of the country with its impeccable brand image and transparent policies and practices. The Company would like to remain focused on all areas that are likely to impact customers, stakeholders, employees and above all the society favourably. The Company's vision, values and philosophy has brought us together this far, making this journey extremely rewarding for each one of us. Our progress lies in our capabilities and commitment to stay on the course of a challenging strategic path. In this unfolding era of new opportunities, I look forward to your active support and good wishes to make the coming year one of greater achievements and success.



Chairman Message

Subrata Roy Sahara
Managing Worker & Chairman
Sahara India Pariwar

■ BOARD OF DIRECTORS ■



Shri Subrata Roy Sahara



Shri O.P. Srivastava



Shri J.B. Roy



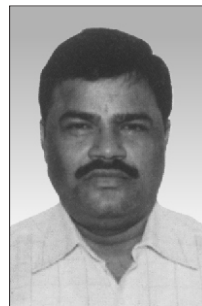
Shri Brijendra Sahay



Shri S. P. Ghosh



Shri Ranoj Dasgupta



Shri Malka Komaraiah

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is 'the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large'.

For Sahara India Pariwar, CSR means a voluntary activity in excess of legal compliance, concerned with the social and environmental as well as economic aspects of organizational behaviour rooted in ethical values and central in shaping stakeholder relationships.

Sahara India Pariwar believes in strengthening the values of respect and emotional attachment with one another as citizens of one nation, thus promoting the concept of **"NATION AS A FAMILY"**.

Sahara Welfare Foundation, the social development unit of Sahara India Pariwar, is engaged in social welfare projects, alleviating people's sufferings and bringing to them new rays of hope and a brighter tomorrow.

Some of the Sahara India Pariwar's initiatives include:

"Janswasthya" Project

The project started in the year 1997. The objective of this project is to provide assistance through a team of experts and mobile vans to help deprived people in socioeconomic backward parts of the country to develop their mental and physical health by making them aware regarding several health aspects. This programme has benefited lacs (millions) of people.



Facilities and Appliances being provided to the challenged people



Girls receiving training in Rangoli making

Pulse Polio Programme

Since 1997 Sahara Welfare Foundation (SWF) has been participating a Pulse Polio immunization programme in co-ordination with the National Programme of Polio Immunization. Approximately 2 lac (0.2 million) children have been vaccinated till date.

Other short term programmes which were carried out include: Hepatitis B Programme, Blood Donation Programme and Tree Plantation Programme

Literacy Programmes

"Sakshar Bharat" - the programme was adopted in the year 1997. The objective of this programme is to help children and adults residing in slums of cities develop their overall personality and a functional understanding of aspects that affect their day-to-day lives. People of different age groups have benefited from this programme since its inception. Through 23 centers over 3000 children were beneficiaries of the programme. The objectives include in-house capacity building for teachers/community mobilization at local level / initiative to be taken to all slum children in Lucknow / Gorakhpur.

Civic Development Projects

This project was adopted in the year 2005. This project undertakes activities like construction of cremation grounds (Baikunth Dham & Mukti Dham), construction of public toilets and hand pumps, Sankalp Udyan (Town Hall) & Sankalp Sthal at Gorakhpur, Jindpeer crossing at Hardoi, Sankalp Vatika & Prerana park developed and maintained at Lucknow and similar projects are being undertaken in other parts of the country.



Participants in the training programme organized by Sahara India Jute and R & D Centre



Relief work being carried out among women in Gorakhpur



Aerial distribution of relief materials during floods



Facilities and Appliances being provided to the challenged people



Women and adolescent girls at one of our centre receiving education material



A view of Orientation-cum-Sensitisation programme organized under Behaviour Change Communication Project



Children receiving primary education at one of our centre



Our efforts towards Polio immunization programme

Sahara India Pariwar is committed to make determined efforts to help India emerge as a developed nation. It has always acted as a catalyst in the developmental projects of the country.

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