

CORPORATE GOVERNANCE REPORT

(Under Clause 49 of the Listing Agreement with the Stock Exchange)

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As shareholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

SHCL is committed to good governance practices that create long term sustainable shareholder value. The Company continuously strives to attain higher levels of accountability, transparency and fairness across all its operations to enhance the value for shareholders, customers, employees, business associates and the community at large.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The Company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. It is believed that adherence to business ethics and commitment to corporate social responsibility would help the Company achieve its goal of maximizing value for all its stakeholders. The Company reaffirms its commitment to the good Corporate Governance practices. The core values of the Company are:

- Commitment to excellence and borrower satisfaction
- Maximizing long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate

aim of enhancing long-term shareholders' value and commitment to high standard of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

II. BOARD OF DIRECTORS

- i. The Company has 7 (seven) Directors with a Non-Executive Chairman. Shri Subrata Roy Sahara is the Non-Executive Chairman of the Board. Of the 7 (Seven) Directors, all (i.e. 100 %) are Non-Executive Directors and 4 (57.14 %) i.e. more than half are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchange and exceeds the percentages prescribed in the said Agreement.
- ii. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2008 have been made by the Directors.
- iii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Names	Category	No. of Board Meetings during the year 2007-08		Whether attended last AGM held on 28.09.07	No. of Directorship in other public companies	No. of Committee positions held in other public companies	
		Held	Attended			Chairman	Member
Shri Subrata Roy Sahara	Non- Independent, Non- Executive	5	1	No	12	–	–
Shri Joy Broto Roy	Non- Independent, Non- Executive	5	5	No	10	–	06
Shri O. P. Srivastava	Non- Independent, Non- Executive	5	4	No	11	01	07
Shri Brijendra Sahay	Independent, Non- Executive	5	5	Yes	03	–	03
Shri Sakti Prasad Ghosh	Independent, Non- Executive	5	5	Yes	01	–	–
Shri Ranaj Dasgupta	Independent, Non- Executive	5	5	Yes	04	01	01
Shri Malka Komaraiah	Independent, Non- Executive	5	–	No	05	–	–

- iv. Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:
April 30, 2007, June 29, 2007, July 31, 2007, October 30, 2007, and January 31, 2008.
- v. The independent directors receive sitting fees for board/ committee meetings attended by them. None of the Independent Directors has any material pecuniary relationship or transactions with the Company, its Promoters or the Management.
- vi. During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.
- vii. Brief profile of the Directors is highlighted elsewhere in the Annual Report.
- viii. The Board constantly evaluates the contribution of its members and recommends their reappointment to the shareholders. Non-executive Directors do not have a specified term, but they are subject to retirement by rotation. Of the retiring directors at least one third retires every year and if eligible, qualify for re-appointment.
- ix. The Board of Directors represents the interests 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's mandate is to oversee the Corporation's strategic direction, review corporate performance, authorize and monitor strategic investments, ensure regulatory compliance and safeguard interests of shareholders.
- x. The details of Remuneration paid to Directors during the year under review are as under:

Name of Directors	Sitting Fees paid for		Total (Rs)
	Board Meeting	Audit Committee	
Shri Joy Broto Roy	40,000	20,000	60,000
Shri Om Prakash Srivastava	30,000	30,000	60,000
Shri Brijendra Sahay	40,000	40,000	80,000
Shri Sakti Prasad Ghosh	20,000	20,000	40,000
Shri Ranaj Dasgupta	40,000	40,000	80,000

III. APPOINTMENT / REAPPOINTMENT OF DIRECTORS AT THE 17TH AGM

Shri Om Prakash Srivastava and Shri Malka Komaraiah are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for reappointment.

Shri Om Prakash Srivastava, 53 Yrs, Dy. Managing Worker, Sahara India Pariwar was appointed as a Director liable to retire by rotation. He retires at the seventeenth AGM and is eligible for reappointment.

Shri Malka Komaraiah, 49 Yrs, a well known name in the construction industry in South India, was appointed as a Director liable to retire by rotation. He retires at the seventeenth AGM and is eligible for re-appointment.

A brief profile of the above Directors, retiring by rotation, has been highlighted elsewhere in the Annual Report.

IV. BOARD COMMITTEES

To enable better and more focused attention on the affairs of the Corporation, the Board delegates particular matters to committees of the Board set up for the purpose. The terms of reference of the Board Committees are determined by the Board from time to time. These committees prepare the groundwork for decision making and report at the subsequent board meeting. Presently, the Company has three committees of the Board, viz, Audit committee, Shareholders'/Investors' Grievance Committee and Remuneration Committee. Each committee has an appropriate combination of Non-Executive and Independent Directors.

A) AUDIT COMMITTEE

- I. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956.
- II. The terms of reference of the Audit Committee are broadly as under:
 - Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focussing primarily on:
 - ◆ any changes in accounting policies and practices;
 - ◆ major accounting entries based on exercise of judgment by management;
 - ◆ qualifications in draft audit report;
 - ◆ significant adjustments arising out of audit;
 - ◆ the going concern assumption;
 - ◆ compliance with accounting standards;
 - ◆ compliance with stock exchange and legal requirements concerning financial statements;
 - ◆ any related party transactions as per Accounting Standard 18.

- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

- III. The Audit Committee Meetings are usually held at the Command Office of the Sahara Group at Lucknow and attended by the Directors, Chief Executive Officer, representatives of the Statutory Auditors and representatives of the Internal Auditors. The Operation Heads are invited to the meetings, as and when required. The Company Secretary acts as Secretary of the Audit Committee.

- IV. The previous Annual General Meeting of the Company was held on September 28, 2007 and was attended by the Chairman of the Audit Committee, Shri S.P. Ghosh.

- V. The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Names	Category of Directors	Meeting Details during F.Y. 2007-08			Whether Attended Last AGM(Y/N)
		Held	Attended	%	
Shri Sakti Prasad Ghosh	Independent	4	4	100	Y
Shri Joy Broto Roy*	Promoter & Non-Executive	4	2	50	N
Shri Om Prakash Srivastava	Promoter & Non-Executive	4	3	75	N
Shri Brijendra Sahay	Independent	4	4	100	Y
Shri Ranaj Dasgupta	Independent	4	4	100	Y

*Shri Joy Broto Roy resigned from the Committee w.e.f 31.07.2007.

- VI. Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: June 29, 2007, July 31, 2007, October 30, 2007, January 31, 2008.

The necessary quorum was present at all the meetings

- VII. Details of Audit Committee for the financial year ended on March 31, 2008

Total No. of Members	4
Whether the Chairman is an Independent Director (Y / N)	Y
Whether the Chairman attended last AGM to answer Shareholders' queries (Y / N)	Y
Whether the Company Secretary acts as a Secretary to the Committees (Y / N)	Y
No. of members who are Non-Executive Directors	4
No. of members who are Independent Directors	3
Detail of Director having financial and accounting knowledge	Shri Sakti Prasad Ghosh, Chairman

B) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

- i. The Company has constituted a Shareholders'/Investors' Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend / notices / annual reports, etc.

- ii. Twelve meetings of the Shareholders'/Investors Grievance Committee were held during the year ended March 31, 2008.

- iii. The composition of the Shareholders / Investors Grievance Committee and the details of meetings attended by its members are given below:

Names	Category	No. of Meeting during the year 2007-08	
		Held	Attended
Shri Sakti Prasad Ghosh	Independent and Non- Executive	12	12
Shri Ranaj Dasgupta	Independent and Non- Executive	12	12

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

Shri D.J. Bagchi

Chief Executive Officer & Company Secretary
Sahara Housingfina Corporation Limited
1st Floor, Sahara India Sadan
2A, Shakespeare Sarani
Kolkata- 700 071
Ph: 033- 2282-9067/ 0811 Fax : 033 – 2282 9271

- v. The Compliance Officer has attended all the meetings of the Committee to effectively monitor the complaints received vis-à-vis the share transfer and other related processes and reported to the Board about the same. He has also carried out his responsibility of liaison officer with the investors and regulatory authorities, such as SEBI, Stock-Exchanges, Registrar of Companies, NHB, RBI, etc. in respect of implementing laws, rules, regulations and other directives of such authorities in respect of investor service and complaints.

C) REMUNERATION COMMITTEE (Non-Mandatory)

- i. The Board of Directors of the Company has in its meeting dated October 30, 2003 constituted a Remuneration Committee of Directors.
- ii. The broad terms of reference of the Remuneration Committee are as under:
 - a) To approve the Annual Remuneration Plan of the Company;
 - b) To approve the remuneration and commission /incentive remuneration payable to the Directors for each financial year;

- c) To approve the remuneration and Annual Performance Bonus payable to the Chief Executive Officer of the Company for each financial year;
- d) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.
- iii. One meeting of Remuneration Committee was held on January 31, 2008.
- iv. The composition of the Remuneration Committee and attendance of the Directors at the meeting is as given below:

Members	Category	No. of Meetings	
		Held	Attended
Shri Brijendra Sahay (Chairman)	Independent and Non- Executive	1	1
Shri Sakti Prasad Ghosh	Independent and Non- Executive	1	1
Shri Ranoo Dasgupta	Independent and Non- Executive	1	1

V. CEO/ CFO CERTIFICATION

The CEO / CFO certification of the financial statements and the cash flow statement for the year has been obtained and had been placed before the Board.

VI. MANAGEMENT REVIEW AND RESPONSIBILITY

1. EVALUATION OF OFFICERS

A Management Committee headed by the CEO along with the senior executives reviews the annual performance of the officers and decides the annual increment for the concerned officers.

2. INTERACTION OF THE BOARD WITH EXTERNAL AGENCIES AND THE EMPLOYEES

The Chief Executive Officer on behalf of the Board along with the other officials of the Company interacts with various external agencies, like Government Departments / Statutory and Regulatory Bodies for different business needs.

The CEO meets the employees on various occasions to discuss issues, which have a bearing on the business, as well as matters affecting them specifically. The Company encourages a robust two – way communication across hierarchies, creating a healthy corporate environment without fear of reprisal. It recognizes that formal and informal interaction, opinions and suggestions contribute to the success of the organization.

The Board specifically maintains a cordial relationship with external agencies, employees and other associations.

3. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is given as a separate chapter in this Annual Report.

4. MANAGEMENT DEVELOPMENT

Employees are actively encouraged to increase their learning curve through need based, participative training programmes. This contributes positively to the overall development of the Management.

5. COMPANY SECRETARY'S COMPLIANCE

The Company being listed with the Bombay Stock Exchange (BSE), the Company Secretary presents to the Board, a quarterly Compliance Report relating to the legal and regulatory compliances made during the period.

VII. CODE OF CONDUCT

In compliance with the Clause 49 (I) (D) of the Listing Agreement with the Stock Exchange, the Board of Directors of the Company has at its meeting dated October 28, 2005 laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company.

The Code of Conduct for Board Members and Senior Management Personnel is a comprehensive code applicable to all Directors and Members of Senior Management Personnel of the Company. It is in alignment with the Company's Vision and values to achieve the Mission and Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code has been put on the Company's website.

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the CEO is attached to this report.

VIII. CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company has laid down a Code of Conduct to be followed by its Directors, Management, and Staff while dealing in the shares of the Company. 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.

IX. KNOW YOUR CUSTOMER AND ANTI- MONEY LAUNDERING STANDARDS

The Board of Directors of the Company has in its meeting dated June 30, 2006 formulated a code on 'Know Your Customer and Anti-Money Laundering Standards' in accordance with the Guidelines issued by the National Housing Bank (NHB). The policy lays down various guidelines which are to be complied by all the Branch Heads, frontline staff and others while dealing with the customers of the Company. The code recognizes the importance of customer education and effective training to employees who deal with the customers.

The Principal Officers ensure conformity and compliance with the code by all concerned.

X. FAIR PRACTICES CODE

The Board of Directors of the Company has in its meeting dated October 28, 2006 adopted a policy on Fair Practices Code in accordance with the 'Guidelines on Fair Practices Code for Housing Finance Companies (HFCs)' issued by the National Housing Bank (NHB) which is designed to assist both the Company and its customers and is applicable to all the products and services offered by the branches across the counter, over the phone, by post, on the internet or by any other method. The code also lays down the various alternatives available to the customers in case the customers are not satisfied with the services offered by the Company.

XI. DETAILS OF NON-COMPLIANCE

There has been no non-compliance of any legal requirements by the Company or strictures imposed by any Stock Exchanges, SEBI or Regional Director, Company law Board,

National Housing Bank over the last three years for the year ended March 31, 2008.

XII. WHISTLE BLOWER POLICY

The Company encourages all employees, officers and directors to report any suspected violations promptly and intends to investigate any good faith reports of violations. The Whistle Blower Policy specifies the procedure and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Code or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements. The Whistle Blower policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Chief Executive Officer or Audit Committee of the Board as the case may be to safeguard them against victimization.

In this connection the management is responsible for:

- (a) Receive, retaining, investigating and acting upon complaints and concerns (collectively, the "Reports") of any employee (or , the Whistle Blower) regarding an actual / possible violation of the SHCL's Code of Conduct or an event that could affect the business and / or reputation of his / her own any other Group Company.
- (b) Establishing a fearless atmosphere where no reporting employee or Whistle Blower has the fear of being harassed, demoted, retaliated or threatened in any way, and thereafter maintaining the same.
- (c) Handling all such reports / concerns with as much confidentiality as possible such that there is no retaliation of any form against the Whistle Blower.
- (d) Retaining for three years, all records relating to (a) any Accounting allegation or Legal Allegation or report of a retaliatory act and (b) the investigation of any such report.

XIII. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement, the Auditors' certificate on Corporate Governance is included elsewhere in the Annual Report.

XIV. GENERAL BODY MEETINGS

Details of the previous three Annual General Meetings (AGM) are as follows:

Particulars	Date & Time	Venue
16th A.G.M.	28.09.2007, 11.00 A.M.	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata-700 071
15th A.G.M.	09.09.2006, 11.00 A.M.	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata-700 071
14th A.G.M.	22.09.2005, 11.00 A.M.	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata-700 071

XV. SPECIAL RESOLUTION PASSED BY THE COMPANY AT THE PREVIOUS THREE AGMs

Meeting	Details of the Resolution passed
16th AGM	No Special Resolution
15th AGM	No Special Resolution
14th AGM	Voluntary delisting of the Company's equity shares from Madras and Hyderabad Stock Exchanges.

XVI. POSTAL BALLOT

No special resolution was passed through Postal Ballot during the year ended March 31, 2008

XVII. RELATED PARTY TRANSACTIONS

Related Party Transactions with Subsidiaries, Associate companies, Key Managerial Personnel and others, if any, are given in the Balance Sheet.

XVIII. SECRETARIAL AUDIT

A qualified practicing Company Secretary carries out secretarial 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 secretarial audit report confirms that the total issued paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and

CDSL and the shares issued from time to time were listed with the Stock Exchange.

XIX. MEANS OF COMMUNICATION

As required under clause 41 of the Listing Agreement, the quarterly / annual financial results are published in widely circulated national and local dailies, in The Financial Express in English and in Aajkaal in Bengali.

The Company ensures effective interaction with the shareholders at the Annual General Meeting. The Directors pay special attention in answering the various queries raised by the shareholders at the AGM.

Pursuant to Clause 51 of the Listing Agreement with the Stock Exchange, the Company has uploaded the Annual Report for the Financial Year 2006-07 along with the Balance Sheet, Profit & Loss Account and Corporate Governance Report on EDIFAR System maintained by SEBI. Apart from this, the quarterly shareholding pattern and un-audited / audited financial statements at the end of each quarter are also being filed so that users other than companies can view the data submitted by the Company. The objective of e-filing is to disseminate information to various classes of market participants like investors, regulatory organizations, research institutions, etc.

XX. GENERAL SHAREHOLDERS INFORMATION

17th Annual General Meeting Date, Time and Venue	Saturday, September 27, 2008 at 11.00 A.M. Sahara India Sadan 2A, Shakespeare Sarani, Kolkata-700 071
Financial Reporting Calendar:2008-09 (Tentative)	<ul style="list-style-type: none"> First Quarter Results July, 2008 Second Quarter Results October, 2008 Third Quarter Results January 2009 Annual Results April / June 2009
Book Closure	Monday, September 22, 2008 to Saturday, September 27, 2008 (both days inclusive)
Listing on Stock Exchange	Bombay Stock Exchange Limited (BSE). Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai- 400 001 Stock Code 511533
ISIN Number for NSDL & CDSL	INE- 135C01012 [Annual Listing Fees as prescribed have been paid to the Stock Exchange for the year 2008-09]
Registered Office	Sahara India Sadan 2A, Shakespeare Sarani, Kolkata- 700 071 Ph: 033-2282 9067/0811, Fax: 033-2282 4910 Web-site: www.saharahousingfina.com

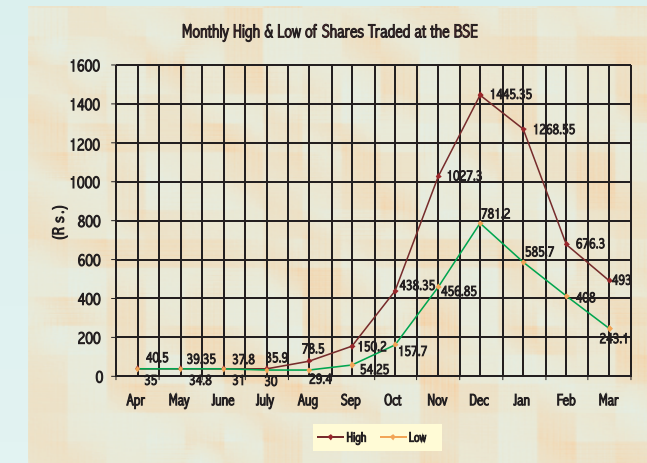
XXI. COMPLIANCE OF NON-MANDATORY REQUIREMENTS

- Shareholder Rights
Half – yearly results including summary of the significant events are presently not being sent to the Shareholders of the Company.

- Market (BSE) Price Data
The monthly high and low stock valuations along with the volume of shares traded at the BSE are:

Period	High (Rs.)	Low (Rs.)	Qty. Traded
April, 07	40.50	35.00	27093
May, 07	39.35	34.80	39150
June, 07	37.80	31.00	24342
July, 07	35.90	30.00	49988
Aug, 07	78.50	29.40	533133
Sept, 07	150.20	54.25	205787
Oct, 07	438.35	157.70	181897
Nov, 07	1027.30	456.85	546282
Dec, 07	1445.35	781.20	484934
Jan, 08	1268.55	585.70	412563
Feb, 08	676.30	408.00	171625
Mar, 08	493.00	243.10	210184

- Year High: Rs. 1445.35 Year Low: Rs. 29.40
- Monthly High & Low of Shares Traded on the BSE during 07-08:



Shareholding Pattern as on March 31, 2008

Category of Shareholders	No. of shareholders	No. of shares	%
Promoters			
Indian Promoters :			
- Sahara Prime City Limited	01	29,40,000	42.00
(Formerly Sahara India Investment Corporation Limited)	01	16,38,587	23.41
- Sahara India Corp Investment Limited			
- Sahara India Finance & Investment Limited	01	4,16,000	5.94
Total	03	49,94,587	71.35
Others			
Private Corporate Bodies:			
i) Gandevis Commerce Pvt. Ltd.	01	7,23,044	10.33
ii) Others	278	1,92,541	2.75
Indian Public	8,059	9,46,665	13.52
NRI's / OCBs	38	8,146	0.12
Others (Clearing Member)	92	32,441	0.46
Foreign Institutional Investors	03	1,02,576	1.47
Total	8471	20,05,413	28.65
Grand Total	8474	70,00,000	100.00

- Distribution of Shareholding as on March 31, 2008

Shareholding	Number of Shareholders'	% of total
0001 -	2000	8396
2001 -	3000	27
3001 -	4000	18
4001 -	5000	06
5001 -	10000	15
10001 -	And Above	12
TOTAL	8474	100.00

AUDITORS' REPORT *on* CORPORATE GOVERNANCE

To the Members

Sahara Housingfina Corporation Limited

We have examined the compliance of the conditions of Corporate Governance of Sahara Housingfina Corporation Limited ("the company") for the year ended March 31, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

In our opinion and to the best of our information and explanation given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mention Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For CHATURVEDI & CO
Chartered Accountants

Pankaj Chaturvedi
Partner
Membership No. 91239

Place : Lucknow
Date : July 31, 2008

● Top 10 Shareholders List (as on March 31, 2008)

Sr. No.	Name of shareholders	No. of Shares	% of Share Capital
1	Sahara Prime City Limited (Formerly, Sahara India Investment Corporation Limited)	29, 40, 000	42.00
2	Sahara India Corp Investment Limited	16,38,587	23.41
3	Gandevi Commerce Pvt Limited	7, 23, 044	10.33
4	Sahara India Finance & Investment Limited	4,16, 000	5.94
5	Sandstone Capital India Master Fund Limited	99, 918	1.43
6	Hirak Leasing and Investment Private Limited	40, 000	0.57
7	Religare Securities Limited	15, 328	0.22
8	Shah Investor S Home Limited	15, 100	0.22
9	Mohan V. Patel	13, 692	0.20
10	Angel Broking Limited	11, 861	0.17
	Total	59, 13, 530	84.49

● Name and Address of the Registrar & Share Transfer Agents of the Company

Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound
LBS Road, Bhandup - West
Mumbai - 400 078
Tel: (022) 2596 3838
Fax: (022) 2594 6969
E-mail: isrl@intimespectrum.com
Sebi Regn No.: INR000003761

● Share Transfer System

All the applications regarding physical transfer, transmission, splitting of share certificates, dematerialization and rematerialization are processed by the Registrar and Share Transfer Agents, 'Intime Spectrum Registry Limited'.

The transfers are normally processed within 15-20 days from the date of receipt if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve transfers. Grievances received from the members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrars within 15 to 20 days.

● Shareholder Services, Enquiries, Complaints

It has been our endeavor to provide prompt, efficient and satisfactory services to our esteemed shareholders. We have taken special care in answering the queries of the shareholders within the shortest possible time frame. We provide shareholder services in the following time frame:

Nature of Query	No. of days for Disposal
Share Transfer	15 – 20 days (Max: 30 days)
Demat of shares	15 – 21 days (Max: 21 days)
Change of address	7 days
General queries	7 days

During the year ended March 31, 2008 the Company received a total of 146 requests for various services like registration of transfers, dematerialization, noting change of address etc., which were promptly attended to by the Company/RTAs of the Company.

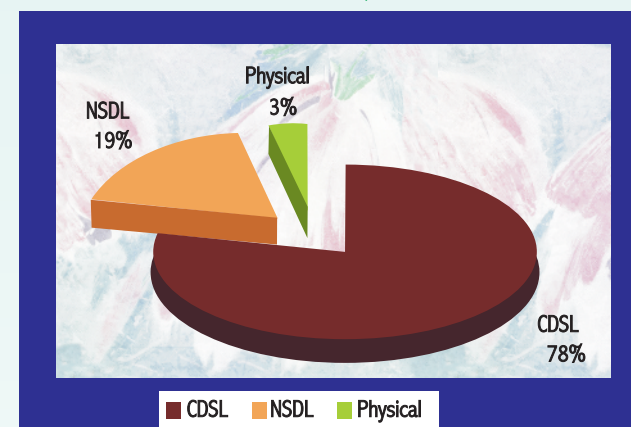
● Dematerialization of shares and liquidity

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, 2008 a total of 67, 59,658 shares of the Company, which forms 96.57% of the total shares, stand dematerialized. The processing activities with respect to the requests received for dematerialization are completed within 15 days from the date of receipt of the request.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 135C01012.

Demat Position as on March 31, 2008



Investor Correspondence

Shri S. P. Guha

Intime Spectrum Registry Limited
59 C, Chowringhee Road, 3rd Floor, Kolkata- 700 020
Ph: (033) 2289-0540 Tele fax: (033) 2289-0539
E-mail: Kolkata@intimespectrum.com

Shri D. J. Bagchi

Compliance Officer & Company Secretary
Sahara India Sadan

2A, Shakespeare Sarani, Kolkata- 700 071

Ph: (033) 2282-9067/ 0811 Fax: (033) 2282 4910

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