



**SAHARA HOUSINGFINA CORPORATION LIMITED**

(FORMERLY: LIVEWELL HOME FINANCE LIMITED)

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## ANNUAL REPORT 2004-05

### BOARD OF DIRECTORS

Shri Subrata Roy Sahara  
Shri Om Prakash Srivastava  
Shri Joy Broto Roy  
Shri Brijendra Sahay  
Shri Sakti Prasad Ghosh  
Shri Ranoj Dasgupta  
Shri Malka Komaraiah

### CHIEF OPERATING OFFICER & COMPANY SECRETARY

Shri D.J. Bagchi

### REGISTERED OFFICE

SAHARA INDIA SADAN  
2A, Shakespeare Sarani  
Kolkata 700071

### STATUTORY AUDITORS

M/s.Chaturvedi & Company,  
Chartered Accountants  
60, Bentinck Street,  
Kolkata 700069.

### INTERNAL AUDITORS

M/s. Chaturvedi & Partners  
203,Kusal Bazar,32-33, Nehru Place  
New Delhi – 110019.

### BANKERS

Andhra Bank  
The Bank of Rajasthan Ltd.  
Corporation Bank.

### REGISTRARS & SHARE TRANSFER AGENTS

MCS Limited  
Sri Venkatesh Area Bhavan,  
Plot No.27, Road No.11, M.I.D.C  
Andheri (East), Mumbai-400093





## NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Thursday, the 22nd September, 2005 at 11.00 a.m. at Sahara India Sadan, 2A Shakespeare Sarani, Kolkata-700071, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2005, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Om Prakash Srivastava, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Malka Komaraiah, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

### Special Business

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Ranoj Dasgupta, be and is hereby appointed as Director of the Company liable to retirement by rotation."
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:  
"RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Securities and Exchange Board of India (De-listing of Securities) Guidelines 2003, or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary, and such

conditions and modifications as may be prescribed or imposed by any Authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company ("the Board"), consent be and is hereby accorded to de-list the Equity Shares of the Company from the Stock Exchanges at Chennai and Hyderabad.

RESOLVED FURTHER THAT authority be and is hereby accorded to the Board to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

#### *(Through Postal Ballot)*

"RESOLVED THAT consent of the General Body be and is hereby granted in terms of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) to the Board of Directors/Committee thereof to mortgage and/or to charge, in addition to the mortgages/charges created/to be created by the Company in such form and manner and with such ranking and at such time and at such terms as the Board/Committee may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company, in favour of the Lender(s)/Agent(s)/Trustee(s), for securing the borrowings of the Company availed/to be availed by way of loan(s) in foreign currency and/or rupee currency and securities comprising Secured/Unsecured Fully/Partly paid Convertible and/or Non Convertible Debentures and/or Bonds with or without detachable or non-detachable warrants and/or secured premium notes/bonds and/or fixed/floating rate notes/bonds





or pass through/pay through Certificate/s of Mortgage Backed Securitized Assets or any other debt instruments and borrowings by whatever name called, issued/to be issued by the Company from time to time, subject to the overall limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest and in case of default with accumulated interest, liquidated damages and commitment charges, premia on repayment (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of their loan agreement(s), Debenture Trust Deed(s) or any other documents to be entered into between the Company and the Lender(s)/Agent(s)/Trustee(s) on such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the Board of Directors of the Company or Committee thereof and the Lender(s)/Agent(s)/Trustee(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors/Committee thereof be and is hereby authorized to finalize, settle and execute such document(s)/deed(s)/ writing(s) / paper(s) / agreement(s) as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty and doubt that may arise in creating mortgages/charges as aforesaid."

By Order of the Board  
for SAHARA HOUSINGFINA  
CORPORATION LIMITED

D.J. BAGCHI

*Chief Operating Officer  
& Company Secretary*

Place: Kolkata

Date: 25.08.2005

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and on a poll to vote instead of himself and a proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company at its Registered Office not less than forty eight hours before the commencement of the Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2005 to 22nd September, 2005 (both days inclusive).
4. Members are requested to notify immediately any change in their address to the Company / Share Transfer Agents if shares are held in physical mode and to the Depository Participants if shares are held in electronic mode.
5. Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
6. Members /Proxies should bring the Attendance Slip duly filled in for attending the meeting.
7. Members desiring any information with regard to Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
8. Members desirous of making a nomination in respect of their shareholding, as permitted under Section 109A of the Companies Act, 1956, are requested to submit the prescribed Form 2B (in duplicate) to the Registrar and Share Transfer Agents of the Company.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5**

Shri Ranaj Dasgupta was appointed as Additional Director of the Company at the Board Meeting held on 23rd December, 2004. As per Section 260 of the Companies Act, 1956 ('the Act') Shri Dasgupta shall hold office upto the date of this Annual General Meeting. The Company has received Notice under Section 257 of the Act from a Member signifying his intention to propose Shri Dasgupta for appointment as a Director of the Company and the latter has consented to act as such, if so appointed. Hence the proposed resolution.

None of the Directors of the Company except Shri Ranaj Dasgupta is interested or concerned in the resolution.

**Item No. 6**

The Company's shares at present are listed with the following stock exchanges:-

The Stock Exchange, Mumbai;

The Hyderabad Stock Exchange Limited, Hyderabad; and

The Madras Stock Exchange Limited, Chennai.

It is observed from the data on trading volumes that the Company's shares are traded only at The Stock Exchange, Mumbai, and the trading volume is NIL in both the Hyderabad and Madras Stock Exchanges. The Stock Exchange, Mumbai ('BSE'), has nation wide trading terminal which facilitates trading by members / investors across the country. Therefore, to continue trading in the stock exchanges other than BSE neither serves the interests of the members / investors nor that of the Company.

It is, therefore, proposed to get the Company's shares voluntarily de-listed from the Stock Exchanges at Hyderabad and Chennai and, accordingly, the Board seeks the approval of the members to the proposal for de-listing. The Company's shares will, however, continue to be listed on BSE.

De-listing of the Company's shares from the above Stock Exchanges will also result in saving in cost on

account of listing fees.

In accordance with Securities & Exchange Board of India (De-listing of Securities) Guidelines 2003, consent of the members by way of Special Resolution is required for voluntary de-listing of Company's securities.

None of the Directors of your Company is interested or concerned in this Special Resolution.

Your Directors recommend this Special Resolution for your approval.

**Item No. 7**

The Board of Directors at its meeting held on Friday, 24th June 2005, had accorded its approval for creation of charge/mortgage/hypothecation/lien/pledge on the assets of the Company.

As per the provisions of Section 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as amended from time to time, the creation of charge/mortgage/hypothecation/lien/pledge on the assets of the Company requires the approval of the Shareholders by way of Special Resolution through Postal Ballot.

None of the Directors of the Company is interested in this Special Resolution.

By Order of the Board  
for SAHARA HOUSINGFINA  
CORPORATION LIMITED

D.J. BAGCHI  
Chief Operating Officer  
& Company Secretary

Place: Kolkata  
Date: 25.08.2005



**DIRECTORS' REPORT****To The Members,**

Your Directors have the pleasure in presenting the Fourteenth Annual Report on the business and

operations of your Company together with the Audited Statement of Accounts for the year ended 31st March 2005.

**FINANCIAL RESULTS**

Financial Results of the Company for the year ended 31st March 2005 are summarized hereunder

<b>Particulars</b>	<b>2004-05</b>	<b>2003-04</b>
		(Rupees)
<b>Profit before Tax</b>	5068270	1590268
Extra ordinary item (Income from Housing Loan)	23737465	—
Provision for taxation		
– Current Tax	4148886	119270
– Deferred Tax	83961	(8870)
– Income Tax related to earlier years	516	201133
<b>Profit after Tax</b>	24572372	1278735
Add: Profit carried from earlier years	951506	12771
<b>Profit available for appropriations</b>	25523878	1291506
<b>Appropriations</b>		
Transfer to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	7047141	340000
<b>Balance carried to Balance Sheet</b>	18476737	951506

**DIVIDEND**

Your Directors are not recommending any dividend on Equity Shares for the Financial Year; instead the Directors have decided to retain the earnings and also repay the high cost liabilities to ensure healthy growth of your Company. The retention of these resources will enhance the shareholders' worth and optimise the Company's operations and future growth.

**OPERATIONS**

Housing Loans:

The performance of the Company as on 31st March 2005 is as under:

Loan Sanctioned : Rs. 87.35 Crores

Loan Disbursed : Rs. 30.34 Crores





## DEPOSITS AND UNCLAIMED DEPOSITS

During the year under review, the Company had not accepted any fresh deposits from the Public. The amount of unclaimed deposits is approximately Rs. 1.56 Lacs. However, the Company had sent several reminders to the deposit holders to claim the refund of their unclaimed deposits as on 31st March 2005.

## DIRECTORS

Shri Zia Qadree, Director, resigned from the Board with effect from 23rd December, 2004. The Board wishes to place on record its appreciation for his valuable services and guidance during his tenure on the Board of your Company.

Shri Ranaj Dasgupta was co-opted as Additional Director on the Board of Directors of your Company w.e.f. 23rd December, 2004. His term of office as such additional director shall be upto the date of the ensuing Annual General Meeting. Notice in writing pursuant to Section 257 of the Companies Act, 1956, has been received from a member proposing his candidature for appointment as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Om Prakash Srivastava and Shri Malka Komaraiah, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for reappointment.

None of the Directors of the Company is disqualified for being appointed as Directors pursuant to Section 274(1)(g) of the Companies Act, 1956.

## AUDITORS

The Statutory Auditors, M/s Chaturvedi & Co., Chartered Accountants, Kolkata, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. SHCL has obtained a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Board of Directors recommends their re-appointment as the Statutory

Auditors of the Company subject to the approval of the Members at the Annual General Meeting.

## COMPANY SECRETARY

Shri R.K.Porwal, resigned as Company Secretary from the Company with effect from 1st October 2004. The Board wishes to place on record its deep appreciation for his valuable services during his tenure.

Further, Shri D.J.Bagchi, being the Fellow Member of the Institute of Company Secretaries of India was appointed as new Company Secretary of the Company w.e.f. 04.10.2004.

## PARTICULARS OF EMPLOYEES

No employee of SHCL was in receipt of remuneration in excess of the limits as laid down under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

There is no foreign exchange earning and outgo during the year under review.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited accounts containing the Financial Statements for the year ended 31st March 2005 are in conformity with the requirements of the Companies Act, 1956 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 operation. These Financial Statements are audited by the Statutory Auditors, M/s Chaturvedi & Co., Chartered Accountants, Kolkata.





## SAHARA HOUSINGFINA CORPORATION LIMITED

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 and based on the information provided by the management, your directors state that:

- (i) in the preparation of accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures, if any ;
- (ii) they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and also of the Profit for that period;
- (iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the appropriate provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they had prepared the annual accounts on a going concern basis. The Company's Internal Auditors have conducted periodic audit to provide reasonable assurance that the Company's procedures have been followed. The Audit Committee

constituted by the Board meets with Internal Auditors to review the internal control and financial reporting issues.

### CHANGE OF NAME OF THE COMPANY

The name of the Company, vide Certificate No.NCR/CN/99782/2005 dated 20th January, 2005, issued by the Registrar of Companies, West Bengal, was changed from erstwhile Livewell Home Finance Limited to Sahara Housingfina Corporation Limited.

The changed name of the Company accords it the group identity and the identifiable nature of its business activity.

### CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance, Management Discussion & Analysis and Auditors' Report on compliance with the Corporate Governance requirements have been included in this Annual Report as separate sections.

### ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation and gratitude to the Company's Customers, Bankers, The National Housing Bank, Shareholders, Debentureholders, Depositors and others who have helped the Company in its endeavour. The Board also places on record its deep appreciation for the excellent support received from the employees during the year.

Place : Lucknow

Date : 24.06.2005

For and on behalf of the Board

O.P. Srivastava *Director*

S.P. Ghosh *Director*







## REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

### Corporate Governance at SHCL

Your Company has been practising the principles of Good Corporate Governance, which comprises all activities that result in the control of the Company in a regulated manner, aiming to achieve transparency, accountability and overall fair management.

### I. COMPLIANCE OF MANDATORY REQUIREMENTS:

#### Company's Philosophy

Sahara Housingfina Corporation Limited (SHCL) strives to integrate the perspectives of Corporate Governance. The core value underlying our corporate philosophy is 'emotional attachment', which leads to good transparent corporate governance. This ensures the company is managed and monitored in a responsible manner in all aspects of the business so that our standards of excellence, integrity and accountability are leveraged to sustain all stakeholders' trust and belief on the company.

Proper Corporate Governance helps the company to achieve the organisation's set objectives and monitoring performance in determining it. A good cohesive relation is made between the Board of Directors, its management, its shareholders, its stakeholder because of good corporate governance.

Good governance is an expression of personal beliefs and values, put together to help upgrade the organisational value. SHCL's core values of emotion, fairness and effectiveness determine the principles of the organisation and in turn help the employee to take decisions in every sphere of life. It helps the employees to develop mutual trust, teamwork, and self-respect.

The company provides a gender friendly and a good corporate environment. An employee, however ethical and professional he is, much attention is to be given on his managerial skills. If the senior manager acts unprofessionally they totally encourage managers down the line to do the same. The opposite is also true: senior manager who visibly exhibit high professionalism and ethical standards become role models for others in the organisation. SHCL's senior management regularly reinforce the same to their employees.

With proper governance the company can meet the social responsibilities. It can help communities to become strong and self-reliant. The company makes every effort to evolve simple but business compatible procedures to evaluate the impact of committee programmes in terms of their outcome in human development. The company believes in the importance of providing a healthy environment, and also a high standard of housekeeping.

#### Board of Directors

The Board of Directors comprises seven members, all being non-executive. Amongst the seven directors, three directors are Promoter Directors. Of the non-executive directors, four are independent directors i.e. independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

*The composition of the Board of Directors is as per the norms of the Listing Agreements. Details of the Board of Directors in respect of their directorships/ memberships in committees of other public companies (excluding SHCL) are as under :*

Directors	Promoter/ Executive Non-Executive/ Independent	Materially significant, pecuniary or Business relationship with the Company	No. of Directorships in other Companies/Membership/ Chairmanship in committees	
			Director	Chairman/ Member
Shri Subrata Roy Sahara	Non Executive	Promoter Director	13	2





## SAHARA HOUSINGFINA CORPORATION LIMITED

Directors	Promoter/ Executive Non-Executive/ Independent	Materially significant, pecuniary or Business relationship with the Company	No. of Directorships in other Companies/Membership/ Chairmanship in committees	
			Director	Chairman/ Member
Shri O.P. Srivastava	Non Executive	Promoter Director	14	9
Shri J.B. Roy	Non Executive	Promoter Director	13	10
Shri Brijendra Sahay	Non Executive	Independent	3	4
Shri S.P. Ghosh	Non Executive	Independent	1	1
* Shri Zia Qadree	Non Executive	Independent	1	6
Shri Malka Komaraiah	Non Executive	Independent	4	1
** Shri Ranoj Dasgupta	Non Executive	Independent	5	2

\* *Shri Zia Qadree, resigned from the Board with effect from December 23, 2004.*

\*\* *Shri Ranoj Dasgupta, was appointed as Additional Director on the Board with effect from December 23, 2004.*

### Responsibilities of the Directors

The Board of Directors at SHCL are collectively responsible for advising the Company on Strategic Matters, Policy making and various other material and key decisions. Apart from the above, they mainly review the Corporate Performance of the Company vis-à-vis its competitors, ensure the shareholders' security and safeguarding of their interest and most importantly oversee the Regulatory and Statutory Compliances.

### Board Meetings

The meetings of the Board of Directors are normally held at the Command Office of Sahara India Pariwar in Lucknow. Meetings are generally scheduled well in advance and the notice of each board meeting is given in writing to each director. The Board meets at least once every quarter to review the quarterly results of the Company and the Financial Performance amongst other important issues. A detailed agenda

for the meetings of the Board is prepared by the COO & Company Secretary and is circulated well in advance to the directors alongwith the supporting board papers. Relevant suggestions and recommendations are accepted from the directors for their inclusion in the agenda and as a matter of discussion. Following the custom of the Sahara India Pariwar, senior management is also invited to attend the meetings of the Board and make their valuable contributions, suggestions and take part in the discussions of the Board.

During the year under review, the Board of SHCL met eight times. The meetings of the Board were held on the following dates:

28th May 2004, 31st July 2004, 30th October 2004, 24th November 2004, 23rd December 2004, 31st January 2005, 9th February 2005 and 7th March 2005. The attendance of each director at the last Annual General Meeting and Meetings of the





Board are detailed below:

Directors	Board Meetings	Annual General Meeting
Shri Subrata Roy Sahara	5	No
Shri Om Prakash Srivastava	6	Yes
Shri Joy Broto Roy	4	Yes
Shri Brijendra Sahay	7	Yes
Shri S.P. Ghosh	8	Yes
*Shri Zia Qadree	2	No
**Shri Ranoj Dasgupta	3	No
Shri Malka Komaraiah	2	No

\* *Shri Zia Qadree, resigned from the Board with effect from December 23, 2004.*

\*\* *Shri Ranoj Dasgupta, was appointed as Additional Director on the Board with effect from December 23, 2004.*

## Committees of the Board

### 1. Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the Guidelines set out in the Listing Agreement. The terms of reference include:

- 1 Overseeing Financial Reporting processes.
- 1 Reviewing periodic financial results, financial statements and adequacy of financial control system.
- 1 Approving Internal Audit plans and reviewing efficacy of the function.
- 1 Discussion and review of unaudited quarterly financial statements, periodic audit reports and

makes recommendations to the Board to approve the same.

- 1 Discussion with Statutory auditors about the scope of audit, including the observations of the Auditors.

In addition the Audit Committee examines areas of risks associated with the business and analyses measures initiated by the Company for mitigating the risks.

The Audit Committee met five times during the year under review. The meetings of the Committee were as under:

25th May 2004, 29th July 2004, 28th October 2004, 23rd December 2004 and 29th January 2005.

Members	Number of Meetings attended
Shri Joy Broto Roy	3
Shri Shri Brijendra Sahay	5
Shri S.P. Ghosh	5
*Shri Zia Qadree	2
**Shri Ranoj Dasgupta	1

\* *resigned from the Audit Committee w.e.f 23.12.2004*

\*\* *appointed as Member of the Audit Committee w.e.f 23.12.2004*





## SAHARA HOUSINGFINA CORPORATION LIMITED

### 2. Remuneration Committee

The Remuneration Policy of the company for managerial personnel is primarily responsible for the following matters:

- 1 Determine the remuneration of the managerial personnel based on the track record, potential and performance of the individual managers;
- 1 Review employee performance on an Annual Basis;
- 1 Determine increase in emoluments on the basis of such review

The Remuneration Committee in SHCL met once in the year under review i.e. on 20th July 2004 to consider the terms of remuneration of Shri D.J.Bagchi, as Principal Officer during the year w.e.f 31st July 2004, in accordance with the relevant provisions of the Companies Act, 1956 and it was decided that no remuneration was to be separately paid to Shri Bagchi, as he is already in the salaried employment of the Company as the Chief Operating Officer.

Members	Number of Meetings attended
Shri Brijendra Sahay	1
Shri S.P. Ghosh	1
*Shri Zia Qadree	1
**Shri Ranoj Dasgupta	Nil

\* resigned from the Remuneration Committee w.e.f 23.12.2004

\*\* appointed as Member of the Remuneration Committee w.e.f 23.12.2004

### 3. Shareholders'/Investors' Grievance Committee

The Committee meets regularly to oversee Share Transfers, review records and help to resolve / address Investors' Grievances. The complaints are attended

to regularly and the Company furnishes necessary information to the shareholders from time to time. No requests for share transfer are pending except those that are disputed.

Members	Number of Meetings attended
Shri S.P. Ghosh	12
* Shri Zia Qadree	20
** Shri Ranoj Dasgupta	6
# Shri R.K.Porwal	14
## Shri D.J.Bagchi	11
^ Shri D.B.V.S.Bhaskar	1

\* Shri Zia Qadree resigned as Member of Shareholders/ Investors Grievance Committee w.e.f 23.12.2004 and

\*\* Shri Ranoj Dasgupta was appointed as member of the Committee on the same date.

# Shri R.K. Porwal resigned as Company Secretary w.e.f 01.10.2004

## Shri D.J. Bagchi appointed as Company Secretary w.e.f 04.10.2004

^ Shri D.B.V.S Bhaskar's appointment as Managerial Person was terminated w.e.f. 17th July 2004





#### 4. Loan Restructuring & Recovery Committee

A Loan Restructuring & Recovery Committee (LRRP), formulated for recovery, re-schedulement and reorganization of Loan assets including NPA was dissolved w.e.f from 31st March 2005, as the entire

purpose of constituting the Committee was served.

#### Compliance Officer

Shri D.J. Bagchi, Chief Operating Officer & Company Secretary is the "Compliance Officer" of the Company for compliance of the Listing requirements under the Listing Agreements with the Stock Exchanges.

#### General Body Meetings

##### Details of Annual General Meetings :

Year	Venue	Date	Time
2001-02	Sundarayya Vignana Kendram, Baghlinmapally, Hyderabad	23.09.2002	11.00 A.M.
2002-03	Sahara Manzil, Opp. A.P. Secretariat, Hyderabad – 500004	16.09.2003	10.30 A.M.
2003-04	Sahara India Sadan, 2A, Shakespeare Sarani, Kolkata 700 071	28.09.2004	11.45 A.M.

#### Disclosures regarding appointment/reappointment of Directors

Resume and other information of the Directors seeking appointment/reappointment at the ensuing Annual General Meeting as required to be disclosed under Clause 49VI(A) of the Listing Agreement is as under:

- 1 **Shri Ranoj Dasgupta**, aged about 64 years, is a reputed person and a known face in the Sahara India Pariwar. He is known for his administrative, enterprising and dynamic qualities. He holds directorships in Gora Projects Limited, Sahara Computers & Electronics Limited, Sahara India Tourism Development Corporation Limited, Sahara India Infrastructure Development Corporation Limited and Sahara India Commercial Corporation Limited
- 1 **Shri Om Prakash Srivastava** : He is a Graduate and a Promoter Director of this Company. He has been actively involved in the Organisation since its inception in 1978. He is the Deputy Managing Worker of the Sahara India Pariwar and oversees and controls the entire business of parabanking. He is also holding administrative control in other businesses of the Pariwar.

- 1 **Shri Malka Komaraiah** : A well known name in the Construction Industry in South India, has many successful projects to his credit. He is also involved in the Power Generation Business and also in the Board of several companies like Shalivahana Projects Ltd., Shalivahana Power Corporation Limited, Minerva Power Corporation Limited and Shalivahana Finance Limited.

There were no material transactions with related parties. None of them are in conflict with the interests of the Company. The Company has received sufficient disclosures from Promoters, Directors and Management that may have any potential conflict with the interests of the Company.

- 1 **Management disclosures to the Board as required under Clause 49V (B) of the Listing Agreement**

The Chief Operating Officer & Company Secretary has informed the Board that he is not having any personal interest in material commercial and financial transactions of the Company that may have potential conflict with the interest of the Company at large.





## SAHARA HOUSINGFINA CORPORATION LIMITED

### 1 *Compliances by the Company*

During the last 3 years, no penalties or strictures have been imposed on the Company by SEBI, Stock Exchanges, NHB or any other statutory authorities. All the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and Guidelines of SEBI have been complied with by the Company.

Company is not in the practice of sending half-yearly Report to each household of Shareholders.

The Quarterly and Annual Financial Statements alongwith Balance Sheet and Profit & Loss Account, Directors' Report, Auditors' Report, Cash Flow Statements, Shareholding Pattern, etc. can be retrieved from the *Electronic Data Information Filing and Retrieval System* set up by the National Informatics Center in association with SEBI. The site can be accessed at <http://sebidifar.nic.in>

### 1 *Means of Communication*

#### *(i) Financial Results & Annual Reports etc.*

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board of Directors of the Company are published in leading national newspapers i.e. *The Financial Express* (English business daily), *Aajkal* (Bengali – Local edition) and are also sent immediately to all the Stock Exchanges with which the shares of the Company are listed. The

Notices relating to Annual General Meetings & Extraordinary General Meetings, if any, are sent to the Members at their Registered Address.

#### *(ii) Management Discussion & Analysis Report (MD&A)*

The Management Discussion and Analysis Report set out, forms part of the Annual Report.

## General Shareholder Information

### *(i) Next Annual General Meeting*

Date	Time	Venue
22.09.2005	11.00 A.M.	SAHARA INDIA SADAN 2A, Shakespeare Sarani, Kolkata 700071

### *(ii) Financial Calendar (tentative) for year 2005-06*

<i>Financial Reporting &amp; Limited Review Report</i>	<i>Quarter End date</i>	<i>Date of submission to Stock Exchanges latest by</i>
For the quarter ending	30th June 2005	4th Week of July 2005
For the quarter/half year ending	30th September 2005	4th Week of October 2005
For the quarter ending	31st December 2005	4th Week of January 2006
For the quarter ending	31st March 2006 ( <i>Audited</i> )	2nd week of June 2006

*(iii) Next Date of Book Closure : 16/09/2005 to 22/09/2005 (both days inclusive)*







**(vii) Share Transfer System**

Shares received for physical transfer or dematerialization requests are generally registered and returned within a period of 21 days from the date of receipt of complete and validly executed documents. The Shareholders'/Investors' Grievance Committee meets at least once in a fortnight to approve the Share Transfer and dematerialization requests.

**(viii) Dematerialization of shares and liquidity**

Equity shares of the Company can be traded in dematerialized form. To facilitate trading in dematerialized form, the Company has entered into agreement with both the Depositories i.e. National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL).

**(ix) Insider Trading**

The Code of Internal Procedure & Conduct and Code of Corporate Disclosure Practices under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended by Notification of 20th February 2002 is in force since 28.04.2002.

**For Redressal of Grievances**

**Contact**

The Chief Operating Officer & Company Secretary  
Phone: (033) 2282 0811, 2282 9067  
Fax: (033) 2282 2922  
Sahara Housingfina Corporation Limited  
Sahara India Sadan  
2A Shakespeare Sarani  
Kolkata 700 071

**II. COMPLIANCE OF NON-MANDATORY REQUIREMENTS**

**(i) Remuneration Committee**

The Company has Remuneration Committee in place, comprising of Independent Directors Shri Brijendra Sahay, Shri S.P. Ghosh & Shri Ranaj Dasgupta as members as stated in item No. 2 of 1 above.

**(ii) Shareholder Rights**

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

**(iii) Postal Ballots**

The Company has complied with the requirements of Postal Ballots where applicable, as required by law.







## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Economic Outlook

The economy continued to show the buoyancy in its growth as in the previous year. The key growth drivers were enhancement of retail assets, continued growth in infrastructure, agriculture coupled with good revenue collection by the Government via the Income Tax and Service Tax route.

Capital markets, too, showed good buoyancy throughout the year, save and except occasional crest and trough. This in turn triggered the small investors' appetite for the Initial Public Offer (IPO) and the corporates were equally keen to oblige.

### Market Scenario

Market Scenario continued to show a very strong growth rate in the Housing Finance industry with tax incentives fuelling further enthusiasm. The government and the markets have both realised that the housing sector is the pivot of the economy and is likely to drive the country's economic growth in the coming four to five decades to unprecedented levels. The institutions including banks have arisen to the situation that growth in the retail assets segment will continue to dominate their pie of credit off take and have begun to reorient themselves in that direction.

Growth in real assets continue to dominate as the factors driving this growth are government support, tax incentives, low interest rates, relatively stable property prices coupled with rising income levels.

### Interest Rates

Interest rates largely remained stable throughout this year due to substantial liquidity available in the system. The market did signal some hardening of interest rates but the changes made by some institutions, however little, have only been peripheral. The housing loan borrowers continued to enjoy attractive rates of interest offered by various lending institutions.

### Approvals and Disbursement

The performance of the Company as on 31st March, 2005 is as under :

Loan Sanctioned : Rs. 87.35 Crores

Loan Disbursed : Rs. 30.34 Crores

### Customer Reach

At Sahara Housingfina Corporation Limited (SHCL), all marketing efforts are with 'Customer First' approach. Service to the customer includes counselling and advice on Legal and Technical solutions to property related matter.

SHCL proposes to adopt the "hub and spoke" model of distribution network and has the inherent advantage of leveraging the Group's "Brick and Mortar" presence across the country for distribution of housing loan and related products.

SHCL also markets its loans through Counsellors and Channel Partners mechanism which are widely routes followed by other institutions.

SHCL also proposes to widen its fee base activities by distribution of Life Insurance products in addition to the existing distribution of mutual fund products.

### NPA Management

At present there are no Non Performing Assets (NPAs) in the books of the Company.

### Risk Management

SHCL manages its risks associated with its lending (mortgage risk) which includes credit risk, liquidity risk and interest rate risk. SHCL manages credit risk through strict underwriting standards. Liquidity and interest rate risks are managed through regular monitoring of maturity profiles and yield management by way of risk-return portfolio management. The company envisages huge growth in its portfolio in the next two to three years. This growth will bring alongwith it the associated risks, which then are proposed to be managed through available methods of portfolio churning by the RMBS route as well as rate SWAP arrangements with Banks/Institutions. Asset-Liability management, though not immediately statutorily applicable to the Company, is on SHCL's priority as stated in the foregoing para.





### Internal Audit and Control

The Company has already put in place an adequate internal audit system commensurate with the nature and size of its operations. It is also alive to the situation of continuous monitoring and up-scaling of the Internal Audit Control Mechanism along with its operational size growth. The Audit Committee constituting of four members, of which 3 members being Independent Directors, met five times during the Financial Year under review.

### Prudential Norms of Housing Finance Companies

Guidelines have been issued by NHB to the Housing Finance Companies (HFCs) on Prudential Norms for income recognition, provisioning, asset classification, provisioning for bad & doubtful debts, capital adequacy and concentration of credit/investments. SHCL is in compliance within the limits prescribed by NHB in respect of concentration of credit/investments.

SHCL's Capital Adequacy Ratio (CAR) as on 31st March 2005 stood at 30.24%

### Human Resources

Human Resources are SHCL's most valued assets. The Company employs trained Professional Manpower and believes in optimum utilisation of its human assets,

ably aided by Technology. Present strength of the employees of the company stands at forty six.

### Outlook and Strategy

As stated, earlier in the report, the Housing Industry will continue to remain a strategic growth driver of the Indian Economy.

The Government's thrust on the growth of infrastructure is also likely to fuel an even distribution of the population from the existing urban locales to the semi urban and rural locations. Very rightly so, the Central Government has also focused its attention on rural housing programme to bridge the huge Demand - Supply gap. SHCL is optimistic of making a substantial contribution to the Central Government's Housing programme.

The business, however, is a low-margin, high-volume business and thus yield management on its Capital Employed, will be key to its sustainability and growth. SHCL will continue to strike and channelise its efforts in diversifying its resource basket.

### Software

SHCL has entrusted the responsibility of developing an on-line state-of-the art, realtime connectivity, software solution for its operations to CMC Ltd., a reputed software solution provider.





## AUDITORS' REPORT

### To the members of Sahara Housingfina Corporation Limited

We have audited the attached Balance Sheet of Sahara Housingfina Corporation Limited (*formerly Livewell Home Finance Limited*) as at March 31, 2005 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (a) we have 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 appears from our examination of those books;
- (c) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) in our opinion, Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors, as on March 31, 2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2005 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2005
  - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date;

For CHATURVEDI & CO  
Chartered Accountants

Pankaj Chaturvedi  
Partner

Place: Lucknow  
Date : 24.06.2005

Membership No: 91239





## Annexure to the Auditors' Report

The Annexure referred to in the auditors' report to the members of Sahara Housingfina Corporation Limited (the Company) for the year ended March 31, 2005. We report that:

- i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a Programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such Programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
  - (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
- ii) The Company's nature of operations does not require it to hold inventories. Accordingly, clause 4(ii) of the Companies (Auditors' Report) Order, 2003 ('the Order') is not applicable.
- iii)
  - (a) The Company had taken Unsecured Loans from companies and covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rupees 62368797/- and the year end balance was Rupees 62,558,901/- (including provision of interest at the end of the year).  

The Company has not granted any loans, secured, or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - (b) In our opinion, the rate of interest and other terms and conditions on which Loans have been taken from the Company listed in the register maintained under Section 301 of the Companies Act, 1956 are not *prima facie*, prejudicial to the interest of the Company.
- (c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (d) There is no overdue amount of loan taken from company listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
- v)
  - (a) In our opinion, and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of Section 301 of the Act have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, there were no transactions with regard to sale, purchase or supply of goods, materials or services exceeding the value of rupees five lacs in respect of any party, during the year, covered by Section 301 of the Companies Act, 1956.
- vi) In our opinion, and according to the information and explanations given to us, the Company has complied with the Provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder and also complied with the directives issued by the National Housing Bank under the Housing Finance Companies [NHB] Directions, 2001 with regard to deposits accepted from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- ix)
  - (a) According to the information and explanations given to us, and on the





- basis of our examination of the books of account, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, customs duty, investor education and protection fund, wealth tax and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed dues payable in respect of income-tax, sales tax, wealth tax, customs duty and cess were outstanding as at March 31, 2005 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of sales tax, income tax, customs duty, wealth tax, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.
- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
- xi) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- xii) In our opinion, the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of mortgage of residential houses and properties. The Company has not granted any loans and advances by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
- xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii) The Company is engaged in the housing finance business and is governed by National Housing Bank [NHB] guidelines for raising deposits and deployment of its funds in its business and the Company has followed the NHB guidelines for fund raising and its deployment and adhering to the Asset Liability Committee (ALCO) Management guidelines prescribed by NHB and accordingly based on those guidelines we confirm that the Company has not used its short term funds in long term investments and vice versa.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.
- xix) The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
- xx) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud (i.e., intentional material misstatements resulting from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the year by the Company.

For CHATURVEDI & CO  
*Chartered Accountants*

Pankaj Chaturvedi  
*Partner*

Place: Lucknow  
Date : 24.06.2005

Membership No: 91239





SAHARA HOUSINGFINA CORPORATION LIMITED

**Balance Sheet as at March 31, 2005**

	Schedule	31.03.2005	(Rupees) 31.03.2004
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	1	60,000,000	60,000,000
Reserves and Surplus	2	48,180,197	23,607,825
Secured Loans	3	88,326,017	25,633,617
Unsecured Loans	4	142,524,691	81,009,512
Deferred Tax Liability	5	1,805,304	1,609,959
<b>TOTAL</b>		<b><u>340,836,209</u></b>	<b><u>191,860,913</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	6	13,025,430	12,722,131
Less: Depreciation		2,748,170	3,076,384
Net Block		<u>10,277,260</u>	<u>9,645,747</u>
Investments	7	773,600	65,516,109
Housing Loans	8	289,036,199	93,197,117
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors	9	540,274	14,490,599
Cash & Bank Balances	10	46,714,953	17,950,575
Other Loans & Advances	11	4,811,306	1,893,637
		<u>52,066,533</u>	<u>34,334,811</u>
Less : Current Liabilities and Provisions	12	<u>11,428,767</u>	<u>10,832,871</u>
Net Current Assets		40,637,766	23,501,940
Deferred Tax Asset	13	111,384	—
Notes on Accounts	19		
Schedules 1 to 19 form an intergral part of Annual Accounts			
<b>TOTAL</b>		<b><u>340,836,209</u></b>	<b><u>191,860,913</u></b>

This is the Balance Sheet referred in our Report of even date.

As per our report of even date attached

For CHATURVEDI & COMPANY  
Chartered Accountants

(Pankaj Chaturvedi)  
Partner

Place : Lucknow  
Date : 24.06.2005

For and on behalf of the Board

O.P. Srivastava     Director  
S.P. Ghosh         Director

D.J. Bagchi         Chief Operating Officer  
                           & Company Secretary



**Profit & Loss Account for the year ended March 31, 2005**

(Rupees)

	Schedule	31.03.2005	31.03.2004
<b>INCOME</b>			
Operating Income	14	24,199,782	15,448,655
Other Income	15	19,190,950	19,182,079
Profit on Sale of Investments		592,348	6,516,197
<b>TOTAL</b>		<b>43,983,080</b>	<b>41,146,931</b>
<b>EXPENDITURE</b>			
Staff Expenses	16	6,196,318	3,108,334
Operating & Other Expenses	17	19,255,042	16,615,700
Financial Charges	18	12,725,775	11,115,238
Depreciation		737,675	585,618
Provision on Investments		—	8,131,773
<b>TOTAL</b>		<b>38,914,810</b>	<b>39,556,663</b>
<b>Profit before tax</b>		<b>5,068,270</b>	<b>1,590,268</b>
Extra Ordinary Item (Income)		23,737,465	—
Less Provision for taxation:			
- Current tax		4,148,886	119,270
- Deferred tax		83,961	(8,870)
- Income tax related to earlier years		516	201,133
<b>Profit after tax</b>		<b>24,572,372</b>	<b>1,278,735</b>
Add: Profit carried from earlier year		951,506	12,771
Profit available for appropriations		<b>25,523,878</b>	<b>1,291,506</b>
<b>Appropriations</b>			
Transfer to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961		7,047,141	340,000
Balance carried to Balance Sheet		18,476,737	951,506

**Notes on Accounts**

19

Schedules 1 to 19 form an integral part of Annual Accounts

This is the Profit & Loss Account referred in our Report of even date.

As per our report of even date attached

For CHATURVEDI & COMPANY  
Chartered Accountants

(Pankaj Chaturvedi)  
Partner

Place : Lucknow  
Date : 24.06.2005

For and on behalf of the Board

O.P. Srivastava      Director  
S.P. Ghosh            Director

D.J. Bagchi            Chief Operating Officer  
                                 & Company Secretary





## SAHARA HOUSINGFINA CORPORATION LIMITED

### Schedules annexed to and forming part of the Balance Sheet

(Rupees)

	As at 31.03.2005	As at 31.03.2004
<b>1. SHARE CAPITAL</b>		
Authorised:		
30,000,000 Equity Shares of Rs.10/- each	300,000,000	200,000,000
(Previous Year 2,00,00,000 Equity Shares of Rs.10/- each)		
20,000,000 Preference Shares of Rs.10/- each	200,000,000	—
	<u>500,000,000</u>	<u>200,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
6,000,000 Equity Shares of Rs.10/- each.	60,000,000	60,000,000
	<u>60,000,000</u>	<u>60,000,000</u>
 <b>2. RESERVES AND SURPLUS</b>		
<b>Reserves and Surplus</b>		
Special Reserve u/s 36(1)(viii) of The Income Tax Act, 1961:		
Balance as per Last Balance sheet	22,002,714	21,662,714
Add: Transferred from P & L Appropriation A/c	7,047,141	340,000
General Reserve Balance as per Last Balance Sheet	501,605	501,605
Capital Reserve on reissue of Shares	152,000	152,000
Profit and Loss Account	18,476,737	951,506
	<u>48,180,197</u>	<u>23,607,825</u>
 <b>3. SECURED LOANS</b>		
Gora Projects Limited	68,250,000	—
National Housing Bank	14,175,975	18,049,819
Andhra Bank	4,927,395	6,853,098
Interest accrued & due	972,647	730,700
	<u>88,326,017</u>	<u>25,633,617</u>

#### Notes

- The term loan from National Housing Bank (NHB) is secured by a first exclusive mortgage/charge by way of hypothecation on the book debts created out of refinance availed from NHB and on book debts created out of owned fund of the Company in addition to first exclusive charge on all movable and first exclusive mortgage on all immovables of the Company, both present & future and further secured by personal guarantee of a Director and his relatives.
- The Term Loans from Other Lenders are secured by Negative Lien on assets refinanced by them individually and further secured by immovable properties of third parties and personal guarantee of a Director and his relatives respectively.





## Schedules annexed to and forming part of the Balance Sheet

(Rupees)

	As at 31.03.2005	As at 31.03.2004
<b>4. UNSECURED LOANS</b>		
800 9% Unsecured Non-Convertible Redeemable Debentures of Rs.100,000/- each	80,000,000	80,000,000
Inter Corporate Deposits	62,368,797	850,000
Public Deposits (unclaimed)	52,000	54,000
Recurring Deposits from Public (unclaimed)	62,480	62,480
Interest accrued and due on Public Deposits	41,414	43,032
	<b>142,524,691</b>	<b>81,009,512</b>

## 5. DEFERRED TAX LIABILITY

Opening Balance	1,609,959	1,618,829
Add : Provision for Deferred Tax during the year	195,345	(8,870)
	<b>1,805,304</b>	<b>1,609,959</b>

## 6. FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.04	Additions during the year	Write off during the year	As at 31.03.05	Up to 01.04.04	for the year	Write off during the year	Up to 31.03.05	As at 31.03.05	As at 31.03.04
Buildings	5,745,548	—	—	5,745,548	589,225	93,652	—	682,877	5,062,671	5,156,323
Computers	2,119,385	498,608	1,065,889	1,552,104	1,029,695	318,450	1,065,889	282,256	1,269,848	1,089,690
Solar Plant	3,020,000	—	—	3,020,000	815,787	143,450	—	959,237	2,060,763	2,204,213
Furniture & Fixtures	1,139,338	218,174	—	1,357,512	610,570	75,412	—	685,982	671,530	528,768
Air Conditioners	66,900	57,000	—	123,900	6,103	4,757	—	10,860	113,040	60,797
Office Equipment	110,127	15,900	—	126,027	2,091	5,477	—	7,568	118,459	108,036
Electrical Fittings	65,575	4,840	—	70,415	1,288	3,219	—	4,507	65,908	64,287
Vehicles	455,258	574,666	—	1,029,924	21,625	93,258	—	114,883	915,041	433,633
<b>TOTAL</b>	<b>12,722,131</b>	<b>1,369,188</b>	<b>1,065,889</b>	<b>13,025,430</b>	<b>3,076,384</b>	<b>737,675</b>	<b>1,065,889</b>	<b>2,748,170</b>	<b>10,277,260</b>	<b>9,645,747</b>
Previous year	10,931,902	1,790,229	—	12,722,131	2,490,766	585,618	—	3,076,384	9,645,747	8,441,136



## SAHARA HOUSINGFINA CORPORATION LIMITED

### Schedules annexed to and forming part of the Balance Sheet

	As at 31.03.2005	(Rupees) As at 31.03.2004
<b>7. INVESTMENTS</b>		
(Non-trade, Unquoted, Long Term Government Securities)		
13.75% National Housing Bank Bonds 2007 (One bond face value of Rs.500,000/- each)	500,000	500,000
11.58% Himachal Pradesh State Electricity Board (Hundred bonds face value of Rs.100000/- each)	—	10,940,176
10.65% Andhra Pradesh Power Finance Corporation Ltd (Hundred bonds face value of Rs.100,000/- each)	—	11,061,445
13.25% Kerela State Electricity Board (Hundred bonds face value of Rs.100000/- each)	—	11,645,052
11.85% West Bengal Infrastructure Development Corporation Ltd (Fifteen bonds face value of Rs.100,000/- each)	—	1,804,977
<b>MUTUAL FUNDS</b>		
Sahara India Mutual Fund (5421.067 Units, NAV Rs.11.3566)	—	6,200,000
Principal Balance Fund (617539.838 Units, NAV Rs.16.26)	—	10,041,198
Alliance Cash Manager I.P. (Growth) (63253.95 Units, NAV Rs.10.4075)	—	1,049,662
Birla Midcap Mutual Fund (653950.956 Units, NAV Rs.18.33)	—	12,000,000
<b>EQUITY SHARES AT COST</b>		
Indian Overseas Bank (11400 Equity Shares face value of Rs.10/- each)	273,600	273,600
	<u>773,600</u>	<u>65,516,109</u>
<b>8. A) HOUSING LOANS</b>		
Individuals (Gross)	289,036,199	98,300,822
Less:Provision for Non Performing Assets	—	7,821,692
Sub Total	<u>289,036,199</u>	<u>90,479,130</u>
<b>B) BUILDERS (GROSS)</b>		
Less:Provision for Non Performing Assets	—	3,882,839
Sub Total	<u>—</u>	<u>1,164,852</u>
Total	<u>289,036,199</u>	<u>93,197,117</u>



**Schedules annexed to and forming part of the Balance Sheet**

	As at 31.03.2005	(Rupees) As at 31.03.2004
<b>9. SUNDRY DEBTORS</b>		
Installments due from Borrowers :		
More than 3 months (Previous Year 6 months) (*)	—	9,026,376
Less:Provision for Non Performing Assets	—	2,101,422
	<hr/>	<hr/>
More than 3 months (Previous year more than 6 months)	—	6,924,954
Less than or equal to 3 months (Previous Year less than or equal to 6 months)	540,274	7,565,645
	<hr/>	<hr/>
(*Net of Interest Unrecognised Rs. nil, Previous Year Rs.23,737,465/-)	<b>540,274</b>	<b>14,490,599</b>
	<hr/>	<hr/>
<b>10. CASH AND BANK BALANCES</b>		
Cash in hand	66,808	719,073
In current accounts with Scheduled Banks	46,598,145	3,681,502
In term deposits with Scheduled Banks	50,000	13,550,000
	<hr/>	<hr/>
	<b>46,714,953</b>	<b>17,950,575</b>
	<hr/>	<hr/>
<b>11. LOANS &amp; ADVANCES</b>		
(Recoverable in cash or kind or for value to be received)		
Refundable Deposits	533,800	51,000
Other advances	3,070,595	591,219
Interest accrued on Investments	11,678	355,968
Tax Deducted at Source	1,195,233	895,450
	<hr/>	<hr/>
	<b>4,811,306</b>	<b>1,893,637</b>
	<hr/>	<hr/>
<b>12. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>(A) CURRENT LIABILITIES</b>		
Tax deducted at source	1,802,730	1,241,379
Other Current Liabilities	4,824,115	631,254
Unclaimed Dividend	229,375	364,875
	<hr/>	<hr/>
<b>Sub-total</b>	<b>6,856,220</b>	<b>2,237,508</b>
	<hr/>	<hr/>
<b>(B) PROVISIONS</b>		
Provision on Investments	—	8,131,773
Provision for taxation	4,268,156	145,090
Provision for Gratuity	226,695	296,206
Provision for Leave Encashment	77,696	22,294
	<hr/>	<hr/>
<b>Sub-total</b>	<b>4,572,547</b>	<b>8,595,363</b>
	<hr/>	<hr/>
<b>Total</b>	<b>11,428,767</b>	<b>10,832,871</b>
	<hr/>	<hr/>





## SAHARA HOUSINGFINA CORPORATION LIMITED

### Schedules annexed to and forming part of the Balance Sheet

(Rupees)

	As at 31.03.2005	As at 31.03.2004
<b>13. DEFERRED TAX ASSET</b>		
Opening Balance	—	—
Add : Provision for Deferred Tax during the year	111,384	—
	<u>111,384</u>	<u>—</u>

### Schedules annexed to and forming part of the Profit & Loss Account

(Rupees)

	Year ended 31.03.2005	Year ended 31.03.2004
<b>14. OPERATING INCOME</b>		
Interest on individual housing loans	16,222,261	15,168,991
Interest on builders loans	378,793	130,000
Interest on other loans	—	51,409
Processing fee & Admn. Fee	7,598,728	98,255
	<u>24,199,782</u>	<u>15,448,655</u>
<b>15. OTHER INCOME</b>		
Dividend Income	280,121	13,733,580
Interest on term deposits (Gross, TDS Rs.248225/-, previous year Rs.895450/-)	1,706,437	4,245,898
Miscellaneous income (Gross, TDS Rs. 51,558/-, previous year Rs. Nil)	6,116,427	1,201,626
Interest on Staff Advance	—	975
Sub-standard Loan written back	11,087,966	—
	<u>19,190,950</u>	<u>19,182,079</u>
<b>16. STAFF EXPENSES</b>		
Salaries & Bonus	5,794,281	2,887,747
Staff welfare	85,996	42,280
Contribution to Provident Fund & ESI	316,041	178,307
	<u>6,196,318</u>	<u>3,108,334</u>





## Schedules annexed to and forming part of the Profit &amp; Loss Account

	Year ended 31.03.2005	(Rupees) Year ended 31.03.2004
<b>17. OPERATING &amp; OTHER EXPENSES</b>		
Rent	900,843	360,000
Travelling and conveyance:		
– Directors	38,465	40,689
– Others	1,138,201	645,249
Legal and professional fee	3,070,807	924,127
Printing and stationery	543,141	121,718
Communication charges	911,543	336,167
General expenses	226,512	127,666
Insurance	1,423,530	51,313
Repairs and maintenance - Others	160,470	56,454
Rates, taxes and licences	2,831,856	683,272
Office maintenance	184,371	18,789
Vehicles maintenance	35,439	71,273
Advertisement and publicity	293,795	23,692
Electricity Charges	283,232	161,981
Brokerage and commission	—	25,000
Payment to Auditors:		
– As Statutory Auditors	33,280	33,600
– As Tax Auditors	10,800	10,800
Miscellaneous Expenses written off	—	618,624
Provision for Non-performing Assets	—	4,261,239
Bad debts written off	400,600	1,176,590
Loss on Sale of Investments	—	6,867,457
Discount on Housing Loans	6,768,157	—
	<u>19,255,042</u>	<u>16,615,700</u>
<b>18. FINANCIAL CHARGES</b>		
Interest on Term Loans	5,105,571	4,877,105
Interest on Public Deposits	—	46,908
Interest on ICD	215,705	100,476
Interest on Debentures	7,200,000	6,054,497
Bank charges	204,499	36,252
	<u>12,725,775</u>	<u>11,115,238</u>





## 19. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. METHOD OF ACCOUNTING

The financial statements are based on historical cost convention. The company, generally follows the mercantile system of accounting and recognises income, expenditure on accrual basis except the penal interest not acknowledged by the loanee.

#### 2. FIXED ASSETS

Fixed assets are capitalised at cost inclusive of incidental expenses thereto.

#### 3. DEPRECIATION

Depreciation is provided on the straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. The depreciation is calculated on prorata basis for the assets acquired during the year.

#### 4. REVENUE RECOGNITION

The Company adopts National Housing Bank's prudential norms for income recognition & provisioning.

#### 5. INTEREST ON HOUSING AND OTHER LOANS

Repayment of Housing Loans is by way of Equated Monthly Installments (EMI) comprising of principal and interest. Interest is calculated on monthly reducing balance method. EMI's commence once the entire loan is disbursed. Pending commencement of EMI's, Pre-EMI Interest (PEMI) is receivable every month.

#### 6. INCOME FROM INVESTMENTS

Income from investments is recognised in the accounts on accrual basis. Dividends are accounted as income on receipt basis.

#### 7. INVESTMENTS

Investments being long-term in nature are stated at cost including expenditure incidental to acquisition.

#### 8. TAXES ON INCOME

Tax expense for the year comprises of the current and deferred tax. Current taxes are measured at the Current rates of tax in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing difference that results between taxable profits and profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against such deferred tax assets that can be realised. The effect on deferred tax assets and liabilities due to change in tax rates is recognised in the Profit & Loss Account in the year of change.

#### 9. EARNING PER SHARE (EPS)

The earnings considered in ascertaining the company's EPS comprises the Net Profit or Loss for the period after tax and extraordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted EPS comprises of weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the year unless they are issued at a later date. The diluted potential equity shares are adjusted for the proceeds receivable assuming that the shares are actually issued at fair value. The number of shares and potentially dilutive shares are adjusted for shares splits/reverse share splits (consolidation of shares) and bonus shares, as appropriate.



**10. INTEREST ON UNCLAIMED DEPOSITS**

Interest for the period from last maturity date to the date of renewal of unclaimed deposits is accounted for during the year of its renewal.

**11. RETIREMENT BENEFITS**

- (a) The Company's contribution to the Provident Fund is charged to Profit & Loss Account.
- (b) Provision for Gratuity has been made on the basis of completed years of services as on Balance Sheet date.
- (c) Leave encashment is provided on accrual basis.

**B. NOTES ON ACCOUNTS**

1. As certified by the management, Housing Loans and installments due from borrowers are secured or partly secured by
  - a) Equitable Mortgage of property and/or
  - b) Assignment of Life Insurance Policies and/or
  - c) Personal Guarantee of borrowers and/or
  - d) Undertaking to create a security.
2. In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated above, if realized in the ordinary course of the business. The provision for the all known liabilities has adequately been provided and is not in excess of amounts reasonably necessary.
3. No director's remuneration has been provided in the accounts.
4. Provision for Income Tax has been calculated as per the provision of Income Tax Act, 1961, while calculating the provisions, the benefit under Section 36(1) (viii) of the Income Tax Act, 1961 has been taken into account.
5. As per National Housing Bank (NHB) prudential norms, Cumulative interest income of Rs. Nil/-(previous year Rs.23,737,465/-) on non-performing assets is to be accounted only on realisation basis.
6. Extraordinary Income of Rs. 2,37,37,465/- comprises unrecognized interest on housing loan, which has been accounted on realization.

**7. Earning per share**

	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
Net profit after tax	2,45,72,372	12,78,735
No. of Shares outstanding	60,00,000	60,00,000
Earning per share	4.10	0.21

**8. Auditors' Remuneration**

As Auditor	33,280	33,600
Taxation matter	10,800	10,800
Certification & Others	11,020	—
	<b>55,100</b>	<b>44,400</b>





## SAHARA HOUSINGFINA CORPORATION LIMITED

9. The Company has recognised the cumulative deferred tax liabilities as at March 31, 2005 of Rs.1,693,920/-. Following are the major components of deferred tax assets/(liabilities)

Component	Deferred tax Asset/ (liabilities) as at 31.03.04	Current year Change/credit	Deferred tax Asset/(liabilities) as at 31.03.05
(i) Difference in depreciation between Accounting Books and tax return	(1,609,959)	(195,345)	(1,805,304)
(ii) Deferred Asset	—	111,384	111,384
<b>Total</b>	<b>(1,609,959)</b>	<b>(83,961)</b>	<b>(1,693,920)</b>

### 10. Segment Reporting

In accordance with AS-17 "Segmental Reporting" issued by the council of the Institute of Chartered Accountants of India, the company has determined its business segment as Housing Finance in conformity with Housing Finance Companies (National Housing Bank) Directions, 2001. Since the company's business is from housing finance activities; there are no other primary reportable segments. Thus the segment revenue, segment liabilities, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total depreciation on such assets provided during the year are all reflected in the financial statements as of and for the year ended 31st March, 2005 There is no other secondary segment.

### 11. Related Party Disclosures

#### a) Control

Major shareholders having control over the company

- i) Sahara India Corporation Limited
- ii) Sahara India Investment Corporation Limited
- iii) Sahara India Finance & Investment Limited (*formerly Sahara India Housing Corporation Limited*)

#### b) Associates:

Nil

#### c) Key Management Personnel:

Shri D. J. Bagchi  
Chief Operating Officer & Co. Secretary

#### d) Relatives of Key Management Personnel :

Nil

#### e) The following transaction has taken place with the related parties:

Related Party	Description of Transaction	Payment
Sahara India Commercial Corporation Limited	Rent	Rs.2,16, 000/-

#### f) Payment made to key management personnel:

Related Party	Designation	Nature of transaction	Amt. (Rs.)
Shri D.J. Bagchi	Chief Operating Officer & Co. Secretary	Remuneration u/s 269	—

12. There are no contingent liabilities.
13. There are no amounts payable to Small Scale Industrial Undertaking.
14. The balance of Sundry Debtors, Sundry Creditors and Other loans and Advances are subject to confirmation from the parties.
15. Previous year figures have been regrouped and reclassified wherever necessary.







**SAHARA HOUSINGFINA CORPORATION LIMITED**

**16. CASH FLOW STATEMENT**

PARTICULARS	For the Year Ended 31.03.2005	For the Year Ended 31.03.2004
		(Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	5,068,270	1,590,268
Adjustments for:		
Depreciation	737,675	585,618
Misc. Expenditure Written off	—	618,624
Provision for sub-standard assets	(11,087,966)	4,261,239
Bad debts written off	400,600	1,176,590
Provision on Investments	—	8,131,773
Investment income-interest/dividend	(2,578,906)	(24,495,675)
Extraordinary item	<u>23,737,465</u>	—
Operating profit before working capital changes	<b>16,277,138</b>	<b>(8,131,563)</b>
Adjustments for:		
Current assets	13,134,079	294,633
Current liabilities	<u>4,604,603</u>	<u>1,155,908</u>
Cash Generated from operations	<b>34,015,820</b>	<b>(6,681,022)</b>
Direct Tax paid	26,336	(2,360,533)
Net Cash from Operating Activities	<u><b>33,989,484</b></u>	<u><b>(9,041,555)</b></u>
<b>B. NET CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of investments	56,610,736	(63,652,359)
Purchase of Fixed Assets	(1,369,188)	(1,790,229)
Income from Investments	<u>2,578,906</u>	<u>24,495,675</u>
Net Cash used in Investing Activities	<b>57,820,453</b>	<b>(40,946,913)</b>
<b>C. NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in Housing Loan	(187,253,138)	14,017,619
Increase/(decrease) in Term Loan	62,692,400	(39,161,542)
(Decrease) in Public Deposits	(3,618)	(215,432)
Increase in Debentures	—	80,000,000
Increase in Inter Corporate Deposits	<u>61,518,797</u>	<u>850,000</u>
Net cash from financing activities	<b>(63,045,559)</b>	<b>55,490,645</b>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents as on 01.04.2004	<b>17,950,575</b>	<b>12,448,398</b>
Cash and Cash Equivalents as on 31.03.2005	<b>46,714,953</b>	<b>17,950,575</b>

As per our report of even date attached

For CHATURVEDI & COMPANY  
*Chartered Accountants*

(Pankaj Chaturvedi)  
*Partner*

Place : Lucknow  
Date : 24.06.2005

For and on behalf of the Board

O.P. Srivastava      *Director*  
S.P. Ghosh            *Director*

D.J. Bagchi            *Chief Operating Officer  
& Company Secretary*





## AUDITORS' CERTIFICATE

We have verified the Cash Flow Statement of Sahara Housingfina Corporation Limited (*formerly Livewell Home Finance Limited*) from the audited financial statements of the Company for the period 1st April, 2004 to 31st March, 2005 and found the statement to be in accordance therewith and also with the requirement of clause 32 of the Listing Agreement with the Stock Exchanges.

For CHATURVEDI & CO.,  
*Chartered Accountants*

(Pankaj Chaturvedi)  
*Partner*

*Membership No. 91239*

Place : Lucknow  
Date : 24.06. 2005.





**SAHARA HOUSINGFINA CORPORATION LIMITED**

**Additional information pursuant to the Part IV of Schedule VI of the Companies Act, 1956  
BALANCE SHEET ABSTRACT & GENERAL BUSINESS PROFILE**

**1. Registration No.:**

9	9	7	8	2
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 State Code : 

2	1
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**Balance Sheet Date:**

3	1
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0	3
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2	0	0	5
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**II. Capital raised during the year (Amount in Rs. thousands)**

Public Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> N I L						Right issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> N I L					
Bonus Issue	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> N I L						Private Placement	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> N I L					

**III. Position of mobilization & deployment of funds (Amount in Rs. thousands)**

Total Liabilities	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>4</td><td>0</td><td>8</td><td>3</td><td>6</td></tr></table>	3	4	0	8	3	6	Total Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>4</td><td>0</td><td>8</td><td>3</td><td>6</td></tr></table>	3	4	0	8	3	6
3	4	0	8	3	6										
3	4	0	8	3	6										
<b>Sources of funds :</b>															
Paid up Capital	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>6</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>		6	0	0	0	0	Reserves & Surplus	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>4</td><td>8</td><td>1</td><td>8</td><td>0</td></tr></table>		4	8	1	8	0
	6	0	0	0	0										
	4	8	1	8	0										
Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>8</td><td>8</td><td>3</td><td>2</td><td>6</td></tr></table>		8	8	3	2	6	Unsecured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>4</td><td>2</td><td>5</td><td>2</td><td>5</td></tr></table>	1	4	2	5	2	5
	8	8	3	2	6										
1	4	2	5	2	5										
Deferred Tax Liability	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>1</td><td>8</td><td>0</td><td>5</td></tr></table>			1	8	0	5								
		1	8	0	5										
<b>Application of funds:</b>															
Net Fixed Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>0</td><td>2</td><td>7</td><td>7</td></tr></table>		1	0	2	7	7	Investments	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>7</td><td>7</td><td>4</td></tr></table>				7	7	4
	1	0	2	7	7										
			7	7	4										
Net Current Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>4</td><td>0</td><td>6</td><td>3</td><td>8</td></tr></table>		4	0	6	3	8	Misc Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> N I L						
	4	0	6	3	8										
Accumulated Losses	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> N I L							Housing Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>8</td><td>9</td><td>0</td><td>3</td><td>6</td></tr></table>	2	8	9	0	3	6
2	8	9	0	3	6										
Deferred Tax Asset	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>1</td><td>1</td></tr></table>				1	1	1								
			1	1	1										

**IV. Performance of the company (Amount in Rs. Thousands)**

Turnover	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>4</td><td>3</td><td>9</td><td>8</td><td>3</td></tr></table>		4	3	9	8	3	Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>3</td><td>8</td><td>9</td><td>1</td><td>5</td></tr></table>		3	8	9	1	5
	4	3	9	8	3										
	3	8	9	1	5										
Profit/(Loss) before Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>2</td><td>8</td><td>8</td><td>0</td><td>5</td></tr></table>		2	8	8	0	5	Profit/(Loss) after Tax	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>2</td><td>4</td><td>5</td><td>7</td><td>2</td></tr></table>		2	4	5	7	2
	2	8	8	0	5										
	2	4	5	7	2										
Earning per Share (Rs.)	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>4</td><td>.</td><td>1</td><td>0</td></tr></table>			4	.	1	0	Dividend	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> N I L						
		4	.	1	0										

**V. Generic name of principal products/services of company**

Item code: 

N	O	T		A	P	P	L	I	C	A	B	L	E
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Product Description 

N	O	T		A	P	P	L	I	C	A	B	L	E
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The company is a housing finance company

Place : Lucknow  
Date : 24.06.2005

For CHATURVEDI & CO.,  
*Chartered Accountants*  
Pankaj Chaturvedi  
*Partner*  
Membership No: 91239

For and on behalf of the Board  
O.P. Srivastava *Director*  
S.P. Ghosh *Director*  
D.J. Bagchi *Chief Operating Officer & Company Secretary*





**FORM OF PROXY**

**SAHARA HOUSINGFINA CORPORATION LIMITED**  
**(formerly Livewell Home Finance Limited)**

Registered Office : SAHARA INDIA SADAN, 2A, Shakespeare Sarani, Kolkata-700 071

Folio No. : ...../DP ID No\* .....& Client ID No.\* .....

[(\*) Applicable for members holding Shares in electronic form)

No. of Shares : .....

I/We.....of..... In the district of .....being a member/members of SAHARA HOUSINGFINA CORPORATION LIMITED hereby appoint .....of .....or failing him/her of..... in the district of .....as my/our proxy to attend and vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Thursday, 22nd September, 2005 at 11.00 a.m. at the Registered Office of the Company at Sahara India Sadan, 2A, Shakespeare Sarani, Kolkata 700 071 and at any adjournment thereof.

Affix  
Re. 1/-  
Revenue  
Stamp

Signed this.....day of..... 2005

Signature.....

Note : The Proxy must be returned duly completed so as to reach the Registered Office of the Company not less than 48 hours before the schedule time for holding the aforesaid meeting.

----- TEAR HERE -----

**ATTENDANCE SLIP**

**SAHARA HOUSINGFINA CORPORATION LIMITED**  
**(formerly Livewell Home Finance Limited)**

Registered Office : SAHARA INDIA SADAN, 2A, Shakespeare Sarani, Kolkata-700 071

Folio No. : ...../DP ID No.\*: .....& Client ID No.\*: .....

[(\*) Applicable for members holding Shares in electronic form)

Name: .....  
(IN BLOCK LETTERS)

Address : .....  
.....

I hereby record my presence at the Fourteenth Annual General Meeting of SAHARA HOUSINGFINA CORPORATION LIMITED held on Thursday, 22nd September, 2005 at 11.00 a.m. at the Registered Office of the Company at SAHARA INDIA SADAN, 2A, Shakespeare Sarani, Kolkata 700 071

Signature of Shareholder/Proxy : .....

Name of Shareholder : .....

**Notes**

- (1) Member/Proxy holder are requested to bring their attendance slip with them when they come to the meeting and hand it over at the entrance after signing it.
- (2) Members/Proxy holders who come to attend the meeting are requested to bring their copies of the Notice and Annual Accounts.





# *Auditors' Report on Corporate Governance*

To the Members  
of Sahara Housingfina Corporation Limited

We have examined the compliance of the conditions of Corporate Governance of Sahara Housingfina Corporation Limited for the year ended 31st March, 2005 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. 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 of 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 conditions of Corporate Governance as stipulated in the above mentioned 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 : 24.06.2005

