



SRG HOUSING FINANCE LTD



ANNUAL REPORT 2012-13



CHAIRMAN'S MESSAGE

Dear Shareowners,

It is with great joy that I welcome you to the Company's 14th Annual General Meeting. This AGM assumes immense significance, as it is our first post the Initial public offering (IPO) AGM of the company. We must record our sincere thanks and appreciation to all those who applied in our IPO and have stood by us with their investments.



A wonderful benefit of this opportunity was the addition of a number of new shareowners into the SRG HFL family, and I along with the Board and all the existing shareowners warmly welcome them and look forward to a bright future together with everyone's strong support and participation.

In order to augment its present loan portfolio, the Company came out with its Initial Public Offering of 3504000 equity shares with face value of Rs. 10/- each at a price of Rs. 20/- (including securities premium of 10/-). The issue was accepted well in the market and was oversubscribed by 1.15 times. The shares were allotted to successful allottees in September, 2012 and listed on SME platform of BSE for trading from 11th September 2012.

The IPO was an important milestone and the next step in the ladder is to take the Company to a higher level of growth and operational scale. It will also be fair to say that by virtue of being a listed the stature of your Company has also increased in the business and financial community. At the same time, this has showered more responsibilities on us, which we are sure to take care with the support of our team.

The Company did quite well in FY 2012-13, reporting a rise in its revenues and profits as can be seen from the Annual Report.

Looking at the overall picture and business environment, I feel we have made good progress in FY 2012-13, inspite of the fact that your Company's Board and management had intensively invested its time and resources to roll out the Company's IPO successfully. Now, we should be able to post even better results next year as we are all set to strongly focus on taking our business to higher levels of operational excellence and growth. This gives me the confidence to say that with God's blessings, team's hard work and your support; we shall be able to report stellar results for the next year.

To proceed, the Board believes that the Company will need to follow a very sharp business strategy that is in line with the Company's higher scale, status and ambitions. There are three pillars to this – one is to nurture the brand SRG to make it even more trusted, preferred and vibrant. Second is to focus strongly on our Client and deliver a fabulous experience on a sustained basis across each of our business vertical. The third is to look at expansion with a very careful eye to reach out to areas that offer a good catchment, have optimal overheads. This is the clear endeavor of your Company's management, and is bound to yield fruitful results. You are the shareowner of a Company that is well-diversified and is fortunate to have enormous inherent strength.

With your support, I am confident of leveraging opportunities and overcoming challenges to report exciting success in the coming times as well. Thank you once again for your unstinted support to the Company and your unwavering belief in the Board and the Management.

Warm regards,

Vinod K Jain

CHAIRMAN

SRG HOUSING FINANCE LIMITED
321, S.M.LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR- RAJASTHAN

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of **SRG HOUSING FINANCE LIMITED** will be held on Monday , **12th day of August, 2013 at 12.15 P.M. at Hotel Q , 2- A New Flora Complex, Near New Pula Bridge, Fatehpura, Udaipur- Rajasthan 313 001** to transact the following business:

ORDINARY

1. To receive, consider and adopt the audited accounts of the Company for the year ended on 31st March, 2013 along with the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Vikas Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Kabra who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Valawat, Jha Pamecha & Co., Chartered Accountants, having firm registration no. 008265 C, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

SPECIAL

5. **To Enhance the Borrowing Limits of the Board of Director of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION

"RESOLVED THAT , in modification of the earlier resolution passed at the Extra-ordinary General Meeting held on 26.04.2012, pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), authority and consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to borrow and raise such sum or sums of money or monies from time to time as may be required for the purpose of business of the Company notwithstanding that the money or monies to be borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of such borrowings shall not exceed Rs. 200 Crores at any point of time."

6. **To mortgage/create charge on the movable/immovable assets of the Company**

To consider and, if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in modification of the earlier resolution passed at the Extra-ordinary General Meeting held on 26.04.2012, pursuant to Section 293(1)(a) of the Companies Act, 1956 and any other applicable provisions thereof including any amendment or modifications thereof, the Board of Directors of the Company be and are hereby authorized to create securities by mortgaging/ charging the movable and/ or immovable properties of the Company both present and future, including whole or substantially the whole of the undertaking(s) of the Company, in such form and manner as the Board of Directors may deem fit, for securing loans and/ or advances that may be obtained from any financial institutions/ banks/ body corporate(s) or persons together with interest, cost, charges, expenses and all other monies payable by the Company or by the subsidiary or group companies for the loan and/or financing facilities obtained with the consent of the Company, to the lenders, up to a value of and with in the overall borrowing limit of the Board of Directors as approved by the Shareholders from time to time.



RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board of Directors or Committee or persons authorized by the Board be and are hereby authorized to finalize and execute any and all agreements and documents, necessary for creating mortgage and / or charges as aforesaid and to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to resolve any question, difficulty or doubt relating thereto, or otherwise considered to be in the best interest of the Company.”

7. AMENDMENT IN MAIN OBJECT CLAUSE

To Consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 17 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the confirmation of the Registrar of Companies, Jaipur, the Object Clause III A 1 & 2 shall be substitute as follows :

(i) To substitute the following clause in place of the existing clause 1 in Memorandum of Association Clause III (A):

“1. To provide long term finance to any person or persons or co-operative society or Firm or association of persons or body of individuals or company or corporation either at interest or without and / or with or without any security for construction, purchase, enlarge, repair or renovation of any houses, flats, raw houses, bungalows, rooms, huts used for residential purpose either in total or part thereof or to purchase any free hold , leasehold lands or abadi Land ,estate or interest in any property to be used for residential purposes or provide mortgage or other loan on the tourism Units, residential , Institutional, Industrial or commercial property including reverse mortgage AND also provide short or long term finance to any person or persons or co-operative society or Firm or association of persons or body of individuals or company or corporation engaged in the business of colonizers or for construction of houses or flats for residential purpose to be sold by them in cash or by way of hire purchase or on deferred payment or other similar basis or provide finance / loan in any form upon such terms and conditions as the Company may think fit and proper.”

ii) To substitute the following clause in place of the existing clause 2 in Memorandum of Association III (A):

“2. To build, take on lease, purchase or acquire in any manner whatsoever any land, apartments, houses, flats, bungalows, raw houses, rooms & huts or other accommodation for residential or commercial use and to let or dispose of the same on any system of installment payment basis, rent, purchase basis or by outright sale whether by private treaty or in any other mode of disposition all or any integral part thereof as the Company may think fit and proper.”

The Board of Directors of the company be and is hereby authorized to take all such effective steps to implement the decision of the members of the company as they may consider appropriate in the interest of the company and to do all such acts, deeds and things from time to time for and on behalf of the Company.

RESOLVED FURTHER THAT Mr. Vinod K Jain Chairman & Managing Director of the Company be and is hereby individually authorized to sign and file all the documents and forms to alter/ replace / substitute the above object clauses in the Memorandum of Association of the Company as may be required, to represent the Company before the Registrar of Companies, Jaipur, make submission, appoint any professional or any other official of the company to represent the company in the office of Registrar of Companies, Jaipur whom they deemed fit and do all such acts, deeds ,things as may be necessary for this purpose.

8. RE-APPOINTMENT OF CHAIRMAN & MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without modification, the following as a Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 ,310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, consent be and is hereby accorded to re-appoint Mr. Vinod K. Jain as Chairman & Managing Director on revised terms and conditions as mentioned in herein below and as approved in Remuneration committee’s meeting held on dated 21st April, 2013 copy of which is submitted to the meeting and signed by Mr. Ashok Kabra , Independent Director and Chairman of Remuneration Committee for the purpose of identification.

A. Salary & Perquisites

The Managing Director will be paid salary of Rs. 225000/- per month (Inclusive all Perquisites as per Companies rules and Regulation) in the range of Rs. 225000/- to Rs. 400000/- PM.

B. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Vinod K Jain, the Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above and shall be governed by the limits prescribed under Section II (B) of Part II of Schedule XIII of the Companies Act, 1956 as may be for the time being in force.

C. TENURE :- For a period of 3 years from 07/05/2013 to 06/05/2016

RESOLVED FURTHER THAT the remuneration payable to Mr. Vinod K Jain Managing Director by way of salary, perquisites and other allowances and benefits does not exceed the limits laid down in sections 198 and 309 of the Act, or schedule xiii of the act, including any statutory modifications or re-enactment thereof.

Resolved further that pursuant to the Articles of Association of the Company, Mr. Vinod K. Jain shall not retire by rotation

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

Registered Office :
321, S.M.Lodha Complex,
Near Shahtri Circle ,
Udaipur-313001
Date: 11th July, 2012

By Order of the Board of Directors

Vinod K Jain
Chairman & Managing Director

Notes:

- (1) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the meeting.
- (2) Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (3) Members/Proxy holders are requested to bring their copy of the Annual Report .
- (4) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 9th August 2013 to Monday 12 August, 2013 (both days inclusive).
- (5) The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent – Sharex Dynamic (India) Pvt. Ltd. The Company will not act on any request received directly from the shareholder holding shares in electronic form.
- (6) Brief resume and other information in respect of Non-Executive Director seeking re-appointment at the Annual General Meeting pursuant to clause 52 of the Listing Agreement :

Name of Director	Vikas Gupta	Ashok Kabra
Date of Birth	04.12.1979	22.06.1971
Nationality	Indian	Indian
Date of Appointment	26.04.2012	07.05.2012
Qualifications	B.Com, LLB	B Com
Experience of functional Area	8 years in Profession	Around 20 Years in Business
Shareholding in the company	NIL	NIL
List of Directorship held in other Companies	NIL	NIL
Committee Membership	3	2

- (7) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. 5 to 8 of the Notice as set out above , is annexed hereto.



ANNEXURE TO NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item no. 5: To Increase the Borrowing Powers of the Board of Directors

The members of the Company at the Extra ordinary general meeting held on 26/04/2012 authorised the Board of Directors to borrow money amounting to Rs. 50 crores .

As per the provision of the section 293(1)(d) of the Companies Act,1956 the Board of Directors of the Company cannot borrow money in excess of the aggregate of its paid up share capital and free reserves, that is to say - reserves not set apart for any specific purpose without the consent of the Company in general meeting.

The Company is in process of expanding its existing activities. In order to enable the Board of Directors to finance the growing needs as well as for the future plans, it is proposed to authorize the Board of Directors of the Company to borrow money for the purpose of the business up to Rs.200 crores over and above the paid up share capital and free reserves of the Company.

The Directors recommend-the resolution for members' approval as an Ordinary Resolution as set out at the item no. 5 of the accompanying notice .

None of the directors is any way concerned or interested in the resolution proposed to be passed.

Item no. 6: To mortgage/create charge on the movable/immovable assets of the company

In furtherance to the resolution no 5 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable properties of the Company and as per provisions of Section 293(1)(a) of the Companies Act,1956, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence requires approval from the shareholders of the Company.

The Directors recommends the resolution for members' approval by way of Ordinary Resolution as set out at the item no. 6 of the accompanying notice .

None of the directors is any way concerned or interested in this resolution proposed to be passed.

Item no. 7: AMENDMENT IN OBJECT CLAUSE

The Company plan to expand its activities in the field of financing in the commercial properties and to start business of construction of commercial and residential buildings and houses subject to approvals from NHB , which would be profitable for the company as part of expanding activities to the existing objects. For this purpose the objects clause of the company which is presently very restricted in scope, requires to be so made out as to cover a wide range of activities to enable your company to consider embarking upon new construction projects and activities considered to be convenient, advantageous and feasible for the company's business

The Directors belief that the amendment in object clause by replacing clauses 1 and 2 in the existing Clause No. III (A), which shall empower the company to expand its activities in the housing finance & construction business.

Your directors recommend to pass resolution as Special Resolution. None of the Directors are concerned or interested in the proposed resolution.

Item no. 8: REAPPOINTMENT OF MANAGING DIRECTOR

In view of the contribution of Mr. Vinod K. Jain in the Company's performance, the Board of Directors at its Meeting held and pursuant to the approval of the Remuneration Committee and subject to the approval of Members, re appoint the managing director on revised remuneration as set out below payable to Mr. Vinod K. Jain, Managing Director and chairman with effect from 7th May, 2013, in line with the current market trends and after unwillingness to work as whole time directors by Mr Rajesh Jain and Seema Jain ,to provide a stimulus to Mr. Jain's efforts in leading the Company to achieve greater heights. The Remuneration Committee was also of the unanimous view that this would be the remuneration, which would be necessary to retain the services of Mr. Jain, considering his vast experience and strong ability to lead and expand the business initiatives of the Company ,the following salary scale shall be replaced

A. Salary & Perquisites

The Managing Director will be paid salary of Rs. 225000/- per month (Inclusive all Perquisites as per Companies rules and Regulation) in the range of Rs. 225000/- to Rs. 400000/- PM.

B. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Vinod K Jain, the Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above and shall be governed by the limits prescribed under Section II (B) of Part II of Schedule XIII of the Companies Act, 1956 as may be for the time being in force..

C. **TENURE:-** For a period of 3 years from 07/05/2013 to 06/05/2016.

This may also be treated as an abstract of the terms of revised remuneration of Mr. Vinod K. Jain, Chairman & Managing Director under relevant acts of the Companies Act, 1956.

Your Directors recommend this Resolution as an Ordinary Resolution for approval of the Members.

Apart from Mr. Vinod K. Jain, none of the other Directors is concerned or interested in this item of business.

The following additional information as required by Schedule XIII to the Act is given below:

I. General Information:

(i) Nature of Industry : The Company is a Housing Finance Company registered with National Housing Bank, New Delhi

(ii) Date or expected date of commencement of commercial production: The Company was incorporated on 10 March 1999. And Started present finance business in the year 2002

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable.

(iv) Financial performance based on given indicators - as per audited financial results for the year ended 31st March, 2013:

FINANCIAL HIGHLIGHTS	(Rs. In lacs)
Gross Revenues	234.52
Profit After Tax	63.62
Share Holders Fund	1251.10

(v) Export performance and net foreign exchange collaborations : Not Applicable.

(vi) Foreign investments or collaborators, if any : Not Applicable.

II. Information about the appointee(s):

(i) Background details:

Mr. Vinod K. Jain has over 21 years of experience in various service industries - transport, Insurance, Finance & construction. With his hard work, devotion and intelligence he has been accredited for the expansion of the business of SRG.

He is responsible for the overall administration of the Company, subject to the superintendence and guidance from the Board. He is a leading personality of the finance sector in Rajasthan.

Apart from this, he is a member of Udaipur Chamber of Commerce and Industry, Bharat Vikash Parishad etc

He received many awards including Contributory award from Bharat Vikas Parishad. he was honored with Best President (India) by Akhil Bhartiya Pulak Jan Chetna Manch. Also awarded with title of Yuva Gaurav at Mahaveer Yuva Manch & Jain Vyavsaya Sangh, Bhamashah Award by Shri Mahaveer Yuva Manch Sansthan. Mr. Jain had been appointed as a President of Pulak Manch for the year 2010-11 and 2011-12.

He was elected as President of :-

- Yuva Parishad Udaipur 2009-10, 2010-11 continuously for term of two years.



- Lions Club Udaipur: 2005-2006 and 2011-12

Mr. Jain has contributed a lot for the progress of the SRG and after his leadership the balance sheet of SRG has multiplied 2.5 times within a year.

(ii) Past remuneration during the financial year ended 31st March, 2013:

Name of Mg. Director	Amount (Rs. in Lakhs)
Mr. Vinod K Jain	12.00

(iii) Recognition or Awards:

The information is already covered in the section "Background details".

(iv) Job Profile and their suitability:

Mr. Vinod K Jain is the Promoter Director of the Company and in the year 2012 he is appointed as Managing Director on 07/05/2012. He is responsible for the Finance & Credit department and day to day affairs of the Company. Taking into consideration his qualifications and expertise in relevant fields, the Managing Director is best suited for the responsibilities currently assigned to him by the Board of Directors.

(v) Remuneration proposed:

For Managing Director

Mr. Vinod K Jain Basic Salary of Rs. 2,25,000/- per month (In the range of Rs. 2,25,000- Rs. 4,00,000) as fully set out in the Notice.

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Taking into consideration the size of the Company, the profile of Mr. Vinod K Jain, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is very low commensurate with the remuneration packages paid to similar senior level counterpart(s) in other peer companies.

(vii) Pecuniary relationship(s) directly or indirectly with the Company, or relationship with the managerial personnel, if any: Besides the remuneration proposed to be paid to him, the Managing Director does not have any other pecuniary relationship with the Company.

III. Other Information:

(i) Reasons of loss or inadequate profits : The Company has posted a net profit after tax of Rs. 63.62 Lacs during the year ended 31st March, 2013 almost doubled from immediate preceding year. Further earlier Company does not have more funds for its business, but in the month of September 12 ,company raised funds from IPO and availed term loan from Bank to the extent of Rs 11 crores. Further company is in negotiation with Bankers and Financial Institutes for more funds for the financing business. The main reason behind inadequate profits in earlier years was lack of funds, but now Company already arranged funds to the extent of Rs 11 Crores and is hopeful to get more funds during the year.

(ii) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms: The Company posted net profit of Rs. 63.62 Lacs for the year ended 31st March, 2013. During the year company had successfully raised capital via IPO to the extent of Rs 700.80 Lacs .Now the company is looking forward to raise more long term funds from Banks and Financial institutions for the company's business, board is hopeful to multifold the profit of the company under the leadership of Mr. Vinod K Jain , Managing Director of the Company

Registered Office :
321, S.M.Lodha Complex,
Near Shahtri Circle ,
Udaipur-313001
Date: 11th July, 2013

By Order of the Board of Directors

Vinod K Jain
Chairman & Managing Director

Annual Report 2012-13 CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Shri Vinod K Jain	Chairman and Managing Director
2. Shri Rajesh Jain	Director
3. Smt Seema Jain	Director
4. Shri Ashok Kabra	Independent Director
5. Shri Vikas Gupta	Independent Director
6. CA Chirag Dharmawat	Independent Director

AUDITORS

M/s. VALAWAT JHA PAMECHA & CO.
Chartered Accountants
UDAIPUR

PRINCIPAL BANKER

STATE BANK OF INDIA

REGISTERED OFFICE

321, S. M. Lodha Complex
Near Shastri circle
Udaipur- 313 001
Rajasthan
Phone: 0294-2412609
Fax: 0294-5100098

ANNUAL GENERAL MEETING

Date : 12th August, 2013
Time : 12.15 PM.
Venue : Hotel Q, 2-A, new flora Complex,
New Pula bridge, Fatehpura
Udaipur -313 001
Rajasthan

REGISTRARS AND SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri - East, Mumbai - 400 072.
Phones : 022 - 28515606, 28515644.
Fax : (022) 28512885
email: sharexindia@vsnl.com
Website : www.sharexindia.com

AUDIT COMMITTEE

- 1) CA. Chirag Dharmawat, Chairman
- 2) Shri Vikas Gupta, Member
- 3) Shri Vinod K Jain, Member

SHAREHOLDERS GRIEVANCE COMMITTEE

- 1) Shri Vikas Gupta, Chairman
- 2) Shri Ashok Kabra, Member
- 3) Shri Rajesh Jain, Member

REMUNERATION COMMITTEE

- 1) Shri Ashok Kabra, Chairman
- 2) CA Chirag Dharmawat, Member
- 3) Shri Vikas Gupta, Member

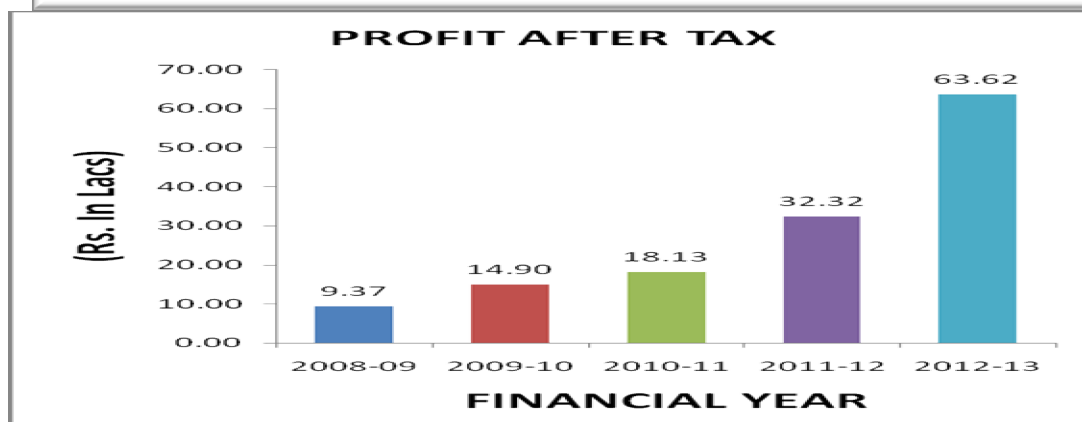
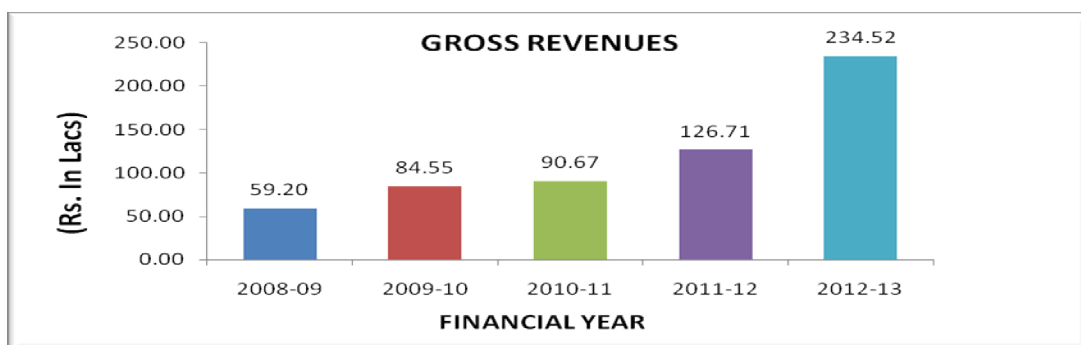
EXECUTIVES

Ms. Shanu Bhandari, Company Secretary

FINANCIAL GROWTH



FINANCIAL HIGHLIGHTS					(Rs.In lacs)
	2008-09	2009-10	2010-11	2011-12	2012-13
Gross Revenues	59.20	84.55	90.67	126.71	234.52
Profit After Tax	9.37	14.90	18.13	32.32	63.62
Shareholders' Funds	248.53	264.47	305.65	491.33	1251.10
Share Capital	200.10	200.10	225.10	305.10	808.05
Reserve and Surplus	48.43	64.37	80.55	186.23	443.05
Borrowings from Banks	108.10	223.71	276.06	347.86	733.06
Housing & Other loan outstanding	318.66	451.64	500.83	757.13	1883.14



DIRECTORS' REPORT

To the members of SRG Housing Finance Limited

Your Directors are pleased to present their Fourteenth Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended 31st March, 2013.

The Financial performance of the Company for year ended 31st March, 2013 is summarized below:

FINANCIAL RESULT

(Rs. In Lacs)		
Particulars	<u>2012-13</u>	<u>2011-12</u>
Gross Income	234.52	126.71
Less: Finance Cost	65.15	47.35
Overheads	79.33	31.75
Depreciation	6.17	3.53
Profit before Tax & Exceptional Items	83.87	44.08
Add : Exceptional Items	0.00	0.00
Profit before Tax	83.87	44.08
Less : Provision for taxation	20.55	11.88
Profit after tax	63.32	32.21
Deferred Tax Assets	0.29	0.11
Add : Balance b/d from the previous year	72.44	53.26
Surplus available for appropriations	136.05	85.58
Appropriations		
Transferred to Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	12.70	6.50
Provision for standard Assets	4.54	2.63
Provision for NPA	0.10	4.01
Bonus Issue	71.20	0.00
Balance carried over to Balance Sheet	47.51	72.44
Total	136.05	85.58

PERFORMANCE

Lending Operations Disbursement of Loans:

Your Company registered a remarkable growth in its operations. The operating profit before charging depreciation and tax amounted to Rs.90.05 lacs as against Rs. 47.61 lacs in the preceding year; representing a rise of 89%. Profit After Tax (PAT) before extraordinary items went up by 97% to Rs. 63.32 Lacs from Rs. 32.21 Lacs in the previous year.

The loan disbursed during the year ended 31st March, 2013 was to the extent of Rs. 1446 Lacs as against Rs. 411 Lacs disbursed during the previous year.

As at 31st March, 2013, the loan book stood at Rs. 1883.14 Lacs as against Rs. 757.13 Lacs in the previous year an increase of 149%.



As part of its liability management, your Company endeavors to diversify its resource base in order to achieve an appropriate maturity structure and minimize the weighted average cost of borrowed funds. During the year under review, fresh term loans of Rs. 400 Lacs were availed from the State Bank of India in addition of fresh issue of Shares.

DIVIDEND

Your Directors felt it prudent to retain the earnings for the year under review to be ploughed back in business, which shall result in further augmentation of the Company's growth and shareholders' wealth

CAPITAL ADEQUACY

Particulars As on 31st March	2013	2012
Capital Adequacy Ratio	67%	81 %

Your Company's capital adequacy ratio was at 67% as on 31st March, 2013, which we believe provides an adequate cushion to withstand business risks and is above the minimum requirement of 12% stipulated by the NHB.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

Your Company adhered to the prudential guidelines for Non performing Assets (NPAs), issued by the National Housing Bank (NHB) under its Directions of 2010, as amended from time to time. As per the prudential norms, the income on such NPAs is not to be recognised.

As per the prudential norms prescribed by the NHB, the Company has made provision for contingencies on standard as well as non-performing housing loans and property loans.

PARTICULARS OF EMPLOYEES

During the year under review, no employee of the Company was in receipt of the remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended

INFORMATION TECHNOLOGY AND COMMUNICATIONS

During the financial year 2012-13, apart from upgrading the existing software applications with enhanced/ added features to meet the current and emerging business needs, certain new application systems were implemented.

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, as amended, the relevant information is given below :

A. CONSERVATION OF ENERGY :

The Company's operations are not power intensive. Nevertheless, your Company is taking every steps to conserve and minimise the use of energy wherever possible such as using energy efficient computer terminals, purchasing energy efficient equipments etc.

B. RESEARCH AND DEVELOPMENT :

The Company has no formal research and development department but the Company is continuously making efforts to strengthen research and development activities to improve quality and reduce cost.

C. TECHNOLOGY IMPORT AND ABSORPTION :

The Company has imported no technology. Indigenous technology available is continuously upgraded to improve overall performance.

D. FOREIGN EXCHANGE EARNINGS AND OUT GO

During the year under review there was no earnings and outgo in foreign exchange.

INITIAL PUBLIC OFFERING

Company has fully spent / utilized the proceeds of the funds raised under the IPO as per the object of the issue up to 31st March, 2013. The disclosure in compliance with the Listing Agreement is as under :

STATEMENT OF UTILIZATION OF ISSUE PROCEEDS BY COMPANY AS ON 31ST MARCH, 2013

(Rs. In Lac)

Issue Objects (as per Prospectus)	Amount to be utilized	Amount actually utilized Up to 31 st March, 2013
To Augment Capital base and provide for fund requirement for increasing operational scale with respect to Financing activities		
Granting of Loans	635.00	639.21
To meet the Issue Expenses	65.80	61.59
Total	700.80	700.80

CORPORATE GOVERNANCE :

Pursuant to the Clause 52 of the Listing Agreement with the Bombay Stock Exchange Limited, Report on Corporate Governance is annexed herewith .

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the Clause 52 of the Listing Agreement with the Bombay Stock Exchange Limited, Report on Management Discussion and Analysis Report is annexed herewith .

PUBLIC DEPOSIT

Your Company has not accepted any deposits from the public during the year under review

DIRECTORATE

Mr. Vikas Gupta and Mr. Ashok Kabra, directors of the company liable to retire by rotation and being eligible have offered themselves for re-appointment.

Further re appointment of Mr Vinod K Jain Chairman and Managing Director on revised remuneration is also approved by board and remuneration committee.

Your Directors recommend the above re-appointments.

BONUS ISSUE

The Company allotted a bonus issue of Shares in the ratio of 2:1 by capitalising Rs. 15255000/-the balance lying in the Reserves and Surplus

PUBLIC ISSUE

During the year under review your Company entered into the capital market with a maiden public issue of 3504000 equity shares of Rs. 10/- each at a premium of Rs. 10/- per share aggregating to Rs.70080000. The issue received an overwhelming response and the same was over subscribed by 1.15 times. The equity shares have been listed and are being traded on the SME platform of the Bombay Stock Exchange Limited.

Subsequent upon the bonus and public issue of the shares the issued, subscribed and paid up capital of your Company stands at Rs. 80805000 divided into 8080500 equity shares of Rs. 10/- each.

AUDITORS

The Board of Directors of the Company have on the recommendation of the Audit Committee proposed that M/S Valawat, Jha, Pamecha & Co., Chartered Accountants, Udaipur be re-appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company. M/S Valawat, Jha, Pamecha & Co., Chartered Accountants, Udaipur have forwarded their certificates to the Company stating that their re-appointment, if made, will be within the limit specified in that behalf in Sub-section (1B) of Section 224 of the Companies Act, 1956.

Your Directors request you to appoint the auditors and fix their remuneration.



AUDITORS' REPORT

The Auditors' observations are self explanatory and hence do not call for any further clarification under section 217 of the Companies Act, 1956.

INVESTOR COMPLAINTS AND COMPLIANCE

All the investor complaints duly resolved and as on date no complaints are pending.

LISTING OF SHARES

The Equity Shares of your Company are listed on the SME platform of Bombay Stock Exchange Limited P. J. Towers, Dalal Street, Mumbai - 400 023 and the listing fees for the year 2013-2014, has been paid.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2013; the applicable accounting standards have been followed along with proper explanation relating to material departure
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the profit and loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

ACKNOWLEDGEMENTS

The Directors place on record their appreciation for co-operation and support extended by the Government, NHB, Banks, SEBI, Shareholders, Bankers to issue, RTA and customers for their continued support extended to the company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Vinod K Jain
Chairman & Managing Director
Place: - Udaipur
Date: - 24th April, 2013

MANAGEMENT DISCUSSION & ANALYSIS REPORT

GENERAL: OVERVIEW OF THE ECONOMY

INDUSTRY STRUCTURE & DEVELOPMENTS

The growing demand for new houses surpasses the supply several times and this stage of demand of supply ratio has led to a steep rise in residential rates in urban and semi urban areas. Despite the enormous growth in the housing supply in the last decade, India will suffer from a severe crisis due to shortage in housing supply.

The growth in the number of households in India is result of an increase in population and changing income demographics in India, especially in semi urban and urban areas. The increase in population has a direct bearing on the requirement for housing units. The number of households is likely to rise with the change in the age of the population. Population growth is occurring in a younger age group and it is estimated that this will translate into a tremendous increase in the working population, thereby leading to greater demand for housing.

Presently, the affordable housing is basically targeted at economically weaker class and low income groups and constitutes majority of the Indian housing industry, both in terms of value and volume. However, medium housing segment is also witnessing tremendous growth, especially in Tier-2 and Tier-3 cities. These factors are expected to sustain the growth of luxury housing segment in long run.

Despite a higher interest rate environment, the demand for home loans remained robust. The shortage in dwelling unit is further accentuated in the mid-income and low-income segments. This was predominantly on account of rising disposable incomes and continued fiscal incentives on housing loans. Given the acute shortage of housing in the country and low mortgage penetration, demand for home loans is likely to remain strong.

OPPORTUNITIES & THREATS

The growth in housing and housing finance activities in recent years reflect the optimistic state of the housing finance market in the country. Housing constitutes an important component and a measure of socio-economic status of people. The accessibility of housing finance for people in general has evolved, developed and improved over the years. The financial institutions have come to see good value in funding this component of the economy. With growing number of players and mainly “Scheduled Commercial Banks” becoming very aggressive in this segment; the housing finance sector is increasingly becoming market driven. Overall, the affordability of housing loans clearly appears to have improved with fast growing number of borrowers. The Government is taking continuous efforts to improve housing and habitat conditions by way of financial allocations in the Five Year Plans and fiscal measures related to housing announced in the Union Budgets. In the Finance Bill, 2013, the following positive measures were announced for growth of housing and growth in supply of housing finance:

- Additional rebate UNDER Income Tax Act , 1961 of Rs 100000/- u/s 80EE for Individual who take Housing loans during the financial year 2013-14 up to Rs. 25,00,000/- for a house costing up to Rs.40,00,000/- from any financial institutions subject to fulfillment of certain conditions.
- National Housing Bank to set up Urban Housing Fund of Rs 2,000 crores in 2013-14.

Demand for housing in the mid segment that is residential homes in the price bracket of Rs.25 lacs to 40 lacs which accounts for In tier II cities are more than 85% of property sales in volume, which have the potential for doing very well considering the disposable income of households in that segment of which majority households are nowadays falling under “double income family category”.

While the future growth outlook of the housing market looks reasonably good, with the sector becoming more demand driven, the challenge lies in its inclusiveness. Presently access to formal credit is mostly available to the people in the formal sector who are salaried and have dominant incomes.



There are lots of potential in urban areas also for housing finance to penetrate. India will ride the wave of urban expansion. The urban population share may reach 50 per cent in 25 years adding 300 to 400 million people to the existing population of about 350 million in urban areas (Source: Mid-Term appraisal of the 11th Five Year Plan). The potential rise in urban households will also be potential customer base for housing finance Company.

The property prices have seen upward movement and the rise in interest rates due to inflationary pressures could impact the affordability of the average home loan borrower to a great extent. Nevertheless the housing finance sector is expected to continue to grow steadily backed by the continuing demand and supply gap in dwelling units, reducing age profile of borrowers, higher income levels, increasing proportion of double income households, and easy and wider choice of financing options.

Housing being one of the low risk asset classes for financiers and hence scheduled commercial banks has become very aggressive in this segment, which are having established network across the country and also have access to funds at a relatively cheaper rate. With the active presence of scheduled banks in the housing finance segment, the market dynamics will play a pivotal role in determining the lending rates and consequently will affect the margins of "Stand alone housing finance companies", for which the availability of longer term funds at affordable rates is a cause of concern. The introduction of "Base Rate" system in the Banking resulted in gradual increase in cost of funds for housing finance industry.

However still there is ample scope for the "Housing Finance Industry" to grow, due to huge demand and supply gap existing in housing segment and the consequent need for funding of purchases of shelter across all segments of the population.

Fulfillment of NHB Guidelines:

SRG HFL continues to fulfill all norms and standards laid down by the NHB pertaining to Asset Liability Management, Fair Practices Code etc. The NHB inspection report dated 08/10/2012 was placed before the Board of Directors on the Board meeting held on 5/11/2012. The necessary actions have been taken and responded to NHB accordingly.

Risk Management and Portfolio quality:

As a registered Housing Company with NHB, the company is exposed to credit risk, liquidity risk and interest rate risk. SRG HFL recognizes the importance of risk management. It has invested in people, processes and technologies to effectively mitigate risks posed by external environment and by its borrowers it has also put in place a strong risk management team, an effective credit operations structure, has invested in credit analytics, increased credit bureau usage and invested in technology up-upgrades to manage its risks.

The company's Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the NHB, monitors asset-liability Mismatches, to ensure that there are no major imbalances or excessive concentrations on either side of the balance sheet.

SEGMENT REPORTING

The Company is exclusively engaged in the Housing and Mortgage Finance business and revenues are mainly derived from this activity. Accounting Standard 17 regarding Segment-wise Reporting issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 does not apply to your Company since revenues are derived from only one segment i.e. From finance activity.

RISKS AND CONCERNS

Housing Finance Companies has to manage various risks associated with mortgage business. These risks include liquidity risk, interest rate risk, and credit risk. With the tenure of Housing Finance Companies' borrowings being shorter (because of the lack of availability of long-term funds at competitive rates) that of housing loans, asset-liability-mismatch (ALM) risks are inherent in the housing finance business. While prepayment (foreclosures of loans) and unutilized bank credits do help the HFCs maintain a comfortable liquidity profile, such scenario may not continue forever. This issue could be addressed by making "long-term funding sources" at competitive rates through further development of the capital markets and a mortgage backed securitization market.

Intense competition, increase in cost of borrowing and narrowing of spread, pose a big challenge for sustaining profitability on consistent basis. Prevailing inflationary trends will impact the affordability of vast number of end users.

RISK MANAGEMENT

Liquidity risks and interest rate risks arising out of maturity mismatch of assets and liabilities are managed by your Company by constant monitoring of the maturity profiles with a periodical review of the position. Your Company's majority of housing loan advances are on fixed rate of interest basis and normally any movement in rate of borrowings has directly impact on the company's profitability as if the rate is increased by RBI or lender bank the profitability of the company decreased and vice versa

The Company's borrowing is planned duly taking into consideration ALM Gaps, interest rate mismatches. But this depends on the prevailing market conditions. The prime lending rate of the Company is regularly reviewed and revised as it is benchmark for asset pricing.

Credit risks are mitigated by having well established credit appraisal system in place which are regularly monitored/ modified periodically. Your Company continues to give utmost priority to its credit appraisal mechanisms and building up quality assets.

During the year various guidelines/ circulars were issued on the operational side to ensure better credit appraisal.

INTERNAL CONTROL SYSTEMS & ADEQUACY

Your Company believes in formulating adequate and effective internal control system and implementing the same to ensure that assets and interests of the Company are protected and safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Company has internal audit which is commensurate with the size of its operations. The internal audit is carried out by independent firm of Chartered Accountants and covers the key areas of business. The Audit Committee and Statutory Auditors are periodically apprised of the internal audit findings and compliances.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. Company's Audit Committee reviews the internal control system and looks into the observations of the statutory and internal auditors.

INFORMATION TECHNOLOGY

Your Company is developing new in house accounting software which is a step towards aligning technology to the projected business growth. All our operations (Satellite centers and corporate office) will be in the "central data base platform" from the coming financial year. The steps taken to upgrade Information Technology platform will facilitate your Company to serve the customer(s) in an efficient manner and which is an integral part of the control mechanism.

DISCUSSION ON FINANCIAL PERFORMANCE AND OPERATIONAL HIGHLIGHTS

The financial and other operational performance of the Company for the year under review has been discussed in detail in the Directors' Report. The Cash-Flow Statement and the Balance Sheet Abstract and Company's General Business Profile are annexed to the Annual Accounts of the Company.

MARKETING

The Marketing activities at the satellite center are reviewed at the Corporate Office level periodically and required guidance's are issued as and when required. The marketing of your Company's home loan products are done through direct sales, through Direct Selling Agents & tie up with builders. Marketing of home loan products with a focused attention on existing as well as the prospective customers is a constant endeavor at the Company with new 6 satellite centers spread across the Rajasthan. During the year under review your Company has started engaging Marketing Managers, whose sole function is marketing of our various home loan products.

PROVISION ON STANDARD ASSETS

The requirement relating to creation of a general provision at 0.4% of the total outstanding home loan port folio, which are standard assets, in terms of the Directions issued by National Housing Bank (NHB) has been complied with. The provisions made in this respect during the year are Rs. 7.46 Lacs

The classification of loans and provisions made for non-performing assets is given in the notes on accounts.



HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company has dedicated team of employees who have been contributing to the progress and growth of the Company. The manpower requirement of offices of the Company is assessed continuously and recruitment is conducted accordingly.

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Your Company has developed a comprehensive “in-house” induction training module to make sure that new employees understand the basic aspect of the Company in its all operations.

In pursuance of the Company’s commitment to develop and retain the best available talent, the Company had been sponsoring the employees for training programmes organized by reputed professional institutions training programmes conducted by National Housing Bank for upgrading the skill and knowledge of the employees in different operational areas.

RELATED PARTY TRANSACTIONS

Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee. None of the transactions with any of the related parties were in conflict with the interests of the Company. The details of transactions with the Company and related parties are given for information under notes to accounts.

CAUTIONARY STATEMENT

Statements in this Directors’ Report and Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward-looking statements” within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. These statements are based on certain assumptions and expectations of future events over which the Company has no direct control. Important factors that could make a difference to the Company’s operations include performance of the overall economy; rate of interest position in the economy; performance of the real estate market and other relevant external and internal factors.

For and on behalf of the board of directors

Vinod K Jain
Chairman & Managing Director
Place: - Udaipur
Date: - 24th April, 2013

CORPORATE GOVERNANCE REPORT

In terms of Clause 52 of the Listing Agreement with BSE Limited (BSE) the report containing details of corporate governance systems and processes at SRG Housing Finance Limited is as under:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's Corporate Governance Philosophy is based on trusteeship, transparency, empowerment, control and ethical corporate citizenship. The Company believes that the practice of each of these create a right culture and fulfills the true purpose of Corporate governance. The Company remained committed towards protection and enhancement of overall long term value for its entire stakeholders – customer, lenders, employee and society.

Your company has consistently aimed at developing and internalizing such policies and implementing best-in-class actions that make it a good model of corporate governance. To that effect your Company has adopted practice mandated in Clause 52 of listing agreement & has established procedure & systems to be fully compliant with it.

BOARD OF DIRECTOR

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors as per Clause 52 of the listing agreement. The Board comprises of 6 Directors, out of which three Directors are Promoter- Directors and Three directors are non-executive Independent directors. The Independent Directors take active part at the Board and Committee meetings, which adds value in the decision making process. Half of the Board comprise of non-executive Independent directors.

As on 31st March 2013 the details of composition of Board, category of directors as well as their Directorship/membership in other companies/committees are given below

The Board comprises of the following:

Sr. No	Name of the Director	Designation	Executive / Non Executive / Promoter	Independent / non Independent
1	Vinod K Jain*	Chairman & Managing Director	Executive Director & Promoter	Non- Independent
2	Rajesh Jain**#	Director	Non Executive Director & Promoter	Non- Independent
3	Seema Jain***	Director	Non Executive Director & Promoter	Non- Independent
4	Chirag Dharmawat	Director	Non Executive Director	Independent
5	Vikas Gupta	Director	Non Executive Director	Independent
6	Ashok Kabra	Director	Non Executive Director	Independent

Note:-

* Change in designation from WTD to Managing Director w.e.f. 07.05.2012

Mr. Rajesh Jain & Mrs. Seema Jain appointed as WTD w.e.f.07.05.2012

** Change in designation from WTD to Executive Director w.e.f. 04.06.2012

*** Change in designation from WTD to Non Executive Director w.e.f. 01.02.2013

Change in designation from Executive Director to Non Executive Director w.e.f. 01.02.2013

Mr. Ashok Kabra appointed as director w.e.f. 07.05.2012

Mr. Vikas Gupta & Chirag Dharmawat appointed as director w.e.f. 26.04.2012



Board Meetings and Attendance of Directors

During the year under review, Nineteen (19) Board meetings were held, on the following dates:

02.04.2012 , 10.04.2012 , 20.04.2012 , 30.04.2012 , 07.05.2012 , 10.05.2012 , 16.05.2012 , 17.05.2012 , 20.05.2012 , 04.06.2012 , 19.07.2012 , 31.07.2012 , 21.08.2012 , 04.09.2012 , 27.09.2012 , 05.11.2012 , 15.11.2012 , 01.02.13 & on 28.02.13

Attendance of directors at the board meetings and at the last Annual General Meeting held on 04/06/ 2012 is as under

Sr. No	Name of the Director	Designation	Board Meetings during the year 2012-13		No of Directorship in other limited companies	Members of Committee		Attendance in last AGM held on 4/6/12
			Held	Attended		Member	Chairperson	
1	Vinod K Jain	Chairman & Managing Director	19	19	1	1	0	Yes
2	Rajesh Jain	Non Executive Director & Promoter	19	19	1	1	0	Yes
3	Seema Jain	Non Executive Director & Promoter	19	19	1	0	0	Yes
4	Chirag Dharmawat	Non Executive Independent Director	19	7	0	1	1	Yes
5	Vikas Gupta	Non Executive Independent Director	19	5	0	2	1	Yes
6	Ashok Kumar Kabra	Non Executive Independent Director	19	5	0	1	0	Yes

*Directorships and Committee member/Chairmanship in other companies mentioned above excludes directorships in private limited companies, unlimited companies, foreign companies and Companies incorporated under section 25 of the Companies Act, 1956.

While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership / Chairmanship of only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered pursuant to Clause 52 of the listing agreement. None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.

GENERAL BODY MEETING:

1. Annual General Meetings

The last three Annual General Meetings of the Company were held within the statutory time period and the details of the same are as under:

PARTICULARS	DATE & TIME	VENUE
11 th AGM	28/09/2010 AT 11.00 AM	321, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR
12 th AGM	28/07/2011 AT 11.30 AM	321, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR
13 th AGM	04/06/2012 AT 11.00 AM	321, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR

2. Details of Extra Ordinary General Meetings:

PARTICULARS	DATE & TIME	VENUE
E.G.M.	17/03/2012 AT 11.00 AM	321, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR
E.G.M.	26/04/2012 AT 11.00 AM	321, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR
E.G.M.	7/5/2012 AT 11.00 AM	321, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR
E.G.M.	15/06/2012 AT 11.00 AM	321, S M LODHA COMPLEX, NEAR SHASTRI CIRCLE, UDAIPUR

Special Resolutions Passed At Previous AGM's / EGM's

11 th Annual general Meeting held on 28/09/2010	No Special Resolution was passed
12 th Annual general Meeting held on 28/07/2011	No Special Resolution was passed
Extra ordinary general meeting held on 17/03/2012	Increase in authorized Share capital
Extra ordinary general meeting held on 26/04/2012	Issue of bonus shares Increase in Borrowing powers
Extra ordinary general meeting held on 07/05/2012	Issue of Share capital Appointment of CMD
13 th Annual general Meeting held on 04/06/2012	No Special Resolution was passed
Extra ordinary general meeting held on 15/06/2012	Change in Name from S.R.G. Housing Finance Limited to SRG Housing Finance limited

3. Postal Ballot: -

The Company has not put any resolution for postal ballot in previous Annual General Meeting. In ensuing Annual General Meeting there is no business requiring postal ballot.

COMMITTEES OF BOARD

A. Audit Committee

The Audit Committee of SRG Housing Finance Limited consists of the two independent Directors and one Managing Director of the Company. All the Directors have good knowledge of Finance, Accounts and Company Law. CA. Chirag Dharmawat is the Chairman of the Committee. He is a practicing chartered accountant. Mr. Vikas Gupta is legal advisor in direct and indirect taxes. All members of the Committee are financially literate as per meaning of listing agreement. The Committee held 4 (Four) meetings during the year. The Audit Committee also advises the Management on the areas where internal control system can be improved. The Terms of reference of the Audit Committee are in accordance with all the items listed in Clause 52 (II)(D) and (E) of the Listing Agreement and Section 292 of the Companies Act, 1956 as follows:

- ✓ Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ✓ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- ✓ Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- ✓ Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:



1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 2. Any changes in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to financial statements;
 6. Disclosure to any related party transactions;
 7. Qualifications in the draft audit report.
-
- ✓ Reviewing with the management the half yearly financial statements before submission to the Board for approval.
 - ✓ Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems;
 - ✓ Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - ✓ Discussion with internal auditors 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 matters to the Board;
 - ✓ Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - ✓ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - ✓ Mandatorily Review the following information:
 - a) Management Discussion and Analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the audit committee) submitted by management;
 - c) Management letters / letters of internal control weaknesses issued by statutory auditors;
 - d) Internal audit report relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be review by the Audit Committee

The Audit Committee has the following powers:

- i. to investigate any activity within its terms of reference.
- ii. to seek information from any employee.
- iii. to obtain outside legal and professional advice.
- iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Meetings and Attendance during the Year:

During the financial year 2012 -2013, Four meetings of the Audit Committee were held on 07/05/12, 10/07/12, 15/10/12 & 12/01/13. During these meetings, the Committee, inter alia, reviewed the financial statements including changes in accounting policies and practices before submission to the Board, recommended the appointment of statutory and internal auditors including fixation of audit fee, discussed the internal auditors findings and reviewed the company's financial and risk management policies. Generally all items listed in Clause 52 of the Listing Agreement are cover in the term of reference. The Audit Committee has been granted powers as prescribed under Clause 52.

Necessary information as required by Clause 52 of the Listing Agreement is also reviewed by the Audit Committee

Details of Attendance at the Audit Committee

Name Designation	Attendance
CA. Chirag Dharmawat, Chairman	3
Mr. Vikas Gupta, Member	3
Mr. Vinod K Jain, Member	4

B. Remuneration Committee:

(i) Brief description of Terms of Reference

The Remuneration Committee has been constituted to recommend and review remuneration package of managing & Executive Directors by reference to performance, experience and responsibilities.

(ii) Composition of the Committee

The Remuneration Committee consists of three non-executive independent directors, to comply with and meets the requirements of the listing agreement and Schedule XIII of the Companies Act, 1956. Mr. Ashok Kabra is the Chairman and Mr. Chirag Dharmawat & Mr. Vikas Gupta are members of the Remuneration Committee.

(iii) Meetings and attendance

The Committee met twice during the financial year 2012– 2013 on dated 07/05/2012 & 01/02/2013.

(iv) Details of Remuneration of Directors

The details of remuneration paid to the directors during the financial year ended on 31st March, 2013 is as under:

Name	Remuneration	Commission	Sitting Fees	Total
Mr. Vinod K Jain	Rs. 12, 00,000/-	NIL	NIL	Rs. 12, 00,000/-
Mr. Rajesh Jain	NIL	NIL	NIL	NIL
Mrs. Seema Jain	Rs. 1, 00,000/-	NIL	NIL	Rs. 1, 00,000/-
Mr. Ashok Kumar Kabra	Nil	NIL	Rs. 3,000/-	Rs. 3,000/-
Mr. Vikas Gupta	Nil	NIL	Rs. 4,500/-	Rs. 4,500/-
Mr. Chirag Dharmawat	Nil	NIL	Rs. 4,500 /-	Rs. 4,500/-

No Bonus , severance fees, performance linked incentives was paid during the period

(V) Shares held by Non-Executive Independence Directors:

All Non-Executive Independent Directors hold Nil Shares in the SRG Housing Finance Ltd

C. Shareholder's / Investor's Grievances Committee

Terms of Reference

The terms of reference of Shareholders' / Investors' Grievances Committee includes the following:

- Allotment and listing of our shares in future;
Redressing of shareholders and investors complaints such as non-receipt of declared dividend, annual report, transfer of equity shares and issue of duplicate/split/consolidated Share Certificate(s);
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of share and debentures;
- Reference to statutory and regulatory authorities regarding investors grievance; and
- To otherwise ensure proper and timely attendance and redressal of investor's queries and grievances;
- To do all such acts, deeds and things, as may be necessary or incidental to the exercise of the above powers.

**Composition of the Shareholders' / Investors Grievance Committee:**

As on 31st March, 2013, the Composition of the Shareholders' / Investors Grievance Committee has been as under:

Mr. Vikas Gupta	Chairman
Mr. Rajesh Jain	Member
Mr. Ashok Kabra	Member

Compliance Officer:-

Ms. Shanu Bhandari, Company Secretary
SRG HOUSING FINANCE LIMITED
321, S. M. Lodha Complex, Near Shastri Circle
Udaipur- 313 001
Phone NO. : 91- 294 2412609 Fax: 0294 5100098
Email: info@srghousing.com

Details of Shareholders Complaints

The details of complaints received / solved / pending during the year are as under:

Number of Shareholders' Complaints received during the Year	NIL
Number of Complaints not solved to the satisfaction of share holders	NIL
Number of pending Complaints	NIL

DISCLOSURES**Related Party Transaction**

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the company and related parties are given in notes to accounts.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

Whistle Blower Policy

The Company has framed a Code of Conduct for Directors and Senior Management. The Company does not have a formal Whistle Blower Policy. But the Directors of the Company affirms that no personnel have been denied access to the Audit Committee and other managerial personnel.

Proceeds from the Initial Public Offer of the Company

The Details about the utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for the purposes other than those mentioned in the prospectus of the Company.

Reconciliation of Share Capital Audit

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a Quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

Non-Mandatory Requirements

The Status of compliances with the non-mandatory requirements is as under:

The Board

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same. No Specific tenure has been specified for the Independent Director. However, they are liable to retire by rotation and seek re-appointment by the Members.

Remuneration Committee

Details regarding Remuneration Committee are provided and forms part of this report.

Shareholders' Rights

The Company has posted its half yearly and Yearly financial results on its website i.e.- www.srghousing.com

Audit Qualification

There are no audit qualifications in the financial statements for the financial year 2012-13. Standard practices and procedures are followed to ensure unqualified financial statements.

Training to Board Members

The Board is equipped to perform its role through inputs from various sources from time to time. Directors are fully briefed on all matters concerning the business and operations of the Company and they regularly interact with the management in a free and open manner in order to obtain any information that they may require.

Means of Communication

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and also uploaded on the Company's website – www.srghousing.com

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the Company's website – www.srghousing.com

Code of Conduct

The Company has a Code of Conduct for prevention of insider trading in place, as prescribed by the Securities and Exchange Board of India. All board members and senior management Personnel have affirmed compliance with the Code of Conduct.

The Annual Report of the Company contains a declaration to this effect signed by the Chairman & Managing Director of the Company.

GENERAL SHAREHOLDER INFORMATION

- | | |
|---------------------------|--|
| 1. Financial Year | : 1 st April to 31st March |
| 2. Annual General Meeting | : Date & day: Monday, 12.08.2013
Time: 12.15PM |
| 3. Venue | : Hotel Q
2 A NEW FLORA COMPLEX,
FATEHPURA, NEAR CELEBRATION MALL ROAD,
UDAIPUR, RAJ 313001 |



4. Financial Calendar:-

For the Financial Year 2013-14, Financial Results will be announced as per the following tentative schedule:-

Half Year ending September, 2013	By 14th November, 2014
Year ending March, 2014	Within 60 days from 31st March, 2014
Annual General Meeting	By September, 2014

Book Closure & Dividend:-

Date of Book Closure Tuesday,	9 th August, 2013 to 12 th August, 2013 (Both Day inclusive)
Dividend	No Dividend has been declared

5. Face value of the equity share: Rs. 10/- per Share

6. Listing on Stock Exchange(s)

The Company's equity shares are listed on SME Platform of BSE Limited

7. Stock Code:

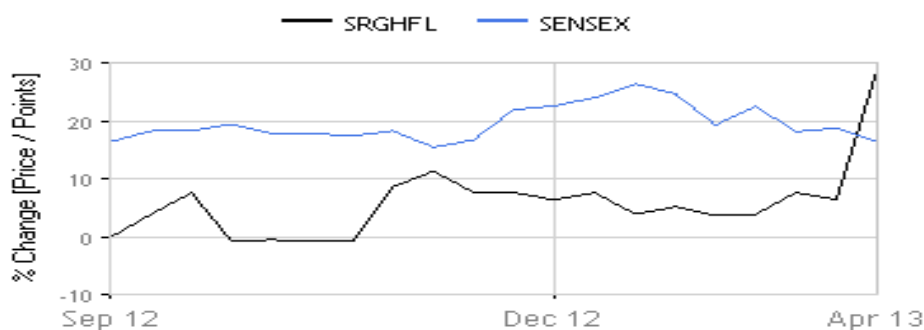
Stock Code / Symbol	534680 SRGHFL
ISIN with NSDL & CDSL	INE559N01010

8. Market price data:

Market price data on SME Platform of Bombay Stock Exchange Limited (BSESME) for the listing date i.e. 11/09/2012 to 31/3/2013 are given below:

(In Rs. per share)				
Month	Open	High	Low	Close
Sep 12	20.30	21.75	20.15	21.75
Oct 12	20.30	21.95	19.95	21.95
Nov 12	22.50	22.50	21.75	21.75
Dec 12	21.50	21.50	21.50	21.50
Jan 13	21.75	21.75	21.00	21.25
Feb 13	21.00	21.00	20.95	20.95
Mar 13	21.00	22.50	21.00	21.50

Performance - Comparison with BSE Sensex



9. Registrar and Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri - East, Mumbai - 400 072.
Phones: 022 - 28515606, 28515644. Fax: (022) 22641349.
Email: sharexindia@vsnl.com Website: sharexindia.com

10. Share Transfer System

Share transfers have been normally processed and returned within 21 days from the date of lodgment, provided the necessary documents were in order.

11. Distribution of shareholding as on 31st March, 2013

Shareholding of nomination values of		Share Holders		Amount	
		Numbers	% of Total	In Rs	% of Total
Up to	5000	0	0	0	0
5001	10000	72	45.57	4367000	5.40
10001	100000	66	41.77	21517000	26.63
100001	And above	20	12.66	54921000	67.97
TOTAL		158	100	80805000	100

12. Category of Shareholders as on 31st March, 2013

Category	No Of Shares Held	Shareholdings %
1. Promoter and Promoter group	3473250	42.98
2. Mutual Funds / UTI / Trusts	0	0
3. Banks/Financial Institutions	0	0
4. Foreign Institutional Investors	0	0
5. Bodies Corporate	1248200	15.45
6. NRIs	0	0
7. Clearing Members	0	0
8. Market Makers	372000	4.60
9. Indian Public	2987050	36.97
Total	80805000	100

Note: None of the shares of the promoters/promoter group's are pledged or encumbered with any of the banks or any financial institutions.



13. Dematerialization of Shares & Facility of simultaneous transfer

100% of the paid-up equity share capital of the Company has been dematerialized as on 31st March, 2013. Trading in equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.

14. Outstanding ADRs / GDRs

The company has not issued any ADRs / GDRs

15. Initial Public Offer (IPO)

During the Financial year company comes out with an IPO of 35,04,000 Equity Shares of Rs. 10/- each at a premium of Rs.10/- and received Rs. 700.80 Lacs from the above issue, The same was fully utilised for the companies finance business and issue related expenses.

16. Plant Location: - not applicable being a housing finance company.

Registered Office & Correspondence address:-

SRG HOUSING FINANCE LIMITED
321, S.M. Lodha Complex, Near Shastri Circle
Udaipur- 313 001
Phone No.: 91- 294 2412609 Fax: 0294 5100098
Email: info@srghousing.com
Website: www.srghousing.com

17. Investor's Correspondence may be addressed to:

Ms. Shanu Bhandari,

Company Secretary & Compliance officer
SRG HOUSING FINANCE LIMITED
321, S.M. Lodha Complex, Near Shastri Circle
Udaipur- 313 001
Phone No: 91- 294 2412609 Fax: 0294 5100098
Email: info@srghousing.com

Or

Sharex Dynamic (India) Pvt. Ltd.

Unit No.1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri - East, Mumbai - 400 072.
Phones: 022 - 28515606, 28515644.
Fax: (022) 22641349.
Email: sharexindia@vsnl.com
Website: sharexindia.com

18. Compliance Certificate of the Auditors

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause-52 of the Listing Agreement is attached to this report

Vinod K Jain
(Chairman & Managing Director)

Place: UDAIPUR
Date: 24th April, 2013

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company - www.srghousing.com.

As the Chairman & Managing Director of the SRG Housing Finance Limited and as required by Clause 52(1)(D) of the Listing Agreement of the Stock Exchanges in India, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year 2012-2013

(Vinod K Jain)
Chairman & Managing Director

CEO CERTIFICATION TO THE BOARD

The Board of Directors
SRG housing finance Limited

Ref- Financial Statements for the period ended March 31, 2013:

I, Vinod K Jain , Managing Director , of the Company on the basis of the review of the financial statements for the year ended on 31st March, 2013 along with cash flow statement for that period and to the best of our knowledge and belief , certify under Clause 52 v of the Listing Agreement that:-

- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (3) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending March 31,2013, that are fraudulent, illegal or violate of the Company's Code of Conduct
- (4) We accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting

We have indicated to the Auditors and the Audit Committee:

- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud, if any, of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Udaipur
Date: 24th April, 2013

(Vinod K Jain)
Chairman & Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To
The Members of
SRG HOUSING FINANCE LIMITED,**

We have examined the compliance of conditions of corporate governance by SRG Housing Finance Limited ("the Company"), for the year ended on 31 March 2013, as stipulated in clause 52 of the listing agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

In our opinion and to the best of my information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 52 of the Listing Agreement.

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

**For VALAWAT JHA PAMECHA & CO
Chartered Accountants
FRN: 008265 C**

**(Jinendra Jain)
Partner
M.No.072995**



VALAWATJHA PAMECHA & CO.
CHARTERED ACCOUNTANTS

432-433, 2nd Floor,
S.M. Lodha Complex
Near Shastri Circle
UDAIPUR-313 001(Raj.)
Phone: 2413482, 2414213 Fax 0294-2414213
(M) 9414161934 / 9829044214
Mail : jj24163@gmail.com/valawat@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of SRG Housing Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SRG Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). and in accordance with the accounting principles generally accepted in India . This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances , but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



VALAWATJHA PAMECHA & CO.
CHARTERED ACCOUNTANTS

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(M) 9414161934 / 9829044214
Mail : jj24163@gmail.com/valawat@yahoo.co.in

:: 2::

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013 ;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2 As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report , comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of section 274 (1)(g) of the Companies Act, 1956.

Place : Udaipur
Dated : 24.04.2013

For Valawat Jha Pamecha & Co.
Chartered Accountants
(FRN 008265 C)

(Jinendra Jain)
Partner

VALAWATJHA PAMECHA & CO.
CHARTERED ACCOUNTANTS

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regularity Requirements' section of our report of even date)

Having regard to the nature of the Company's business / Activities /results during the year , clauses (ii) , (viii) ,(xiii) of paragraph 4 of the order are not applicable to the Company . In respect of the other clauses, we report as under:

1.
 - a. The company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, during the year, the company has not disposed off any substantial/major part of fixed assets
2. The Company has neither granted nor taken any loans , secured or unsecured , to /from companies , firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 .
3. 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 nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
4. In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956.
 - a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act,1956 aggregating during the year to Rs.5,00,000/- (Rupees Five Lacs Only) or more in respect of any party.
5. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public and therefore, the provisions of section 58AA of the companies Act, 1956 and Rules there under.
6. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
7. According to the records of the company and information and explanations given to us, the company has been regular in depositing undisputed statutory dues.
8. The company does not have accumulated losses as at the end of the year and the company has not incurred cash losses during current and the immediately preceding financial year.
9. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions and banks.



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10. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. According to us the company is not dealing or trading in shares, securities debentures & other investments.
12. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
13. According to the records examined by us and information and explanations given to us, the company has availed term loan during the year and prima facie applied by the company during the year for the purposes for which the loan were obtained .
14. According to the records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long terms investment and vice versa.
15. The company has not made any preferential allotment of shares to parties and companies covered under register maintained under section 301 of the companies Act,1956 during the year.
16. The company has not issued debentures during the year.
17. The company has raised the money, by way of public issue during the year and utilized the funds for the purposes money was raised .
18. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

As per the Housing Finance Companies (NHB) Directions 2010, we report that:

- i. The company is incorporated before 12th June, 2000 and registered with NHB under section 29 of NHB Act, 1987 vide registration no. 02.0032.02 dated 24.05.2002 /02.0056.04 dated 15.04.2004.
- ii. The company has complied with the provisions of section 29 c of the National Housing Bank Act, 1987.
- iii. The capital adequacy ratio has been shown in the notes of the accounts and which is as per the norms.
- iv. In case of housing finance company, not accepting public deposit:-
 - a) The Board of Directors have passed resolution for not accepting public deposit.
 - b) The Company has not accepted any public deposit during the year of audit 2012-2013.
 - c) The company have complied with prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.
- v. The Other provisions of the para are not applicable to the Company.

For Valawat Jha Pamecha & Co.
Chartered Accountants
FRN 008265 C

Place: Udaipur
Dated: 24.04.2013

(Jinendra Jain)
Partner : M.No. 072995

SRG HOUSING FINANCE LTD.

Balance Sheet as at 31st March, 2013			
Particulars	Note No	As at 31st March, 2013	As at 31 st March , 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	80805000	30510000
(b) Reserves and Surplus	2	44305041	18622505
		125110041	49132505
(2) Non-Current Liabilities			
Long-term borrowings	3	38162580	0
(3) Current Liabilities			
(a) Short-term borrowings	4	35144045	34786006
(b) Other current liabilities	5	373899	209950
(c) Short-term provisions	6	3777035	2445615
Total		202567600	86574076
II.Assets			
(1) Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		1974442	1174375
(b) Deferred tax assets (net)	8	195246	165951
(c) Other non-current assets	9	8364792	2205000
(2) Current assets			
(a) Trade receivables	10	188313847	75712599
(b) Cash and cash equivalents	11	1668292	5607738
(c) Short-term loans and advances	12	2050981	1708413
Total		202567600	86574076

The accompanying notes are an integral part of these financial statements

In terms of our report attached 1 to 31

As per Our Report of even date

For Valawat Jha Pamecha & Co.

Chartered Accountants

FRN : 008265 C

For & On Behalf of the Board

Vinod K. Jain
Managing Director

Seema Jain
Director

(Jinendra Jain)
Partner
Membership No. 072995

Rajesh Jain
Director

Date : 24.04.2013

Place: Udaipur

Shanu Bhandari
Company Secretary



SRG HOUSING FINANCE LTD.

Profit and Loss statement for the Year ended 31st March, 2013

Particulars	Note No	As at 31st March, 2013	As at 31 st March , 2012
I. Revenue from operations	13	23452222	12660439
II. Other Income	14	0	11035
III. Total Revenue (I +II)		23452222	12671474
<u>IV. Expenses:</u>			
Employee benefit expense	15	3549835	2501746
Financial costs	16	6514677	4734612
Depreciation and amortization expense	7	617583	352940
Other expenses	17	4382782	673868
V.Total Expenses		15064877	8263166
VI. Profit before tax (III - V)		8387345	4408308
VII. Tax expense:			
Current tax		2054713	1187684
Deffered tax		-29295	-11286
VIII. Profit/(Loss) for the period (VI - VII)		6361927	3231910
XVI. Earning per equity share:			
Basic & diluted		0.98	1.06

The accompanying notes are an integral part of these financial statements
In terms of our report attached 1 to 31

As per Our Report of even date
For Valawat Jha Pamecha & Co.
Chartered Accountants
FRN : 008265 C

(Jinendra Jain)
Partner
Membership No. 072995
Date : 24.04.2013
Place : Udaipur

For & On Behalf of the Board

Vinod K. Jain Seema Jain
Managing Director Director

Rajesh Jain
Director

Shanu Bhandari
Company Secretary

SRG HOUSING FINANCE LTD.

Cash Flow Statement for the year ended 31st March , 2013

(Amount in Rs.)

Particulars	Figures as at end of the current reporting period		Figures as at end of the previous reporting period	
A. Cash flow from operating activities				
Net Profit before tax		8,387,345		4,408,308
Adjustments for:				
Depreciation	617,583	153,192	352,940	(311,307)
Provision for NPA	(10,182)		(401,188)	
Provision for Standard Assets	(454,209)		(263,059)	
Operating profit / (loss) before working capital changes		8,540,537		4,097,001
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(112,601,248)	(119,103,608)	(25,630,024)	(26,620,420)
Short-term loans and advances	(342,568)		(985,396)	
Other current assets	0		0	
Other non-current assets	(6,159,792)		(5000)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables		1,495,369		946,023
Other current liabilities	163,949		(212,005)	
Short-term provisions	1,331,420		1,158,028	
Long-term provisions				
Cash generated from operations		(109,067,702)		(21,577,396)
Net income tax (paid) / refunds		2,054,713		1,187,684
Net cash flow from / (used in) operating activities (A)		(111,122,415)		(22,765,080)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(1,417,650)	(1,417,650)	(85,500)	(85,500)
Net cash flow from / (used in) investing activities (B)		(1,417,650)		(85,500)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	35,040,000	108,600,619	8,000,000	23,180,402
Security Premium from issue of equity shares	35,040,000		8,000,000	
Proceeds from long-term borrowings	38,162,580			
Proceeds from Short-term borrowings	358,039		7,180,402	
Net cash flow from / (used in) financing activities (C)		108,600,619		23,180,402
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(3,939,446)		329,822
Cash and cash equivalents at the beginning of the year		5,607,738		5,277,916
Cash and cash equivalents at the end of year		1,668,292		5,607,738

The accompanying notes are an integral part of these financial statement

In terms of our report attached

As per Our Report of even date

For Valawat Jha Pamecha & Co.

Chartered Accountants

FRN : 008265 C

(Jinendra Jain)

Partner

Membership No. 072995

Date : 24.04.2013

For & On Behalf of the Board

Vinod K. Jain
Managing Director

Rajesh Jain
Director

Seema Jain
Director

Shanu Bhandari
Company Secretary



SRG HOUSING FINANCE LIMITED
AS AT 31.03.2013

SIGNIFICANT ACCOUNTING POLICIES:

1. Basic of preparation

The financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), and provisions of the Companies Act, 1956 and accounting standards issued by the Institute of Chartered Accountants of India (ICAI) as Applicable. The Company also follows the directions prescribed by the National Housing Bank (NHB) for housing finance Companies.

2. Income Recognition

Interest income on housing / other loans and other dues are accounted on accrual basis. Housing / other loans are classified into "Performing and non- performing assets in terms of the directions issued by the NHB from time to time". Income recognition on non-performing advances are made in accordance with the NHB guidelines.

3. Interest on Housing Loans

Repayment of the Housing Loans is by way of equated monthly installments (EMIs) comprising principal and interest. The interest is calculated on the outstanding balances at the beginning of the month. EMI's commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment interest (PEMI) is payable every month.

4. Fixed Assets And Depreciation

- a. Fixed Assets are stated at cost, Depreciation on fixed assets is provided on pro-rata basis from the date of installation on written down value method in accordance with Schedule XIV of the Companies Act, 1956.
- b. Assets costing till 5000 are being depreciated fully in the year of acquisition.

5. Provision on Non-Performing Assets

Non- performing assets are identified and categorized into Sub-standard, Doubtful and Loss Category based on the guidelines and direction issued by NHB. Provisions for non-performing assets are made in the accordance with the said guidelines.

6. Investments

The Company do not have Investments

7. Retirement Benefits :-

Liability for employee benefits, both short and long term, for present and past services which are due as per terms of employment are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" as notified by the Companies (Accounting Standards) Rules, 2006.

i) Gratuity

The management is of the opinion that since none of the employees of the company were in continuous service of more than five years and accordingly making provision of the gratuity does not arise. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted for on cash basis.

ii) Pension

The management is also of the opinion that the payment under Pension Act is not applicable to the Company

8. Accounting For Taxes On Income

Income tax expenses is the aggregate amount of current tax and deferred tax charge, Taxes on income are accrued in the same period as the revenue and expenses to which they relate. Current Tax is determined in accordance with the income Tax Act 1961, on the amount of tax payable in respect of income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences arising between the carrying value of assets and liabilities. Deferred tax assets are recognized only after giving due consideration to prudence. Deferred tax assets and liabilities are measured using tax retards and tax laws that have been enacted (or) substantially enacted by the balance sheet date.

9. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with (AS) 20, Earnings per share issued by the Institute of Chartered accountants of India. Basic earnings share have been computed by dividend net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity shares have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.



SRG HOUSING FINANCE LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March,2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March, 2013

1.SHARE CAPITAL Authorized Share Capital: 1,00,00,000 Equity Shares of Rs. 10/- Each Issued, Subscribed & Paid up : 80,80,500 Equity Shares of Rs. 10/- Each (P.y. 3051000 Equity Shares) Total	AS at 31st March,2013 100000000 80805000 80805000	AS at 31st March,2012 100000000 30510000 30510000
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The reconciliation of the number of share outstanding is set out below:				
Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the Year	3051000	30510000	2251000	22510000
Share issued during the year	-	-	800000	8000000
Bonus Share issued during the year	1525500	15255000	-	-
Initial Public Offering (IPO)	3504000	35040000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	8080500	80805000	3051000	30510000

The details of Shareholding more than 5 shares				
Name of the shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	%	No. of Shares held	%
Vinod Jain	601515	7.44	289010	9.48
Pushpa Jain	429765	5.32	286510	9.39
Rajesh Jain	-	-	155010	5.08
Gendalal Jain HUF	-	-	190000	6.23
SRG Global Solution Pvt. Ltd.	-	-	250000	8.19
Hriday credit Cooperative Society Ltd.	750000	9.28	-	-

2. RESERVE AND SURPLUS:		
SPECIAL RESERVE	As at 31 st March,2013	As at 31 st March ,2012
As per Last Balance Sheet	3243400	2593400
Add: Transferred from Profit and Loss Account	1270000	650000
Total	4513400	3243400
SECURITIES PREMIUM RESERVE		
As per Last Balance Sheet	8135000	8135000
Add: Received during the year	35040000	0
Less: Utilized for issue of bonus Share	8135000	0
Total	35040000	8135000
SURPLUS		
As per last Balance Sheet	7244105	5326442
Add: Profit for the Year	6361927	3231910
Total	13606032	8558352
Less: Appropriations		
Transferred to Special Reserve	1270000	650000
Provisions for NPA	10182	401188
Provisions for Standard Assets	454209	263059
Utilized for issue of Bonus Shares	7120000	0
	8854391	1314247
Total	4751641	7244105
	44305041	18622505
3. LONG TERM LIABILITIES:		
Secured		
From : State Bank of India		
Term Loan	38162580	0
(Secured against Hypothecation of Advances (Book-Debts) and personal guarantee of the directors)		
Repayable in 54 months @ Rs.7.50 lacs for 53 months and last installment being 2.50 lacs		
	38162580	0



4. SHORT TERM BORROWINGS:	AS AT 31 ST MARCH,2013	AS AT 31 ST MARCH,2012
SECURED		
Loans repayable on Demand (From Bank)		
From: State Bank of India		
Working Capital Loans		
(Secured against Hypothecation of Advances	35144045	34786006
(Book Debts) and personal guarantee of the		
directors)	35144045	34786006
5. OTHER CURRENT LIABILITIES:		
Expenses Payable	181914	89200
Other Current Liabilities	191985	120750
Total	373899	209950
6. SHORT TERM PROVISIONS:		
Provisions for Taxation	2054713	1187684
Provision for NPA	976796	966614
Provision for Standard Assets	745526	291317
Total	3777035	2445615

7. Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRICIATION			NET BLOCK	
	AS AT 01.04.12	ADD/ DELETE	AS AT 31.03.13	AS AT 01.04.12	FOR THE YEAR	AS AT 31.03.13	AS AT 31.03.13	AS AT 31.03.12
TANGIBLE ASSETS								
Computers	251400	197400	448800	176499	76613	253112	195688	74901
Office equipments	193561	115290	308851	89237	26174	115411	193440	104324
Car civic	1205562	0	1205562	943073	67958	1011031	194531	262489
Car CRV	1864875	0	1864875	1312324	143055	1455379	409496	552551
Car safari	0	1104960	1104960	0	271183	271183	833777	0
Franking machines	180110	0	180110	0	32600	32600	147510	180110
TOTAL	3695508	1417650	5113158	2521133	617583	3138716	1974442	1174375
Previous year	3610008	85500	3695508	2168193	352940	2521133	1174375	1441815

	AS AT 31.03.13	AS AT 31.03.12
8. DEFERRED TAX ASSETS:		
Deferred tax assets (timing difference of depreciation under co. act and income tax act)	195246	165951
TOTAL	195246	165951
9. OTHER NON CURRENT ASSETS:		
Advance against office bookings	1500000	1500000
Deposit for mobile	5000	5000
Deposit with BSE	701000	0
Deferred expenses	6158792	700000
TOTAL	8364792	2205000
10. TRADE RECEIVABLES:		
Secured	-	-
Housing loans	138380096	43967220
Mortgage loans	49933751	31745379
TOTAL	188313847	75712599
11. CASH & CASH EQUIVALENTS:		
Cash in hand	1576224	692933
Balance with banks	92068	4914805
TOTAL	1668292	5607738
12. SHORT TERM LOANS AND ADVANCES:		
Unsecured considered good	-	-
Advance tax and TDS	2038121	1103413
Prepaid expenses	0	605000
Others-stock of stamps	12860	0
TOTAL	2050981	1708413



	AS AT 31.03.13	AS AT 31.03.12
13.REVENUE FROM OPERATIONS:		
Interest on housing loans	16290450	9546805
Interest on mortgage loans	7091772	3053634
Processing charges	70000	60000
TOTAL	23452222	12660439
14.OTHER INCOME:		
interest on deposits	0	10872
other income	0	163
TOTAL	0	11035
15.EMPLOYEE BENEFIT EXPENSES:		
Salaries to employees	2133385	1011346
Transportation expenses	116450	50400
Directors remuneration	1300000	1440000
TOTAL	3549835	2501746
16.FINANCIAL COST:		
Interest on working capital loan	3148343	4467794
Interest on term loan	2332033	0
Other interest	99850	30417
Bank charges	934451	236401
TOTAL	6514677	4734612
17.OTHER EXPENSES:		
Advertisement expenses	52858	77915
Audit fees	50000	17000
Car running expenses	75857	55777
Computer maintenance expenses	211243	21320
Electricity expenses	56098	43188
Insurance expenses	31080	28883
Legal & professional expenses	186873	77915
Office expenses	144326	82533
Postage and telegrams expenses	15603	3225
Printing and stationary expenses	45645	5337
Donation	500000	0
Rent	204600	186000
Telephone expenses	42572	24252
Travelling expenses	128700	43606
Commission	1361550	0
Consultancy fees	150000	0
Bad debts	997952	0
Other expenses	127825	6917
TOTAL	4382782	673868

18. Auditors Remuneration Includes: -

Rs.

Audit Fees	40000.00
Taxation Fees	5000.00
R.O.C. Matters & Certification	5000.00

	50000.00
	=====

[illegible]



27. Exposure to Real Estate Sector

Category		31 st March , 2013	31 st March , 2012
a)	Direct exposure		
	Residential Mortgages -		
	(A) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
(I)	Housing loan up to Rs.15 lakh	454.81	393.84
	Housing loans more than Rs.15 lakh	1051.58	355.17
(II)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	376.75	8.12
(iii)	Investment in Mortgage Backed Securities (MBS) and other securitized exposures -		
	a. Residential	0	0
	b. Commercial Real Estate	0	0
b)	Indirect Exposure		
	Fund based and non-fund based exposure on national Housing Bank (NHB) and Housing Finance Companies (HFCs)	0	0

28. Classification of Loans and Provisions made for Non Performing Assets are as under: (Rs. in Lacs)

	For the year ended 31-3-2013					For the year ended 31-3-2012				
	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Housing Loan (Excluding Installment due from borrowers)										
Individual	1004.15	2.14	5.00	2.20	1013.49	431.61	2.34	2.66	3.06	439.67
Other	370.31	0	0	0	370.31	0	0	0	0	0
Mortgage/other loan	489.36	0.00	9.98	0.00	499.34	296.68	0.00	20.77	0.00	317.45
Total loans	1863.82	2.14	14.98	2.20	1883.14	728.29	2.34	23.43	3.06	757.12
Provision-housing loans	5.50	0.32	3.25	2.20	11.27	1.73	0.35	1.07	3.06	6.21
Provision other loan	1.95	0.00	3.99	0.00	5.94	1.18	0.00	5.19	0.00	6.37
Total Provisions	7.45	0.32	7.24	2.20	17.21	2.91	0.35	6.26	3.06	12.58

29. Movement in provisions are as under :

(Rs in Lacs)

Particulars	Opening as on 1.04.2012	Provisions made during the year	Provisions reversed/adjusted	Closing as on 31.03.2013
Bad & Doubtful Debts	9.66	0.10	0.00	9.76
Taxation	11.87	20.55	11.87	20.55
Standard Assets	2.91	4.54	0.00	7.45

30. The Capital Adequacy Ratio as at 31.03.2013 is 0.67 which is as per the norms.

31. Notes on Financial statements 1 to 31 are annexed and forming part of the Balance Sheet and Profit & Loss account.

For VALAWAT JHA PAMECHA & CO.
Chartered Accountant
FRN: 008265 C

For & on behalf of the Board

(JINENDRA JAIN)
Partner
M.No. 072995

(VINOD K. JAIN)
Managing Director

(SEEMA JAIN)
Director

(RAJESH JAIN)
Director

(SHANU BHANDARI)
Company Secretary & Compliance Officer



SRG HOUSING FINANCE LIMITED

Regd. Office: 321, S.M. Lodha Complex, Near Shastri Circle, Udaipur- 313 001

ATTENDANCE SLIP

14TH ANNUAL GENERAL MEETING

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE

DP. Id* _____	Name & address of the registered shareholder _____
Client Id* _____	_____
Regd. Folio No. _____	_____

* Applicable for shareholding in electronic form.

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.
I hereby record my presence at the 14th Annual General Meeting of the Company held on Monday, 12th August, 2013 at 12.15PM. Hotel Q, 2- A New Flora Complex, Near New Pula Bridge, Fatehpura, Udaipur- Rajasthan 313 001

Signature of the Member/Proxy

NOTE: 1. Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting. No Attendance Slip will be issued at the venue of the meeting.

SRG HOUSING FINANCE LIMITED

Regd. Office: 321, S.M. Lodha Complex, Near Shastri Circle, Udaipur- 313 001

FORM OF PROXY

14TH ANNUAL GENERAL MEETING

I/We of being a member / members of SRG HOUSING FINANCE LIMITED, hereby appoint of or failing him of as my/our Proxy to vote for me/us and on my/ our behalf at the 14th Annual General Meeting of the Company to be held on 12/08/2013 and at any adjournment thereof.

AS WITNESS my/our hand(s) thisday of ---- 2013.

Affixed
1 Rs
revenue
stamp

Signature of the Member

Registered Folio No.DP Id*Client Id*

* Applicable for shareholding in electronic form.

NOTE:

1. The Proxy need not be a Member.
2. The Proxy Form must be submitted so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.





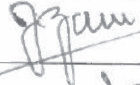
BOOK POST

TO,

IF UNDELIVERED PLEASE RETURN TO :-
SRG HOUSING FINANCE LIMITED
321, S. M . LODHA COMPLEX, NEAR SHASTRI CIRCLE
UDAIPUR -313 001, RAJASTHAN

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the company	SRG HOUSING FINANCE LIMITED
2	Annual financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Un -qualified
4	Frequency of Observation	-NA-
5	To be signed by-	
	• Managing Director MR VINOD K. JAIN	
	• CFO MR ASHOK MODI	
	• Auditor of the company RA JINEBHA JAIN	
	• Audit committee Chairman CA CHIRAS DHARMAN	