

SRG HOUSING FINANCE LIMITED

REGD. OFFICE: 321, S.M. LODHA COMPLEX, SHASTRI CIRCLE, UDAIPUR 313001 (RAJASTHAN) PHQNE: Q294-2561882, 24126Q9, FAX: Q294-51Q4446, E-MAIL: srghousing@gmail.com CIN NO.: L65922RJ1999PLC015440 WEBSITE: www.srghousing.com

TM NO.: 2339164

Ref: SCRIP ID: SRGHFL; SCRIP CODE: 534680; ISIN: INE559N01010

Date: 13.10.2017

To, Department of Corporate Affairs BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

Respected Sir,

Subject: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2016-17

Ref: Regulation 35 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

With respect to above mentioned subject, please find herewith enclosed Annual Report for the financial year 2016-17 in compliance with SEBI (LODR) Regulations.

Kindly take the same on your record.

Thanking You,

With Regards,

For SRG Housing Finance Limited

UDAIPUR

Managing Director

Enclosed: Annual Report 2016-17



ACROSS THE PAGES...

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Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable Stake Holders to comprehend our prospects and take Relative decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



CORPORATEOVERVIEW

CORPORATE INFORMATION BOARD OF DIRECTORS & THEIR BRIEF PROFILE



Mr. Vinod K. JainManaging Director (DIN: 00248843)



Mr. Rajesh Jain (DIN: 00212393)



Mrs. Seema Jain (DIN: 00248706)



Mr. Nishant Badala (DIN:06611795)



Mr. Vikas Gupta (DIN:05280808)



Mr. Ashok Kabra (DIN:00240618)

Mr. Vinod K. Jain, Managing Director (DIN: 00248843)

Mr. Vinod Jain is a firm believer of achieving excellence through a positive and proactive approach. He follows a dictum - "Success is simple. Do what's right, the right way, at the right time." He is an experienced Managing Director (Promoter) with strong controlling, direction & effective team building capability. In the year 1999 he floated his own Company "SRG Housing Finance Limited" with a broad and clear vision in the field of finance. He pioneered Housing Finance in year 2004 in Rajasthan. He has proved his capability in strategic management and is a successful performer in pursuit of profitable growth. His relentless ambition established the brand SRG and fueled the company to the new heights of success. He has always proven SRG Housing Finance Ltd. as the best Company with respect to customer satisfaction and highly motivated employees.

Mr. Rajesh Jain, (DIN: 00212393)

Mr. Rajesh Jain is the well-known name in Finance Industry in Udaipur having more than 2 decades of experience in Finance Industry. Serving at the Board of Hriday Fincorp Pvt. Ltd. and SRG Insurance Broker Pvt. Ltd., Mr. Jain with his multifunctional experience guides company in its growth strategy. He has contributed significantly to the growth and success of company by his advisory experience on issues of strategy, driving performance improvement, change management, organisation building and human capital development.







Mrs. Seema Jain, (DIN: 00248706)

Mrs. Seema Jain is serving to the Board since the inception of the company. She has wide Knowledge of Finance Industry, serving as whole time director at S R G Securities Finance Ltd. She has excellent leadership, Management and Organizational skills. She provides her experience and skills at various occasions to the company. She has excellent mentoring skills. She has also actively participated in different social causes. She has been a member of Lions Club Udaipur, Rashtriya Jain Mahila Jagrati Manch, Dighamber Jain Maha Samiti etc.

Mr. Nishant Badala, (DIN:06611795)

Mr. Nishant Badala is a Non-Executive Independent Director of our Company. He has completed his Masters in Commerce from University of Udaipur. He is a Chartered Accountant and Company Secretary by profession. He is a Young and Dynamic person and is an associated member of ICAI and ICSI. Further, he is having expertise in the field of accounting legal and taxation. He was appointed as an Independent Director of the Company on May 14, 2015.

Mr. Vikas Gupta, (DIN:05280808)

Mr. Vikas Gupta is a Non-Executive Independent Director of the Company. He has done his Bachelors of Commerce from Mohan Lal Sukhadia University, Udaipur. He also holds a degree in Law (LLB). He is registered with Commissioner of Income tax, Udaipur as Income Tax Practitioner. Currently he is the proprietor & partner in M/s. M.M. Gupta & Co. (Advocate & Tax Consultant) a leading Tax consultant firm. He has diverse exposure in Tax consultancy and all related financial Services to Individuals, partnership firms and corporate entities (audit and assessment) and other areas like financial due diligence, supervision, statutory audit of different entities, trading houses, construction companies, stock broking entities etc. He was appointed on the board on April 26, 2012.

Mr. Ashok Kabra, (DIN:00240618)

Mr. Ashok Kabra is a Non-Executive Independent Director of the company. He has done his Masters in Commerce. After that, he floated his proprietary firm Shreeji Investments, a financial consultancy firm and actively involved with in the operational activities of business. He has diverse exposure of more than 12 years in corporate finance, stock broking, Investments and financial services etc. He was appointed on the board on May 07, 2012.

SENIOR MANAGEMENT PERSONNEL

Dr. Krati Jain, Executive Vice President

Dr. Krati Jain is the Executive Vice President of SRG Housing Finance Ltd. She is an associate member of The Institute of the Company Secretaries of India and is a post graduate from Mohan Lal Sukhadia University, Rajasthan. She has done her Ph. D in Finance and is PGDBA in Finance from Symbiosis University, Pune. With her vast knowledge and expertise, she has always been a source of inspiration and with her leadership and excellent managerial skills she aims to take organization to great heights. She is an accomplished trainer and consultant and lectured for three years on specialized subjects of financial management, law, securities, banking regulations, soft skills, professional ethics and etiquettes etc. Dr. Krati's earlier stints include prominent entities like Wonder Cement Ltd., ICSI, Paher. She works closely on strategic planning and new policy formulation which aids in development and achievement of goals. Her work profile includes recruitment, training, supervising, and evaluating department staff, developing and implementing a cohesive marketing plan to increase brand awareness, improving administrative and operational accounting services, providing analytical support to SRG's internal management team including development of internal management reporting capabilities and promoting a culture of high performance and continuous improvement that values learning and a commitment to quality. She recently joined the Company as an Executive Vice President in July, 2017.

Mr. Ashok Kumar, Chief Financial Officer

Mr. Kumar has vast experience of 25 years in financial services. He has played a vital role in financial cost management of the Company. His cost management initiatives have significantly boosted in the growth of the company. Mr. Kumar has Extensive experience and currently leads the team for Finance, Accounts, Treasury, Financial Planning and Analysis. He is associated with the company since 2012.

Er. Lavang Murdia, Chief Marketing Officer

Mr. Murdia has 15 years of experience into Sales and Marketing and has build robust business models in sectors like finance, insurance, telecom etc. He has an expertise in channel management where he researches into identifying cum building new market opportunities. He has been working with the company since 2010.

Ms. Sunaina Nagar, Company Secretary

Ms. Nagar is an associate member of ICSI and LLB from University of Udaipur. She is the Company Secretary cum Compliance Officer of the Company. She ensures Compliance, investor relations, equity financing matters along with syndication with various banks for raising funds for the company. She has effectively managed to liaison with various credit rating agencies and also ensuring corporate growth. She is associated with the company since 2015.

Mr. Dilip Kumar Singhvi, GM- Operations

Mr. Singhvi is retired as a Senior Manager-Bank of Baroda after serving for 36 years and also has been Incharge-cum- faculty in RTC(Regional Training Centre), Jaipur for 5 years. His qualifications includes B.SC, M.COM, MBA, CAIIB among others and he has also qualified various courses on Mutual Funds organised by NISM. He is equipped with various procedures and policies which makes financial transaction less cumbersome and meaningful. His tracking mechanism and rigorous follow up strategies has helped building up of customer network. Mr. Singhvi is working with company since 2015.







SENIOR MANAGEMENT PERSONNEL

Ms. Manjot Kaur Bakshi, Chief Human Resource Officer

Ms. Bakshi is an Associate Member of Bar Council of India. She is an MBA HR from IMT Ghaziabad. She is also persuing Masters in Law. She is handling Strategic Planning, Human Resource matters. Her intelligence, hard work and dedication to work has helped company grow in an organised manner. She Joined the Company in the year 2017.

CA Chirag Jain, Credit Manager

Mr. Chirag, is an associate member of Institute of Chartered Accountants of India having an experience of over 3 years in the areas of Credit, Auditing, Accountancy and Taxation. With his strong Analytical & problem solving skills, Ability to Manage Deadlines, and Sound Knowledge of finance, operations & Systems, he has managed to grow company in a systematic and timely manner. He joined the company in the year 2016.

Ms. Richa Bhandari, AGM-Regulatory Compliance

Ms. Bhandari is an MBA Graduate and is associated with the company for more than 7 years. She has a proven track record of setting, managing and scaling up the business in diverse environments. She is well experienced and proficient with Accounting, operations and Customer Relations. She has been associated with the company since 2009.

Auditor

M/s Valawat & Associates

Chartered Accountant

* Change in name from M/s Valawat Jha Pamecha & Co to M/s Valawat& Associates with effect from 01.01.2017.

Internal Auditor

M/s Ketan & Co.
Chartered Accountant

Secretarial Auditor

M/s Deepak Vijaywargey & Associates Practicing Company Secretary

Listed on

BSE (Bombay Stock Exchange)

Principal Banker

State Bank of India

Other Bankers & Financial Institutions

National Housing Bank
Oriental Bank of Commerce
Andhra Bank
LIC Housing Finance Limited
MAS Financial services Limited

DEBENTURE TRUSTEE:

Catalyst Trusteeship Limited (Formerly known as GDA Trusteeship Limited) Address: Office No. 83 - 87, 8th floor, 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai - 400021 Tel: +91 22 4922 0555 Fax: +91 22 4922 0505

Email: dt@ctltrustee.com Website: www.gdatrustee.com

REGISTRAR & SHARE TRANSFER AGENT

M/s Sharex (Dynamic) India Pvt. Ltd Unit-1, Luthra Ind. Premises, 1st floor, 44-E, M, Vasanti Marg, Andheri, Kurla Road, Safed Pool, Andheri (E), Mumbai - 400072 (Maharashtra) Tel: 022-28515606: Fax No. 022-28512885.

E-Mail: sharexindia@vsnl.com

BOARD COMMITTEES

Audit Committee

Mr. Vikas Gupta - Chairman of the Committee

Mr. Nishant Badala - Member Mr. Ashok Kabra - Member

Stakeholder's Relationship Committee

Mr. Vikas Gupta - Chairman of the Committee

Mr. Ashok Kabra - Member Mr. Rajesh Jain - Member

Nomination & Remuneration Committee

Mr. Ashok Kabra - Chairman of the Committee

Mr. Vikas Gupta - Member Mr. Rajesh Jain - Member

Risk Management Committee

Mr. Vinod K. Jain - Chairman of the Committee

Mr. Rajesh Jain - Member Mr. Vikas Gupta - Member

Asset-Liability Management Committee

Mr. Vinod K. Jain - Chairman of the Committee

Mr. Rajesh Jain - Member Mr. Ashok Kumar - Member

Auction Committee

Mr. Vinod K. Jain - Chairman of the Committee

Mrs. Seema Jain - Member Mr. Rajesh Jain - Member Mr. Ashok Kumar - Member Mr. Lavang Murdia - Member

Customer Service Committee

Mr. Ashok Kumar - Chairman of the Committee

Mr. Lavang Murdia - Member Mr. Dal Chand Nagda - Member

Identification Committee

Mr. Vinod K. Jain - Chairman of the Committee

Mr. Lavang Murdia - Member Mr. Ashok Kumar - Member

Review Committee

Mr. Vinod K. Jain - Chairman of the Committee

Mr. Ashok Kabra - Member Mr. Nishant Badala - Member





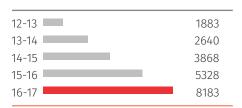


PERFORMANCE HIGHLIGHTS

Loan Portfolio

(₹ In Lakhs)

8183



Loan Disbursement

(₹ In Lakhs)

4737

12-13	1446
13-14	1611
14-15	2539
15-16	2731
16-17	4737

Profit After Tax

(₹ In Lakhs)

270

12-13	64
13-14	119
14-15	154
15-16	187
16-17	270

Cost To Income Ratio

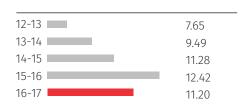
55.26



Return On Equity

(In %)

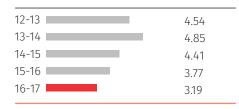
11.20



Return On Average Assets

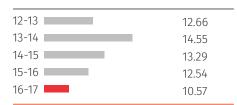
(In %

3.19



Net Interest Margin To Average Asset (In %)

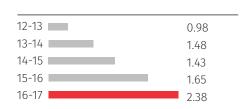
10.57



Earning Per Share

(In ₹)

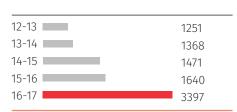
2.38



Shareholder's Fund

(₹ In Lakhs)

3397



Gross Revenue

(₹ In Lakhs)

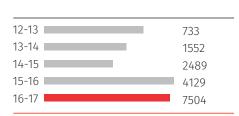
1456

12-13	235
13-14	474
14-15	687
15-16	1025
16-17	1456

Borrowing From Banks

(₹ In Lakhs)

7504



No. Of Retail Offices

20

14-15	9
15-16	15
16-17	20

Net Interest Income (NII)

(₹ In Lakhs)

897



Yield On Portfolio

(In %)

21.50



FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

	2012-13	2013-14	2014-15	2015-16	2016-17
SHARE CAPITAL	808	808	1131	1131	1300
RESERVE AND SURPLUS	443	560	340	509	2097
BORROWINGS FROM BANKS	733	1552	2489	4129	7504
HOUSING & PROPERTY LOAN	1883	2640	3868	5328	8183
DISBURSEMENTS DURING THE PERIOD	1446	1611	2539	2731	4737
GNPA %	1.03	0.96	1.04	1.01	1.57
NNPA %	0.51	0.73	0.76	0.70	1.21

(₹ In Lakhs)

	2012-13	2013-14	2014-15	2015-16	2016-17
GROSS INTEREST INCOME	235	474	687	1021	1453
INTEREST COST	56	117	223	399	555
NET INTEREST INCOME(NII)	179	357	464	622	897
NET INTEREST MARGIN(NIM)%	12.66	14.55	13.29	12.54	10.57
YIELD ON PORTFOLIO %	17.80	20.95	21.11	22.21	21.50
COST OF DEBT(COD) %	12.9	12.9	13.15	13.15	11.61
COST TO INCOME RATIO	53.07	52.53	51.09	55.77	55.26
РВТ	84	170	227	277	403
PAT	64	119	154	187	270
EARNING PER SHARE in ₹	0.98	1.48	1.43	1.65	2.38
CAPITAL ADEQUACY RATIO %	67.40	61.30	50.34	49.91	72.71
RETURN ON ASSETS %	4.54	4.85	4.41	3.77	3.19
RETURN OF EQUITY %	7.65	9.49	11.28	12.42	11.20

SRG HOUSING FINANCE LIMITED AT A GLANCE





ISO 9001: 2008 CERTIFIED



Incorporated in the year 1999, SRG HFL's business model is the brainchild of Mr. Vinod K. Jain, the company's Managing Director. His vision is to provide housing finance to people in rural area which is generally underrated and left ignored by other financial institutions. SRGHFL is a Bombay Stock Exchange listed and National Housing Bank registered Housing Finance Company engaged in the financing of housing loans and mortgage loans. SRGHFL commenced operations from 2002 after getting registered with National Housing Bank being the 1st Company in Rajasthan to get NHB License. SRGHFL is a growing housing finance company headquartered in Udaipur, Rajasthan with Corporate Office in Mumbai, Maharashtra.





Key Business Strategies

The company is looking forward to increase its Brand Value and shareholder's wealth with its expansion plan. The management has proposed the strategy for its expansion plan including:

Increasing the scale of operations:

Company wish to expand its Branch Network in North West Region of the Country. Focus areas of the company will be Tier II & Tier III Cities of Rajasthan, Maharashtra, Gujarat and Madhya Pradesh.

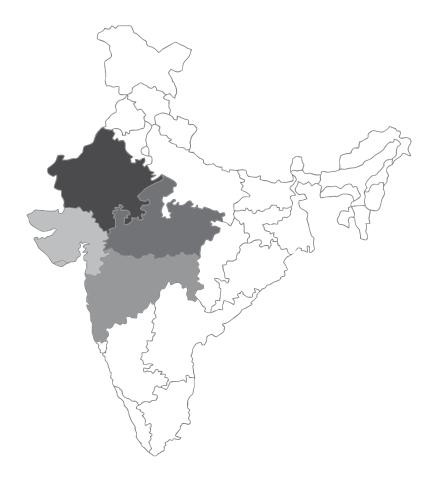
Expanding Resource Base:

The Company has received refinance from National Housing Bank under its Refinance Scheme. Further the Company has already been sanctioned loans from many banks. Company is also planning to raise funds by way of various capital market instruments.









Registered Office: Udaipur (Rajasthan) | Corporate Office: Mumbai (Maharashtra)

Rajasthan 15

Salumber Chittorgarh
Bhinder Rajsamand
Banswara Jaipur
Sagwara Jodhpur
Bhilwara Ajmer
Aspur Kota
Dungarpur Sirohi
Fatehnagar

Mandsaur
Neemuch
Ratlam
Shamgarh*

Mandsaur
Neemuch
Ratlam
Shamgarh*

*Opened w.e.f 03.08.2017
**Opened w.e.f 29.05.2017

SRG Housing Finance Limited is



in Rajasthan to get registered with National Housing Bank

in Rajasthan to get Listed on **BSE SME Platform**

in India to get Migrated from BSE SME Platform to BSE Main Board



Creditworthiness

Brickwork Ratings, the credit rating agency in India has rated the Long Term Bank Facilities of Rs. 100.00 crores as BWR BBB-(pronounced as BWR Triple B Minus).



Our Loan Products



Individual Home loans

SRG Dream Home SRG Construction Loan SRG Home Revision Loan SRG Plot Loans SRG NRI Housing Loan



Loan Against PropertySRG Wealth Loan

SRG Wealth Loan SRG New Avenue Loan



Builder's/Project Loan







OUR HISTORY

1999 Incorporated as Vitalise Finlease Private Limited.	2000 Changed the name of the company to SRG Housing Finance Private Limited.
Got license from NHB being the 1st Company in Rajasthan to get NHB License.	2004 Converted into Public Company.
Listed on BSE SME Platform being the 1st Company in Rajasthan to be listed on SME Platform.	Migrated to BSE Main Board being India's 1st Company to get migrated.
Notified by Ministry of Finance to be treated as "Financial Institution" under SARFAESI Act 2002.	Got Sanctioned its First Ever Refinance From National Housing Bank, twice i.e. in the month of April, 2016 and also in the month of January, 2017.
2016 Credit Rating upgraded by Brickwork Ratings to BWR BBB-(BWR Triple B Minus)	2016 ISO 9001:2008 Certified Company for Quality Management system of Loan Process.
Awarded with Order of Merit by Skoch Group in 47th Skoch Summit for qualifying among Top 100 SMEs in India.	Raised Funds worth Rs. 15 Cr by way of Private Placement of Equity Shares being the 1st Private Placement after getting listed on BSE.
Came out with First ever Debenture Issue of the Company worth Rs. 25 Cr.	Appointed Deloitte Haskins & Sells LLP, Chartered Accountants, for the Management Audit (Specific Account Balance Testing) for SRG Housing Finance Limited for the financial year 2017-18.
Loan Tenure Upto 15 years Average Ticket Size Rs. 7.62 Lacs & Average Tenure-6 Yrs	Loan to Value (LTV) 45-55% app. of property value Catering also to LMI Segment

ACHIEVEMENTS OF THE YEAR

- Credit Rating enhanced to Investment Grade by BrickWork Ratings in the Month of July 2016.
- The Company received its first ever Refinance from National Housing Bank, twice i.e. in the month of April, 2016 and also in the month of January, 2017.
- Corporate office of the company started in Mumbai at Andheri East.
- Company secured Sanction worth Rs. 88 Cr from Multiple Banks and Financial Institutions during the year.
- During the year, Company successfully raised funds worth Rs.
 15.19 Cr by way of Private Placement of equity shares from various leading investors of the country which led to an increase in Net Owned Fund (NOF) to Rs. 33.97 Crores Vs Rs.
 15.99 Cr leading to a growth of 102.50% and the total Capital Adequacy Ratio (CAR) to reach 72.71%.
- The loan portfolio as at March 31, 2017 amounted to Rs. 81.83 Cr as against Rs. 53.28 Cr in the previous year - an increase of 53.58%.

- Profit After Tax amounted to Rs. 2.71 Cr in current year vs Rs.1.87
 Cr in previous year registering a growth of 44.92%.
- Net Interest Income grew from Rs. 6.23 Cr to Rs. 8.97 Cr marking a growth of 43.98%.
- The Revenue from Operations increased from Rs. 10.22 Cr to Rs. 14.53 Cr marking a growth of 42.17%.
- The five year compounded annual growth rates of the company reached at 60.97% in Loan Portfolio, 61.52% in Net Interest Income and 52.98% in Profit After Tax.
- Earning per share (EPS) of your company has increased from Rs. 1.65 to Rs. 2.38
- Market Capitalization which was Rs. 79.19 Cr as on 31.03.2016 rose to Rs. 158.08 as on 31.03.2017 with a growth rate of 99.62%.
- Increase in business reach with offices across 4 states namely Rajasthan, Maharashtra, Madhya Pradesh and Gujarat.

AWARDS AND RECOGNITION

SRG Housing Finance Ltd. adjudged amongst the "Top-100 SMEs in India" by Skoch Group and Awarded with Skoch Order of Merit on 47th Skoch Summit on 17th-18th March 2017.

LOAN PORTFOLIO ANALYSIS

2017 (₹ in Lacs)	Amount	%	AVG. LOAN SIZE
Housing Loan	6483.95	79.24	4.66
LAP	701.66	8.57	15.95
Builder's / Project Loan	997.27	12.19	124.66
Total	8182.87	100.00	







OUR STRENGTHS



RISK MITIGATION



Credit Risk

- Credit polices are framed in line with the business strategy.
- Portfolio performance is closely monitored. Portfolio monitoring is done through early warning signals and performance of policy caps.



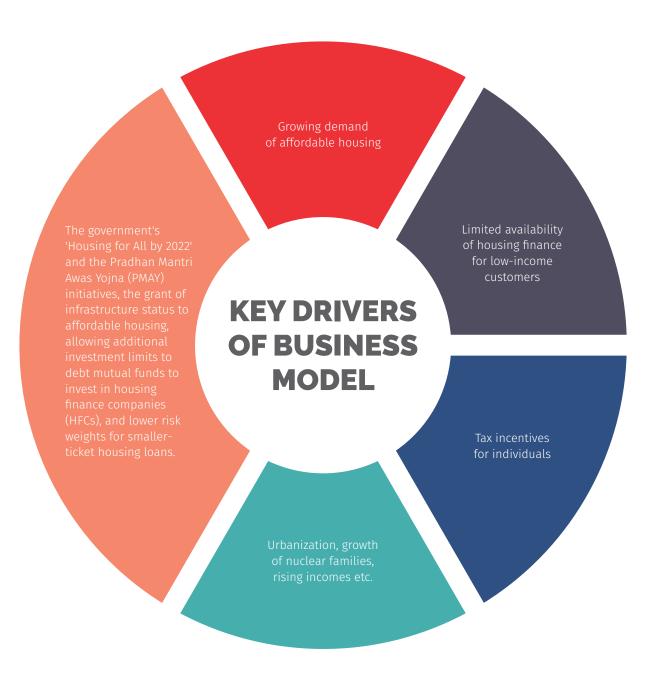
Market Risk

 Asset liability Management Policy covers liquidity and interest risk related aspects.



Operational Risk

- Fraud is prevented through a fraud risk management policy within the organization.
- Approved operational risk management frame work is in place and operational risks are monitored on an ongoing basis.





CHAIRMAN'S MESSAGE



Vinod K. JainManaging Director

Dear Fellow Members,

A heartily welcome to all the existing and the new shareholders who have joined the SRG family. I believe our association will strengthen the company to achieve new heights of success.

FY17 was an eventful year for SRG. We got funding from reputed players like LIC Housing finance Limited, Oriental Bank of Commerce, Andhra Bank, National Housing Bank, State Bank of India, MAS Finance Services Limited and DCB Bank.

I am delighted to present past year's performance to you. In financial year 2016-17, your company has outperformed in almost all aspect of business. Let us see some of the performance highlights of the year in comparison with previous year.

Net Interest Income grew from Rs. 6.23 Cr to Rs. 8.97 Cr marking a growth of 43.98%. Profit After Tax grew from Rs.1.87 Cr to Rs. 2.71 Cr registering a growth of 44.92%. The Revenue from Operations increased from Rs. 10.22 Cr to Rs. 14.53 Cr marking a growth of 42.17%.

The Loan Portfolio of the Company rose from Rs. 53.28 Cr to Rs. 81.83 Cr marking a growth of 53.58% with increasing participation of Housing Loan and LAP loan and decreasing participation of Builder's Loan as compared to previous year.

During the year there was some slowdown seen in disbursement

in Q1 due to funding constraints and in Q3 due to Demonetization. However a robust Q4 witnessed a disbursement of Rs. 25.71 Cr which helped end the year with total disbursements of Rs.47.37 Cr as against Rs. 27.31 Cr in the previous year registering a growth of 73.45%.

The five year compounded annual growth rates of the company in various fields have also been extraordinary such as 60.97% in Loan Portfolio, 61.52% in Net Interest Income and 52.98% in Profit After Tax.

In terms of creating long term value for our shareholders, I would like to inform you that Earning per share (EPS) of your company has increased from Rs. 1.65 to Rs. 2.38 this year despite of the increase in number of shares. Further Market Capitalization which was Rs. 79.19 Cr as on 31.03.2016 rose to Rs. 158.08 Cr as on 31.03.2017 with a growth rate of 99.62%.

Your company also raised funds worth Rs. 15 Cr by way of private placement of equity shares which led to an increase in Net Owned Fund (NOF) to Rs. 33.97 Crores Vs Rs. 15.99 Cr leading to a growth of 102.50% and the total Capital Adequacy Ratio (CAR) to reach 72.71%.

Your company started its corporate office in Mumbai in May, 2016. This decision had contributed to a great extent towards the growth of the company. In July, 2016 itself, your company got revised its rating and managed to stood at the stage of Investment grade. Company could also secure sanctions worth Rs. 88 Crores from multiple banks and financial institutions during the year 2016-17.

I would like to congratulate you all that your company got refinance from National Housing Bank (NHB) and that too twice in one financial year i.e. in April 2016 and January 2017.

Looking at the awards and recognitions segment, your company

received Skoch Order of Merit Award from Skoch Group in 47th Skoch Summit for qualifying among India's Top 100 SMEs.

Talking about the geographical expansion, your company has expanded its geographical presence and now the company has offices across 4 states namely Rajasthan, Maharashtra, Madhya Pradesh and Gujarat.

As a concluding note wish to state that, we are pleased with our performance in the year gone by, but not satisfied. We continue to be hungry for growth but remain adamant on following the best quality standards of lending. Our understanding in the geographies we operate in, will help us scale business further while maintaining the asset quality.

We have established a strong platform for growth and with demand expected to remain robust due to Government's constant focus, assistance and schemes for Housing, we feel there is a huge runway for growth. The capital infusion done during the year, will help us eliminate the funding troubles - like we faced during FY17 and gear us up to take SRG into the next phase of growth.

I would like to express my gratitude to our Board of Directors for their support and guidance. I am also grateful to all our stakeholders including NHB, RBI, SEBI, MCA, the Stock Exchange (BSE), Depositories, Bankers, Shareholders, RTA, Service Providers and Counselors and Employees of the Company who have reposed their trust in us and given us constant support.

With best wishes,

Sincerely,

Sd/-

Vinod K. Jain

Managing Director DIN: 00248843



STATUTORY REPORTS

DIRECTOR'S REPORT

To

The Members,

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS & STATE OF AFFAIRS:

(₹ In Lakhs)

Particulars	2016-17	2015-16
Gross Income	1455.77	1025.41
Less: Finance Cost	564.66	404.45
Overheads	450.06	332.24
Depreciation	31.60	8.16
Provision for Investment	6.63	3.58
Profit before Tax & Exceptional Items	402.82	276.98
Add: Exceptional Items	0.00	0.00
Profit before Tax	402.82	276.98
Less : Provision for taxation (Including Deferred tax)	132.02	90.24
Profit after tax	270.80	186.74
Add : Balance b/d from the previous year	344.53	212.76
Surplus available for appropriations	615.33	399.50
Appropriations		
Transferred to Special Reserve u/s 29C of NHB Act & 36(1)(viii) of the Income Tax Act, 1961	54.25	37.50
Provision for Standard Assets	11.27	5.78
Provision for NPA	12.84	6.10
Def. Tax Liab. on special I.T. Reserve	8.48	4.24
Excess provision	0.01	1.35
Balance carried over to Balance Sheet	528.48	344.53

LENDING OPERATIONS & DISBURSEMENT OF LOANS:

Your Company registered a remarkable growth in its operations. The highlights of Company's Performance are as follows:

The operating profit before charging depreciatiown and tax amounted to Rs. 434.42 lacs in the year 2016-17 as against Rs. 285.14 lacs in the preceding year; representing a rise of 52.35%.

Profit after Tax (PAT) before extraordinary items went up by 45.01% to Rs. 270.80 lacs in the year 2016-17 from Rs.186.74 lacs in the previous year.

As at 31st March, 2017, the loan book stood at Rs. 8182.87 lacs as against Rs. 5328.45 lacs in the previous year marking an increase of 53.58%.

Disbursements during the year amounted to Rs. 4736.97 lacs as against Rs. 2730.59 lacs in previous year representing a growth of 73.48%.

As a 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.





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.

CHANGES IN SHARE CAPITAL:

During the year under review, the Authorized Share Capital of the Company increased from Rs. 12 Cr to Rs. 15 Cr. The Paid up Share Capital of the Company was increased from Rs. 11.31 Cr to Rs. 13.00 Cr as a result of allotment of 16,87,300 equity shares of face value of Rs. 10 each at an issue price of Rs. 90/- per share (including Premium of Rs. 80/- per share) by the way of Private Placement. As at March 31st 2017, the Paid up Equity Share Capital of the Company stood at Rs. 13,00,00,000 divided into 1,30,00,000 equity shares of Rs. 10 each.

BORROWINGS:

NHB Refinance: SRGHFL availed refinance aggregating to Rs. 7.00 Crores during the year from NHB. The refinance outstanding as at 31st March, 2017 was Rs. 6.74 Crores.

Loan from Banks and FIs: SRGHFL availed various credit facilities from Banks and Financial Institutions aggregating to Rs. 81 Crores during the year. The loan outstanding from Banks and Financial Institutions as at 31st March, 2017 was Rs. 68.30 Crores.

UNCLAIMED DIVIDEND:

As at March 31st, 2017, dividend amounting to Rs. 5025/- has not been claimed by shareholders. The Company has been intimating the shareholders to lodge their claim for dividend from time to time.

Under the provisions of section 125 of Companies Act, 2013, dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As at March 31st, 2017 there is no unpaid/Unclaimed Dividend to be transferred to Investor Education & Protection Fund.

In terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has made the relevant disclosures to the Ministry of Corporate Affairs (MCA) regarding unclaimed dividends. SRGHFL has uploaded the prescribed information on www.iepf.gov.in and www.srghousing.com.

MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to SEBI (LODR) Regulations, 2015 and NHB Directions dated 9 February, 2017, Report on Management Discussion and Analysis is annexed herewith in Annexure V.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (3) (c) of the Companies Act, 2013, and based on the information provided by the management, your Directors hereby confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2017 and of the profit of the Company for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) The annual accounts of the Company have been prepared on a going concern basis.
- (e) Internal controls have been laid down to be followed by the Company and such internal controls were adequate and were operating effectively.
- (f) Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in SEBI (LODR) Regulations, 2015 and NHB Directions dated 9 February, 2017. A report on Corporate Governance is included as a part of this Annual Report in ANNEXURE VI.

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 is attached to this report.

In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto.

RELATED PARTY TRANSACTIONS:

All contracts / arrangements / transactions entered by the Company with related parties are in the ordinary course of business and on an arm's length basis. Your Directors draw attention of the members to Note 29.10 to the financial statement which sets out related party disclosures.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions, accordingly information in Form AOC-2 is not annexed.

As required by NHB Notification no NHB.HFC.CG-DIR1/MD&CEO/2016 dated February 9, 2017, a policy on transaction with related parties is given as Annexure IV to this report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the link:

http://srghousing.com/DataImages/download/Related%20Party%20Transaction%20Policv.pdf.

RISK MANAGEMENT POLICY:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015, the company has in place a risk management framework approved by the Board of Directors. SRGHFL's Risk Management framework provides the mechanism for risk assessment and mitigation. Company has in place Risk Management Committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

CORPORATE SOCIAL RESPONSIBILTY POLICY:

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

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by board. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board and/or to the Managing Director.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal auditor, respective heads undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and/or to the Managing Director.

DIRECTORS:

In accordance with the provisions of the Act and the Articles of Association of the Company Mrs. Seema Jain, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Necessary resolution for the re-appointment of the aforesaid director and her detailed profile has been included in the Notice conveying the ensuing AGM.

Your Directors recommend her re-appointment.

The Nomination and Remuneration Committee of the Board and the Board of Directors had, at their meeting held on April 8th, 2017, revised the yearly remuneration of Mr. Vinod K. Jain, Managing Director of the Company to Rs. 60 Lacs plus 5% of net profits of the company for that financial year computed in the manner laid down in section 198 (except that the remuneration of the directors shall not be deducted from the gross profits) and benefits as provided under Section IV Part II of Schedule V of Companies Act, 2013. The revised remuneration shall be payable to Mr. Vinod K. Jain monthly, in such manner as may be decided by board for the remaining term of his office i.e. from 07th May, 2017 till 06th May, 2019.

Necessary resolution for the approval of above terms and his detailed profile has been included in the Notice conveying the ensuing AGM.

Your Directors recommend the same for approval.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

During the year under review, Board of Directors of the Company in their meeting held on 28th April, 2016 accepted resignation of Mr. Hitesh Soni from the post of Company Secretary and appointed Ms. Sunaina Nagar as the Company Secretary of the Company with effect from 28th April, 2016.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence as laid down in Section 149(6).

AUDITORS:

STATUTORY AUDITORS:

In accordance with provisions of Companies Act, 2013, the current Statutory Auditor M/s. Valawat & Associates, Chartered Accountants (FRN: 003623C) (Change in name from M/s Valawat





Jha Pamecha & Co to M/s Valawat& Associates with effect from 01.01.2017.) hold office upto the conclusion of ensuing AGM. As per the provisions of Section 139 of Companies Act, 2013 M/s Valawat & Associates are not eligible for re-appointment for a fresh term.

The Board of Directors places on record its appreciation for the services rendered by M/s Valawat & Associates as the statutory auditors of the company.

The Board of Directors of the Company on the recommendation of Audit Committee has considered and recommended the appointment of PKJ & Co. (FRN:124115W), Chartered Accountant as statutory auditor for a term of five years beginning from the conclusion of 18th AGM till the conclusion of 23rd AGM, subject to approval of members at the ensuing AGM.

SECRETARIAL AUDITORS:

M/s Deepak Vijaywargey & Associates, Practicing Company Secretary, Udaipur was re-appointed as the Secretarial Auditor of the Company for the financial year 2016-17 by the Board of Directors pursuant to provisions of Companies Act, 2013 and rules there under. Secretarial Audit Report as provided by M/s Deepak Vijaywargey & Associates, Practicing Company Secretary is annexed to this Report as ANNEXURE II.

QUALIFICATIONS IN AUDIT REPORTS:

There are no qualifications, reservations or adverse remarks or disclaimer made-

- (a) By the statutory auditor in his report; and
- (b) By the company secretary in practice in his secretarial audit report

DISCLOSURES:

BOARD MEETINGS:

The Board of Directors met 19 (nineteen) times during the financial year 2016-17.

COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee consists of adequate composition of Non-Executive Independent Directors. The details of which are mentioned in the Corporate Governance Report.

COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee consists of adequate composition of Non-Executive Independent Directors and Non-Executive Directors. The details of which are mentioned in the Corporate Governance Report.

COMPOSITION OF STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Stakeholder's Relationship Committee consists of adequate composition of Non- Executive Directors and Non-Executive Independent Directors. The details of which are mentioned in the Corporate Governance Report.

PARTICULARS OF LOANS, GAURANTEES OR INVESTMENTS:

Since the Company is a Housing Finance Company, the disclosure regarding particulars of loans given, guarantees given and security provided is exempt under the provisions of Section 186 (11) of the Companies Act, 2013.

As regards investments made by the Company, the details of the same are provided under Note No. 11 forming part of the annual accounts of the Company for the year ended March 31st, 2017.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) CONSERVATION OF ENERGY:

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

(B) TECHNOLOGY ABSORPTION:

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

(C) EXPENDITURE INCURRED ON 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.

(D) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of extract of annual return in MGT 9 is annexed herewith as ANNEXURE III.

PARTICULARS OF EMPLOYEES:

As at March 31st, 2017, there was no employee employed throughout the year who was in receipt of remuneration of Rs. 1.02 Crores or more per annum or Rs. 8.50 Lakhs or more per month, if employed for the part of the year.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

There are no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report.

CHANGE IN THE NATURE OF BUSINESS:

There are no changes in the Nature of Business.

DETAILS RELATING TO DEPOSITS:

The Company has been granted registration by the National Housing Bank, New Delhi as a non-deposit taking Housing Finance Company. Being so, the Company has neither accepted in the past nor has any future plans to accept any public deposits, by whatever name called.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

The Company has been following directions, guidelines, circulars issued by SEBI, BSE, MCA, NHB etc. from time to time relating to companies and that there are no significant & material orders passed by these regulators so far.

DISCLOSURES ON MANAGERIAL REMUNERATION:

Details of Managerial remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as per "Annexure VIII" to this report.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-2018 to BSE where the Company's Shares are listed.

INVESTOR COMPLAINTS AND COMPLIANCE:

During the year company has not received any investor complaints and that as on 31ST March, 2017, no complaints are pending.

EARNINGS PER SHARE (EPS)

The Earnings Per Share (EPS) is ₹ 2.38 as at March 31st, 2017 as against ₹ 1.65 as at March 31st, 2016.

CAPITAL ADEQUACY:

Particulars as on 31st March	2017	2016
Capital Adequacy Ratio	72.71%	49.91%

SRGHFL's capital adequacy in the form of CRAR stood at 72.71% as of March 31st, 2017, which is well above the NHB's minimum stipulated requirement of 12%, and entirely in the form of Tier I Capital. High Tier I capital shall provide the Company adequate headroom to raise Tier II capital for future business expansion. This position enables the company to expand the loan book significantly by debt route.

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 recognized if unrealized.

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.

A NOTE OF APPRECIATION:

Your Directors place on record their appreciation for the advice, guidance and support given by various regulatory authorities including the NHB, RBI, SEBI, MCA, the Stock Exchange (BSE), Depositories and all the bankers of the Company. The Directors would also like to acknowledge the role of all its stakeholders shareholders, borrowers, key partners and lenders for their continuing support to the Company. Your Directors also record their appreciation for the dedicated services of the employees and their contribution to the growth of the Company. The Board would also like to express its sincere appreciation to all the Company's valued Shareholders, RTA, Service Providers and Counselors for their continued support and patronage.

Best Wishes

Sd/-	Sd/-		
Vinod K. Jain	Rajesh Jain		
Managing Director	Director		
DIN: 00248843	DIN: 00212393		
Date: 10.05.2017	Place: Udaipur		





Annexure- I

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

CRITERIA OF SELECTION OF NON-EXECUTIVE DIRECTORS:

The Non-executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Nomination & Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Nomination & Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The Nomination & Remuneration Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

REMUNERATION:

The Non-executive Directors may be paid sitting fees for each meeting of the Board attended by them, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and reimbursement of expenses for participation in the Board Meetings.

EXECUTIVE DIRECTOR - CRITERIA FOR SELECTION / APPOINTMENT:

For the purpose of selection of the Executive Director the Nomination & Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

REMUNERATION FOR THE EXECUTIVE DIRECTOR:

At the time of appointment or re-appointment, the Executive Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Executive Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration of Executive Directors shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the Executive Director comprises of fixed and variable component as per the provisions of Companies Act, 2013. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES:

In determining the remuneration of the Senior Management Employees the Nomination & Remuneration Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Executive Director will carry out the individual performance review based on the respective defined objectives, qualification, expertise, experience and other factors whilst recommending the annual increment and performance incentive to the Nomination & Remuneration Committee for its review and approval.

Annexure- II

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

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

To,
The Members,
SRG Housing Finance Limited,
321, S.M. Lodha Complex, Near Shastri Circle,
Udaipur-313001, Rajasthan, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SRG Housing Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SRG Housing Finance Limited (CIN: L65922RJ1999PLC015440) ("the Company") having its Registered Office at 321, S.M. Lodha Complex, Near Shastri Circle, Udaipur-313001, Rajasthan, India for the financial year ended on 31st March, 2017 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not applicable to the Company during the Audit Period)
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period) and







- h. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- VI. The Company has complied with the following specifically other applicable laws to the Company:
 - a. National Housing Bank (NHB) Act, 1987;
 - b. Housing Finance Companies (NHB) Directions, 2010;
 - c. Housing Finance Companies Auditor's Report (National Housing Bank) Directions, 2016;
 - d. Housing Finance Companies Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016;
 - e. Housing Finance Companies Corporate Governance (National Housing Bank) Directions, 2016;
 - Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.

WE HAVE ALSO EXAMINED COMPLIANCE WITH THE APPLICABLE CLAUSES OF THE FOLLOWING:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

WE FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as follows:

1. Issue and allotment 16,87,300 equity shares of face value of Rs. 10/- each at an issue price of Rs. 90/- per share (including premium of Rs. 80/- per share) by way of private placement to non promoters.

For M/s. Deepak Vijaywargey and Associates, Company Secretaries

Udaipur May 10, 2017 Sd/-Deepak Vijaywargey Proprietor

ACS No: 18221 C P No: 6321

Annexure- III

EXTRACT OF ANNUAL RETURN

Form No. MGT-9 (As on the financial year ended on March 31st, 2017)

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L65922RJ1999PLC015440
Registration Date:	10.03.1999
Name of the Company:	SRG Housing Finance Limited
Category / Sub-Category of the Company:	Public Company Limited by Shares
Address of the registered office and Contact details:	321, SM Lodha Complex, Near Shastri Circle, Udaipur, Rajasthan-313001; Phone: 0294-2561882, 2412609; Fax:0294-5100098; Email : info@srghousing.com; website-www.srghousing.com
Whether listed company:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Sharex Dynamic (India) Pvt. Ltd. Unit- 1, Luthra Ind. Premises. Ist Flr, 44-E, M Vasanti Marg, Andheri- Kurla Rd, Safed Pool, Andheri (E) - Mumbai 400072 Tel. No.: 022-28515606; Fax No.: 022-28512885 E-mail: sharexindia@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Housing Finance	65922	99.79%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The company does not have any holding, subsidiary and associate companies.

IV. SHARE HOLDING PATTERN

(EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)





I) CATEGORY-WISE SHARE HOLDING

Category code	Category of Shareholder		es held at the 01/04/2016	beginning			ares held at th ar 31/03/2017	e end		% Change during the year
(A)	Shareholding of Promoter and Promoter Group	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1	Indian									
a	Individual/Huf	5178239	-	5178239	45.77	5178239	-	5178239	39.83	-5.94
b	Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
С	Fins / Banks	-	-	-	-	-	-	-	-	-
d	Any Other specify	-	-	-	-	-	-	-	-	-
	Bodies Corporate	1004299	-	1004299	8.88	1826279	-	1826279	14.05	5.17
	Sub Total (A) (1)	6182538	-	6182538	54.65	7004518	-	7004518	53.88	-0.77
2	Foreign									
a 	Individuals/ NRI/ Foreign Ind.	-	-	-	-	-	-	-	-	-
b	Government	-	-	-	-	-	-	-	-	-
С	Institutions -	-	-	-	-	-	-	-	-	
d	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e	Any Other Specify	-	-	-	-	-	-	-	-	-
	Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
(A)	Total Shareholding of Promoter and Promoter Group Total (A)= (A)(1)+(A)(2)	6182538	-	6182538	54.65	7004518	-	7004518	53.88	-0.77
(B)	Public shareholding									
1	Institutions									
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Venture Capital Funds	-	-	-	-	-	-	-	-	-
С	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
f	Fin Inst/ Banks	-	-	-	-	-	-	-	-	-
g	Insurance Companies									
h	Provident Fund/ Pension Fund	-	-	-	-	-	-	-	-	-
i	Any Other Specify	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	-	-	-	-	-	-	-	-	-
2	Central Government/State Government/ President of India	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (2)									
3	Non-institutions									
a	Individuals	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding nominal share capital up to Rs-2lac	841136	-	841136	7.44	894506	-	894506	6.88	-0.56
	ii) Individual shareholders holding nominal share capital in excess of Rs-2lac	3017256	-	3017256	26.67	4381612	-	4381612	33.71	7.04
b	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-

С	Employee Trusts	-	-	-	-	-	-	-	-	-
d	Overseas Depositories (holdings DRs)(balancing figure)	-	-	-	-	-	-	-	-	-
е	Any Other (Specify)									
i.	Bodies Corporate	1271770	-	1271770	11.24	246136	-	246136	1.89	-9.35
ii.	Clearing Member	-	-	-	-	80612	-	80612	0.62	0.62
iii.	HUF	-	-	-	-	243122	-	243122	1.87	1.87
iv.	NRI- Non-Repat	-	-	-	-	7294	-	7294	0.06	0.06
V.	NRI -Repat	-		-	-	142200	-	142200	1.09	1.09
	Sub-Total (B)(3)	5130162	-	5130162	45.35	5995482	-	5995482	46.12	0.77
(B)	Total (B)= (B)(1)+(B)(2)+ (B)(3)	5130162	-	5130162	45.35	5995482	-	5995482	46.12	0.77
(C)	Non- Promoter Non- Public									
1	Custodian/ DR Holders	-	-	-	-	-	-	-	-	-
2	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014	-	-	-	-	-	-	-	-	-
(C)	Total (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	11312700	-	11312700	100.00	13000000	-	13000000	100.00	-

(II) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding	at the beginning	g of the year	Shareholding	e year	% change in share holding during the year	
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vinod Kumar Jain	1265150	11.18	-	1265150	9.73	-	-1.45
2	Pushpa Jain	601671	5.32	-	601671	4.63	-	-0.69
3	Rajesh Jain	560721	4.96	-	560721	4.31	-	-0.65
4	SRG Global Solutions Pvt. Ltd.	525000	4.64	-	525000	4.04	-	-0.60
5	Sulochana Devi Jain	444150	3.93	-	444150	3.42	-	-0.51
6	Seema Jain	543751	4.81	-	543751	4.18	-	-0.63
7	Genda Lal Jain HUF	399000	3.53	-	399000	3.07	-	-0.46
8	Vinod Kumar Jain HUF	387890	3.43	-	387890	2.98	-	-0.45
9	SRG Global Builders Pvt. Ltd.	226799	2.00	-	226799	1.75	-	-0.25
10	Meenakshi Jain	223965	1.98	-	223965	1.72	-	-0.26
11	Rajesh Jain HUF	204960	1.81	-	204960	1.58	-	-0.23
12	Aarti Prakash Jain	202650	1.79	-	202650	1.56	-	-0.23
13	Genda Lal Jain	168021	1.49	-	168021	1.29	-	-0.20
14	Jikisha Jain	165600	1.46	-	165600	1.27	-	-0.19
15	Hriday Insurance Consultant Pvt. Ltd.	52500	0.46	-	52500	0.40	-	-0.06
16	Dinesh Kumar Lundiya	10500	0.09	-	10500	0.08	-	-0.01
17	Manorma Jain	210	0.00	-	210	0.00	-	0.00
18	S R G Securities Finance Limited	200000	1.77	-	200000	1.54	-	-0.23
19	Ambitious Associates Pvt Ltd*	-	-	-	556060	4.28	-	4.28
20	Rhythm Consultants Private Limited**	-	-	-	265920	2.05	-	2.05
	Total	6182538	54.65	-	7004518	53.88	-	-0.77

^{*} Included in the Promoters' Group w.e.f from Dec, 2016. | ** Included in the Promoters' Group w.e.f from March, 2017.
Changes in the percentage shareholding other than for the reason of transfer and allotment are due to further issue of shares by the Company.





III) CHANGE IN PROMOTERS' SHAREHOLDING

Sr. No.	Shareholder's Name	Shareholding at the of the year 01/04/20	Share holding at the end of the Year 31/03/2017					
		No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	HRIDAY INSURANCE CONSULTANT PRIVATE LTD.	52500	0.46	-	-	-	52500	0.40
2	GENDA LAL JAIN HUF	399000	3.53	-	-	-	399000	3.07
3	VINOD KUMAR JAIN (HUF)	387890	3.43				387890	2.98
4	SRG GLOBAL SOLUTIONS PRIVATE LIMITED	525000	4.64	-	-	-	525000	4.04
5	SRG GLOBAL BUILDERS PRIVATE LIMITED	226799	2.00	-	-	-	226799	1.75
6	RAJESH JAIN HUF .	204960	1.81	-	-	-	204960	1.58
7	DINESH KUMAR LUNDIYA	10500	0.09	-	-	-	10500	0.08
8	GENDA LAL JAIN	168021	1.49	-	-	-	168021	1.29
9	SULOCHANA DEVI JAIN	444150	3.93	-	-	-	444150	3.42
10	VINOD KUMAR JAIN	1265150	11.18				1265150	9.73
11	SEEMA JAIN	543751	4.81				543751	4.18
12	RAJESH JAIN	560721	4.96	-	-	-	560721	4.31
13	PUSHPA JAIN	601671	5.32	-	-	-	601671	4.63
14	MEENAKSHI JAIN	223965	1.98	-	-	-	223965	1.72
15	MANORMA JAIN	210	0.00	-	-	-	210	0.00
16	AARTI PRAKASH JAIN	202650	1.79	-	-	-	202650	1.56
17	JIKISHA JAIN	165600	1.46	-	-	-	165600	1.27
18	S R G SECURITIES FINANCE LIMITED	200000	1.77				200000	1.54
19	AMBITIOUS ASSOCIATES PVT. LTD.*	-	-	16.12.2016	40000	Transfer	556060	4.28
20	RHYTHM CONSULTANTS PRIVATE LIMITED**	-	-	-	-	-	265920	2.05
	TOTAL	6182538	54.65				7004518	53.88

^{*} Included in the Promoters' Group w.e.f from Dec, 2016. | ** Included in the Promoters' Group w.e.f from March, 2017.

IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr. No	Name	No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	Cumulative No. of Shares	% of total Shares of the company]
1	VIVEK VASHISHTH	281400	2.49	-	-	-	281400	2.16
2	KALA TIWARI	189000	1.67	-	-	-	189000	1.45
3	NIDHI V. ROKADIA	200000	1.77	-	-	-	200000	1.54
4	GAURAV S JAIN	174720	1.54	10.02.2017	-35000	Transfer	139720	
				17.02.2017	-10000	Transfer	129720	
				10.03.2017	-35000	Transfer	94720	
				17.03.2017	-34720	Transfer	60000	
				31.03.2017	-	-	60000	0.46
5	DHARMESH CHANDRA JAIN	172200	1.52	10.02.2017	-20000	Transfer	152200	1.17
6	AVNISH TIWARI	140700	1.24	-	-	-	140700	1.08
7	ARYAMAN CAPITALMARKETS LIMITED	262300	2.32	03.06.2016	-214651	Transfer	47649	
				10.06.2016	-47649	Transfer	0	
				09.09.2016	630	Transfer	630	

				16.09.2016	400	Transfer	1030	
				23.09.2016	1300	Transfer	2330	
				30.09.2016	-20	Transfer	2310	
				14.10.2016	-1800	Transfer	510	
				28.10.2016	-260	Transfer	250	
				11.11.2016	-250	Transfer	0	
				31.03.2017			0	0.00
8	JYOTI VASHISHTH	165900	1.47	-	-	-	165900	1.28
9	MEENAXI NARENDRA MEHTA	0	0.00	31.03.2017	375000	Allotment	375000	2.88
10	SAJANKUMAR RAMESHWARLAL BAJAJ	0	0.00	03.06.2016	100000	Transfer	100000	
				10.06.2016	46000	Transfer	146000	
				06.01.2017	70300	Transfer	216300	
				20.01.2017	-2520	Transfer	213780	
				27.01.2017	520	Transfer	214300	
				03.02.2017	100	Transfer	214400	
				10.02.2017	-2100	Transfer	212300	
				17.02.2017	-2000	Transfer	210300	
				31.03.2017			210300	1.62
11	JAGRUTI RAJIV DUTIA	0	0.00	10.03.2017	40756	Transfer	40756	
				31.03.2017	100000	Allotment	140756	1.08
12	AMBITIOUS ASSOCIATES PVT LTD*	516060	4.56	-	-	-	-	-
13	RHYTHM CONSULTANTS PRIVATE LIMITED**	265920	2.35	-	-	-	-	-

^{*} Included in the Promoters' Group w.e.f from Dec, 2016 and thus changes during the year has been reflected in point III above.
** Included in the Promoters' Group w.e.f from March, 2017.

Changes in the percentage shareholding other than for the reason of transfer and allotment are due to further issue of shares by the Company.

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

1.	VINOD K. JAIN	MANAGING DIRE	CTOR		
Sl. No.		Shareholding at beginning of the		Cumulative Sh during the yea	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1265150	11.18	1265150	11.18
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
3 (1+2)	At the End of the year	1265150	9.73	1265150	9.73
2.	RAJESH JAIN	DIRECTOR			
Sl. No.	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	560721	4.96	560721	4.96
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
3 (1+2)	At the End of the year	560721	4.31	560721	4.31
3	SEEMA JAIN	DIRECTOR			
Sl. No.			Shareholding at the beginning of the year		areholding r
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	543751	4.81	543751	4.81
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
3 (1+2)	At the End of the year	543751	4.18	543751	4.18

No other Directors and KMP other than those mentioned above holds any shares in the Company.





V. INDEBTEDNESS

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT:

	Secured Loans excluding deposits (Rs. In Crores)	Unsecured Loans	Deposits	Total Indebtedness (Rs. In Crores)
Indebtedness at the beginning of the financial year				
i) Principal Amount	40.89	-	-	40.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.40	-	-	0.40
Total (i+ii+iii)	41.29			41.29
Change in Indebtedness during the financial year				
Addition	46.00	-	-	46.00
Reduction	12.25	-	-	12.25
Net Change	33.75	-	-	33.75
Indebtedness at the end of the financial year				
i) Principal Amount	74.50	-	-	74.50
ii) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	0.54	-	-	0.54
Total (i+ii+iii)	75.04	-	-	75.04

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager (R in Lacs)	Total Amount (Rs in Lacs)
		VINOD K. JAIN (Managing Director)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84.00	84.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- Others, specify		
5.	Others, please specify		
	Total (A)	84.00	84.00
	Ceiling as per the Act	84.00*	84.00*

^{*} Pursuant to Section II-A Part II Schedule V to the Companies Act, 2013.

B. REMUNERATION TO OTHER DIRECTORS:

Company does not pay any remuneration to other Directors except Managing Director.

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

Sl.No	Particulars of Remuneration	Key Managerial Personnel					
		Hitesh Soni (Company Secretary) Rs. In Lacs	Sunaina Nagar (Company Secretary) Rs. In Lacs	Ashok Kumar (CFO) Rs. In Lacs	Total Rs. In Lacs		
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.26	3.90	5.51	9.67		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-		
2.	Stock Option	-	-	-	-		
3.	Sweat Equity	-	-	-	-		
4.	Commission						
	- as % of profit						
	- others, specify	-	-	-	-		
5.	Others, please specify	-	-	-	-		
	Total	0.26	3.90	5.51	9.67		

^{*} Mr. Hitesh Soni resigned from the post of Company secretary and Ms. Sunaina Nagar was appointed as the Company Secretary of the Company with effect from 28th April, 2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Туре	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority(RD/ NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL





Annexure- IV

POLICY ON RELATED PARTY TRANSACTIONS

1) SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Clause 49 of the Listing Agreement (as amended by SEBI Circulars dated April 17, 2014 and September 15, 2014)/Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 and NHB Directions, SRG Housing Finance Limited ("SRGHFL" or "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Clause 49(VII)(C) of the Listing Agreement / 23(1) of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 and NHB Directions requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, SRGHFL has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2) OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Clause 49 of the Listing Agreement and Regulation 23(1) of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015, NHB Directions and any other laws and regulations as may be applicable to the Company.

3) DEFINITIONS

"Arm's length transaction ('ALP')" means a transaction between

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

"Related Party", with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013, or the applicable accounting standards.

"Related Party Transaction" (RPT) means -

For the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188;

For the purpose of Clause 49/23, any transaction involving any Related Party which is a transfer of resources, services or obligations between a Listed entity and a related party, regardless of whether a price is charged.

A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

4) MATERIALITY THRESHOLDS

Clause 49 of the Listing Agreement/23 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 requires a company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a special resolution. The Company has fixed its materiality threshold at ten percent of the annual consolidated turnover as per the last audited financial statements of the company for the transactions to be entered into individually or taken together with previous transactions during a financial year, for the purpose of Clause 49(VII)(C) of the Listing Agreement/23 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

5) MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

a) Identification of related parties

SRGHFL has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Clause 49 of the Listing Agreement/ 23 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015

b) Identification of related party transactions

SRGHFL has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and Clause 49 of the Listing Agreement/23 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015. SRGHFL has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.

c) Procedure for approval of related party transactions

Approval of the Audit Committee

All related party transactions require prior approval of the Audit Committee.

Omnibus approval:

The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

- The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- The omnibus approval shall provide -
- (i) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into.
- (ii) the indicative base price / current contracted price and the formula for variation in the price if any (for ex: +/- 5%) and
- (iii) such other conditions as the Audit Committee may deem fit.

However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs.1 crore per transaction;

 The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given; Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.

While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- Nature of the transaction i.e. details of goods or property to be acquired / transferred or services to be rendered / availed - including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
- Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;
- Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;
- Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
- 1. market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
- third party comparables, valuation reports, price publications including stock exchange and commodity market quotations;
- 3. management assessment of pricing terms and business justification for the proposed transaction;
- 4. comparative analysis, if any, of other such transaction entered into by the company.

Approval of the Board of Directors of the Company

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:







- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- 2. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- 3. Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- 4. Transactions meeting the materiality thresholds laid down Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

Approval of the Shareholders of the Company

All the transactions with related parties meeting the materiality thresholds, laid down in Clause 4 of the Policy, are placed before the shareholders for approval.

For this purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

Clause 49(VII) (E)/23(5) of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 provides that the requirement for seeking shareholders' approval shall not be applicable to

- 1) Transactions between two government companies
- Transactions between a holding company and its wholly owned subsidiary/ies (if any) whose accounts are consolidated with the holding company and placed before the shareholders at the general meeting for approval.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which

- (a) are not in the ordinary course of business and at arm's length basis; and
- (b) exceeds the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

6) DISCLOSURES

SRGHFL shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

In addition to the above, SRGHFL shall also provide details of all related party transactions meeting the materiality threshold (laid down in Clause 4 of the Policy above) on a quarterly basis along with compliance report on Corporate Governance to the stock exchanges.

7) RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

Annexure- V

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC OVERVIEW:

The growth rate of the economy during the first half of the FY16-17 was estimated at 7.2%, making India one of the fastest growing major economies in the world. At the sectoral level, the growth rates for agriculture and allied sectors, industry and services sectors for the first half of the FY16-17 were estimated at 2.5%, 5.6%, and 9.2%, respectively Against the backdrop of robust macroeconomic stability, the year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the two highest denomination notes. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism. Demonetisation has had short-term costs but holds the potential for long term benefits. Follow-up actions to minimize the costs and maximize the benefits include: fast, demand-driven, remonetisation; further tax reforms, including bringing land and real estate into the GST, reducing tax rates and stamp duties; and acting to allay anxieties about over-zealous tax administration. These actions would allow growth to return to trend in 2017-18, following a temporary decline in 2016-17. Looking further ahead, societal shifts in ideas and narratives will be needed to overcome three long-standing meta-challenges: inefficient redistribution, ambivalence about the private sector and property rights, and improving but still-challenged state capacity. In the aftermath of demonetisation, and at a time of gathering gloom about globalisation, articulating and embracing those ideational shifts will be critical to ensuring that India's sweet spot is enduring not evanescent.

(Source: indiabudget.nic.in-Economic Survey 2016-17)

HOUSING INDUSTRY OVERVIEW:

The market dynamics of housing finance, one of India's more resilient sectors, has seen significant changes of late, with smaller players chipping away at the spoils. And if the buzz around affordable housing is any indication, the next few years would see even more changes. The overall sector remains concentrated, with the top four housing finance companies or HFCs (with loan book greater than Rs 50,000 crore) having a share of around 79%. But

their share was down around 600 bps in the two years to fiscal 2016, and is expected to have declined further by at least 500 bps in fiscal 2017. This, even as mid-sized HFCs (with loan book between Rs 5,000-50,000 crore) have increased their market share – up 600 bps to 17% at the end of fiscal 2016 – and smaller HFCs (with loan book below Rs 5,000 crore) have been able to hold on to their share. The past couple of years have seen a large influx of new players, taking the number of HFCs from 55 in fiscal 2014 to 70 in fiscal 2016, with around 80 licences pending with the National Housing Bank (NHB). Interestingly, many of these new entrants are focussed on the affordable housing segment (CRISIL Ratings defines affordable housing loans as those with a ticket size less than Rs 15 lakh), where there is a lot of buzz today, thanks to regulatory and policy changes.

The HFC sector's resilience has much to do with strong asset quality, with gross non-performing assets as low as 0.8%. This is supported by factors like the nature of the asset class, the customer profile (around 80% home loans are to salaried customer), practices like direct debit/ cheque being the primary mode of payment, and the fact that the average loan to value (LTV) is around 75%. This has enabled HFCs to maintain low credit costs and - coupled with low operating expenses - has helped keep profitability steady, with the return on assets (RoA) at 2.1%.

The growth in the affordable housing segment has been supported by the government as well as the regulator. Under the Pradhan Mantri Awas Yojana (PMAY), around 7 lakh new housing units have been approved for construction. Also, the credit linked subsidy scheme (CLSS) has been rolled out to enhance affordability for the borrowers. As per CRISIL estimates, under the CLSS scheme, for economically weaker section (EWS) and low income group (LIG) home buyers availing a 20-year loan of Rs 12 lakh and Rs 6 lakh & below, the reduction in EMI could be up to ~22% and ~45%, respectively. This is irrespective of the interest rate charged on the loan. Coupled with tax incentives, the effective interest paid on a home loan could be significantly lower for some categories. CRISIL believes this substantially increases the incentive for home buyers.

The regulator NHB has also provided impetus to this segment by reducing the risk weights for smaller-ticket housing loans, allowing high LTV for housing units costing below Rs 30 lakh and increasing the additional investment limit in HFCs to 15% (from



10%) for debt mutual funds, thereby increasing the overall sectoral cap for HFCs to 40%. The recent budget provided further lift. The proposed infrastructure status to the affordable housing sector can lower the borrowing costs of developers, who could, in turn, pass on some of the savings to the buyers, thus spurring demand. This move is also expected to increase the willingness of banks to lend to projects in this space. The budget also increased the allocation for the PMAY from Rs 15,000 crore to Rs 23,000 crore. Other budget proposals which are expected to provide a boost to the sector include tax exemptions for developers sitting on completed unsold inventory, amendment of section 80-IBA for relaxing the condition of period of completion of a project for claiming deduction to five years from three years now, etc. Also, instead of a built-up area of 30 and 60 square metre (sq m), a carpet area of 30 and 60 sq m is to be counted for affordable housing units in municipal limits of four metropolitan cities and the rest of the country, respectively. All these initiatives are expected to further provide an impetus to the affordable housing segment.

(Source: CRISIL Affordable homes altering mortgage market dynamics Report HFC 08.05.17.pdf)

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.

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.

India has got the largest rural population cluster in the world. Today, India's largest population resides in rural areas. Rural India contributes larger part in GDP as compare to urban cities. Housing loan demand is also increasing in rural India, so there is a need to fulfill all demands of villagers. The government is also bringing

schemes so that people can fulfill their dreams by making their houses a dream home. India is the second populous country in the world, so as population increases the demand for home loan will also increase to meet demands. India has got the larger number of working population. India's proportion of the working age population (15-59 years) is likely to rise from around 58 percent in 2001 to over 64 per cent by 2021. In absolute numbers, around 63.5 million people are expected to enter the working age group between 2011 and 2016. By 2030, India will have the youngest median age of 31.2 years, while China's will be 42.5 years. When most major economies will see a decline of working age adults (20-64 years), India is expected to see a significant rise in working age adults.

In the coming years India's urban population would be growing as people are migrating from rural areas to urban cities. The individual income is also rising and with rise in income the expenditure is also increasing. The increase in the number of middle-class nuclear families is estimated to be over 300 million. India also has the highest proportion of couples with two children (or nuclear families) at 52 per cent, followed closely by Brazil and China at 49 per cent. Correspondingly, India has the least number of single-person households at 3 per cent, compared with 10 and 7 per cent for Brazil and China respectively.

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 "Standalone 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.

PRODUCT WISE PERFORMANCE:

SRGHFL's product line deals with three major products namely Housing Loan, Loan Against Property and Builder's Loan. The loan portfolio of Rs. 81.83 Crores as at year end 2017 constitutes Rs. 64.84 Crores representing 79.24% as Housing Loan, Rs. 7.02 Crores representing 8.57% as LAP Loans and Rs. 9.97 Crores representing 12.19% as Builder Loans.

Loan disbursement during the year amounting to Rs 47.37 Crores constitutes Rs. 38.80 Crores representing 81.91% as Housing Loan, Rs. 6.72 Crores representing 14.19% as LAP Loans and Rs. 1.85 Crores representing 3.90% as Builder Loans.

LOAN PRODUCTS AND PROCESS:

SRGHFL's major focus has been to provide home loans to individuals and families for purchase, construction and extension. SRGHFL also provides loans for repair and renovation of houses and home loans to families in the self-employed category where formal income proofs are not easily available and the repayment capacity of such families are appraised based on their cash flows. Apart from extending home loans, SRGHFL offers builders loan where financing to builders for their housing projects for purchase of land, conversion and development of land, development of housing colonies, construction of flats, houses, etc. with repayment linked with sale of flats or on EMI basis are made. SRGHFL also offers loan to Non Resident Indians for construction and purchase of Residential properties in India.

Company has a well established and streamlined credit appraisal process. It carries out the Credit Appraisal Process at two levels one at the branch level and the other at the head office. Once the credit appraisal at the branch level is complete and such borrowers meet the basic eligibility criteria, the application is considered for initial processing at the head office. In order to ensure uniformity in credit approval of prospective borrowers, Company has centralized the credit approval and sanctioning functions at the head office. The loan approval & Disbursement process mainly consists of four simple steps - (i) Appraisal (ii) Security Evaluation (iii) Loan Sanction (iv) Loan Disbursement.

MARKETING EFFORTS:

Company's objective behind venturing into this business is to meet the financing needs of all income segments by providing adequate financial resources to fulfill their housing requirements

Presently, it has a Head office and 19 branches located in Chittorgarh, Banswara, Sagwara, Salumber, Rajsamand, Dungarpur, Bhinder, Bhilwara, Aspur, Jodhpur, Jaipur, Pali, Sirohi, Ajmer, Kota, Fatehnagar in Rajasthan, Mumbai in Maharashtra and Mandsaur and Neemuch in Madhya Pradesh. Further, the company is targeting to expand its market and open more branches which are to be located in tier 2 cities, tier 3 cities, District and Tehsil head quarters and at the peripheries of tier 1 city, which are the key target markets. SRGHFL has a strong marketing team, which has taken steps to serve the customers at their door step which includes appointing Home Loan Agents, Direct Selling Agents and Home Loan Counsellors. The Company also caters to

walking customers among others. Besides this, the Company is active in advertising and various marketing arrangements. The company's marketing is totally strategic and policy driven where the company's core moto is "CUSTOMER IS KING"

DISBURSEMENTS:

SRGHFL disbursed Rs. 4736.97 Lakhs during the year as against Rs. 2730.59 Lakhs in the previous year. The loan portfolio is diversified across Business class, salaried and non-salaried borrowers. The non-salaried borrower base, which the company believes is a relatively under penetrated target segment, comprises Self Employed Professionals ("SEP") and Self Employed Non-Professional ("SENPS")

Company's outstanding loan portfolio has grown at a CAGR of 60.97 % over a five year period from Rs. 7.57 Crores as of March 31, 2012 to Rs. 81.83 Crores as of March 31, 2017. Similarly, profit after tax has grown at a CAGR 52.98 % of over a five year period from Rs. 0.32 Crores for Fiscal 2013 to Rs. 2.70 Crores for Fiscal 2017.

PROVISION FOR STANDARD ASSETS, NPAS AND CONTINGENCIES:

The requirement relating to creation of a general provision at 0.40% of the total outstanding home loan port folio, which are standard assets, in terms of the Directions issued by National Housing Bank (NHB). To comply with the above, company made the necessary provision during the year.

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

OUTLOOK FOR 2017-18:

The business expansion strategy of SRGHFL for the year 2017-18 includes the following:

Loan Book for 2017-18: Loan book size of Rs. 200 Crores (from Rs. 81.83 Crores at March 17) in line with the Vision of Rs. 500 Crores for the Financial Year 2020.

Business Expansion Plan 2017-18: SRGHFL wish to expand its Branch Network by opening 10 new branches in North West Region of the Country. Focus areas of the company will be Tier II & Tier III Cities of Rajasthan, Maharashtra, Gujarat and Madhya Pradesh.

REGULATORY GUIDELINES:

NHB GUIDELINES AND PRUDENTIAL NORMS:

SRGHFL has complied with the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration



of credit, "Know Your Customer" (KYC), Fair Practices Code, grievance Redressal mechanism, Recovery of dues, and Capital Market Exposures etc.

SRGHFL's Capital Adequacy Ratio as at March 31st, 2017 was 72.71% as against NHB's prescribed limit of 12%.

CENTRAL REGISTRY:

The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. Accordingly, SRGHFL is registered with CERSAI and has been submitting data in respect of its loans. All banks and HFCs which fall under the purview of SARFAESI Act are required to register with CERSAI and submit the data in respect of all properties mortgaged in its favour. The lending Institutions are required to pay fees for uploading of the data of mortgage. SRGHFL has uploaded records in respect of loans disbursed during the year and has paid fees towards the same.

INSPECTION BY NATIONAL HOUSING BANK (NHB):

NHB, under section 34 of the NHB Act, 1987, carries out inspection of HFCs. NHB conducts comprehensive inspection of SRGHFL's lending, resource raising and accounting activities apart from the compliances with the Prudential Guidelines issued by NHB. During the year under review, NHB has conducted Credit Inspection for the refinance taken from NHB.

RISK MANAGEMENT:

Liquidity risks and interest rate risks arising out of maturity mismatch of assets and liabilities are managed by SRGHFL 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 direct impact on the company's profitability as if the rate is increased by RBI or lender bank the profitability of the company decreases and vice versa.

Comprehensive risk management practices form an integral part of the operations at SRG HFL. The nature of business the company is engaged in exposes it to a slew of complex and variable risks. The rapid and continuous changes in the business environment have ensured that the organization becomes increasingly risk focused to achieve its strategic objectives. SRG HFL policies ensure timely identification, management and mitigation of

relevant risks, such as credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risks, which help the company move forward with vigour.

INTERNAL AUDIT AND CONTROL:

SRGHFL has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting. SRGHFL has documented procedures covering all financial and operating functions.

SRGHFL has robust internal audit programme, where the internal auditors, an independent firm of chartered accountants, conduct a risk-based audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems. Internal audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

INFORMATION TECHNOLOGY:

The significant dependence of company operations on its IT system SRG HFL also takes initiative in maintaining adequate control for data integrity and its confidentiality. The Application Software and IT System at SRG HFL are upgraded from time to time. A decline in manual intervention has enhanced information accuracy, reduced rework, eliminated process duplication, rationalized the turnaround time in responding to loan requests and strengthened the MIS with real-time transparency leading to proactive remedial action.

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 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.

One general feature observed in many of the housing finance companies is lowering of interest spreads due to increase in cost of funding and competitive rates to be offered on housing loans due to stiff competition from scheduled commercial banks. Upward trend witnessed in property prices and the expected rise in interest rates will impact the affordability of vast number of end users. The Directors and the Management is fully geared to take appropriate and timely action with the objective of becoming financially even stronger in the years to come.

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.

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 are provided in this report. Further the highlights of the performance of the company for the year ended 31st March, 2017 is as follows:

- Net Interest Income stood at Rs.8.97 Cr in current year vs Rs.6.23 Cr in previous year indicating a growth of 43.98%.
- Profit After Tax amounted to Rs.2.71Cr in current year vs Rs.1.87 Cr in previous year- registering a growth of 44.92%.
- The loan portfolio as at March 31, 2017 amounted to Rs. 81.83 Cr as against Rs. 53.28 Cr in the previous year an increase of 53.58%.
- Net Worth: After the fund raising done during the year, Net worth has gone up by Rs.16.39 Cr to Rs.32.38 Cr indicating a growth of 97.56%.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Productive high performing employees are vital to the company's success. The Board values and appreciates the contribution and commitment of the employees towards performance of your Company during the year. In pursuance of the Company's commitment to develop and retain the best available talent, the Company continued to offer in-house, on job training programme to staff members in executive development, leadership and management skills. The Company had organized various training programs for upgrading the skill and knowledge of its employees in different operational areas. The Company also sponsored its employees at various levels to attend various seminars and programs conducted by various organizations and institutions including Training programs conducted by the National Housing Bank so as to update their knowledge and to keep them abreast of all the developments in their respective fields. Employee relations remained cordial and the work atmosphere remained congenial during the year. SRGHFL's staff strength as at March 31, 2017 was 55.

QUESTION & ANSWER:

The Brief Question & Answers about the business of the company is provided in Annexure A.

CAUTIONARY STATEMENT:

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

Place: - Udaipur Date: - May 10, 2017

For and on behalf of the Board of Directors

Sd/-Sd/-Vinod K. JainRajesh JainManaging DirectorDirectorDIN: 00248843DIN: 00212393





Annexure- A

QUESTION & ANSWER

Q. WHAT IS OUR BACKGROUND AND HISTORY?

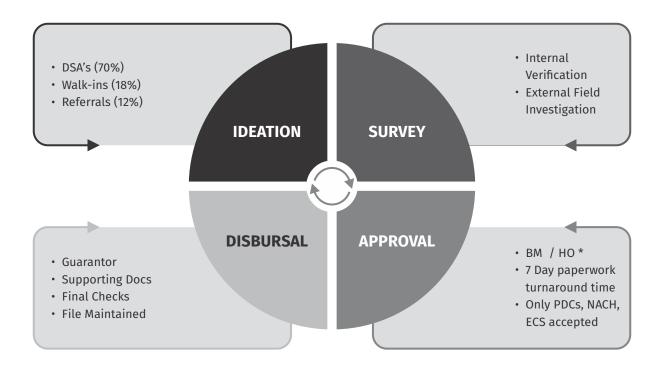
Our company is promoted by Mr. Vinod K. Jain who has been in the business of financing for more than two and a half decades. Our company was incorporated in 1999 (erstwhile Vitalise Finlease Pvt. Ltd.) and has its head office (HO) in Udaipur, Rajasthan. Our company was the first Company in Rajasthan to list on BSE SME Platform and also the first NHB licensed company in Rajasthan. Our Company is the first company in India to migrate from BSE SME to Main Board. Being Registered with NHB, NHB regularly audits our Books of Accounts and Processes. Our company became public in the year 2004. Our company was listed on BSE SME Platform in the year 2012 by raising Rs.7 crores.

Q. COULD YOU GIVE US A SKETCH OF A GENERAL CUSTOMER OF SRG?

Majority of our customers are from Rural or Semi Urban areas and belong to the Low & Medium Income Category. Most of the Self-employed borrower's (71% of total) business still continues to be in the informal sector, so they have good income but financial/supporting documents are not very strong. Bulk of our salaried customers (17% of total) are government employees (mainly teachers with 40-70k salary p.m.). Our company also gives loans to builders.

Q. HOW DOES A LOAN ACCOUNT FLOW FROM IDEATION TO DISBURSEMENTS?

The process can be classified into 4 phases as shown below:



^{*} During the approval process, the branch/credit managers have an approval limit of Rs.15 lacs above which the head-office comes into picture.

Q. WHAT IS OUR LOAN TENURE, AVERAGE TICKET SIZE AND LOAN TO VALUE RATIO? HOW DO WE MANAGE ALM?

Average Ticket Size stands at Rs.7.62 Lacs; LTV is 45-55 % app. of property value, varying on case-to-case basis. Low LTV is the key to strong collections and asset quality. Average tenure of loan asset is 6 years, while the average tenure for borrowings also stands at ~6 years. Thus we don't have any major Asset-Liability Mismatch.

Q. HOW HAS BEEN OUR ASSET QUALITY HISTORICALLY?

Currently GNPA & NNPA stood at 1.57% & 1.21% i.e. Rs.1.28 crores & Rs.0.98 crores respectively. As loan book grows, the same is expected to remain under control because the credit standards followed by the company during lending are one of the best in the industry. Our company has a strong collection mechanism with a very good understanding of how to use peer pressure for collection. Also default rates in our key geographies are very low.

Q. HOW DIFFICULT IS TO GET AND RETAIN STAFF?

As on 31st March, 2017, we had 55 people on the company's rolls: 31 at branches, 20 at H.O. & 4 at the corporate office. We have a competent and experienced core team in place and most of them have been with our company for 5-7 years. All branch level employees are locally sourced with some experience in finance field so that disbursals and collections are under control. Scouting talent remains one of the key challenges, mainly as the staff member is required to meet the company's standards of lending. However retention has not been as big a problem for our company. Over the last 5 years there has not been any key marketing person who has left the company. To reward & retain staff members we have recently started offering Business & NPA linked incentive schemes, to motivate them to get good quality business and thereby create a win-win situation for them as well as the company.

Q. HOW LONG DOES IT TAKE FOR A BRANCH TO BREAKEVEN? WHAT IS OUR STRATEGY FOR BRANCH EXPANSION?

As on 31st March 2017, our Company had 19 branches across 3 states in India including Rajasthan(16), Madhya Pradesh (2) and Maharashtra (1). The present branch structure is designed considering lowest possible cost. In the very first month of commencement of operations, our most of the branches are at breakeven. No present branches are situated in the same Municipal Jurisdiction. There remains immense potential for funding in our core business areas, so, in terms of expansion, our

company intends to expand in the present operating states in India namely Rajasthan, Madhya Pradesh, Gujarat and Maharashtra in the immediate future. Over next three years we plan to take our network to 50.

Q. WHO ARE OUR MAJOR COMPETITORS?

Technically we face competition from most of the major Banks and HFCs but there is not a major overlap in the portfolios. However there are some peer HFCs who offer loans to Low to Middle Income category clients. HFCs operating in similar area/category also offer loans at similar rates (+/- 200bps) to ensure that they cover the lending risks undertaken by them. Banks offer lower rates (10-12%) but they do not fund majority of these borrowers for the first time, due to poor financial records. Competition in this sector is expected to persist and also intensify going forward. With an expectation of credit growth picking up and strong demand due to numerous government schemes, there is a strong sector tailwind, which is expected to benefit all players. We foresee that there will be enough business for all to grow despite intensifying competition.

Q. WHAT DIFFERENTIATES SRG FROM OTHER HOUSING FINANCE COMPANIES?

It is difficult to talk about competition, but the key strengths that our company has would be:

- Strong understanding of our core areas and customers in them
- 2) A stable, dedicated and competent management team
- 3) Strong reputation in the areas where we operate
- 4) Good processes and policies in place, in terms of both loan origination and collection
- 5) Margin of safety in lending is driven by strong lending standards and conservative LTVs.

Q. HOW DO WE PLAN TO EXPAND THE FUNDING MIX?

Company has started Multiple Banking and a number of Banks & Financial Institutions have already sanctioned loans to your Company such as National Housing Bank, LIC Housing Finance Limited, Oriental Bank of Commerce, Andhra Bank, State Bank of India and MAS Finance Services Limited. In 2017, Company availed its first ever refinance from NHB. Your Company recently got a sanction from LIC Housing Finance for Rs.25 crores against zero Collateral and for tenure of 10 years. Company got such favorable terms for the first time and we expect to get such terms even in the future from existing as well as prospective lenders. Company continues to focus on a) adding other major banks and financial





institutions to its list of funding institutions b) reducing the overall cost of debt and c) increasing the tenure of borrowed funds.

Q. HOW DO WE SEE OPERATIONS GROW OVER THE NEXT 3-5 YEARS? ARE THERE ANY TARGETS WE HAVE SET OURSELVES?

We do not intend to look too far ahead and try and set ourselves near term goals. Our first target is to scale our loan book to Rs.200 crores and that too by year end of FY18. The slightly longer term goal would be to grow to Rs.500 crores loan book over the next 3 years and Rs.1000 crores loan book over the next 5 years. We would focus on expanding our employee base and branch network to achieve this target and hope to generate operating leverage benefits. Although we would like the profitability to improve but if not, our endeavor will at least be to maintain it. In order to be future ready and prepare to scale up our business, we are planning to hire consultants to help manage and improve our processes & policies and ensure better asset quality.

Q. HOW ARE WE CAPITALIZED FOR GROWTH? BY WHEN WOULD WE NEED TO FURTHER RAISE CAPITAL TO SUPPORT GROWTH?

During the year, the company issued and allotted 16,87,300 Equity Shares of face value Rs.10/- each at a price of Rs.90 per share on a preferential basis. This increased paid up capital to Rs.13 crores and boosted the Net worth to Rs.32.38 crores. This gives strong headroom to grow for at least the next 2-3 years given our strong Capital Adequacy Ratio of 72.71%. Although our growth targets remain aggressive, your company may require to raise funds based on gearing and leverage. However, our goal is to generate a self sustaining growth model with profits being sufficient to fund the growth with healthy ROEs.

Q. WHAT IS OUR PAYOUT POLICY?

In essence, the most important objective for us, both as an investor and management, is to maximize the 'total return' for all stakeholders over the long term. We understand that for maximum returns both dividends and capital appreciation count. However, considering that we are a very small housing finance company today, with a small Net worth every rupee of capital that we do not payout can be reinvested in business and thus leveraged multiple times. Our long term goal is to align ourselves with payout policy of industry leaders, but for the time being, we would like to conserve capital to ensure that we enhance the long term sustainable growth.

Q. What are the key risks to our company's growth story?

- Competition
- · Regulatory Risks
- Geographic Risks
- Informed customers would seek lower yields
- Slower than expected pick-up in loan book
- Deterioration of Asset Quality

Annexure-VI

REPORT ON CORPORATE GOVERNANCE

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at SRG Housing Finance Limited is as follows:

At SRG Housing Finance Limited (SRGHFL), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, customers, investors or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The company is committed to ensure high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times.

BOARD OF DIRECTORS:

COMPOSITION & CATEGORY OF DIRECTORS:

As on March 31st, 2017 the Board of Directors comprises of six directors, who bring in a wide range of skills and experience to the board. All the directors of the Company, except the Managing Director are Non-Executive Directors. Out of the five non-executive directors, three are independent directors. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated under the provisions of Section 149(6) of the Companies Act, 2013. All directors are appointed by the members of the Company.

The directors bring to the board a wide range of experience and skills

The composition of the board is in conformity with SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015.

Category Name of Directors

Promoter Directors Mr. Vinod K. Jain,

Managing Director

Mr. Rajesh Jain,

Non Executive Director

Mrs. Seema Jain

Non Executive Director

Independent Directors Mr. Ashok Kabra

Mr. Vikas Gupta Mr. Nishant Badala

DISCLOSURE OF RELATIONSHIP BETWEEN BETWEEN DIRECTORS INTER-SE:

Director R	Related To Relation
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Mr. Vinod K. Jain Mrs. Seema Jain

Spouse

Mr. Rajesh Jain

Brother

Mrs. Seema Jain Mr. Vinod K. Jain

Spouse

Mr. Rajesh Jain Husband's Brother

Mr. Rajesh Jain Mrs. Seema Jain

Brother's Wife

Mr. Vinod K. Jain

Brother

No other directors, except as mentioned above, are related to each other.

RESPONSIBILITIES:

The board of directors represents the interest of the Company's shareholders, in optimizing long-term value by providing the management with guidance and strategic direction on the shareholders' behalf. The board has a formal schedule of matters





reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholders and reporting to shareholders.

ROLE OF INDEPENDENT DIRECTORS:

Independent directors play an important role in deliberations at the board meetings and bring to the Company their wide experience in the fields of finance, housing and accountancy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction. The Audit Committee, the Nomination & Remuneration Committee and the Stakeholder's Relationship Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, SEBI (LODR) Regulations, 2015, NHB Directions and as approved by the board, from time to time. Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the Company.

APPOINTMENT OF INDEPENDENT DIRECTORS:

The Company has 3 (three) Independent Directors on its Board. Two of the Directors viz. Mr. Ashok Kabra and Mr. Vikas Gupta were appointed at the 15th AGM of the Company for a period of 5 years with effect from September 18th, 2014 while Mr. Nishant Badala was appointed at the 16th AGM of the Company for a period of 5 years with effect from May 14th, 2015. All Independent Directors are not liable to retire by rotation.

Formal letters of appointment were issued to the independent directors in terms of the provisions of the Companies Act, 2013. A copy of the letter detailing the terms and conditions of appointment of the independent directors is placed on the Company's website at the link:

http://srghousing.com/DataImages/download/TERMS-OF-INDEPENDENT-DIRECTOR.PDF

All Independent Directors of the Company, at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet with the criteria of independence as provided in section 149 of the Companies Act, 2013. In the opinion of the Board, each independent director possesses appropriate balance of skills, experience and knowledge, as required.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The objective of a familiarisation programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non executive directors to make better informed decisions in the interest of the Company and its stakeholders. A familiarisation programme was conducted for non-executive directors on areas such as the core functions of the Company, overview of the industry, financials and the performance of the Company. An overview of the familiarisation programme is placed on the Company's website at the link:

EVALUATION OF DIRECTORS AND BOARD:

With the objective of enhancing the effectiveness of the board, the Nomination & Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director. The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

The independent directors also held a separate meeting to review the performance of the non-executive directors, the Chairman of the Company and the overall performance of the board.

MEETINGS OF INDEPENDENT DIRECTORS:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. The Independent Directors of the Company met once during the year on March 28th, 2017 to review the performance of Non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and access the quality, quantity and timeliness of flow of information between the company management and the Board.

BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES:

NUMBER OF BOARD MEETINGS ALONG WITH DATES:

The meetings of the Board of Directors are generally held at the Registered Office of the Company. During the year, Board met 19(nineteen) times. The Board of Directors of the Company had met within a maximum time gap of one hundred and twenty days.

The details of Board meetings are given below:

Date	Board Strength	No. of Directors present
12.04.2016	6	6
28.04.2016	6	6
28.06.2016	6	6
13.07.2016	6	5
03.08.2016	6	6
31.08.2016	6	5
11.10.2016	6	6
19.10.2016	6	6
28.10.2016	6	6
14.11.2016	6	5
21.12.2016	6	4

10.01.2017	6	3
19.01.2017	6	6
01.02.2017	6	4
08.02.2017	6	6
15.03.2017	6	5
16.03.2017	6	6
29.03.2017	6	3
30.03.2017	6	3

The company places before the Board all those details as considered necessary under SEBI (LODR) Regulations, 2015 and NHB Directions. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Board takes on record the actions taken by the company on all its decisions periodically.

Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM) and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2017 is given below:

Name of Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM	Number of Directorships in other companies	Number of Membership companies	
					Chairman	Member
Mr. Vinod K. Jain	19	18	Yes	2	1	2
Mr. Rajesh Jain	19	19	Yes	1	0	1
Mrs. Seema Jain	19	18	Yes	1	0	0
Mr. Ashok Kabra	19	14	Yes	0	0	0
Mr. Vikas Gupta	19	14	Yes	0	0	0
Mr. Nishant Badala	19	14	Yes	1	1	0

Notes: Other directorships exclude foreign companies, private limited companies and Companies under section 8.

In accordance with SEBI (LODR) Regulations, 2015 membership/ Chairpersonship of only Audit Committee and Stakeholders' Relationship Committee have been reckoned in all other public limited Companies.

None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.





BOARD COMMITTEES:COMPOSITION OF BOARD COMMITTEES:

Audit Committee	Stakeholder's Relationship Committee	Risk Management Committee	Nomination and Remuneration Committee	
Mr. Vikas Gupta	Mr. Vikas Gupta	Mr. Vinod K. Jain	Mr. Ashok Kabra	
Chairman of the Committee	Chairman of the Committee	Chairman of the Committee	Chairman of the Committee	
Mr. Nishant Badala	Mr. Ashok Kabra	Mr. Rajesh Jain	Mr. Vikas Gupta	
Member	Member	Member	Member	
Mr. Ashok Kabra	Mr. Rajesh Jain	Mr. Vikas Gupta	Mr. Rajesh Jain	
Member	Member	Member	Member	

COMMITTEE MEETINGS AND ATTENDANCE OF THE MEMBERS:

BOARD COMMITTEES	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	STAKEHOLDER'S RELATIONSHIP COMMITTEE	RISK MANAGEMEN' COMMITTEE	
Meetings Held	15	4	5	5	
Director's					
Attendance					
Vinod K. Jain	N.A.	N.A.	N.A.	4	
Rajesh Jain	N.A.	4	5	5	
Vikas Gupta	15	4	5	5	
Ashok Kabra	15	4	5	N.A.	
Nishant Badala	15	N.A.	N.A.	N.A.	

PROCEDURE AT COMMITTEE MEETINGS:

AUDIT COMMITTEE:

COMPOSITIONS:

The Composition of Audit Committee comprises as follows:

- Mr. Vikas Gupta Chairman of the Committee
- Mr. Nishant Badala Member
- Mr. Ashok Kabra- Member

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 SEBI (LODR), Regulations 2015 and NHB Directions. Members of the Audit Committee are financially literate and have relevant finance / audit exposure. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 22nd August, 2016.

POWERS AND ROLES OF THE COMMITTEE:

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in SEBI (LODR) Regulations, 2015 and also those specified in section 177 of the Companies Act, 2013 and NHB Directions. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems / financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The committee also looks into those matters specifically referred to it by the Board.

MEETINGS:

The audit committee met 15(Fifteen) times during the year on the 12.04.2016, 28.04.2016, 28.06.2016, 12.07.2016, 03.08.2016, 30.08.2016, 10.10.2016, 19.10.2016, 05.11.2016, 10.01.2017, 19.01.2017, 08.02.2017, 16.03.2017, 29.03.2017, 30.03.2017.

The details of the meetings and attendance are given on page no 50.

NOMINATION AND REMUNERATION COMMITTEE:

COMPOSITIONS:

The Composition of Nomination & Remuneration committee comprises as follows:

Mr. Ashok Kabra - Chairman of the Committee

Mr. Vikas Gupta - Member
Mr. Rajesh Jain - Member

The Committee's composition meets with the provisions of the Companies Act, 2013 and Regulation 19 SEBI (LODR) Regulations, 2015 and NHB Directions.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 and NHB Directions, besides other terms as may be referred by the Board.

The role of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

MEETINGS:

During the financial year 2016-17 the committee met 4 Times on 27.04.2016, 11.07.2016, 02.11.2016, 15.03.2017.

The details of the meetings and attendance are given on page no 50.

STAKEHOLDER'S RELATIONSHIP COMMITTEE:

COMPOSITIONS:

The Composition of Stakeholder's Relationship Committee comprises as follows:

Mr. Vikas Gupta - Chairman of the Committee

Mr. Ashok Kabra - Member

Mr. Rajesh Jain - Member

The Committee's composition meets with the requirements of Regulation 20 SEBI (LODR) Regulations, 2015.

Ms. Sunaina Nagar was the Company Secretary cum Compliance Officer of the Company.

TERMS OF REFERENCE OF THE COMMITTEE:

The committee met regularly to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc. The terms of reference of the committee meet with the requirements of SEBI (LODR) Regulations, 2015 and provisions of the Companies Act, 2013.

INVESTOR GRIEVANCE REDRESSAL:

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES. During the year company did not receive any complaints from investors.

Meetings: The committee met 5 (Five) times during the year on 11.04.2016, 11.07.2016, 10.10.2016, 09.01.2017, 15.03.2017.

REMUNERATION POLICY:

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure I to the Directors' Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. A copy of the said policy is available at the link:

(http://srghousing.com/DataImages/download/POLICY%20FOR %20SELECTION%20AND%20APPOINTMENT%20OF%20DIRECTORS %20AND%20THEIR%20REMUNERATION.pdf)





DIRECTOR'S REMUNERATION:

NON-EXECUTIVE DIRECTORS:

During the financial year 2016-17, no payment is made to Non Executive Directors.

EXECUTIVE DIRECTOR:

Detail of the remuneration paid to the executive director during the year is provided in MGT-9.

TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS:

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2017 except the rent agreement entered into by the Company with Non-Executive Director Mrs. Seema Jain for taking on rent the office premises of the Company.

DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31st MARCH, 2017:

The shareholding details of the directors as at March 31st, 2017 are included in MGT-9 forming part of the Directors' Report.

PROCEEDS FROM PRIVATE PLACEMENT ISSUE:

During the year under review, the Company issued equity shares on private placement basis. The details of this issue are provided in the Director's Report. The funds are yet to be utilized for the purpose for which they were raised and the same lies in the bank accounts of the Company. Details thereof were provided to the Audit Committee and the Board of Directors.

CODES AND STANDARDS:

VIGIL MECHANISM:

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Regulation 22 SEBI (LODR) Regulations, 2015 Company have made a formal Vigil Mechanism Policy which provides detailed procedure to protect the interest of employees of the company. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee. The same can be read from the link:

http://srghousing.com/DataImages/download/Whistle%20Blower%20Policy.pdf.

PREVENTION OF INSIDER TRADING:

Your Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of

conduct as prescribed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code is applicable to all directors, senior employees and their dependents. The said persons are restricted from dealing in the securities of the Company during the 'restricted trading periods' notified by the Company, from time to time. The said policy is available on the link:

http://srghousing.com/DataImages/download/Policy%20on%20 Insider%20Trading.pdf

FAIR PRACTICE CODE:

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with customers and on the organization's policies vis-à-vis client protection. The FPC captures the spirit of the NHB's guidelines on fair practices for Housing Finance Companies Code of Conduct.

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT:

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available at the link:

http://srghousing.com/DataImages/download/code%20of%20conduct.pdf.

For the year under review, the Board members and senior management personnel have affirmed compliance with the code of conduct.

A declaration signed by the Company's Managing Director is published in this Report.

DECLARATION UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As required under the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder, the Company has implemented a policy on Sexual Harassment of Women at Workplace. An internal complaint committee has been set up to receive complaints, investigate matter and report to the management.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DECLARATION BY BOARD:

Board hereby confirms that company has devised proper systems to ensure compliance of all laws applicable to the company

DISCLOSURES:

RELATED PARTY TRANSACTION (RPT):

There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary

approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT and the Related Party Transactions Policy are disseminated on the website of the Company at the link:

http://srghousing.com/DataImages/download/Related%20Party %20Transaction%20Policv.pdf

ACCOUNTING TREATMENT:

There has been no difference in the Accounting treatment from that of AS.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report forms part of the Directors' Report

GENERAL MEETINGS:

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

ANNUAL GENERAL MEETINGS OF THE COMPANY:

Venue	Financial Year	Date & Time
Hotel Q, 2-A New Flora Complex, Near New Pula Bridge, Fatehpura, Udaipur	2013-2014	18th September, 2014 at 12:15 PM
Hotel Ambience Plot No. 8, Near Mahila Police Thana, 100 Feet Road, Roop Nagar, Bhuwana Opposite The Occasion Wedding & Special Event Garden, Udaipur, Rajasthan 313001	2014-2015	10th September, 2015 at 12:15 PM
Hotel Ambience Plot No. 8, Near Mahila Police Thana, 100 Feet Road, Roop Nagar, Bhuwana Opposite The Occasion Wedding & Special Event Garden, Udaipur, Rajasthan 313001	2015-2016	22nd August , 2016 at 12:15 PM

The details of special resolutions passed in AGM/EGM in the last 3 years are as follows:

AGM/EGM	Subject
15thAnnual General Meeting held on 18/09/2014	APPOINTMENT OF INDEPENDENT DIRECTORS
	BORROWING POWERS
	POWER TO CREATE CHARGE
16th Annual General Meeting held on 10/09/2015	APPOINTMENT OF MR. NISHANT BADALA AS INDEPENDENT DIRECTOR
	TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF MANAGING DIRECTOR
	• TO APPROVE TRANSACTION U/S 188 OF COMPANIES ACT, 2013
	TO ADOPT NEW SET OF ARTICLES OF ASSOCIATION
17TH Annual General Meeting held on 22/08/2016	• TO APPROVE TRANSACTION U/S 188 OF COMPANIES ACT, 2013
	TO APPROVE ISSUE OF NON CONVERTIBLE DEBENTURES.
Extra Ordinary General Meeting held on 12/05/2014	INCREASE IN AUTHORISED SHARE CAPITAL
	ISSUE OF BONUS SHARES





POSTAL BALLOT:

During the year under review, the members of the Company have passed various resolutions through electronic means and Postal Ballot as contained in the Postal Ballot Notice dated 11th February, 2017, results of which were declared on 14th March, 2017. The board had appointed Mr. Ketan Jain proprietor of M/s Ketan & Co., Practicing Chartered Accountant, Udaipur as a Scrutinizer to conduct the postal ballot and E-Voting process in a fair and transparent manner.

The brief agendas are as under:

- Increase in Authorized Share Capital of Company from Rs. 13
 Crores to 15 Crores.
- 2. Issue of 16,87,300 Equity Shares on Preferential basis.
- 3. To adopt new set of Memorandum of Association.
- 4. To take note of name change of Statutory Auditor firm from M/s Valawat Jha Pamecha & Co. to M/s Valawat & Associates .

All the resolutions as contained in the Postal Ballot Notice dated 11th February, 2017 were passed with requisite majority.

Further, there is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

DEMATERIALISATION OF SHARES:

SRGHFL's shares are available for trading with National Securities Depository Ltd. (NSDL) and with Central Depository Services (India) Limited (CDSL). The ISIN allotted to SRGHFL's equity shares is INE559N01010.

As at March 31st, 2017, 100 % of equity shares of SRGHFL have been dematerialised by members through NSDL and CDSL.

MEANS OF COMMUNICATION:

The main source of information for the shareholders is the Annual Report that includes inter alia, the Directors' Report, the shareholders' information and the audited financial results. SRGHFL recognizes the importance of regular dialogue with its shareholders to ensure that the Company's strategy is clearly understood

Shareholders are intimated through the press, email and SRGHFL's website, www.srghousing.com of the quarterly performance and financial results of the Company. Shareholders

have an opportunity to attend the Annual General Meeting at which the business outlook is presented and relevant aspects of the Company's operations are discussed. In addition, the registered office as well as the Registrar's Office (RTA), serves as a contact point for shareholders on issues such as share transfers, dividends and announcements. Along with the financial results, other information as per the listing regulations such as Annual Report and Shareholding Pattern, are being uploaded on BSE website under "BSE Listing Centre". The Company generally does not make any presentation to analysts or to Institutional Investors. The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are communicated to the stock exchanges as per the provisions of SEBI (LODR) Regulations, 2015 and uploaded on Company's website.

The Ministry of Corporate Affairs (MCA) and the Companies Act, 2013, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/ Depository participant. The Company has been requesting the shareholders holding shares in demat form to register / update their e-mail addresses to the Company/depository participants. Accordingly, the annual report for 2016-17, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.

The annual report also contains a section on 'Shareholders' Information' which inter alia provides information relating to the AGM date, time and venue, shareholding pattern, distribution of shareholding, top shareholders, the monthly high and low quotations of the equity share during the year and other corporate governance information as required under SEBI (LODR) Regulations, 2015. The company has designated the email-id info@srghousing.com to enable the shareholders to register their grievances.

MD AND CFO CERTIFICATION:

The Managing Director / Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of SEBI (LODR) Regulations, 2015.

The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report. (Annexure-VII)

SUBSIDIARY COMPANIES:

The company has no Subsidiary Companies.

GENERAL SHAREHOLDER INFORMATION:

OUTSTANDING ADRS / GDRS / WARRANTS

The Company does not have any GDRs/ ADRs/Warrants or any convertible instruments.

COMMODITY PRICE RISK / FOREIGN EXCHANGE RISK / HEDGING ACTIVITIES:

Company does not have any Commodity Price Risk or Foreign Exchange Risk and hedging activities.

ANNUAL GENERAL MEETING:

Date and time : Saturday, 30th Day of September, 2017

at 02:35 P.M.

Venue : Udaipur Chamber of Commerce & Industry,

Chamber Bhawan, Chamber Marg, M.I.A.,

Udaipur - 313001

Book Closure Date: 24.09.2017 to 30.09.2017

Financial Year :1st April to 31st March

Financial Calendar 2017-18 (tentative):

Financial Results will be announced as per the following tentative schedule:

Quarter ending June, 2017 By 15th August, 2017

Quarter/ Half Year ending

September, 2017 By 15th November, 2017

Quarter ending

By 15th February, 2018

December, 2017

Quarter/ Half Year/ Within 60 Days from Year ending March, 2018 31st March, 2018

Annual General Meeting By September, 2018

PARTICULARS OF DIVIDEND FOR **THE YEAR ENDED 31.03.2017:**

No Dividend was declared or paid during the year 2016-17.

INFORMATION TO SHAREHOLDERS:

LISTING OF SHARES:

Name of the Stock Exchange Stock Code Bombay Stock Exchange Limited, 534680

Mumbai (BSE)

ISIN allotted by Depositories

INE559N01010

(Company ID Number)

(Note: Annual Listing fees for the year 2017-18 was duly paid to the above stock exchange)

STOCK MARKET DATA:

The Bombay Stock Exchange Limited

Month	Open Price	Open Price High Price Low Price		Close Price	BSE Sensex
					(monthly close)
Apr-16	70	70	65.55	65.55	25606.62
May-16	68	68	57	58	26667.96
Jun-16	55.2	65.5	55.2	64	26999.72
Jul-16	64	87	64	80	28051.86
Aug-16	83	91.35	83	91.35	28452.17
Sep-16	86.9	86.9	78.5	79	27865.96
Oct-16	79	92	76	92	27930.21
Nov-16	91.8	91.8	76	76	26652.81
Dec-16*	-	-	-	-	26626.46
Jan-17	75	90	66	66	27655.96
Feb-17	72	107.45	72	107.45	28743.32
Mar-17 * No Trading	112.8 during the month	121.6 h Dec, 2016	112.8	121.6	29620.50







Shareholding Pattern as on 31st March 2017:

Category code	Category of Shareholder			Number of shares held in dematerialized form		Total shareholding as a percentage of total Number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)1	As a percentage of (A+B+C)	Number of shares	As a % of Total No. of Shares	
(A)	Shareholding of Promoter and Promoter Group								
1	Indian								
a	Individual/Huf	14	5178239	5178239	39.83	39.83	-	-	
b	Central Govt/ State Govt(s)	-	-	-	-	-	-	-	
С	Fins / Banks	-	-	-	-	-	-	-	
d	Any Other specify: Bodies Corporate	6	1826279	1826279	14.05	14.05	-	-	
	Sub Total (A)(1)	20	7004518	7004518	53.88	53.88	_	-	
2	Foreign	20	7004310	7004310	33.00	33.00			
a	Individuals/ NRI/ Foreign Ind.	-	-	-	-	-	-	-	
b	Government	-	-	-	-	-	-	-	
С	Institutions	-	-	-	-	-	-	-	
d	Foreign Portfolio Investor	-	-	-	-	-	-	-	
e	Any Other Specify	-	-	-	-	-	-	-	
	Sub Total (A)(2)	_	_	_	-	_	_	_	
(A)	Total Shareholding of Promoter and Promoter Group Total (A)= (A)(1)+(A)(2)	20	7004518	7004518	53.88	53.88	-	-	
(B)	Public shareholding							+	
					+			+	
1	Institutions								
a	Mutual Funds	-	-	-	-	-	-	-	
b	Venture Capital Funds	-	-	-	-	-	-	-	
С	Alternate Investment Funds	-	-	-	-	-	-	-	
d	Foreign Venture Capital Investors	-	-	-	-	-	-	-	
e	Foreign Portfolio Investors	-	-	-	-	-	-	-	
f	Fin Inst/ Banks	_	_	_	_	_	_	_	
g	Insurance Companies	_		_	_	_	_	_	
	•	_							
h	Provident Fund/ Pension Fund		-	-	-		-	-	
<u> </u>	Any Other Specify	-	-	-	-	-	-	-	
	Sub-Total (B)(1)	-	-	-	-	-	-	-	
2	Central Government/State Government/ President of India	-	-	-	-	-	-	-	
	Sub-Total (B)(2)	-	-	-	-	-	-	-	
3	Non-institutions								
a	Individuals								
	i) Individual shareholders holding nominal share capital up to Rs-2lac	516	894506	894506	6.88	6.88	-	-	
	ii) Individual shareholders holding	53	4381612	4381612	33.71	33.71	_	_	
	nominal share capital in excess of Rs-2lac	33	4301012	4301012	33.71	33.71			
b	NBFCs registered with RBI	_	_	_	1_	_	1_	-	
C .	9			-	-		-	+_	
<u>ر</u>	Employee Trusts	-	-	-	-	-	-	+	
d	Overseas Depositories (holdings DRs) (balancing figure)	-	-	-	-	-	-	-	
е	Any Other (Specify):								
i.	Bodies Corporate	16	246136	246136	1.89	1.89	-	-	
ii.	Clearing Member	5	80612	80612	0.62	0.62	-	-	
iii.	HUF	45	243122	243122	1.87	1.87	-	-	
iv.	NRI- Non-Repat	1	7294	7294	0.06	0.06	-	-	
V	NRI -Repat	4	142200	142200	1.09	1.09	-	-	
	Sub-Total (B)(3)	640	5995482	5995482	46.12	46.12	-	-	
(B)	Total (B)= (B)(1)+(B)(2)+ (B)(3)	640	5995482	5995482	46.12	46.12	- -	-	
(C)	Non- Promoter Non- Public	070	J27J40Z	3773702	70.12	70.12	-	+-	
					-				
1	Custodian/ DR Holders	-	-	-	-	-	-	-	
2	Employee Benefit Trust (under SEBI (Share Based Employee Benefit)	-	-	-	-	-	-	-	
	Regulations, 2014								
(C)	Regulations, 2014 Total (C)= (C)(1)+(C)(2)	_	-	-	-	-	-	-	

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2017:

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital	
UPTO TO 100	374	5579	.04	
101 TO 200	16	2462	.02	
201 TO 500	37	14859	.11	
501 TO 1000	10	8382	.06	
1001 TO 5000	55	135026	1.04	
5001 TO 10000	62	499194	3.84	
10001 TO 100000	71	2421534	18.63	
100001 TO ABOVE	35	9912964	76.26	
Total	660	13000000	100.00	

REGISTRAR AND SHARE TRANSFER AGENTS:

Sharex (Dynamic) India Private Limited, having its registered office at Unit-1, Luthra Ind. Premises, Ist Flr, 44-E, M Vasanti Marg, Andheri-Kurla Rd, Safed Pool, Andheri (E)- Mumbai-400072 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgment.

CORPORATE BENEFITS TO INVESTORS:

DIVIDEND DECLARED:

Financial Year	Date of Declaration	Dividend Per Share	Туре
2014-15	March 11, 2015	Rs. 0.25	Interim Dividend

BONUS ISSUE OF FULLY PAID UP EQUITY SHARES:

Financial Year	Ratio
2012-13	1:2
2014-15	2:5

INFORMATION IN RESPECT OF UNCLAIMED DIVIDENDS DUE FOR REMITTANCE INTO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) IS GIVEN BELOW:

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. There are no Unpaid / Unclaimed Dividend as on 31.03.2017 to be transferred to Investor Education & Protection Fund.

Members who have either not received or have not encashed their dividend Cheques for the financial years 2014-2015 are requested to claim the unpaid dividend from the Company before transfer to the above mentioned fund. After transfer of unpaid/unclaimed dividend amount to the Investor Education and Protection Fund, the same cannot be claimed subsequently. Dividends that have not been claimed by the shareholders for the financial year 2014-15 will have to be transferred to the Investor Education and Protection Fund in April, 2022 in accordance with the provisions of the Companies Act. The details of the unclaimed dividend and the last date for claiming the same, prior to its transfer to the IEPF, are as under:







Financial Year	No. of Members who have not claimed their dividend	Unclaimed Dividend as on 31st March , 2017	Unclaimed Dividend as % to Total Dividend	Date of Declaration	Last date for claiming the dividend prior to its transfer to IEPF.
2014-15	24	5025	0.17	11.03.2015	10.04.2022

Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

UNCLAIMED SHARES:

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as ammended, the Company will be arranging to transfer the corresponding shares to IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders. The concerned shareholders however may claim the dividend and shares from IEPF.

REQUEST TO INVESTORS:

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants/Cheques etc. This would avoid wrong credits being obtained by unauthorized persons.

RECONCILIATION OF SHARE CAPITAL:

A quarterly audit was conducted by a practicing company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2017, there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 13000000 equity shares representing 100% of the paid up equity capital have been dematerialized as on 31st March 2017.

INFORMATION TO SHAREHOLDERS:

A brief resume of the director reappointed together with the nature of his experience and details of the other directorships held by her is annexed to the Notice convening the Annual General Meeting.

NOMINATION FACILITY:

Since all the shares of the company are in demat form, shareholders are requested to contact their Depository Participants for availing nomination facility.

PLANT LOCATIONS:

Not Applicable being a Housing Finance Company

ADDRESS FOR CORRESPONDENCE:

TO CONTACT REGISTRARS & SHARE TRANSFER AGENTS FOR MATTERS RELATING TO SHARES

M/s. Sharex (Dynamic) India Pvt. Ltd.

Unit -1, Luthra Ind. Premises, Ist Floor, 44-E, M, Vasanti Marg, Andheri - Kurla Rd., Safed Pool, Andheri (E) Mumbai-400072 Tel: 022-28515606; | Fax No: 022-28512885 Email- sharexindia@vsnl.com

FOR ANY OTHER GENERAL MATTERS OR IN CASE OF ANY DIFFICULTIES / GRIEVANCE

Ms. Sunaina Nagar

Company Secretary and Compliance Officer SRG Housing Finance Limited 321, SM Lodha Complex, Near Shastri Circle, Udaipur, Rajasthan-313001

Tel: 0294-2561882 | Fax: 0294-5100098

E-mail: info@srghousing.com

WEBSITE LINKS:

As required under the various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the web link of some of the important documents placed on the website of the Company is provided below:

Policy on Determination of Materiality

http://srghousing.com/DataImages/download/MATERIALITY%20 POLICY.pdf

Archival Policy

http://srghousing.com/DataImages/download/ARCHIVAL%20PO LICY.pdf

COMPLIANCE CERTIFICATE OF THE AUDITORS:

Certificate from the Company's Auditors, M/s. Valawat & Associates confirming compliance with conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015, is attached to this Report.

NON MANDATORY REQUIREMENTS:

The Company is moving towards a regime of unqualified financial statements. The Company shall endeavour to adopt the non-mandatory requirements, as and when necessary.

COMPLIANCE:

The Company has complied with the mandatory requirements as stipulated under SEBI (LODR) Regulations, 2015. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

GOING CONCERN:

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

RISK MANAGEMENT COMMITTEE:

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has also formulated a policy for Risk management of the Company.

The Composition of Risk Management committee comprises as follows:

- Mr. Vinod K. Jain Chairman of the Committee
- Mr. Rajesh Jain- Member
- Mr. Vikas Gupta Member

The Committee's composition meets with the requirements of Regulation 21 SEBI (LODR) Regulations, 2015 and provisions of the Companies Act, 2013 and NHB Directions.

THE BOARD:

Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director.

NOMINATION & REMUNERATION COMMITTEE:

A Nomination & remuneration committee has been set up under the chairmanship of Mr. Ashok Kabra and Mr. Vikas Gupta and Mr. Rajesh Jain are the other members of the committee. All the three members are Non-Executive directors with Chairman and a member being Independent Director.

AUDIT QUALIFICATIONS:

The statutory financial statements of the company are unqualified.

SEPARATE POSTS OF CHAIRMAN AND MD:

The Company has appointed only MD of the Company.

REPORTING OF INTERNAL AUDITOR:

The Internal Auditor of the company directly reports to the Audit Committee and/or Managing Director.

DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT UNDER REGULATION 18(3) OF SEBI (LODR) REGULATIONS, 2015

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31st, 2017.

Date: 10.05.2017 Place: Udaipur

Sd/- Sd/-Vinod K. Jain Rajesh Jain

Managing Director DIN: 00248843 DIN: 00212393





Annexure- VII

BY MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD

We, Vinod K. Jain, Managing Director and Ashok Kumar, Chief Financial Officer of SRG Housing Finance Limited, certify that:

- We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- 3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and that we have disclosed to the statutory auditors and the audit

committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.

4. We indicate to the auditors and to the audit committee:

- Significant changes in internal control over financial reporting during the year;
- Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
- c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Sd/Place : Udaipur Vinod K. Jain Ashok Kumar
Date : 10.05.2017 Managing Director Chief Financial Officer
DIN: 00248843

Annexure- VIII

DETAILS OF MANAGERIAL REMUNERATION

REC	QUIREMENTS	DISCLOSURES	
l.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2016-17.	Executive Director Mr. Vinod K. Jain- Managing Director– 48.37x	
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	Executive Director Mr. Vinod K. Jain- Managing Director- Nil KMPs (Other than Managing Director) Mr. Ashok Kumar - 18.06% *Mr. Hitesh Soni *Ms. Sunaina Nagar	
III.	The percentage increase in the median remuneration of employees in the financial year	There was no increase in the median remuneration of the employees in the financial year.	
IV.	The number of permanent employees on the rolls of company	There were 55 permanent employees on the rolls of the Company as on March 31, 2017.	
V.	The explanation on the relationship between average increase in remuneration and company performance;	The average increase in remuneration of the employees of the Company was in line with the increase in the profitability of the Company. The Company, inter-alia, considers the following factors for deciding upon the increase in the remuneration of the employees:	
		A. Individual performance/ contribution of the Employee vis-à-vis Company Performance.	
		B. Industry BenchmarkingC. Balance between fixed and incentive pay reflecting short and long term performance objectives.	
VI.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	For the Financial year 2016-17, the total remuneration paid to the KMPs were approx 3.57% of the net profit for the year.	
VII.	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial	The Market capitalisation of the Company has increased from Rs. 79.19 Crores as of March 31, 2016 to Rs. 158.08 Crores as of March 31,	

earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

The Market capitalisation of the Company has increased from Rs. 79.19 Crores as of March 31, 2016 to Rs. 158.08 Crores as of March 31, 2017. Over the same period, the price to earnings ratio moved from 42.42x to 51.09x. The Company's stock price as at March 31, 2017 has increased by 508% to Rs.121.60/- (BSE) over the last public offering, i.e. IPO as on the date of allotment i.e. 04.09.2012 at the price of Rs. 20/- per share.







- VIII. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;
- Average increase in the remuneration of all employees other than Managerial Personnel: 7.69%
- Average increase in the remuneration of Managerial Personnel: 6.87%
- Justification: Managerial Personnel salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
- IX. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under:

Particular % of the Net Profit for the FY 2016-17
Managing Director 31.02%
CFO 2.03%
CS 1.54%

X. The key parameters for any variable component of remuneration availed by the directors; Any variable component of remuneration payable to the Directors (if any), is based on the parameters, as approved by the Board of Directors, on the basis of the recommendation of the Nomination & Remuneration Committee of the Board. The said parameters are set considering the provisions of applicable laws, Remuneration Policy of the Company and the respective resolution(s) of the Members of the Company, as applicable

XI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; During the financial year 2016-17, there is no employee in the Company who is not a Director but receives remuneration in excess of the highest paid director i.e. Managing Director of the Company.

XII. Affirmation that the remuneration is as per the remuneration policy of the company.

It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company.

*Mr. Hitesh Soni resigned from the post of Company secretary and Ms. Sunaina Nagar was appointed as the Company Secretary of the Company with effect from 28th April, 2016.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

То

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 31st March, 2017, as stipulated in Chapter IV of SEBI (LODR) Regulations, 2015 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.

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 Chapter IV of SEBI (LODR) Regulations, 2015.

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

For M/s Valawat & Associates,

Chartered Accountants,

(FRN: 003623C)

Sd/-

(Jinendra Jain)

Partner

M. No. 072995

Place: Udaipur Date: 10.05.2017



FINANCIAL STATEMENT



INDEPENDENT AUDITOR'S REPORT

To The Members 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 31st March 2017, the Statement of Profit and Loss and the 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

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 31st, 2017.
- b) In the case of the Statement of Profit and Loss, 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

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we hereby give in the "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- 2. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, 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 comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013;
- f. With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, In our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. As represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company-Refer Note 28

For M/s Valawat & Associates,

Chartered Accountants,

(FRN: 003623C)

Sd/-

Jinendra Jain

Partner

M. No. 072995

Place: Udaipur Date: 10.05.2017



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of SRG HOUSING FINANCE LIMITED on the financial statements for the year ended 31st March, 2017]

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed Assets have been physically verified by the management during the year and no discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - (c) The company does not have any immoveable property.
- According to the information and explanations given to us, the Company is not having any Inventory and therefore paragraph 2 of the Order is not applicable.
- 3. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3 of the Order is not applicable.
- 4. The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act, except in the ordinary course of business. Consequently, requirements of clause (iv) of paragraph 3 of the order are not applicable.
- According to information and explanations given to us, the Company has not accepted any deposits during the year.
- As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section

 of Section 148 of the Act, in respect of the activities carried on by the Company.

- 7. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, value added tax, service tax, cess and any other statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2017.
 - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, value added tax as at 31st March 2017, which has not been deposited on account of dispute.
- According to the information and explanations given to us and records of the Company examined by us the company has not defaulted in repayment of loans or borrowing to any financial institution, bank & Government. Further, Company has not issued Debentures.
- The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The Term loans obtained during the year were applied by the Company for the purpose for which they were obtained.
- 10. According to the information and explanations given to us, we have not noticed or reported any fraud by the Company or any fraud on the Company by its officer or employees during the year.
- 11. The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12. The company is not a Nidhi Company, hence this clause of the Caro 2016 is not applicable to the Company.

- 13. According to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- 14. According to the information and explanations given to us, with respect to preferential allotment or private placement of shares issued during the year under review, the requirement of section 42 of the Companies Act, 2013 have been complied with by the company and the amount raised is yet to be utilized (the same are lying in bank accounts) for the purposes for which the funds were raised. The company has not issued any fully or partly convertible debentures during the year under review.
- 15. According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him

- under provisions of section 192 of Companies Act, 2013.
- 16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause of the Caro, 2016 is not applicable to the Company.

For M/s Valawat & Associates,

Chartered Accountants, (FRN: 003623C)

Sd/-

Jinendra Jain

Partner

M. No. 072995

Place: Udaipur Date: 10.05.2017



Annexure- A

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SRG HOUSING FINANCE LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of SRG Housing Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of

internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For M/s Valawat & Associates,

Chartered Accountants,

(FRN: 003623C)

Sd/-

Jinendra Jain

Partner

M. No. 072995

Place: Udaipur Date: 10.05.2017





BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	130000000	113127000
(b) Reserves and Surplus	2	209738280	50934959
Total Shareholder's Funds		339738280	164061959
(2) Non-Current Liabilities			
(a)Long-Term Borrowings	3	605405282	291735474
(b)Deferred Tax Liabilities (net)	4	4093173	2156481
Total Non-Current Liabilities		609498455	293891955
(3) Current Liabilities			
(a) Short-Term Borrowings	5	0	24315725
(b) Other Current Liabilities	6	156415995	98886663
(c) Short-Term Provisions	7	18852116	12415667
Total Current Liabilities		175268111	135618055
Total		1124504846	593571969
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		7504997	8391025
(b) Deferred Tax Assets (net)		0	0
(c) Long Term Portion Housing and Property Loans	9	641054028	389757506
(d) Other Non-Current Assets	10	21037502	8768518
Total Non-Current Assets		669596527	406917049
(2) Current Assets			
(a) Current Investment	11	3172500	8411095
(b) Short Term Portion Housing and Property Loans	9	177233198	143087988
(c) Cash and Cash Equivalents	12	255783845	21321864
(d) Short-Term Loans and Advances	13	18718776	13833973
Total Current Assets		454908319	186654920
Total		1124504846	593571969

The accompanying notes are an integral part of these Financial Statements.

In terms of our report attached As per our report of even date For Valawat & Associates Chartered Accountants FRN: 003623 C

Sd/-Jinendra Jain Partner Membership No. 072995

Place : Udaipur Date : 10.05.2017 1 to 29 For & On Behalf of the Board

Sd/-Vinod K. Jain Managing Director (DIN:00248843)

Sd/-

Rajesh Jain Director (DIN: 00212393)

Sd/- Sunaina NagarCompany Secretary
(M.No. A40754)

Sd/-Seema Jain Director (DIN:00248706)

(DIN:00248706

Sd/-Ashok Kumar CFO

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	Note No	As at 31st March, 2017	As at 31st March, 2016
I. Revenue from Operations	14	145271366	102180524
Other Income	15	305898	360860
Total Revenue		145577264	102541384
II. Expenses:			
Employee Benefit Expense	16	17725129	14265158
Financial Costs	17	56466323	40444550
Depreciation and Amortization Expense	8	3160239	815837
Other Expenses	18	27280741	18959080
Provision for Investment	11	663235	358942
Total Expenses		105295667	74843567
III. Profit Before Tax (I-II)		40281597	27697817
IV. Tax Expense:		·	
Current Tax		12113710	8087755
Deferred Tax		- 425824	61918
Deferred Tax Liabilities on Special I.T. Reserve		1514201	874079
V. Profit/(Loss) for the Period (III-IV)		27079510	18674065
VI. Earning Per Equity Share:	1	'	'
Basic & Diluted		2.38	1.65

The accompanying notes are an integral part of these Financial Statements.

In terms of our report attached As per our report of even date

For Valawat & Associates

Chartered Accountants

FRN: 003623 C

Sd/-Jinendra Jain

Membership No. 072995

Place : Udaipur Date : 10.05.2017 For & On Behalf of the Board

Sd/-Vinod K. Jain Managing Director (DIN:00248843)

Sd/-Rajesh Jain Director (DIN: 00212393)

Sd/-

Sunaina Nagar Company Secretary (M.No. A40754) Sd/-Seema Jain Director (DIN:00248706)

Sd/-Ashok Kumar





CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Postinian	F:	4 .641.	Fig	(Amount in
Particulars	Figures as at en current reportir		Figures as at end of the previous reporting period	
A. Cash Flow from Operating Activities				01
Net Profit Before Tax		40281597		27697817
Adjustments for:				
Depreciation	3160239		815837	
Provision for NPA	(1283566)		(609586)	
Provision for Standard Assets	(1126928)		(578025)	
Other Provision	661855	1411600	223954	(147820)
Operating Profit/(Loss) before Working Capital Changes		41693197		27549997
Changes in Working Capital:				
Adjustments for (increase) / decrease in Operating Assets:				
Loans and Advances (Housing & Property Loan)	(285441732)		(146093401)	
Short-Term Loans and Advances	(4884803)		(3862194)	
Other Non-Current Assets	(12268984)	(302595519)	(368242)	(150323837)
Adjustments for increase / (decrease) in Operating Liabilities:				
Other Current Liabilities	57529332		(443434)	
Short-Term Provisions	6436449	63965781	2529081	2085647
Cash generated from Operations		(196936541)		(120688193)
Net Income Tax (paid) / refunds		12113710		8087755
Net Cash Flow from / (used in) Operating Activities (A)		(209050251)		(128775948)
B. Cash Flow from Investing Activities				
Capital Expenditure on Fixed Assets, including Capital Advances	(2274211)	(2274211)	(7902525)	(7902525)
Net Addition from Investment	4575360	4575360	(8770037)	(8770037)
Net Cash Flow from / (used in) Investing Activities (B)	2301149	2301149	(16672562)	(16672562)
C. Cash Flow from Financing Activities				
Proceeds from Issue of Equity Shares	16873000		0	
Security Premium from Issue of Equity Shares	134984000		0	
Dividend & Dividend Distribution Tax	0		0	
Proceeds from Long-Term Borrowings	313669808		141631189	
Proceeds from Short-Term Borrowings	(24315725)	441211083	22408793	164039982
Net Cash Flow from / (used in) Financing Activities (C)		441211083		164039982
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		234461981		18591472
Cash and Cash Equivalents at the beginning of the year		21321864		2730392
Cash and Cash Equivalents at the end of the year		255783845		21321864

The accompanying notes are an integral part of these Financial Statements.

In terms of our report attached

As per our report of even date

For & On Behalf of the Board

For Valawat & Associates

Chartered Accountants

FRN: 003623 C

Sd/-Jinendra Jain

Partner

Membership No. 072995

Place: Udaipur

Date: 10.05.2017

Sd/-Vinod K. Jain

Managing Director (DIN:00248843)

Sd/-Seema Jain Director (DIN:00248706)

Rajesh Jain Director

(DIN: 00212393)

Sd/-

Sd/-Sd/-**Ashok Kumar**

Sunaina Nagar CFO Company Secretary (M. No. A40754)

SRG HOUSING FINANCE LIMITED AS AT 31.03.2017

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis 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 referred to in Sec. 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 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. Fees and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.

3. Interest on Loans

Repayment of the Loans are 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. EMIs commence once the entire loan is disbursed. Pending commencement of EMI, pre-equated monthly installment interest (PEMI) is payable every month. Interest on loan assets classified as "Non-Performing" is recognized only on actual receipt.

4. Income from Investment

Interest income from investment is accounted on an accrual basis. Dividend Income on investments is recognized when the right to receive the same is established.

5. Fixed Assets and Depreciation

Fixed Assets are stated at cost, Depreciation on fixed assets is provided on pro-rata basis on "Written Down Value Method" from the date of installation based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

6. Provision on Non-Performing Assets & for diminution in Investment value

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

7. Investments

In accordance with Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank, Investments are either classified as current or long term based on management's intention at the time of purchase. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and stamp duty.

Current Investments are stated at lower of cost and fair value. However Provision for diminution in value of investment is made to recognize a decline in value other than temporary in nature.

On sale of an investment, the difference between its carrying value and net sale proceeds is charged or credited in the statement of profit and loss.

8. 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 as provided in the act 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.

i. Pension & Provident Fund





The Company makes contribution towards provident fund for qualifying employees to Regional Provident Fund Commissioner. Contribution to defined contribution plan, recognized as expenses for the year are as under:

(Rs. In Lacs)

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	0.14	0.00
Employer's Contribution to Pension Fund	0.31	0.00

9. Accounting For Taxes On Income

The accounting treatment for the Income Tax in respect of Company's Income is based on the Accounting Standard on "Accounting for taxes on Income" (AS 22). 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.

10. 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 divided 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.

a) Earnings per share (EPS) is calculated as follows:

(Rs. In Cr.)

Particulars	2016-17	2015-16
Net profit after tax	2.71	1.87
Weighted Average Number of Equity Shares (No's)	11386664	11312700
Earnings Per Share- Basic and Diluted	2.38	1.65

11. Net Profit

The Company calculates Net Profit or Loss for the Period and Changes in Accounting Policies, if any, in accordance with (AS) 5, issued by the Institute of Chartered accountants of India and other applicable laws.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

1. SHARE CAPITAL		As at 31st March, 2017	As at 31st March, 2016
Authorised Share Capital :			
1,50,00,000 Equity Shares of Rs. 10/- Each		150000000	120000000
(P.Y. 1,20,00,000 Equity Shares of Rs. 10/- Each)			
Issued , Subscribed & Paid up :			
1,30,00,000 Equity Shares of Rs. 10/- Each		130000000	113127000
(P.Y. 1,13,12,700 Equity Shares of Rs. 10/- Each)			
	Total	13000000	113127000

The reconciliation of the number of share outstanding is set out below:

Particular	As at 31st Ma	rch, 2017	As at 31st March, 2016		
	Number	Amount	Number	Amount	
Shares outstanding at the beginning of the year	11312700	113127000	11312700	113127000	
Shares issued during the year	1687300	16873000	-	-	
Bonus share issued during the year	-	-	-	-	
Initial Public Offering (IPO)	-	-	-	-	
Shares bought back during the year	-	-	-	-	
Shares outstanding at the end of the year	13000000	13000000	11312700	113127000	

The details of Shareholding more than 5 % shares

Name of the shareholder	As at		As at		
	31st March,	31st March, 2017		31 st March, 2016	
	No. of	%	No. of	%	
	Shares		Shares		
	Held		Held		
Vinod Jain	1265150	9.73	1265150	11.18	
Pushpa Jain	-	-	601671	5.32	

Terms/Rights attached to Equity Shares

The Company has one class of share referred to as equity shares having at par value of Rs.10 each. Each shareholder is entitled to one vote per share held.

2. RESERVE AND SURPLUS :		As at 31st March, 2017	As at 31st March, 2016
Special Reserve			
(In Accordance with Section 36(1)(viii) of Income Tax Act,1961 and Section 29C of NHB Act, 1987)			
As per Last Balance Sheet		13763400	10013400
Add : Transferred from Profit and Loss Account		5425000	3750000
	Total	19188400	13763400
Securities Premium Reserve			
As per Last Balance Sheet		2718000	2718000
Add: Received during the year		134984000	0
Less: Utilized for Issue of Bonus Shares		0	0
	Total	137702000	2718000
Surplus			
As per last Balance Sheet		34453559	21276250
Add : Profit for the period		27079510	18674065
	Total	61533069	39950315
Less : Appropriations:			
Transfer to Special Reserve *		5425000	3750000
Provisions for NPA		1283566	609586
Provisions for Standard Assets		1126928	578025
Assets W/o as per Co. Act, 2013		0	0
Def. Tax Liab. on Special I.T. Reserve		848315	424157
Excess Prov.		1380	134988
Interim Equity Dividend		0	0
Dividend Distribution Tax		0	0
		8685189	5496756
		52847880	34453559
	Total	209738280	50934959

^{*} As per Section 29C of the NHB Act, 1987, the Company is required to transfer at least 20% of its Net Profit every year to a Reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of Rs.54.25 Lacs (Previous Year Rs. 37.50 Lacs) to Special Reserve in terms of Section 36(1)(viii) of the Income Tax Act, 1961. The Company doesn't anticipate any withdrawal from Special Reserve in foreseeable future.

3. LONG TERM BORROWINGS:		Non Current Portion		Current Portion	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Secured Borrowings					
Term Loan:					
- National Housing Bank		56830000	0	10560000	0
- Banks		463032158	291735474	123740382	96898239
- Other Financial Institution		85543124	0	10665544	0
	Total	605405282	291735474	144965926	96898239
Current Maturity of Long -Term Borrowings Disclosed under the head					
"Other Current Liabilities" (Refer Note 6)		0	0	(144965926)	(96898239)
	Total	605405282	291735474	0	0

Nature of Security

Term Loan Fr	rom State Banl	k of India	
Term Luan r	i viii State Baiii	A VI IIIUIA	

476072888 384034213

(Secured against Hypothecation of Advances (Book-Debts) an, irrevocable power of attorney in favor of bank to create mortgage / hypothecation charge in favor of bank over the specific assets and to collect the book debts directly from individual borrowers in the event of default by the company and personal guarantees of the director).

Term Loan-1 Rs 400.00 Lacs - Repayable in 54 months @ Rs.7.50 lacs for 53 months and last installment being Rs. 2.50 lacs. Outstanding at the year end Rs.17.68 lacs.

 $Term\,Loan-2\,Rs\,1250.00\,Lacs\,-Repayable\,in\,54\,months\,@\,Rs.23.00\,lacs\,for\,53\,months\,and\,last\,install\,ment\,being\,Rs.\,31.00\,lacs.\,Outstanding\,at\,the\,year\,end\,Rs.449.55\,lacs.\,Outstanding\,As and Outstanding\,As and Outstan$

 $Term \, Loan - 3 \, Sanction \, Rs. \, 3000.00 \, Lacs, \, Repayable \, in \, 60 \, months \, \textcircled{m} \, Rs. \, 50.00 \, lacs \, PM \, w.e.f. \, May-2016, \, Loan \, Outstanding \, at the year end \, Rs. \, 2475.07 \, lacs. \, Loan \, Contract \,$

Term Loan From National Housing Bank	17390000	0
Refinance from NHB is secured against Hypothecation of Specific Book Debts repayable in 23 Quarterly. Installments (22 Quarterly Installments @ Rs. 8.70 Lacs and Last installment @ Rs. 8.60 Lacs) w.e.f. Oct., 2016.		
Term Loan From National Housing Bank	5000000	0
Refinance from NHB is secured against Hypothecation of Specific Book Debts repayable in 19 Quarterly. Installments (18 Quarterly Installments @ Rs. 26.50 Lacs and Last installment @ Rs. 23 Lacs) w.e.f. July, 2017.		
Term Loan From DCB Bank	26363636	0
Secured against Hypothecation of Specific Book Debts repayable in 33 Months @ Rs. 9.09 Lacs P.M. w.e.f. Dec., 2016.		
Term Loan From MAS Financial Services Ltd.	46193689	0
Secured against Hypothecation of Specific Book Debts repayable in 59 Months @ Rs. 8.47 Lacs P.M .w.e.f. Nov., 2016.		
Term Loan From Andhra Bank	30957955	0
Secured against Hypothecation of Specific Book Debts repayable in 60 Months w.e.f. April, 2018.		
Term Loan From LIC	50014979	0
Secured against Negative Lien over the Specific Book Debts repayable in 108 Months w.e.f. April, 2018.		
Term Loan From Oriental Bank of Commerce	50015068	0
Secured against Hypothecation of Specific Book Debts repayable in 72 Months w.e.f. April, 2018.		
Term Loan From ICICI Bank	3362993	4599500

Secured against Hypothecation of Car repayable in 36 months EMI @ Rs. 1.48 Lacs P.M. w.e.f. May, 2016.

8087755

1694701

2633211

12415667

12113710

2978267

3760139

18852116

Total

4. DEFERRED TAX LIABILITIES/(ASSETS) NET	•		As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Assets			(425824)	61918
(Timing difference of Depreciation under Co. Act and Incom Deferred Tax Liability	e Tax Act)			
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961			4518997	2094563
		Total	4093173	2156481
5. SHORT TERM BORROWINGS:				
Secured				
Loans Repayable on Demand (From Bank)				
From : State Bank of India				
Working Capital Loans			0.00	24315725
		Total	0.00	24315725
(Secured against Hypothecation of Advances (Book-Debts) an irrevocable pothe specific assets and to collect the book debts directly from individual bor 6. OTHER CURRENT LIABILITIES:	, , ,	,	0 0 7,	. ,
Current Maturity of Long-Term Borrowings (Refer Note 3)			144965926	96898239
Expenses Payable			3532923	1309522
Unclaimed Dividend			5025	5025
Other Current Liabilities			7912121	673877
		Total	156415995	98886663
7. SHORT TERM PROVISIONS :	I			

8. FIXED ASSETS

Provision for Taxation

Provision for standard Assets

Provision for NPA

PARTICULARS GROSS BLOCK					DEPRECIATION	DEPRECIATION			NET BLOCK	
	AS AT	ADD	TRANSFER	AS AT	AS AT	FOR THE	AS AT	AS AT	AS AT	
	01.04.2016			31.03.2017	01.04.2016	YEAR	31.03.2017	31.03.2017	31.03.2016	
TANGIBLE ASSETS										
Computers	585532	457710	0	1043242	456873	236526	693399	349843	128659	
Office Equipments	1488538	732052	0	2220590	615018	546123	1161141	1059449	873520	
Motor Cars	10053256	21000	0	10074256	3896816	1884312	5781128	4293128	6156440	
Motor Cycles	103470	0	0	103470	8881	24489	33370	70100	94589	
Franking Machine	180110	0	0	180110	158712	12393	171105	9005	21398	
Furniture & Fixture	1250238	1063449	0	2313687	133819.00	456396	590215	1723472	1116419	
Total	13661144	2274211	0	15935355	5270119	3160239	8430358	7504997	8391025	
Previous Year	5758619	7902525	0	13661144	4454282	815837	5270119	8391025	1304337	

9. LONG TERM HOUSING & PROPERTY LOANS:

Secured considered good unless stated otherwise

		Non Current F	Portion	Current Portion	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Housing Loans		591633009	334634886	156488588	118325619
Property Loans (LAP)		49421019	55122620	20744610	24762369
	Total	641054028	389757506	177233198	143087988

10. OTHER NON CURRENT ASSETS

	31 st	31 st March 2017		31 st March 2016			
Advance against Office Booking		1500000		1500000		1500000	
Security Deposit		0		5000			
Deferred Expenses:							
Prepaid Expenses	14588842		1500000				
Deferred Expenses	1331760	15920602	2613518	4113518			
Rent Deposit		3616900		3150000			
	Total	21037502		8768518			

11. CURRENT INVESTMENT:					
Trade Investment	As	As at 31 st March, 2016			
Investment in Equity Instruments-Quoted	Face Value	Nos.	Amount	Nos.	Amount
ADANI TRANSMISSION LTD	10	0	0	1000	39109
ALEMBIC LTD.	2	0	0	1000	50412
APL APOLLO TUBES LTD.	10	0	0	50	23243
BALMER LAWRIE & CO.LTD	10	0	0	750	479243
BHARAT GEARS LTD.	10	0	0	400	40957
EXCEL CROP CARE LTD.	5	0	0	250	239907
GABRIEL INDIA LTD.	1	0	0	500	48791
GUJARAT INDUSTRIES POWER CO.LTD.	10	0	0	500	47089
GUJARAT NARMADA VALLEY FERT. & CHEM. LTD.	10	0	0	500	35505
GOLDIAM INTERNATIONAL LTD.	10	0	0	1000	56224
GUJARAT STATE FERTILIZERS & CHEMICALS LTD	2	0	0	500	38509
INDRAPRASTHA MEDICAL CORP.LTD.	10	0	0	400	30341
IPCA LABORATORIES LTD	2	0	0	100	84860
IVP LTD.	10	0	0	600	65648
KEC INTERNATIONAL LTD.	2	0	0	200	32467
MIRC ELECTRONICS LTD	1	0	0	1000	20841
MPL PLASTICS LIMITED	10	0	0	6000	149432
MANGALORE REFINERY & PETROCHEMICALS LTD.	10	0	0	1000	81356
MUKAND LTD.	10	0	0	500	25266
NATIONAL FITTING LIMITED	10	0	0	0	0
NEYVELI LIGNITE CORPORATION LTD.	10	0	0	1000	93082
ORICON ENTERPRISES LTD.	2	0	0	0	0
PTC INDIA FINANCIAL SERVICES LTD.	10	0	0	10000	470610
RASANDIK ENGINEERING INDUSTRIES INDIA LTD.	10	0	0	300	26907
SMARTLINK NETWORK SYSTEMS LTD.	2	0	0	16443	1841442
S R G SECURITIES FINANCE LIMITED	10	150000	4194677	150000	4194677
SUPRIME PETROCHEM LTD.	10	0	0	0	0
TINPLATE COMPANY OF INDIA LTD.	10	0	0	500	38544

0

2500

0

58545

154446

92907

305898

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8400000

17725129

45389

Total

53245

307615

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6345158

7920000

14265158

0

0

506022

TAMIL NADU NEWSPRINT & PAPERS LID.	10	0	U	2500	30002
ZENSAR TECHNOLOGIES LTD.	10	0	0	10	9552
	Total	150000	4194677	1970	03 87700
Aggregated Market Value of Quoted Investment		3172500			84110
Provision for Diminution in value of Investment		1022177			35894
Provision Already Made		358942			
Provision Required		663235			
12. CASH & CASH EQUIVALENTS:			As at 31 March,		As at 31st March, 2016
 Cash on Hand			1637487		1346131
Balance With Banks					
A. In Current Account/ Dr. Balance in CC Account			1129584	.9	693186
B. Fixed Deposits with original maturity up to twelve	months		2090020	033	19278948
(Deposits amounting to Rs. 0.30 Cr under lien with A with Oriental Bank of Commerce)					
· · · · · · · · · · · · · · · · · · ·	33844877 0				
C. Fixed Deposits with original maturity more than t	welve months		3384487	77	0
(Deposits amounting to Rs.1.90 Cr under lien with St	ate Bank of India, Rs.0	0.30 Cr	3384487	77	0
C. Fixed Deposits with original maturity more than t (Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts	ate Bank of India, Rs.0	1.30 Cr	3384487 3599	77	3599
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w	ate Bank of India, Rs.0	.30 Cr Total			
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS	ate Bank of India, Rs.0 ith OBC)		3599 255783 6 1150211	845	3599 21321864 8489859
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due	ate Bank of India, Rs.0 ith OBC)		3599 255783 6 1150211' 6816053	845	3599 21321864 8489859 4991081
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due Others-Stock on Stamps	ate Bank of India, Rs.0 ith OBC)		3599 255783 6 1150211' 6816053 177408	845	3599 21321864 8489859 4991081 34148
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due Others-Stock on Stamps	ate Bank of India, Rs.0 ith OBC)	Total	3599 255783 6 1150211 6816053 177408 223204	1 3	3599 21321864 8489859 4991081 34148 318885
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due	ate Bank of India, Rs.0 ith OBC)		3599 255783 6 1150211' 6816053 177408	1 3	3599 21321864 8489859 4991081 34148
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due Others-Stock on Stamps	ate Bank of India, Rs.0 ith OBC)	Total	3599 255783 6 1150211 6816053 177408 223204	1 3	3599 21321864 8489859 4991081 34148 318885
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due Others-Stock on Stamps Other Advance	ate Bank of India, Rs.0 ith OBC)	Total	3599 255783 6 1150211 6816053 177408 223204	1 3	3599 21321864 8489859 4991081 34148 318885
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due Others-Stock on Stamps Other Advance	ate Bank of India, Rs.0 ith OBC)	Total	3599 255783 6 1150211 6816053 177408 223204 1871877	8 45 1 3	3599 21321864 8489859 4991081 34148 318885 13833973
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due Others-Stock on Stamps Other Advance 14. REVENUE FROM OPERATIONS Interest on Housing loans	ate Bank of India, Rs.0 ith OBC)	Total	3599 255783 6 1150211 ¹ 6816053 177408 223204 1871877	845 1 3 76	3599 21321864 8489859 4991081 34148 318885 13833973
(Deposits amounting to Rs.1.90 Cr under lien with St under DCB Bank, Rs.0.25 Cr under MAS, Rs. 0.75 Cr w Balance in unpaid dividend bank accounts 13. SHORT TERM LOANS AND ADVANCE Unsecured Considered Good Advance Tax and TDS Interest Accrued but not due Others-Stock on Stamps Other Advance 14. REVENUE FROM OPERATIONS Interest on Housing loans Interest on Property Loans	ate Bank of India, Rs.0 ith OBC)	Total	3599 255783 6 1150211' 6816053 177408 223204 1871877	1 3 76	3599 21321864 8489859 4991081 34148 318885 13833973 83834916 18003128

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TAMIL NADU NEWSPRINT & PAPERS LTD.

Dividend

Income From Mutual Fund

Salaries & Bonus

Directors Remuneration

Net Profit from sale of Current Investment

16. EMPLOYEE BENEFIT EXPENSES:

Contribution to Provident Fund & other Funds

17. FINANCIAL COST :	As at 31st 31 March 2017	As at 31st 31 March 2016
Interest on Cash Credit Limit	1657950	1592612
nterest on Term Loan SBI	45779954	38330903
nterest on Term Loan NHB	1627151	0
nterest on Car Loan	393693	0
nterest on Term Loan DCB Bank	2191518	0
nterest on Term Loan MAS Financial Services Ltd.	3849169	0
nterest on Term Loan Oriental Bank of commerce	15068	0
nterest on Term Loan LIC HFL	16644	0
nterest on Term Loan Andhra Bank	9205	0
Other Interest	0	403
Bank Charges	925971	520632
Total	56466323	40444550
18. OTHER EXPENSES :		
Advertisement	551865	1069033
Auditors Remuneration	85000	75000
nternal Audit Fees	30000	30000
Annual Fees	981100	339113
/ehicle Running & Maintenance	643887	735703
Computer Maintenance	130922	78710
ilectricity	106770	76767
nsurance	52357	49062
egal & Professional Fees	1970704	769380
Office Expenses	1010386	765652
Postage and Telegramme	18845	8537
Printing and Stationery	397661	664253
Rent	3145898	1552005
Telephone	343903	179394
ravelling	1870300	856168
Commission	6068250	2640000
Consultancy Fees	156000	230000
Customer Verification Fees	519963	393150
Business Promotion Exp.	2020419	2351519
Recovery and Inspection	1048498	934991
Satellite Centre	1792075	3213238
Miscellaneous Exp. Written Off	2246802	1781758
Bad Debts Written Off	1637905	0
Other Expenses	451231	165647
Total	27280741	18959080
19. AUDITORS REMUNERATION INCLUDES:	'	(Rs. In Lacs)
Particulars	31.03.2017	31.03.2016
Audit Fees	0.60	0.50
Taxation Fees	0.10	0.10
R.O.C. Matters & Certification	0.15	0.15
	1	





- **20.** In the opinion of management the current assets and advances are approximately of the value as stated if realized in the ordinary course of business unless otherwise stated. The provisions for all liabilities are adequate and not in excess / shortage of the amount reasonably necessary.
- **21.** During the year one employee (Managing Director) was getting salary more than Rs. 60,00,000/-p.a.
- **22.** All the balances of Sundry Creditors, Loans and Advances are subject to confirmation.
- **23.** The previous year figure have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.
- **24.** The Company have complied all the prudential norms prescribed by National Housing Bank on income recognition , accounting standards, assets classification , provisions for Bad & doubtful debts , capital adequacy and credit / investment Concentration .
- **25.** The company does not have any exposure in foreign currency at the year end.
- **26.** The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation. etc. of houses to Individuals, Corporate Bodies, Builders and Cooperative Housing Societies and or loan against properties

and has its operations within India. Accordingly, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17) issued by the Institute of Chartered Accountants of India / noti?ed under the Companies (Accounting Standards) Amendment Rules, 2011.

27. National Housing Bank (NHB) vide its circular no NHB(ND)DRS/Policy circular 62/2014 dated 27th May 2014 directed Housing Finance Companies to provide for deferred tax liability in respect of the balance in the Special reserve created under section 36(i)(viii) of the Income Tax Act,1961 further NHB vide its policy circular dated 22nd August 2014, has clarified that such contingent deferred tax liability in respect of opening balance in the Special Reserve as at 1st April,2014 may be created by adjusting the opening reserves of the Company over a period of three years. Accordingly, Company has adjusted its opening general reserve as at 1st April, 2016 with an amount of Rs.8.48 Lakhs as contingent deferred tax liability.

The contingent deferred tax liability of Rs 15.14 Lakhs in respect of the amount appropriated to Special Reserve during the year ended on 31st March, 2017 has been charged to Statement of Profit & Loss and deferred tax liability on Special reserve created under section 36(i)(viii) of the Income Tax Act,1961 has been created as per NHB Direction. For comparability, DTL charged to statement of Profit & Loss has been separately disclosed in the above a/c.

28. Disclosures of the details of Specified Bank Notes (SBN) held and transacted during the period from 08th November 2016 to 30th December 2016 (Rs. In Cr.)

	SBNs	Other Denomination Notes*	Total
Closing cash in hand as on 08.11.2016	0.390	0.004	0.394
(+) Permitted receipts*	-	0.182	0.182
(-) Permitted payments	-	0.042	0.042
(-) Amount deposit in Bank	0.390	-	0.390
Closing cash in hand as on 30.12.2016*	-	0.144	0.144

^{*}includes cash withdrawn from the banks.

29. As required by National Housing Bank's notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017, and in terms of the circular no. NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010, the following additional disclosures are given as under:

29.1 CAPITAL TO RISK ASSETS RATIO (CRAR)

	Items	Current Year	Previous Year
i)	CRAR (%)	72.71	49.91
ii)	CRAR - Tier I Capital (%)	72.71	49.91
iii)	CRAR - Tier II Capital (%)	0.00	0.00
iv)	Amount of Subordinated Debt Raised as Tier-II Capital	0.00	0.00
v)	Amount Raised by Issue of Perpetual Debt Instruments	0.00	0.00

29.2	RESERVE FUND UNDER SECTION 29C OF THE NHB ACT, 1987		(Rs. In Cr.)
Part	iculars	Current Year	Previous Year
Bala	nnce at the beginning of the year		
a)	Statutory Reserve u/s 29C of the National Housing Bank Act,1987	0.32	0.23
b)	Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1.06	0.77
	Tota	al 1.38	1.00
Add	ition/Appropriation/Withdrawal during the year		
Add	a) Amount transferred u/s 29C of the NHB Act,1987	0.05	0.09
b)	Amount of special reserve u/s 36 (1)(viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	0.49	0.29
Less	a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act,1987	0.00	0.00
b)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act,1987	0.00	0.00
Bala	nnce at the end of the year		
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.37	0.32
b)	Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act,1961 taken into account for the purposes of Statutory Reserve under Section 29C of NHB Act,1987	1.55	1.06
	Tota	al 1.92	1.38
	INVESTMENTS iculars	Current Year	(Rs. In Cr.) Previous Year
(A)	Value of Investments		
(i)	Gross Value of Investments		
	(a) In India	0.42	0.88
	(b) Outside India	0.00	0.00
(ii)	Provision for Depreciation		
	(a) In India	0.10	0.04
	(b) Outside India	0.00	0.00
(iii)	Net Value of Investments		
	(c) In India	0.32	0.84
	(d) Outside India	0.00	0.00
(B)	Movement of Provisions held towards depreciation on investments		
	(i) Opening Balance	0.04	0.00
	(ii) Add: Provisions made during the year	0.06	0.04
	(iii) Less: Write-off/Written-bank of excess provisions during the year	0.00	0.00
	(iv) Closing Balance	0.10	0.04

^{29.4} During the year, Company has not entered into any (a) derivative transaction, (b) securitisation and assignment transaction, (c) financing of Parent Company product, and (e) finance of any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.

29.5 ASSET LIABILITY MANAGEMENT

(Maturity Pattern of certain i	tems of A	ssets and	Liabilities)						(Rs. In	Cr.)
	Up to	Over	Over	Over	Over	Over	Over	Over	Over	Over	Total
	30-31	one	2 month	3 month	6 month	1 year	3 year	5 year	7 year	10	
	days	month	upto	to	to	to	to	to	to	years	
	(one	to 2	3	6	1 years	3 years	5 years	7 years	10 years		
	month)	months	Months	months							
Liabilities											
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Borrowing from Banks	1.44	0.99	0.94	3.11	8.02	31.53	21.98	5.36	1.67	0.00	75.04
Market Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Currency Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets											
Advances	1.31	0.76	0.97	4.00	10.69	31.48	18.05	10.53	3.76	0.28	81.83
Investments	0.00	0.00	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.32
Other Liquid Assets	6.29	14.85	0.00	2.06	1.05	1.33	0.00	0.00	0.00	0.00	25.58
Foreign Currency Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29.6.1 EXPOSURE TO REAL ES	STATE SEC	TOR								(Rs. In C	r.)
Category								Current	Year	Previous	s Year
a) Direct exposure											
(I) Residential Mortgages	_										
Lending fully secured by occupied by the borrow		_	-	roperty tha	at is or will	_ be		20.25		14.55	

Cat	egory	Current Year	Previous Year	
a)	Direct exposure			
(1)	Residential Mortgages -			
	Lending fully secured by mortgages on residential property that is or wilL be occupied by the borrower or that is rented;	20.25	14.55	
	Individual Housing Loan up to Rs. 15 Lakhs	48.41	25.61	
(11)	Commercial Real Estate -			
	Lending secured by mortgages on commercial real estate's (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;	13.17	13.12	
(111)	Investment in Mortgage Backed Securities (MBS) and other securitised exposures -			
	a. Residential	0.00	0.00	
	b. Commercial Real Estate	0.00	0.00	
b)	Indirect Exposure Fund based and non-fund based exposure on national Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00	

29.6.2 EXPOSURE TO CAPITAL MARKET						
ar	ticulars	Current Year	Previous Year			
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.08	1.39			
ii)	Advance against shares/bonds/debentures or other securities or on clean basis to individual for investment in shares (including IPOs/ESOPs), Convertible bonds, convertible debentures, and units of equity -oriented mutual funds	0.00	0.00			

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	Total Exposure to Capital Market	0.08	1.39
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	0.00	0.00
(vii)	Bridge loans to companies against expected equity flows/issues	0.00	0.00
(vi)	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	0.00	0.00
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	0.00	0.00
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares /convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	0.00	0.00
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	0.00	0.00

- **29.7** The Company has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).
- 29.8 The Company has not obtained registration from any other financial sector regulator.
- 29.9 No penalties have been imposed by NHB or any other regulator on the company during the year.

29.10 RELATED PARTY DISCLOSURES:

Disclosures as required by the Accounting Standard 18 of ICAI in respect of Related Party Transactions for the year ended on 31/03/2017:-

The related parties of the Company with whom the Company had carried out transactions are as follows.

Vinod K Jain, Managing Director

Seema Jain, Director

Vinod Jain HUF

Archis Jain (Relative of Director)

SRG Securities Finance Limited (Associated / Related Entity)

The nature and volume of transactions with the above related parties during the year were as follows:

Directors Remuneration- (Salary)

Rs. 84.00 Lakhs (Previous year Rs.79.20 Lakhs)

Office Rent

Rs. 24.14 Lakhs (Previous year Rs.14.16 Lakhs)

Salary

Rs. 12.00 Lakhs (Previous year Rs.6.00 Lakhs)

Investment in shares

Rs. 0.00 Lakhs (Previous year Rs.41.95 Lakhs)

29.11 RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATING DURING THE YEAR

Sr. No.	Instrument	Rating Agency	Rating Assigned	Date of Assignment
1	Long Term	CARE Ratings	CARE BB+(Positive)	03.02.2017
2	Long Term	Brickwork Ratings	BWR BBB-(Stable)	24.08.2016

29.12 During the year, a) no prior period items occurred which has impact on profit and loss account, b) no change in any accounting policy, c) there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties, d) there is no withdrawal from Reserve fund, e) Company has not accepted public deposits, f) Company does not consists of any Overseas Assets and g) Company does not consists Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms).

29.13 The Company has no subsidiary company. Hence, requirement of consolidated financial statements is not applicable to the company.

29.14 PROVISIONS AND CONTINGENCIES

Break up of 'Provisions and Contingencies' shown under the head Expenditure				
in F	Profit and Loss Account and Reserves	Current Year	Previous Year	
1.	Provisions for depreciation on Investment	0.06	0.04	
2.	Provisions made towards income tax	1.21	0.81	
3.	Provision towards NPA	0.13	0.06	
4.	Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	0.11	0.06	
5.	Other Provision and Contingencies (with details)	0.00	0.00	

(Rs. In Cr.)

Break up Loan & Advances and Provisions thereon	Housing		Non-Housing	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	73.58	44.90	6.97	7.84
b) Provisions Made	0.32	0.22	0.05	0.05
Sub-Standard Assets				
a) Total Outstanding Amount	0.91	0.19	0.05	0.00
b) Provisions Made	0.14	0.03	0.01	0.00
Doubtful Assets-Category-I				
a) Total Outstanding Amount	0.16	0.09	0.00	0.00
b) Provisions Made	0.04	0.02	0.00	0.00
Doubtful Assets-Category-II				
a) Total Outstanding Amount	0.08	0.06	0.00	0.15
b) Provisions Made	0.03	0.02	0.00	0.06
Doubtful Assets-Category-III				
a) Total Outstanding Amount	0.08	0.05	0.00	0.00
b) Provisions Made	0.08	0.03	0.00	0.00
Loss Assets				
a) Total Outstanding Amount	0.00	0.00	0.00	0.00
b) Provisions Made	0.00	0.00	0.00	0.00
TOTAL				
a) Total Outstanding Amount	74.81	45.29	7.02	7.99
b) Provisions Made	0.61	0.32	0.06	0.11

DETAILS OF MOVEMENT IN PROVISIONS

(Rs. In Cr.)

Particulars	Opening as on 01.04.2016	Provisions made during the year	Provisions reversed /adjusted	Closing as on 31.03.2017
Bad & Doubtful Debts	0.17	0.13	0.00	0.30
Taxation	0.81	1.21	0.81	1.21
Standard Assets	0.26	0.11	0.00	0.37
Investment	0.04	0.06	0.00	0.10

29.15.1 CONCENTRATION OF LOANS & ADVANCES

(Rs. In Cr.)

Particulars	Current Year	Previous Year
Total Loans & Advances to Twenty largest borrowers		19.33
Percentage of Loans & Advances to Twenty largest borrowers to Total Advances of the HFC	25.08%	36.28%

29.15.2 CONCENTRATION OF ALL EXPOSURE (INCLUDING OFF-BALANCE SHEET EXPOSURE)

(Rs. In Cr.)

Particulars	Current Year	Previous Year
Total Loans & Advances to Twenty largest Borrowers/Customers	20.52	19.33
Percentage of Exposures to Twenty largest Borrowers/Customers to	25.08%	36.28%
Total Exposure of the HFC on Borrowers/Customers	'	

29.15.3 CONCENTRATION OF NPAs

(Rs. In Cr.)

Particulars	Current Year	Previous Year
Total Exposure to Top Ten NPA Accounts	1.02	0.39

29.15.4 SECTOR-WISE NPAs

S. No.	Sector	Percentage of NPAs to Total Advances in that Sector
A.	Housing Loans:	
1.	Individuals	1.90 %
2.	Builders/Project Loans	0.00
3.	Corporates	0.00
4.	Other (Specify)	0.00
B.	Non-Housing Loans:	
1.	Individuals	0.71%
2.	Builders/Project Loans	0.00
3.	Corporates	0.00
4.	Others (Specify)	0.00

29.16 MOVEMENT OF NPAs

(Rs. In Cr.)

Part	Particulars		Current Year	Previous Year
(1)	Net	NPAs to Net Advances (%)	1.21%	0.70%
(11)	Mov	Movement of NPAs (Gross)		
	a)	Opening Balance	0.53	0.40
	b)	Additions during the year	0.96	0.19
	c)	Reductions during the year	0.21	0.06
	d)	Closing Balance	1.28	0.53
(111)	Мо	vement of Net NPAs		
	a)	Opening Balance	0.37	0.29
	b)	Additions during the year	0.82	0.16
	c)	Reductions during the year	0.21	0.08
	d)	Closing balance	0.98	0.37
(IV)	Мо	vement of Provisions for NPAs (excluding provisions on standard assets)		
	a)	Opening Balance	0.17	0.11



STATUTORY
REPORTS



b)	Provisions made during the year	0.13	0.06
c)	Write-off/write-back of excess provisions	0.00	0.00
d)	Closing Balance	0.30	0.17

29.17 DISCLOSURE OF COMPLAINTS (CUSTOMERS COMPLAINTS)

Particulars		Current Year	Previous Year	
a)	No. of Complaints pending at the beginning of the year	0.00	0.00	
b)	No. of Complaints received during the year	0.00	0.00	
c)	No. of Complaints redressed during the year	0.00	0.00	
d)	No. of Complaints pending at the end of the year	0.00	0.00	

Notes on Financial statements 1 to 29 are annexed and forming part of the Balance Sheet and Profit & Loss Account.

For VALAWAT & ASSOCIATES

For & on behalf of the Board

Chartered Accountant

FRN: 003623 C

Sd/-	Sd/-	Sd/-	Sd/-
JINENDRA JAIN Partner M.No. 072995	VINOD K. JAIN Managing Director DIN: 00248843	RAJESH JAIN Director DIN: 00212393	SEEMA JAIN Director DIN: 00248706
		Sd/-	Sd/-
PLACE: UDAIPUR		ASHOK KUMAR CFO	SUNAINA NAGAR Company Secretary M. No: A40754
I LITCL. ODAII OIL			111. 110. /170/37

PLACE: UDAIPUR DATE: 10.05.2017



BOOK POST

To,

IF UNDELIVERED PLEASE RETURN TO:-

SRG HOUSING FINANCE LIMITED

321, S. M. LODHA COMPLEX, NEAR SHASTRI CIRCLE UDAIPUR, RAJASTHAN-313 001 CIN: L65922RJ1999PLC015440