

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

Date: 12.09.2018

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

Dear Sir,

Subject: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2017-18


Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With respect to above mentioned subject, please find herewith enclosed Annual Report for the financial year 2017-18 in compliance with SEBI (LODR) Regulations.

Thanking You,

With Regards,

For SRG Housing Finance Limited


Vinod K. Jain
Managing Director
DIN: 00248843



Enclosed: ANNUAL REPORT 2017-18

सबके पास अपना आवास



ANNUAL
REPORT
2017-18

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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable stakeholders 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.

ANNUAL GENERAL MEETING

Date : Saturday, September 8, 2018 | **Time :** 03:00 p.m.

Venue : Udaipur Chamber of Commerce & Industry,
Chamber Bhawan, Chamber Marg, M.I.A., Udaipur - 313001



E-VOTING SCHEDULE

CUT OFF DATE :

Saturday, September 01, 2018

START DATE :

Wednesday, September 5, 2018 (9:00 a.m.)

END DATE :

Friday, September 7, 2018 (5:00 p.m.)

CONSISTENT GROWTH TRAJECTORY

(As on 8th August, 2018)

NO. OF HOUSEHOLDS SERVED

4500+

BRANCHES

32+

LOAN BOOK

₹200 CRORES +

NO. OF EMPLOYEES

160+



CORPORATE **OVERVIEW**

CORPORATE INFORMATION

BOARD OF DIRECTORS & THEIR BRIEF PROFILE



Mr. Vinod K. Jain

Managing Director (DIN: 00248843)

Mr. Vinod K. Jain is an experienced Managing Director (Promoter) with a vision to fuel SRGHFL to be the next big participant in Housing Finance Industry in India. He has with his deep financial prowess and effective team management capabilities pioneered the growth of Company with utmost honesty and integrity.



Ms. Seema Jain

(DIN: 00248706)

Ms. Seema Jain is serving as Non-Executive Director to the Board since the inception of the Company. She has excellent leadership, management and organizational skills.



Mr. Nishant Badala

(DIN:06611795)

Mr. Nishant Badala is an Independent Director of the Company. He has completed the Masters in Commerce from University of Udaipur. He is a Chartered Accountant and Company Secretary by profession, having expertise in the field of accounting, legal and taxation.



Mr. Vikas Gupta

(DIN:05280808)

Mr. Vikas Gupta is an 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. He has diverse exposure in Tax consultancy and all related financial Services.



Mr. Ashok Kabra

(DIN:00240618)

Mr. Ashok Kabra is an Independent Director of the Company. He has done his Masters in Commerce. He has diverse exposure of more than 12 years in corporate finance, stock broking, investments and financial services etc.

SENIOR MANAGEMENT PERSONNEL



Mr. Ashok Modi

Chief Financial Officer

Mr. Modi has more than 25 years of experience in ensuring financial strengthening to the individuals and organizations via audit and strategic planning. His in-depth knowledge about the financial system and various derivatives is unparalleled. He is with the company since 2012.



Mr. 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. Krati Jain

Vice President

Ms. Jain has over 5 years of experience, being a PH.D in finance she is also associate member of ICSI. She holds an MBA (PGDBA) from Symbiosis. She is involved in strategic planning, decision making and new policy formulation.



Ms. Sunaina Nagar

CS and CIRO

Ms. Nagar is an associate member of Institute of Company Secretaries of India and also possesses LLB degree. She is handling Compliance, Equity & Debt Financing matters. Her deep insights and research mindset has helped company to find newer innovative ways to expand and flourish. She joined the company in the year 2015.



Mr. Dilip Kumar Singhvi

GM- Operations

Mr. Singhvi is retired as a Senior Manager-Bank of Baroda with 36 years experience. His educational credentials include B.SC, M.COM, MBA, CAIIB. He is involved in procedures and policies making financial transaction less cumbersome. The strategies adopted by him have helped in building up of customer network.

STATUTORY AUDITOR

M/s PKJ & Co.
Chartered Accountants

MANAGEMENT AUDITORS

M/s Deloitte Haskins & Sells LLP

INTERNAL AUDITOR

M/s Ketan & Co.
Chartered Accountants

SECRETARIAL AUDITOR

M/s Deepak Vijaywarghey & Associates
Practicing Company Secretary

LISTED ON

BSE (Bombay Stock Exchange) Code : 534680

BANKERS & FINANCIAL INSTITUTIONS

- National Housing Bank	- AU Small Finance Bank
- State Bank of India	- LIC Housing Finance Ltd.
- Oriental Bank of Commerce	- MAS Financial Services Ltd.
- Andhra Bank	- AVANSE Financial Services Ltd.
- UCO Bank	- Hinduja Housing Finance
- DCB Bank	
- South Indian Bank	

REGISTERED OFFICE

321, SM Lodha Complex, Near Shastri Circle, Udaipur
Rajasthan- 313001. **Phone** : 0294-2561882, 2412609

CORPORATE OFFICE

1046, 10th Floor, Hubtown Solaris, N.S. Phadke Marg,
Near East West Flyover, Andheri (E), Mumbai, Maharashtra
400 069. Phone : 022-62215307

E-mail: info@srghousing.com, srghousing@gmail.com

Web: www.srghousing.com

CIN: L65922RJ1999PLC015440

NHB Registration No: 02.0056.04 Dated: 15.04.2004

LEI NO: 3358001A8CU8SNHBIU98

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, **Web:** www.catalysttrustee.com
CIN: U74999PN1997PLC110262

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, **Web:** www.sharexindia.com
CIN: U67190MH1994PTC077176

BOARD COMMITTEES

AUDIT COMMITTEE

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

STAKEHOLDER'S RELATIONSHIP COMMITTEE

- Mr. Vikas Gupta - Chairman of the Committee
- Ms. Seema Jain - Member
- Mr. Ashok Kabra - Member

NOMINATION & REMUNERATION COMMITTEE

- Mr. Ashok Kabra - Chairman of the Committee
- Mr. Vikas Gupta - Member
- Ms. Seema Jain - Member

RISK MANAGEMENT COMMITTEE

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

ASSET-LIABILITY MANAGEMENT COMMITTEE

- Mr. Vinod K. Jain - Chairman of the Committee
- Ms. Seema Jain - Member
- Mr. Ashok Kumar - Member

AUCTION COMMITTEE

- Mr. Vinod K. Jain - Chairman of the Committee
- Ms. Seema 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

CSR COMMITTEE

- Mr. Nishant Badala - Chairman of the Committee
- Mr. Vinod K. Jain - Member
- Ms. Seema Jain - Member

PERFORMANCE HIGHLIGHTS

Loan Portfolio

(₹ In Crores)

200.28 ▲ 145% YoY

2013-14	26.40
2014-15	38.68
2015-16	53.28
2016-17	81.83
2017-18	200.28

Loan Disbursement

(₹ In Crores)

142.82 ▲ 202% YoY

2013-14	16.11
2014-15	25.39
2015-16	27.31
2016-17	47.37
2017-18	142.82

Profit After Tax

(₹ In Crores)

9.62 ▲ 256% YoY

2013-14	1.19
2014-15	1.54
2015-16	1.87
2016-17	2.71
2017-18	9.62

Return on Average Equity

(In %)

25.49 ▲ 1469 bps YoY

2013-14	9.12
2014-15	10.80
2015-16	12.00
2016-17	10.80
2017-18	25.49

Return on Average Assets

(In %)

5.82 ▲ 267 bps YoY

2013-14	4.75
2014-15	4.33
2015-16	3.72
2016-17	3.15
2017-18	5.82

Earning Per Share

(In ₹)

7.40 ▲ 208% YoY

2013-14	1.48
2014-15	1.43
2015-16	1.65
2016-17	2.38
2017-18	7.40

Shareholder's Fund

(₹ In Crores)

41.50 ▲ 22% YoY

2013-14	13.68
2014-15	14.71
2015-16	16.40
2016-17	33.97
2017-18	41.50

Cost to Income Ratio

42.78 ▼ 1066 bps YoY

2013-14	50.14
2014-15	49.33
2015-16	55.23
2016-17	53.44
2017-18	42.78

No. of Retail Offices

29 ▲ 52% YoY

2013-14	9
2014-15	9
2015-16	15
2016-17	19
2017-18	29

Net Interest Income (NII)

(₹ In Crores)

18.12 ▲ 118% YoY

2013-14	3.41
2014-15	4.45
2015-16	6.17
2016-17	8.30
2017-18	18.12

Borrowings (₹ In Crores)

166.96 ▲ 122% YoY

2013-14	15.52
2014-15	24.89
2015-16	41.29
2016-17	75.04
2017-18	166.96

Yield on Portfolio

(In %)

24.20 ▲ 130 bps YoY

2013-14	20.95
2014-15	21.11
2015-16	22.21
2016-17	21.50
2017-18	24.20

FINANCIAL HIGHLIGHTS



(₹ In Crores)

	2013-14	2014-15	2015-16	2016-17	2017-18
SHARE CAPITAL	8.08	11.31	11.31	13.00	13.00
RESERVE AND SURPLUS	5.60	3.40	5.09	21.00	28.49
BORROWINGS	15.52	24.89	41.29	75.04	166.96
ASSETS UNDER MANAGEMENT (AUM)	26.40	38.68	53.28	81.83	200.28
DISBURSEMENTS DURING THE PERIOD	16.11	25.39	27.31	47.37	142.82
GNPA %	0.96	1.04	1.01	1.57	1.50
NNPA %	0.73	0.76	0.70	1.21	0.50

	2013-14	2014-15	2015-16	2016-17	2017-18
GROSS INTEREST INCOME	4.74	6.84	10.20	14.04	29.39
FINANCIAL COST	1.33	2.39	4.04	5.74	11.27
NET INTEREST INCOME(NII)	3.41	4.45	6.17	8.30	18.12
NET INTEREST MARGIN(NIM)%	13.58	12.55	12.30	9.67	10.97
YIELD ON PORTFOLIO %	20.95	21.11	22.21	21.50	24.20
AVERAGE COST OF BORROWINGS %	12.90	13.20	13.20	11.61	10.56
COST TO INCOME RATIO	50.14	49.33	55.23	53.44	42.78
PBT	1.69	2.26	2.76	4.02	13.19
PAT	1.19	1.53	1.86	2.71	9.62
EARNING PER SHARE in ₹	1.48	1.43	1.65	2.38	7.40
CAPITAL ADEQUACY RATIO %	61.30	50.34	49.91	72.71	33.38
RETURN ON AVERAGE ASSETS %	4.75	4.33	3.72	3.15	5.82
RETURN OF AVERAGE EQUITY %	9.12	10.82	12.00	10.75	25.49

SRG HOUSING FINANCE LIMITED AT A GLANCE

COMPANY OVERVIEW

Incorporated in the year 1999, SRGHFL'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 underserved and left ignored by mainstream 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. We are 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.



Low Loan-to-Value (LTV)

The Company has been able to achieve and maintain a low Loan-to-Value (LTV) on back of its strategy to lend towards construction of individual units only excluding land acquisition cost

OUR BUSINESS PRESENCE

As on July 2018

RAJASTHAN (18)

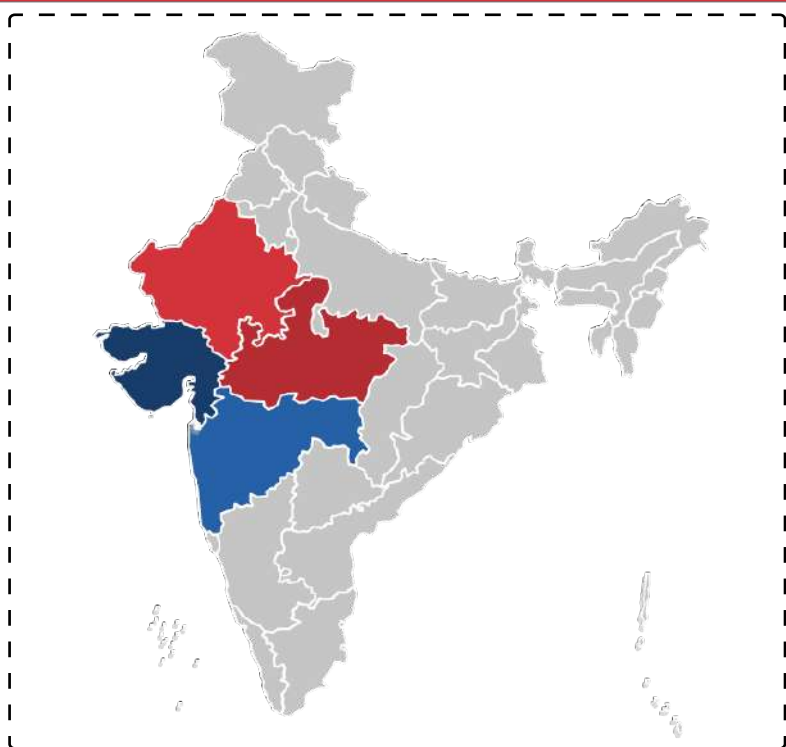
Banswara	Bhilwara	Jaipur
Sagwara	Aspur	Fatehnagar
Salumber	Ajmer	Chittorgarh
Rajsamand	Kota	Sumerpur
Dungarpur	Sirohi	Bijainagar
Bhinder	Jodhpur	Phalodi

MADHYA PRADESH (6)

Mandsaur	Ratlam	Manasa
Neemuch	Shamgarh	Ujjain

GUJARAT (6)

Ahmedabad	Surat	Vadodara
Palanpur	Mehsana	Nadiad



Registered Office: Udaipur (Rajasthan)

Corporate Office: Mumbai (Maharashtra)



SRG HOUSING FINANCE LIMITED IS:

FIRST COMPANY IN RAJASTHAN TO GET REGISTERED WITH NATIONAL HOUSING BANK

FIRST COMPANY IN RAJASTHAN TO GET LISTED ON BSE SME PLATFORM

FIRST COMPANY IN INDIA TO GET MIGRATED FROM BSE SME PLATFORM TO BSE MAIN BOARD



CREDITWORTHINESS:

Brickwork Ratings has upgraded the NCD and Bank Loan facilities as BWR BBB (BWR Triple B).

CARE Ratings has upgraded the Long term bank facilities as CARE BBB- (Triple B minus)



OUR LOAN PRODUCTS

Housing Loan - Individuals

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

Housing Loan - Builder/Project Loan Against Property



UNIQUE FEATURES

- Average Tenure - 6.75 yrs
- Average Ticket Size- ₹ 5.61 Lakhs
- Repayment Mode - PDCs/NACH are accepted
- Average Loan to Value (LTV) - 43% of the property value
- Catering also to LMI Segment

OUR HISTORY

1999

INCORPORATED AS VITALISE FINLEASE PRIVATE LIMITED

2000

CHANGED THE NAME OF THE COMPANY TO SRG HOUSING FINANCE PRIVATE LIMITED

2002

GOT LICENSE FROM NHB BEING THE 1ST COMPANY IN RAJASTHAN TO GET NHB LICENSE

2004

CONVERTED INTO PUBLIC COMPANY

2012

LISTED ON BSE SME PLATFORM BEING THE 1ST COMPANY IN RAJASTHAN TO BE LISTED ON SME PLATFORM

2015

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

2016

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

ISO 9001:2008 CERTIFIED COMPANY FOR QUALITY MANAGEMENT SYSTEM OF LOAN PROCESS

2017

AWARDED WITH ORDER OF MERIT BY SKOCH GROUP IN 47TH SKOCH SUMMIT FOR QUALIFYING AMONG TOP 100 SMES IN INDIA AND AGAIN IN 51ST SKOCH SUMMIT IN 2018

FIRST EVER PRIVATE PLACEMENT POST LISTING OF EQUITY SHARES IN MARCH 2017 AND FIRST EVER PRIVATE PLACEMENT OF NON CONVERTIBLE DEBENTURES IN AUGUST 2017

2018

RATING BBB IN MARCH 2018 BY BRICKWORK

REACHED AN ASSET UNDER MANAGEMENT (AUM) OF ₹200.28 CRORES

ACHIEVEMENTS OF THE YEAR



SRGHFL WAS AWARDED AS “TOP-100 SMES IN INDIA” BY SKOCH GROUP AND WITH A “ SKOCH ORDER OF MERIT” ON 51ST SKOCH SUMMIT IN MARCH 2018.

AWARDED AS “THE FASTEST GROWING HOUSING FINANCE COMPANY OF THE YEAR” BY ET NOW BFSI AWARD IN FEBRUARY 2018.

TEAM SRGHFL



SRGHFL'S TEAM CONSIST OF 140 PERSONS (FY17 - 55 PERSONS) WHO COMMITTED TO SERVE CUSTOMERS BETTER AND DELIVER GROWTH AND VALUE TO ALL THE STAKEHOLDERS

LOAN PORTFOLIO ANALYSIS

Product	Loan Mix (%)	LTV (%)	Avg Ticket Size (in Lakhs)	Yield (%)
Housing Loan	73.80	40.29	5.03	23.65
LAP	20.92	44.43	9.85	22.32
Builder/Project Loan	5.28	33.05	185.00	22.47

OUR STRENGTHS



VISION, MISSION & VALUES



VISION

"To be a universally respected financial services organization"



MISSION

Our company is single-minded in its determination to achieve excellence in all that we do. We are dedicated to achieving the highest standards in the areas of finance



VALUES

Our mantra for success is customer delight, by delivering quality services and to go further and achieve outstanding value and performance for all our customers and stakeholders

KEY DRIVERS OF BUSINESS MODEL



* EWS - Economically Weaker Sections
LIG - Low Income Group



CHAIRMAN'S MESSAGE



VINOD K. JAIN

Managing Director
DIN: 00248843

Dear Shareholders,

I welcome each one of you, my shareholders on this auspicious time when India as a Country is on the cusp of achieving GDP growth that can exceed 7% in 2018 and 2019¹.

The year 2017-18 for your Company was earmarked by robust growth in business operations aided by strong demand in the housing loans. When we look back at our past and reflect on our accomplishments, it only reinforces our belief of the diligence and commitment towards building a business with strong foundation that has long term enduring qualities. We began our journey more than a decade ago and decided to choose a path which not many had ventured into. We want to say this aloud that we have successfully addressed an overlooked section of the society. It was a dream to fulfill the joy of owning a home for the economically lower and weaker sections of the society. Although at the very beginning of our journey, there were several hurdles that looked insurmountable in the form of the funds and people required to carry out the operations. The anchors of strength, confidence, resilience and grit with wealth of experience and knowledge amassed helped to build a unique housing finance business model. It is heartening to know that your Company has capitalized well on this opportunity and registered a stellar performance on all parameters.

A holistic growth in an economy such as India can be achieved and bolstered through the strong pillars of housing, infrastructure, agriculture, etc. The housing finance industry is fragmented as the market is addressed by not only banks but also by a large number of housing finance companies (HFCs). This has given the customer a wide variety of choices to pick from in availing a home loan. While this has promoted competition; it has also created efficiency within the industry.

The traditional means of informal lending, in the rural places, by the so-called 'Sahukars', gold merchants and other

lenders are available at a huge cost. We are witnessing a marked shift to formal mediums of borrowing which offer attractive rates of interest with transparent terms and conditions. This has enabled HFCs like your Company to address a larger section of the rural market and tap the new and existing demand for loans.

The Indian housing finance industry yet again witnessed a growth of around 16%¹⁰ in the year 2017-18. Growth can be attributed to the steps implemented by the government towards real estate viz. RERA Act and government thrust on Housing-for-All by 2020 via the Pradhan Mantri Awas Yojana (PMAY). These initiatives have begun to yield benefits to the industry.

At SRG, we are focusing our efforts towards increasing our housing finance portfolio. To highlight our Company's achievements, our Assets Under Management (AUM) have increased 26 times in span of seven years from ₹7.57 Crores in FY12 to ₹200.28 Crores in FY18. This is a quantum leap which indicates two things – demand for housing loans far exceeds the supply and preference towards formalized channels of housing loans in rural areas. This opens up the doors of opportunities to be tapped by SRG thus giving us confidence to better our financial performance in the years to come.

SRG's business activities are bifurcated in three business segments viz. Housing Loan, Loan Against Property (LAP) and Builder/Project Loans. The bulk of business is garnered from housing loan which constitutes 79.08%. As for the borrowings, we have about 70% from Banks and balance is a mix of Non-Convertible Debentures (NCDs) and Financial Institutions (FIs).

Some of the key developments in FY18, which I would like to point out are:

- Issued Non-Convertible Debentures of ₹25 Crore on private placement basis in FY18; for the first time since incorporation of the Company.
- Appointed Deloitte Haskins & Sells LLP for Management Audit of the Company.
- Credit Rating upgraded from BWR BBB- (BWR Triple B Minus) Outlook: Stable to BWR BBB (BWR Triple B) Outlook: Stable by Brickwork Ratings.

Our performance for FY18 was stellar and we are gratified with the efforts which are bearing fruits. We at SRG will continue to keep up the momentum.

The Income from Operations rose from ₹14.55 Crore in FY17 to ₹34.26 Crore in FY18, a robust growth of 134.47% YoY. Net Interest Income grew from ₹8.31 Crore in FY17 to ₹18.12 Crore in FY18 marking a growth of 117.93%YoY. Profit After

GLANCE AT SRGHFL'S PERFORMANCE (FY12-FY18)

Loan Portfolio (₹ Crores)



Loan Approvals (₹ Crores)



Loan Disbursement (₹ Crores)



Net Interest Income - NII (₹ Crores)



Profit Before Tax (₹ Crores)



Profit After Tax (₹ Crores)



SRGHFL got listed on the Bombay Stock Exchange in 2012 and consequently it has received several benefits viz. visibility among the investment community, ability to raise further capital from various routes, favourable terms in borrowings, etc. The Company has delivered considerable growth on key financial parameters between FY12 to FY18, as seen in the charts above.

Tax (PAT) grew from ₹2.71 Crore in FY17 to ₹9.62 Crore in FY18 registering a strong growth of 256.29%YoY.

The Loan Portfolio witnessed a rise from ₹81.83 Crore in FY17 to ₹200.28 Crore in FY18 registering a growth of 144.75% with high growth in the Housing Loan and LAP loan products. The compounded annual growth rates in housing loan segment was 74.02% and that for the non-housing loan segment was 46.36% between FY14-FY18.

The Shareholder's Fund increased to ₹41.49 Crore; a growth of 22.13% YoY. The Capital Adequacy Ratio (CAR) reached 33.38%. Your Company has been able to improve its operational efficiency as witnessed from the drop in the Cost to Income ratio from 53.44% to 42.78%.

Your Company considers it important and necessary to look after its stakeholders and ensure they participate in the growth of SRGHFL. I would like to announce that the Market capitalization has increased nearly 7 fold from ₹43.76 Crores in FY14 to ₹302.90 Crores as on FY18.

I am pleased to share with you that your Company was felicitated with awards in FY18. Your Company was adjudged amongst the "Top-100 SMEs in India" by Skoch Group and Awarded with Skoch Order of Merit on 51th Skoch Summit and it was awarded as "The Fastest Growing Housing Finance Company of the Year" by ET NOW BFSI Award.

This was a result of our focused efforts in providing best-in-class services to our esteemed customers and also educating them on the process of availing the loan facilities with SRG.

Your Company has always looked to spread its footprints and has done so after careful evaluation of markets SRG

expanded its geographical presence and as on FY18 the Company has 29 branches/offices across 4 states viz. Rajasthan, Maharashtra, Madhya Pradesh and Gujarat.

I am happy with the performance of the Company, however, I believe we have just begun this growth journey. We will continue to strive to perform better in the future. We will look for newer avenues of growth, remain prudent in our lending operations and will keep improving our serviceability towards our customers both existing and new. The demand catalyst continue to be strong and with the thrust from the government schemes to support growth in the real estate and infrastructure industry makes a Company like ours a key beneficiary.

I would like to express my gratitude to our Customers, Employees who have made your Company what it is today, and all our stakeholders including NHB, RBI, SEBI, MCA, the Stock Exchange(BSE), Depositories, Bankers, Financial Institutions, Trustee, Shareholders, Debenture holder, RTA, Service Providers and Counselors 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

Date: - 28.05.2018

Place: - Udaipur

SIGNATURE



STATUTORY **REPORTS**

BOARD'S REPORT

To

The Members,

The Board of Directors of your Company take pleasure in presenting before you the 19th Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2018.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS & STATE OF AFFAIRS:

(₹ In Crores)

Particulars	2017-18	2016-17
Gross Income	34.16	14.56
Less: Finance Cost	11.27	5.74
Overheads	9.35	4.40
Depreciation	0.44	0.32
Provision for Investment	(0.10)	0.07
Profit Before Tax & Exceptional Items	13.20	4.03
Add : Exceptional Items	0.00	0.00
Profit Before Tax	13.20	4.03
Less : Provision for Taxation (Including Deferred tax)	3.58	1.32
Profit After Tax	9.62	2.71
Add : Balance b/d from the previous year	5.29	3.44
Surplus available for Appropriations	14.91	6.15
Appropriations:		
Transferred to Special Reserve under Section 36(1)(viii) of The Income Tax Act, 1961 & Section 29C of the NHB Act, 1987	1.95	0.54
Provision for Standard Assets	0.35	0.11
Provision for NPA	1.73	0.13
Deferred Tax Liability on Special Income Tax Reserve	0.00	0.08
Excess provision	0.02	0.00
Balance carried over to Balance Sheet	10.86	5.29

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 Depreciation and Tax amounted to ₹13.64 Crores in the year 2017-18 as against ₹4.34 Crores in the preceding year; representing a rise of 214.29%.
- Profit After Tax (PAT) before extraordinary items went up by 254.98 % to ₹9.62 Crores in the year 2017-18 from ₹2.71 Crores in the previous year.
- As at 31st March, 2018, the Loan Book stood at ₹200.28 Crores as against ₹81.83 Crores in the previous year marking an increase of 144.75%.
- Disbursements during the year amounted to ₹142.82 Crores as against ₹47.37 Crores in previous year representing a growth of 201.50%.

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 there were no changes in the share capital of the Company.

BORROWINGS:

A. NHB Refinance:

The Company did not avail any refinance during the year from NHB. The refinance outstanding as at March 31, 2018 amounts to ₹5.33 Crores.

B. Banks and Financial Institutions:

The Company availed fresh credit facilities of ₹102.50 Crores from multiple Banks and Financial Institutions during the year 2017-18. The outstanding credit facilities from Banks and Financial Institutions as at March 31, 2018 amounts to ₹138.78 Crores.

C. Non-Convertible Debentures:

During the year 2017-18, the Company raised funds amounting to ₹25 Crores through issue of 2500 Secured Rated Listed Redeemable Non-Convertible Debentures ("NCDs") of ₹1,00,000/- each fully paid up in multiple series in one or more tranches on private placement basis, pursuant to the special resolutions passed by shareholders at their meetings held on August 22, 2016 and September 30, 2017. The terms include the tenure of 60 months, rate of interest at fixed rate for 1st 3 years from deemed date of allotment i.e. 10.90% then floating rate linked to SBI MCLR for the remaining tenor till maturity; Linked to 1 year MCLR of the State Bank of India(SBI) +spread; Current 1 year MCLR of SBI is 8%, Spread 290 Basis points. Coupon payment being Monthly and on Redemption and principal redemption in Equal Monthly instalments starting from the end of the 3rd Month from the deemed date of allotment. The Resource Planning Policy has been formulated as per the Directions issued by the National Housing Bank. As on March 31, 2018 the outstanding NCDs stood at ₹22.84 Crores.

During the year, Brickwork Ratings, the Credit Rating Agency upgraded the rating assigned to NCDs from BWR BBB- (BWR Triple B Minus) Outlook: Stable to BWR BBB (BWR Triple B) Outlook: Stable.

DISCLOSURE UNDER HOUSING FINANCE COMPANIES ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (NHB) DIRECTIONS, 2014:

In accordance with the Housing Finance Companies Issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014, during the year under review, the Non-Convertible Debentures issued on private placement basis, were paid/redeemed by the Company on their respective due dates and there were no such instances of any Non-Convertible Debentures which have not been claimed by the investors or not paid by the Company after the date on which the Non-Convertible Debentures became due for redemption.

UNCLAIMED DIVIDEND AND UNCLAIMED SHARES:

As at March 31, 2018, dividend amounting to ₹5025/- has not been claimed by the shareholders. The Company has been intimating the shareholders to lodge their claim for dividend from time to time.

Under the provisions of Section 124 and 125 of The Companies Act, 2013 and Rules framed thereunder and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto, 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.

Further as per the provisions of Section 124(6) of The Companies Act, 2013 read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, the shares in respect of which the dividend has not been claimed for seven (7) consecutive years are required to be transferred by the Company to the designated Demat account of the IEPF Authority.

As at March 31, 2018 there is no unpaid/ unclaimed Dividend and the shares to be transferred to the 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 unpaid/unclaimed dividends. The Company has uploaded prescribed information on www.iepf.gov.in and www.srghousing.com.

UNCLAIMED NON-CONVERTIBLE DEBENTURES AND INTEREST THEREON:

Under the provisions of Section 125 of The Companies Act, 2013, Matured NCDs and/or Interest thereon, remaining unclaimed and unpaid for a period of seven years from the date they became due for payment are required to be credited to Investor Education and Protection Fund (IEPF) established by the Government of India.

During the year under review there was no Matured NCDs and/or interest thereon required to be transferred to IEPF.

MANAGEMENT DISCUSSION AND ANALYSIS:

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

SUBSIDIARY COMPANY:

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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- 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 31, 2018 and of the profit of the Company for the year ended on that date;
- 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;
- The annual accounts of the Company have been prepared on a going concern basis;
- Internal Financial Controls have been laid down to be followed by the Company and such Internal Financial Controls were adequate and were operating effectively;
- 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 the SEBI (LODR) Regulations, 2015, Corporate Governance (National Housing Bank) Directions, 2016 dated, 9th February, 2017 and the Companies Act, 2013 and Rules thereto, as amended from time to time.

Pursuant to the SEBI (LODR) Regulations, 2015, and the Corporate Governance (National Housing Bank) Directions, 2016, and disclosures as required under The Companies Act, 2013 and the Rules thereto, a separate Section titled 'Report on Corporate Governance' forms part of this Annual Report as Annexure V.

The certificate by the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 forms part of this report.

The said certificate for financial year 2017-18 does not contain any qualification, reservation or adverse remarks.

In terms of Section 136 of The Companies Act, 2013, 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 no. 28.10 to the Financial Statements 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 is not given in Form AOC-2.

Pursuant to Corporate Governance (National Housing Bank) Directions, 2016, dated February 9, 2017, a policy on transactions with related parties is given as Annexure III 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 Company's website at the link:

(<http://www.srghousing.com/DataImages/download/Related%20Party%20Transactions-%20Policy.pdf>).

RISK MANAGEMENT POLICY:

Pursuant to Section 134 (3) (n) of The Companies Act, 2013, The SEBI (LODR) Regulations, 2015 and NHB circular on Corporate Governance, 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 Board's Report.

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

ASSET LIABILITY MANAGEMENT POLICY:

SRGHFL has in place Asset Liability Management Policy approved by Board. The ALCO committee is entrusted with the task to oversee the ALM position of the Company on a periodic basis. The Asset Liability Management Committee comprises of Managing Director and members of Senior Management.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

Pursuant to the provisions of Section 135 and Schedule VII of The Companies Act, 2013, during the financial year

2017-18 the CSR provisions were 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:

During the year, the terms of appointment of Mr. Vinod K. Jain, Managing Director of the Company was revised by shareholders in their 18th AGM held on 30.09.2017 regarding revision in remuneration of Mr. Vinod K. Jain, subject to the terms and conditions as approved by Shareholders in their 16th AGM held on 10.09.2015.

During the year, Mr. Rajesh Jain resigned from the post of Non-executive Director of the Company due to personal reasons. Board of Directors accepted the same with effect from 21.11.2017.

In accordance with the provisions of The Companies Act, 2013 and the Articles of Association of the Company Ms. Seema Jain, Director is liable to retire by rotation at the ensuing 19th Annual General Meeting and being eligible offers herself for re-appointment.

Necessary resolution for re-appointment of the aforesaid director and her detailed profile has been included in the Notice conveying the ensuing 19th Annual General Meeting.

Your Directors recommend her reappointment.

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 and all the Directors have filed their consents and declarations as required under the provisions of The Companies Act, 2013, SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directions, 2016.

There was no change in KMP during the financial year 2017-18.

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 AUDITOR:

Pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, at the 18th Annual General Meeting held on September 30, 2017 the members had appointed PKJ & Co., Chartered Accountants, (Registration No. 124115W) as the statutory Auditor of the Company for a period of five years upto the conclusion of 23rd Annual General Meeting to be held in year 2022, subject to ratifying the said appointment at every AGM.

MCA vide its notification dated 7th May 2018, has brought into effect certain provisions of the Companies (Amendment) Act, 2017, thereby amending provisions of the Companies Act, 2013, including Section 139 of the Act, whereby the requirement of ratification of appointment of statutory auditors at every subsequent AGM has been done away with.

In view of the above, M/s. PKJ & Co., Chartered Accountants, (Registration No. 124115W) appointed by the members at the 18th Annual General Meeting held on September 30, 2017 as the statutory Auditor of the Company for a period of five years upto the conclusion of 23rd Annual General Meeting to be held in year 2022, will continue as the Statutory Auditors of the Company, on such terms and conditions as may be decided by Board.

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 2017-18 by the Board of Directors pursuant to provisions of The Companies Act, 2013 and Rules framed there under. Secretarial Audit Report as provided by M/s Deepak Vijaywargey & Associates, Practicing Company Secretary is annexed to this Report as Annexure I.

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 twenty five times during the financial year 2017-18.

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 loan given and security provided in the ordinary course of business is exempt under the provisions of Section 186 (11) of The Companies Act 2013.

As regards investment made by the Company, the details of the same are provided under Note no. 12 forming part of Financial Statements of the Company for the year ended March 31, 2018.

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 formal strategy and planning department. 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 were 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 II.

PARTICULARS OF EMPLOYEES:

As at March 31, 2018, there was no employee employed throughout the year who was in receipt of remuneration of ₹1.02 Crores or more per annum or ₹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 March 31, 2018 and the date of Board's Report.

CHANGE IN 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 read with The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is given as "Annexure- VII" 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 securities are listed.

INVESTOR COMPLAINTS AND COMPLIANCE:

During the year Company has not received any investor complaints and that as on date no investor complaints are pending.

EARNINGS PER SHARE (EPS):

The Earnings per Share (EPS) is ₹7.40 as at March 31, 2018 as against ₹2.38 as at March 31, 2017.

CAPITAL ADEQUACY:

Particulars as on March 31 st	2018	2017
Capital Adequacy Ratio	33.38%	72.71%

SRGHFL's capital adequacy in the form of CRAR stood at 33.38% as of March 31, 2018, which is well above the NHB's minimum stipulated requirement of 12%, in the form of Tier I and Tier II 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:

The 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. The Company's policy is to provide provisions towards NPA as per NHB guidelines. However by way of prudence and abundant caution, Company has provided additional provision over and above the NHB guidelines and has maintained cumulative NPA provision of Rs 2.02 Crores (Previous year Rs 0.30 Crores)

During the year, NHB vide notification no. NHB.HFC.DIR./18/MD&CEO/2017 dated August 2, 2017 reduced the provisioning requirements on Standard Individual Housing Loan from 0.40% to 0.25%.

A NOTE OF APPRECIATION:

The Directors of the Company 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, Debenture Trustees and all the bankers of the Company. The Directors would also like to acknowledge the role of all its stakeholders – shareholders, debenture holders, borrowers, key partners, lenders and financial institutions for their continuing support to the Company. 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/-

Vinod K. Jain

Managing Director
DIN: 00248843

Sd/-

Seema Jain

Director
DIN: 00248706

Date: - 28.05.2018

Place: - Udaipur

ANNEXURE-I

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2018

[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 2018, 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, 2018 according to the provisions of:

I. 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'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. 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)

d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

e. 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;

f. Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.

g. Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014.

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 the issue and allotment of 2500 Secured, Rated, Listed, and Redeemable, Non-Convertible Debentures of ₹1,00,000 (Indian Rupees One Lakh Only) Each Aggregating to ₹25,00,00,000/- (Indian Rupees Twenty Five Crores Only) by way of private placement.

For M/s. Deepak Vijaywargey and Associates,

Company Secretaries

Sd/-

Deepak Vijaywargey

Proprietor

ACS No: 18221

C P No: 6321

Date: - 28.05.2018

Place: - Udaipur

ANNEXURE- II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN(As on the financial year ended on March 31st, 2018)

[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; Email- info@srghousing.com; website- www.srghousing.com
Whether listed company:	Yes
	Sharex Dynamic (India) Pvt. Ltd.
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Unit- 1, Luthra Ind. Premises. 1st 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 and Non Housing Finance	65922	99.91

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary and associate companies as on 31st March, 2018.

IV. SHARE HOLDING PATTERN

(EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I) CATEGORY-WISE SHARE HOLDING

Category code	Category of Shareholder	No. of Shares held at the beginning of the year 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% 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	39.83	5828233	-	5828233	44.83	5.00
b	Central Govt./ State Govt.(s)	-	-	-	-	-	-	-	-	-
c	Fins / Banks	-	-	-	-	-	-	-	-	-
d	Any Other specify	-	-	-	-	-	-	-	-	-
	Bodies Corporate	1826279	-	1826279	14.05	2176279	-	2176279	16.74	2.69
	Sub Total (A)(1)	7004518	-	7004518	53.88	8004512	-	8004512	61.57	7.69
2	Foreign									
a	Individuals/ NRI/ Foreign Ind.	-	-	-	-	-	-	-	-	-
b	Government	-	-	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-	-	-
d	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e	Any Other Specify	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
(A)	Total Shareholding of Promoter and Promoter Group	7004518	-	7004518	53.88	8004512	-	8004512	61.57	7.69
	Total (A)= (A) (1)+(A)(2)									
(B)	Public shareholding									
1	Institutions									
a	Mutual Funds	-	-	-	-	-	-	-	-	-
b	Venture Capital Funds	-	-	-	-	-	-	-	-	-
c	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-2 lacs	894506	-	894506	6.88	1019217	-	1019217	7.84	0.96
	ii) Individual shareholders holding nominal share capital in excess of Rs-2 lacs	4381612	-	4381612	33.70	3302987	-	3302987	25.41	-8.30
b	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c	Employee Trusts	-	-	-	-	-	-	-	-	-
d	Overseas Depositories (holdings DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e	Any Other (Specify)									
i.	Bodies Corporate	246136	-	246136	1.89	424290	-	424290	3.26	1.37
ii.	Clearing Member	80612	-	80612	0.62	11494	-	11494	0.09	-0.53
iii.	HUF	243122	-	243122	1.87	208127	-	208127	1.60	-0.27
iv.	NRI	149494	-	149494	1.15	29373	-	29373	0.23	-0.92
	Sub-Total (B)(3)	5995482	-	5995482	46.12	4995488	-	4995488	38.43	-7.69
(B)	Total (B)= (B) (1)+(B)(2)+ (B)(3)	5995482	-	5995482	46.12	4995488	-	4995488	38.43	-7.69
(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)		13000000	-	13000000	100.00	13000000	-	13000000	100.00
									0.00

(II) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Shareholding at the end of the year 31/03/2018			% 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	9.73	-	1565119	12.04	-	2.31
2	Pushpa Jain	601671	4.63	-	601671	4.63	-	0.00
3	Rajesh Jain	560721	4.31	-	560721	4.31	-	0.00
4	SRG Global Solutions Pvt. Ltd.	525000	4.04	-	525000	4.04	-	0.00
5	Sulochana Devi Jain	444150	3.42	-	444150	3.42	-	0.00
6	Seema Jain	543751	4.18	-	543751	4.18	-	0.00
7	Dinesh Kumar Lundiya	10500	0.08	-	0	0.00	-	(0.08)
8	Genda Lal Jain HUF	399000	3.07	-	399000	3.07	-	0.00
9	Vinod Kumar Jain HUF	387890	2.98	-	557915	4.29	-	1.31
10	SRG Global Builders Pvt. Ltd.	226799	1.74	-	226799	1.74	-	0.00
11	Meenakshi Jain	223965	1.72	-	223965	1.72	-	0.00
12	Rajesh Jain HUF	204960	1.58	-	204960	1.58	-	0.00
13	Aarti Prakash Jain	202650	1.56	-	202650	1.56	-	0.00
14	Genda Lal Jain	168021	1.29	-	168021	1.29	-	0.00
15	Jikisha Jain	165600	1.27	-	165600	1.27	-	0.00

16	Hriday Insurance Consultant Pvt. Ltd.	52500	0.40	-	52500	0.40	-	0.00
17	Manorma Jain	210	0.00	-	10710	0.08	-	0.08
18	S R G Securities Finance Limited	200000	1.54	-	200000	1.54	-	0.00
19	Ambitious Associates Pvt. Ltd.	556060	4.28	-	756060	5.82	-	1.54
20	Rhythm Consultants Private Limited	265920	2.05	-	415920	3.20	-	1.15
21	Archis Jain*	0	0	-	180000	1.38		1.38
Total		7004518	53.88	-	8004512	61.57	-	7.69

* Included in the Promoters' Group w.e.f from November, 2017.

(III) CHANGE IN PROMOTERS' SHAREHOLDING

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017		Shareholding at the end of the year 31/03/2018				
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% 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	0.4	-	-	-	52500	0.4
2	GENDA LAL JAIN HUF	399000	3.07	-	-	-	399000	3.07
3	VINOD KUMAR JAIN (HUF)	387890	2.98	24.11.2017	49150	Transfer	437040	3.36
				01.12.2017	49875	Transfer	486915	3.75
				08.12.2017	71000	Transfer	557915	4.29
4	SRG GLOBAL SOLUTIONS PRIVATE LIMITED	525000	4.04	-	-	-	525000	4.04
5	SRG GLOBAL BUILDERS PRIVATE LIMITED	226799	1.75	-	-	-	226799	1.75

6	RAJESH JAIN HUF	204960	1.58	-	-	-	204960	1.58
7	DINESH KUMAR LUNDIYA	10500	0.08	30.06.2017	-10500	Transfer	0	0
8	GENDA LAL JAIN	168021	1.29	-	-	-	168021	1.29
9	SULOCHANA DEVI JAIN	444150	3.42	-	-	-	444150	3.42
10	VINOD KUMAR JAIN	1265150	9.73	26.05.2017	50000	Transfer	1315150	10.12
				01.09.2017	12377	Transfer	1327527	10.21
				08.09.2017	237592	Transfer	1565119	12.04
11	SEEMA JAIN	543751	4.18	-	-	-	543751	4.18
12	RAJESH JAIN	560721	4.31	-	-	-	560721	4.31
13	PUSHPA JAIN	601671	4.63	-	-	-	601671	4.63
14	MEENAKSHI JAIN	223965	1.72	-	-	-	223965	1.72
15	MANORMA JAIN	210	0	30.06.2017	10500	Transfer	10710	0.08
16	AARTI PRAKASH JAIN	202650	1.56	-	-	-	202650	1.56
17	JIKISHA JAIN	165600	1.27	-	-	-	165600	1.27
18	S R G SECURITIES FINANCE LIMITED	200000	1.54	-	-	-	200000	1.54
19	AMBITIOUS ASSOCIATES PVT. LTD.	556060	4.28	21.07.2017	192000	Transfer	748060	5.75
				28.07.2017	8000	Transfer	756060	5.82
20	RHYTHM CONSULTANTS PRIVATE LIMITED	265920	2.05	21.07.2017	150000	Transfer	415920	3.2
21	ARCHIS JAIN*	0	0	17.11.2017	173562	Transfer	173562	1.33
				24.11.2017	6438	Transfer	180000	1.38
		7004518	53.88				8004512	61.57

* Included in the Promoters' Group w.e.f from November, 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 (01-04-2017)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	Cumulative No. of Shares at the end of the year (31.03.2018)	% of total Shares of the company
1	MEENAXI NARENDRA MEHTA ¹	375000	2.88	11.08.2017	43115	Transfer	418115	3.22
				18.08.2017	6885	Transfer	425000	3.27
2	VIVEK VASHISHTH ²	281400	2.16	01.09.2017	-180000	Transfer	101400	0.78
				15.12.2017	-60905	Transfer	40495	0.31
3	SAJANKUMAR RAMESHWARLAL BAJAJ ²	210300	1.62	14.07.2017	-22850	Transfer	187450	1.44
				21.07.2017	-34250	Transfer	153200	1.18
				28.07.2017	-2400	Transfer	150800	1.16
				04.08.2017	-15500	Transfer	135300	1.04
				11.08.2017	-25000	Transfer	110300	0.85
				18.08.2017	-9179	Transfer	101121	0.78
				25.08.2017	-1121	Transfer	100000	0.77
								0.00
4	NIDHI V. ROKADIA ²	200000	1.54	21.07.2017	-150000	Transfer	50000	0.38
5	KALA TIWARI ¹	189000	1.45	-	-	-	189000	1.45
6	JYOTI VASHISHTH ²	165900	1.28	26.05.2017	-15000	Transfer	150900	1.16
				01.09.2017	-125000	Transfer	25900	0.20
				15.12.2017	-25000	Transfer	900	0.01
7	DHARMESH CHANDRA JAIN ²	152200	1.17	15.12.2017	-52200	Transfer	100000	0.77
8	JAGRUTI RAJIV DUTIA ¹	140756	1.08	14.04.2017	17554	Transfer	158310	1.22
				21.04.2017	41690	Transfer	200000	1.54
9	AVNISH TIWARI ¹	140700	1.08	-	-	-	140700	1.08
10	VARDEE BAI SHARMA ¹	134400	1.03	-	-	-	134400	1.03
11	ASHISH DIWAKAR RAOTE ³	0	0.00	23.06.2017	65	Transfer	65	0.00
				30.06.2017	4648	Transfer	4713	0.04
				07.07.2017	287	Transfer	5000	0.04

				14.07.2017	20000	Transfer	25000	0.19
				21.07.2017	7500	Transfer	32500	0.25
				11.08.2017	-32500	Transfer	0	0.00
				15.12.2017	142836	Transfer	142836	1.10
				22.12.2017	11164	Transfer	154000	1.18
12	NAMRATA PRAKASH LODHA ³	125000	0.96	08.09.2017	16788	Transfer	141788	1.09
				15.09.2017	3212	Transfer	145000	1.12
13	ISJ SECURITIES PVT. LTD ³	125000	0.96	-	-	-	125000	0.96
14	NARENDRA ANOPCHAND MEHTA ³	125000	0.96	-	-	-	125000	0.96
15	NIKUNJ NARENDRA MEHTA ³	125000	0.96	-	-	-	125000	0.96

1. Common top ten shareholders as on April 1, 2017 and March 31, 2018.

2. Top ten shareholders as on April 1, 2017

3. Top ten shareholders as on March 31, 2018

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1.	VINOD KUMAR JAIN	MANAGING DIRECTOR			
Sl. No.		Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018	
		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	9.73	1265150	9.73
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):				
	Transfer-26.05.2017	50000	0.38	1315150	10.12
	Transfer-01.09.2017	12377	0.09	1327527	10.21
	Transfer-08.09.2017	237592	1.83	1565119	12.04
3(1+2)	At the End of the year	1565119	12.04	1565119	12.04

1.	SEEMA JAIN	DIRECTOR			
		Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018	
		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	4.18	543751	4.18
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	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 (₹ In Crores)	Unsecured Loans	Deposits	Total Indebtedness (₹ In Crores)
Indebtedness at the beginning of the financial year				
i) Principal Amount	74.50	-	-	74.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.54	-	-	0.54
Total (i+ii+iii)	75.04			75.04
Change in Indebtedness during the financial year				
• Addition	109.5	-	-	109.50
• Reduction	17.58	-	-	17.58
Net Change	91.92	-	-	91.92
Indebtedness at the end of the financial year				
i) Principal Amount	166.34	-	-	166.34
ii) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	0.62	-	-	0.62
Total (i+ii+iii)	166.96	-	-	166.96

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/WT/ Manager (₹ in Lacs)	Total Amount (₹ in Lacs)
		VINOD K. JAIN (Managing Director)	
	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84.00	84.00
1.	(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	-----	-----
	Commission		
4.	- 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/WT/

Sl.no	Particulars of Remuneration			
		Sunaina Nagar (Company Secretary) ₹ In Lacs	Ashok Kumar(CFO) ₹ In Lacs	Total ₹ In Lacs
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.40	6.51	11.91
1.	(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	-----	-----
	Commission		
4.	- as % of profit	-----	-----
	- others, specify		
5.	Others, please specify	-----	-----
	Total	5.40	6.51
			11.91

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	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- III

POLICY ON RELATED PARTY TRANSACTIONS

A Policy to set out the materiality thresholds and the manner of dealing with the Related Party Transactions pursuant to provisions of the Companies Act, 2013 ("the Act") and Rules framed thereunder (as amended from time to time), the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 ("the Regulations"), the NHB Directions, Accounting Standards and other applicable laws.

I. INTRODUCTION

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, Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 and the 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 Regulation 23(1) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 and the NHB Directions requires the Company to formulate 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.

II. GOVERNING LAWS

This policy shall be governed by provisions of the Companies Act, 2013 and Rules framed thereunder (as amended from time to time), the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the NHB Directions, Accounting Standards and other applicable laws.

In case any term or procedure is not defined in this policy or differs from those defined under the applicable laws; the provisions of the applicable laws shall prevail over and above the clauses of this policy until such time this policy is amended/ updated to confirm to the applicable governing laws.

III. DEFINITIONS

1. "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.
2. "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.
3. "Related Party Transaction" (RPT) means -
 - a) For the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188;
 - b) For the purpose of Regulation 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.

IV. MATERIALITY THRESHOLDS

Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 requires Company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a 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 Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.

V. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

1. 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 Regulation 23 of the Regulations.

2. Identification of Related Party Transactions

SRGHFL has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and Regulation 23 of the Regulations. 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.

3. Procedure for approval of Related Party Transactions

a) Approval of the Audit Committee

All related party transactions shall 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:

i. 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;

ii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

iii. The omnibus approval shall provide -

a) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;

b) the indicative base price / current contracted price and the formula for variation in the price if any (for ex: +/- 5%) and

c) 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 ₹1 Crore per transaction;

iv. 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;

v. 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:

i. 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;

ii. Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;

iii. Key covenants (non-commercial) as per the draft of the proposed agreement/ contract to be entered into for such transaction;

iv. Special terms covered / to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;

v. Benchmarking information that may have a bearing on the arm's length basis analysis, such as:

a) market analysis, research report, industry trends, business strategies, financial forecasts, etc.;

b) third party comparables, valuation reports, price publications including stock exchange and commodity market quotations;

c) management assessment of pricing terms and business justification for the proposed transaction;

d) Comparative analysis, if any, of other such transaction entered into by the company.

b) 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, shall be placed before the Board for its approval.

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

i. 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;

ii. 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;

iii. 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.

iv. Transactions meeting the materiality thresholds laid down Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

c) 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, shall be 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.

Regulation 23(5) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 provides that the requirement for seeking shareholders' approval shall not be applicable to:

- i. Transactions between two government companies;
- ii. 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

shall be placed before the shareholders for their approval.

VI. 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 exchange.

VII. 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 IV

Management Discussion & Analysis

ECONOMIC OVERVIEW

As per International Monetary Fund (IMF), the World GDP in 2017 grew at 3.8% which was higher than the original expectation of 3.5%¹. The growth rate of 3.8% in 2017 was fastest since 2011. This strong performance was largely supported by superior growth delivered by the advanced economies. Going forward, the world GDP is expected to maintain superior growth of 3.9% for both 2018 and 2019.

In India, the real GDP growth rate slowed down to 6.6% compared to 7.1% in 2016-17. Initial hiccups faced due to introduction and implementation of GST and after effects of demonetization can be attributed to the slower growth. However, the business scenario is seeing an improvement now. In addition to this, introduction of RERA has brought much desired discipline in the real estate industry. The Indian economy has started showing signs of steady improvement.

The IMF predicts 7.3% growth for 2018 and 7.5% for 2019. India is expected to be fastest growing major economy in the world. The initial signs of recovery in investments witnessed in the infrastructure sector and expectations of a normal monsoon augur well for the economy in the near term. On the other hand, the key risks that need to be managed are increasing crude oil prices and rupee depreciation.

HOUSING INDUSTRY- GLOBAL OVERVIEW

Housing plays a key socio-economic role and represents the main wealth of the poor in most of the developing countries. The United Nations (UN) estimates that the global population will reach 8.5 billion by 2030, with almost 60% of the population living in urban centers. An estimated 3 billion people will need new housing and basic urban infrastructure by 2030². Against the backdrop of rapid urbanization putting pressure on housing delivery systems, many urban poor will not be able to afford formal housing without proper housing finance solutions. This puts the issue of housing finance at the forefront of global development agenda.

HOUSING INDUSTRY- INDIA OVERVIEW

In India, rising population and rapid urbanization have given rise to development challenges in the form of urban congestion, pressure on basic amenities like water and sanitation and most importantly, severe housing shortages, especially, in the low cost segment. As per a technical and working group report, the shortages of homes faced in the urban areas is around 18.8 million homes³ and the same in rural areas is much high at 43.6 million⁴.

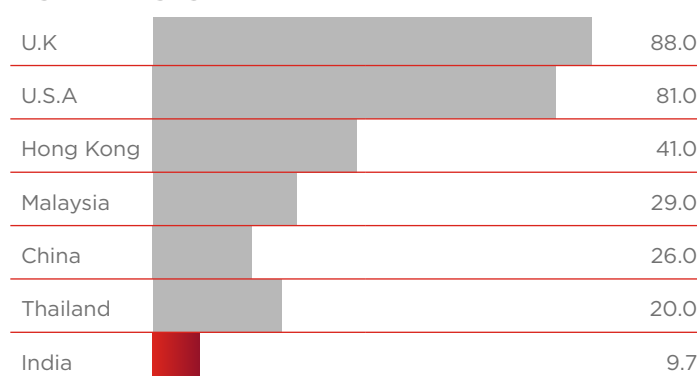
Real estate developers and private players tend to focus on middle income and high income segments due to higher returns. In addition, issues relating to high land costs, delay in project approvals, increasing raw material costs and low profit margins have made low cost housing projects less attractive for private realty investors and developers.

OPPORTUNITIES & DEMAND DRIVERS FOR HOUSING FINANCE INDUSTRY

Housing Finance, one of India's fastest growing sectors, is perceived to be the third most impactful industry which contributes to the economy. Accounting for 5%-6% of India's GDP⁵ and capital formation, the housing finance industry has tremendous growth potential in future.

In India, housing credit or mortgage as a percentage of the Gross Domestic Product (GDP) has touched 9.7%⁶. However, the Indian mortgage market is still under-penetrated in comparison to global peers where the size of mortgage is as high as 88%, in case of United Kingdom.

Fig 1: Mortgage as a % of GDP



Source: Industry reports

Although the number, at this point, seems miniscule we believe that the market is ripe for a big and secular shift due to factors such as large pool of younger earning population, increasing per capita income, easy availability loans, secularization in families, inclination towards using property as a means of investment, etc. This presents an opportunity to be capitalized with further penetration in the mortgage market.

The mortgage loan assets of the ticket size less than ₹25 Lakhs are expected to see a 3x jump between FY17-FY22E to ₹22.80 tn from ₹7.70 tn.

Fig 2: Demand for small ticket loans to see 3x jump

Source: Edelweiss Financial Services Ltd.

Thus, a lower mortgage to GDP ratio in India, heavy shortage of housing in rural areas and finally strong growth expected in the low ticket loan assets suggest an optimistic scenario for the market segment where your Company operates.

In addition to the above, Indian government's well-articulated vision and reforms will give further impetus to the housing finance industry.

The government has been at the forefront with its flagship initiative 'Housing for All by 2022' a revolutionary policy agenda to encourage developers to build more affordable housing units, expand credit flow, benefit slum redevelopment and eventually realize home ownership dreams of the low and middle income segment.

The government has set ambitious targets to construct 20 million and 40 million houses in urban and rural India respectively by 2022⁷. The implementation of the Real Estate (Regulation & Development) Act (RERA) is another very significant initiative that reflects the government's steadfast commitment to bring greater transparency and momentum to India's real estate industry.

We believe that government efforts as below are in the right direction and could solve many of the challenges that plague the growth of the industry.

1. RERA is expected to protect home-buyers as well as help boost investments in real estate industry.

2. The Credit Linked Subsidy Scheme (CLSS), a component under the Pradhan Mantri Awas Yojna (PMAY), offers interest subsidy to Economically Weaker Sections (EWS), Low Income Group (LIG) and Middle Income Group (MIG) of the society. The interest subsidy on the home loan is paid to the beneficiary upfront, thereby reducing the EMI. The scheme has been well received and the Union Budget 2018-19 has increased allocation under this scheme.

3. Deen Dayal Upadhyay Gram Jyoti Yojna - to provide electricity for all and continuous power supply to rural India could open more rural employment and housing opportunities.

4. AMRUT (Atal Mission for Rejuvenation and Urban Transformation) - to provide adequate sewage networks and water supply for urban transformation.

5. Bharatmala scheme - construction of national highways in India has hit a record of almost 10,000 km in FY18 and the targets for project awards for FY19 are 25% higher. New roads open up opportunities for developing new habitats and residential areas.

6. Smart cities mission - to develop 100 cities across the country making them citizen friendly and sustainable.

7. Initiatives such Make in India, Skill India, etc. are expected to generate employment and higher income in the hands of the masses.

In addition to the above, some key developments such as below will help growth in the housing finance industry:

- Increased limit for priority sector lending to help include more homebuyers⁸

- Infrastructure status for affordable housing sector enabling a new funding source for HFCs in the form of external commercial borrowing⁹

40 years ago, the average first-time home buyer in India was in his late 50's. This is because, as part of retirement planning, the person was using his savings and provident fund money to buy a house. It was considered to be an integral part of 'after retirement' planning. More recently, things have changed & today, the average home buyer is in his 30's, with a significant proportion in mid-to-late 20's.

The demand for finance for affordable housing coupled with supportive demographics as listed below, are expected to give the housing finance industry a multiplier effect.

- Increasing disposable income and easy access to finance
- A cultural shift from joint families to nuclear families is also contributing to the demand for more houses.
- In the last two decades, investments in real estate including residential properties have yielded handsome returns

Fig 3: Features of the CLSS

*NPV discount rate at 9% for 20 years

Criteria	CLSS - EWS & LIG	CLSS - MIG I	CLSS - MIG II
Household income (per annum)	Up to ₹6 lakh	> ₹6 lakh up to ₹12 lakh	> ₹12 lakh up to ₹18 lakh
Property size (sq. mtr.)	60	160	200
Max amount of loan to qualify for Subsidy	Upto ₹6 Lakhs	Upto ₹9 Lakhs	Upto ₹12 Lakhs
Interest subsidy (per annum)	6.50%	4.00%	3.00%
Subsidy under CLSS*	₹2.67 Lakhs	₹2.35 Lakhs	₹2.30 Lakhs

• By financing a house at an early age, a consumer is able to have longer repayment tenure – leading to lower monthly repayments or the ability to borrow more.

Going forward, we expect a rising appetite for housing finance, especially in the small ticket segment, which may not be completely addressed by large banks.

MAJOR CHALLENGES FACED BY HOUSING FINANCE COMPANIES (HFCS)

Higher Cost of Acquisition of Land

The availability of land in the required size, at desired place and at an affordable price to an individual is critical for the growth housing sector. The inelastic supply of suitable land results in a spurious increase in the cost of land acquisition and consequently new construction activity slows down. Besides, the high stamp duty and registration payable at the time of purchase of property also cause an increase in the cost of land. This drives away some potential housing finance customers from owning a house.

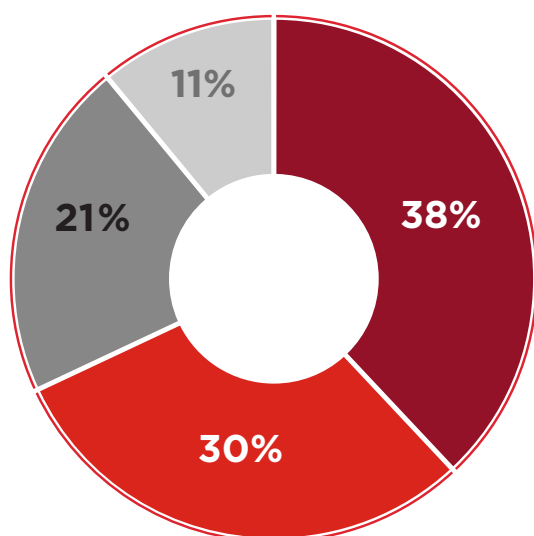
Unfavorable Habitat

Lack of basic infrastructural facilities like roads, electricity & water supply, proper drainage systems, educational institutions, hospitals etc. along with lack of employment opportunities emerge as hindrance in development of any area as a habitat to live in.

Income Disparity

The distribution of national capital among the population of the country affects the housing finance sector directly. Concentration of wealth in the hands of few has led to not only income divide but also lower capital in hands of large part of the population to build home as an asset.

Fig 4: Income-wise housing shortage



■ Economically Weaker Sections (EWS)
 ■ Low Income Group (LIG)
 ■ Middle Income Group (MIG)
 ■ High Income Group (HIG)

Source: Edelweiss Financial Services Ltd.

OVERVIEW AND FINANCIAL PERFORMANCE

SRGHFL has been spearheaded by Mr. Vinod Jain since inception and has been successfully listed in the year 2012. The Company offers Housing Loans and Loan Against Property (LAP). The Company has seen rapid growth in its loan book which has increased at 72.62% CAGR from FY12 to FY18.

The Company has deep understanding of the markets where it operates and it has carved a niche for itself by providing housing finance to people in the rural areas which are generally under-served and left ignored by mainstream financial institutions. The Company has its major operations in the states of Rajasthan followed by Madhya Pradesh, Gujarat and Maharashtra. Your Company has developed expertise in the home loans space by lending to the borrowers, primarily self employed persons, based on its in-depth understanding of this category of borrowers and backed by strong credit appraisal, collection monitoring and recovery mechanism which is supported by an robust IT infrastructure.

AUM, Approvals and Disbursements

SRGHFL's Asset Under Management (AUM) saw a strong rise of 144.75% rise in FY18 to ₹200.28 Crores compared to ₹81.83 Crores in FY17. The AUM growth was resilient on back of strong marketing efforts and increased resource base. The management's foresight to raise equity in March 2017 from marquee investors benefitted the Company with an increased Net Owned Funds (NOF) and gaining lender's confidence in availing loans at favourable terms.

The Loan approvals for the year stood at ₹145.96 Crores and grew 183.25% as compared to FY17, while disbursements were ₹142.82 Crores in FY18 as against ₹47.37 Crores in FY17, clocking a growth of 201.5%

For FY18, the average tenure of loans was 6.75 years. The average ticket size of loans stood at ₹5.61 Lakhs and average Loan to Value (LTV) was 43% of the property value. Close to 88% of the loans originated from rural areas. These numbers clearly demonstrate SRGHFL's unique business model that has inherent strength and sustainability.

SRGHFL'S STRENGTHS

Experienced Management:

The Company is benefiting from a strong, experienced and professional management. SRGHFL has been under the guidance and leadership of Mr. Vinod Jain since inception. With over two decades of experience, Mr. Jain has built a unique business model which is immensely scalable. The Company was a pioneer in housing finance industry in Rajasthan and the growth achieved in these years clearly demonstrates his long term vision and foresight. The senior management is actively involved in the Company's strategic decision-making, policy formulation and implementation, as well as ongoing review of its operational performance.

Asset Quality at comfortable levels

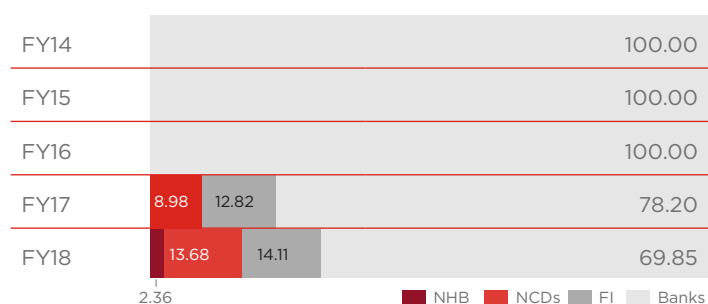
The Company maintains strong asset quality across the housing loan portfolio which, as on FY18, constituted of 79.08% of the total loan book, supported by strong checks and balances with solid credit-monitoring structure. The non-housing loan portfolio was 20.92%, comprising loans against property (LAP). The Company's Gross NPA for FY18 was ₹3.01 Crores at 1.50% compared to ₹1.28 Crores at 1.57% in FY17. The Company maintains 90 days NPA recognition policy as per NHB guidelines. For FY18, the Company has made a provision of ₹2.07 Crores as against ₹0.24 Crores, providing cushion at times of uncertainties. The provisions were appropriated through Reserves & Surplus and in coming years it will be done through P&L account.

Diversified source of funds

SRGHFL has diversified source of funds which consists of Banks (69.85%), Financial Institutions (14.11%), Non Convertible Debentures (13.68%) and NHB re-finance (2.36%). Furthermore, the Company has been able to lower its borrowing cost by 105 basis points (bps) from 11.61% in FY17 to 10.56% in FY18. This improvement was mainly on back of the Company's ability to increase share of borrowings from FIs and NCDs and improved credit ratings.

The Company is putting consistent efforts to further reduce the cost of borrowings by increasing the resource base and the credit rating.

Fig 5: Borrowing Mix (%)



Strong brand recall

Over the years, SRGHFL has developed emotional connect with the customers by providing hassle free experience by being available to them at their need of the hour.

Further, our marketing executives provide documentation assistance, a localized approach that develops personal connect with the customers. This has helped in building a superior brand recall as well as we have also experienced benefits of word-of-mouth publicity done by our existing customers. SRGHFL as a brand has developed strong recall in its target rural markets on back of consistent offline and online marketing efforts. These efforts will go a long way in building trust in the minds of the customers.

Faster loan disbursals

SRGHFL's team has superior understanding of its target segment and their needs in terms of requirement of finance, loan durations, affordability of terms, background checks, etc. The Company has a streamlined credit appraisal system, which further helps in faster loan disbursals. The Company has deployed required technology and adequate checks to control underwriting risks.

Lower loan to value

SRGHFL has been able to and been prudent in providing loans with a loan to value (LTV) of 45-50%. This ensures additional cushion to the risk profile of the customer. The Company has been able to achieve and maintain this superior LTV on back of its strategy to lend towards construction of individual units only excluding land acquisition cost.

Improving leverage and cash flows

The company has already invested in most of the required technology and systems over last couple of years. Most of the incremental cost will now be related to branch expansions. SRGHFL has built a business model which ensures that the branches are profitable from first month of operations. As a result, the Company gets the benefit of operating leverage as the loan book per branch and the costs do not rise in the same proportion. This helps in stronger cash flows and good return on investment.

Business transparency

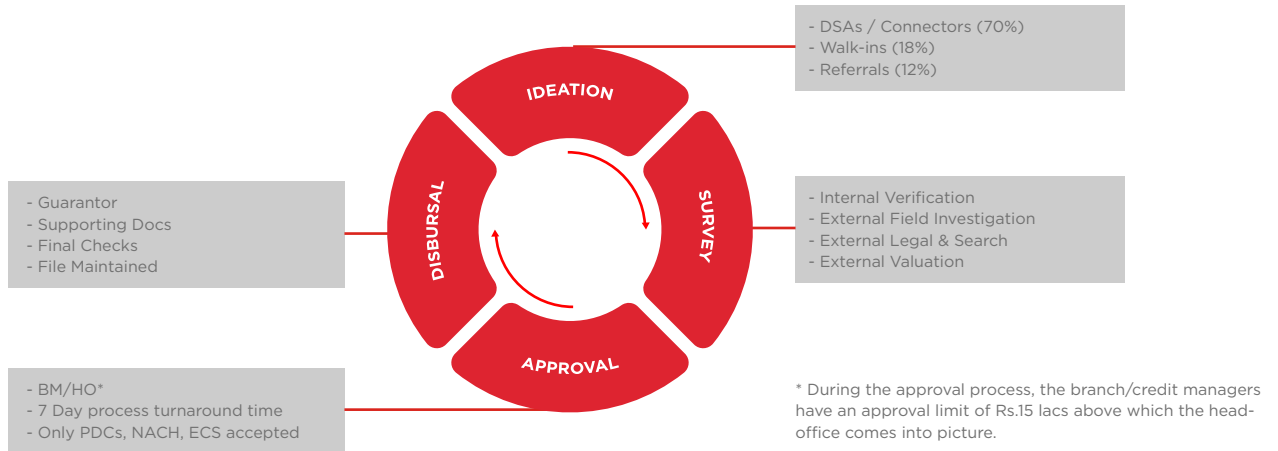
Strong values and commitment towards ethics has resulted in a solid corporate governance culture and transparency in the business operations. The regulator for HFCs i.e. NHB inspects the Company's systems on an annual basis. Further, various guidelines and policies as prescribed by various regulatory bodies are being strictly adhered.

Long term associations

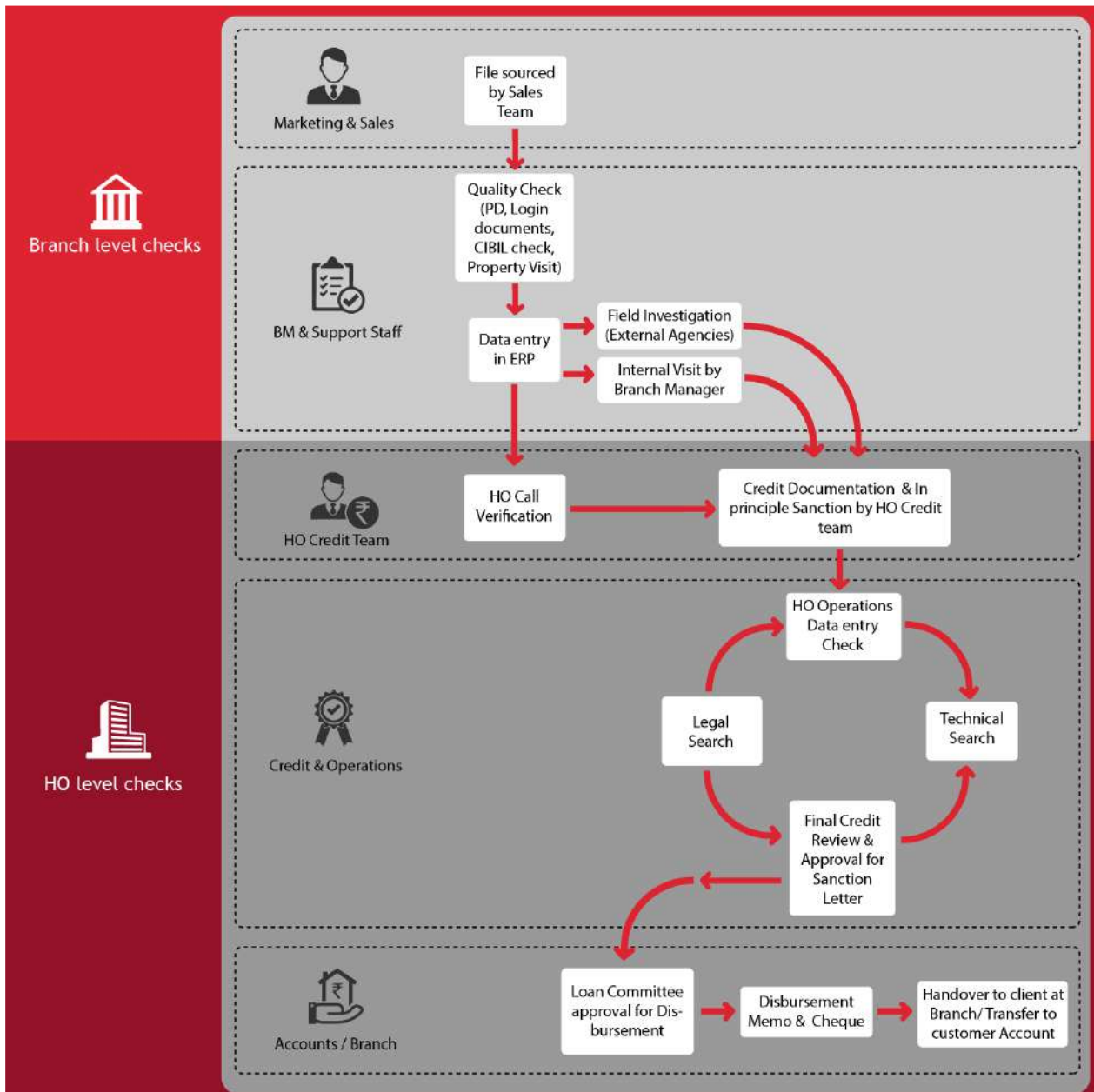
SRGHFL began with handful of people who have stayed with us from the inception and we treasure and value these relations which have played a critical role in spearheading the business. Further, the Company has experienced a high retention ratio over the years. The core team has been with us for more than 5-7 years.

LOAN ACCOUNT FLOW FROM IDEATION TO DISBURSEMENTS

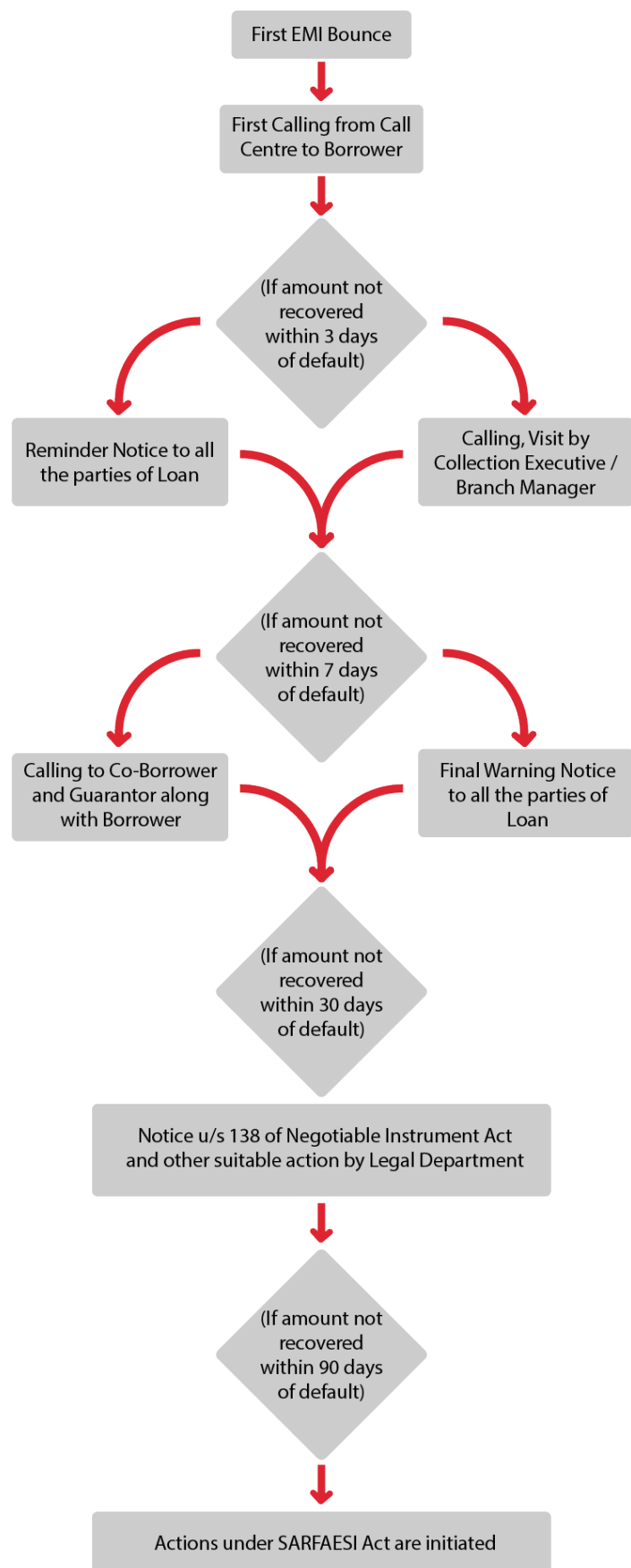
The process can be classified into 4 phases as shown below:



CREDIT APPRAISAL PROCESS



COLLECTION MONITORING AND RECOVERY MECHANISM



COMPOSITION OF LOANS AND OPERATIONAL PERFORMANCE

SRGHFL offers customized offerings that suit customer requirements right from building a dream house or renovation.

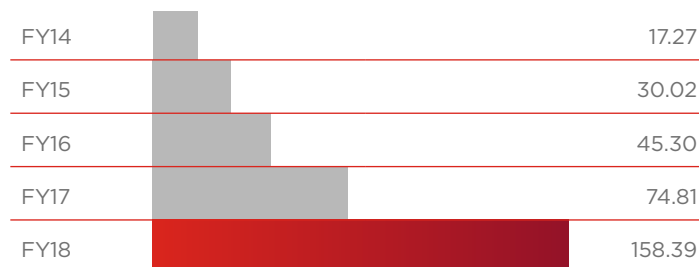
Fig 6: SRGHFL's loan offerings



Housing loans

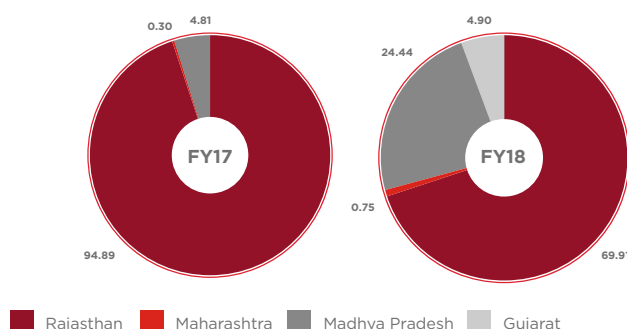
The demand for housing loans stayed strong in FY18. SRGHFL continued its focus on providing housing finance to customers in rural areas mainly comprising of self employed persons. This segment typically remains under-tapped from the mainstream financing point of view.

Fig 7: Housing Loan Book (₹ Crores)



The Company is strategically increasing its geographical presence by expanding operations in states viz. Madhya Pradesh, Gujarat and Maharashtra apart from expanding in Rajasthan, where it first began its operations. With the expansion strategy, the Company is not only diversifying the geographical risk but also tapping newer markets and expanding its foot-prints across these states.

Fig 8: Increasing Geographical Presence (%)



The non-housing segment comprises of Loan Against Property (LAP) which has grown to ₹41.89 Crores in FY18 from ₹7.02 Crores in FY17. The LAP customer profile is also the same as that of the housing customers. The company has policy of doing LAP based on the cash flow of the individual and not just on the property price.

Fig 9: LAP Loan Book (₹ Crores)



Fig 10: Average Ticket Size (₹ Lakhs)

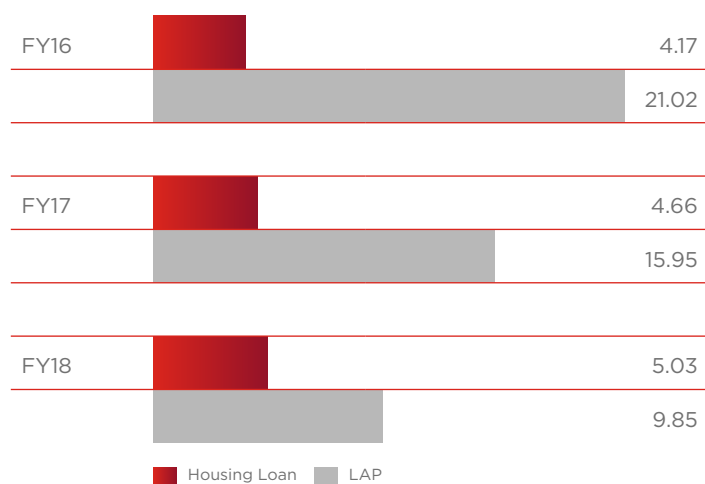
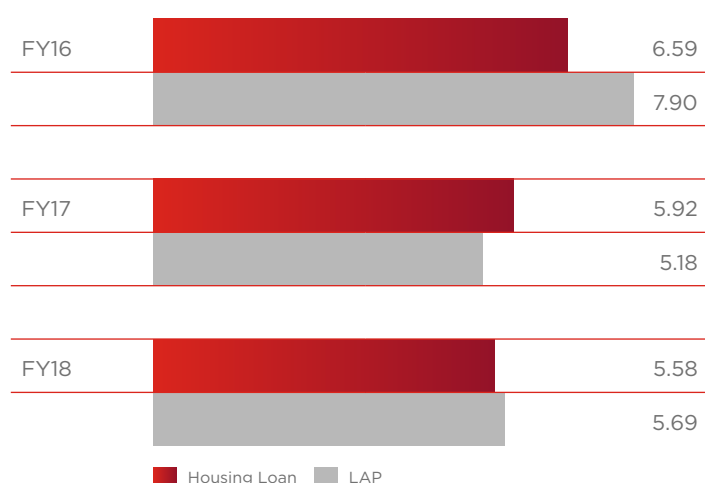


Fig 11: Average Loan Tenure (₹ Lakhs)



MARKETING AND DISTRIBUTION

As on FY18, the Company had a Head office in Rajasthan and 29 branches located in Banswara, Sagwara, Salumber, Rajsamand, Dungarpur, Bhinder, Bhilwara, Aspur, Ajmer, Kota, Sirohi, Jodhpur, Jaipur, Udaipur, Fatehnagar, Chittorgarh, Sumerpur, Bijainagar, Phalodi in Rajasthan, Mandsaur, Neemuch, Ratlam, Shamgarh and Ujjain in Madhya Pradesh, Ahmedabad, Palanpur, Surat, Mehsana

in Gujarat and Mumbai in Maharashtra. Marketing and distribution strategy is one of the key areas for SRGHFL in building a strong business by increasing its network across Tier II and Tier III towns targeting the LMI segment (Low and Middle Income). SRGHFL's marketing efforts help to serve the customer at its door-step via Marketing executives, Direct selling agents and Home Loan Agents.

Your Company has adopted a marketing plan which is cost effective involving local advertising and marketing, referrals and gaining new customers through word-of-mouth. Additionally, SRGHFL is also using social media (e.g. YouTube, Facebook, Instagram, etc.) to spread awareness in choosing the best home loan via organized channels. SRGHFL is able to leverage its strong brand recall in its target markets to acquire new customers.

SRGHFL's ads in local newspapers are aimed to connect with the people and make them feel & believe that SRGHFL is always there to support a section of the society that has gone unnoticed. Additionally, other marketing channels viz. magazines and cable channels; hoardings at prominent locations in high catchment places, bus stands, railway stations, by distributing pamphlets and other information correspondence are used.

Loan camps are conducted by your Company every 2-3 months covering an area of 20-25 kms radius from the branches. These camps are conducted by the personnel from the head office and prospective borrowers are granted an in principle approval for availing a loan. These cases are then sent to the head office for internal checks and final approval.

STATEMENT OF PROFIT AND LOSS

Key elements of the statement of profit and loss for the year ended March 31, 2018 are:

- Net Interest Income (NII) grew by 118.3% to ₹18.11 Crores in FY18 as compared to ₹8.30 Crores in FY17.
- Net Interest Margin (NIM) was 10.97% in FY18 compared to 9.67% in FY17. The improvement was aided by superior loan portfolio mix and improved borrowing mix.
- The Company's Cost to Income ratio was 42.78% for FY18 compared to 53.44% in FY17.
- PBT grew 227.5% to ₹13.19 Crores compared to ₹4.02 Crores in FY17.
- PAT rose by 254.9% to ₹9.62 Crores in FY18 compared to ₹2.71 Crores in FY17.
- In FY18, the return on average assets was 5.82% and return on average equity was 25.49%.
- The average yield on loan assets in FY18 24.21% compared to 21.53% in FY17. The average all inclusive cost of funds was 10.56% as compared to 11.60%.
- The spread on loans over the cost of borrowings for the year was 11.52% as against 11.01% in FY17.

FUNDING SOURCES

SRGHFL has diversified source of funds:

Borrowing Mix (%)	FY18
Banks	69.85
FI	14.11
NCD	13.68
NHB	2.36

SRGHFL's credit rating was upgraded from BBB- to BBB by Brickwork Ratings for Non-Convertible Debentures (NCD) and Bank loan (fund based). CARE has also revised its ratings from BB+ to BBB- on long term bank facilities. The credit rating upgrade has helped it to procure funds at competitive rates. Details in Fig 12.

ASSET LIABILITY MANAGEMENT

At SRGHFL, risks pertaining to assets and liabilities are efficiently managed by a competent and responsible team. Adequate credit is arranged from time to time to ensure that no constraints are faced by the Company. SRGHFL has in place Asset Liability Management Policy approved by Board. The Asset Liability Management Committee (ALCO) committee is entrusted with the task to oversee the ALM position of the Company on a periodic basis. The ALCO comprises of Managing Director and members of Senior Management.

Under Schedule III of the Companies Act, 2013, the classification of assets and liabilities into current and non-current is based on their contracted maturities. However, the estimates based on past trends in respect of prepayment of loans and renewal of liabilities which are in accordance with the ALM guidelines issued by NHB have not been taken into consideration while classifying the assets and liabilities under the Schedule III.

The ALM position of the Company is based on the maturity buckets as per the guidelines issued by NHB. In computing

the information, certain estimates, assumptions and adjustments have been made by the management. The ALM position is as under:

As at March 31, 2018, assets and liabilities with maturity of over 6 months to 1 year amounted to ₹19.62 crore and ₹18.05 crore respectively. Assets and liabilities with maturity of over 3 years and up to 5 years amounted to ₹53.60 crore and ₹52.89 crore respectively and assets and liabilities with over 5 years up to 7 years amounted to ₹42.86 crore and ₹7.33 crore respectively.

(Details given in Notes to Accounts – 28.5)

ASSET QUALITY & NPA

The Company's Gross NPA for FY18 was ₹3.01 Crores at 1.50% compared to ₹1.28 Crores at 1.57% in FY17. Similarly, the Company's Net NPA showed a sharp reduction and was ₹0.99 Crores at 0.50% compared to ₹0.98 Crores at 1.21% in FY17.

RISKS AND CONCERNS

Housing Finance Companies have to manage various risks associated with the business. These risks include liquidity risk, interest rate risk, and credit risk. With the tenure of borrowings being shorter, due to lack of availability of long-term funds at competitive rates, compared to that of housing loans, asset-liability-mismatch (ALM) risks are inherent in the housing finance business.

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 SRGHFL. The nature of business

Fig 12: Credit rating

Instrument	Previous Amount (₹ Cr)	Present Amount (₹ Cr)	Tenure	Previous Ratings (Nov 2017)	Present Ratings
NCD*	25.00	23.28		BWR BBB-	BWR BBB
Bank Loan (Fund Based)	155.00	155.00	Long Term	(Pronounced as Triple B minus (Outlook: Stable)	(Pronounced as Triple B) (Outlook: Stable) Upgrade
Total	180.00	178.28		INR One Hundred & Seventy Eight Crores and Twenty Eight Lakhs Only	

* Details of the NCD

Instrument	Issue Date	O/S Amount (₹ crore)	Coupon (%)	Maturity Date	ISIN Particulars	Rating
Secured NCD	21-Aug-17	23.28	10.90% pa Payable on monthly reset	21-Aug-22	INE559N07017	BWR BBB (Outlook: Stable) upgrade

Instrument	Amount (₹ crore)	Rating	Previous Ratings
Long term bank instrument	35.04	CARE BBB- (Triple B Minus :Outlook: Stable)	Revised from CARE BB+ (Double B Plus:Outlook: Stable)

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. SRGHFL 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.

- Liquidity Risk Management

Liquidity risk is caused because of asset liability mismatch. Lack of liquidity can lead a Housing finance business towards failure, while, strong liquidity helps it to remain funded even during the tough periods.

Risk Mitigation: The Company is generating assets on an average for 6.75 years against which the liabilities are getting mature in 5.7 years average. The duration gap is comparatively less as against the average industry standard. Company has formed a strong ALM policy and adheres to it.

- Interest Rate Risk

Interest rate risk arises because of the gaps in the interest rates of assets and liabilities or rising interest cost because of changes in the macro economic scenario in the country.

Risk Mitigation: This risk has been well contained in the organization with diversified sources of funding taking the leverage of cheaper funding base well supported with constant rate of borrower's lending. The cost of funds for the company is continuously coming down whereas the company has not reduced the lending rate significantly, therefore slight increase in the cost of borrowing in future will not affect the profitability significantly for the company as company has comfortable margins.

- Credit Risk Management

Credit Risk is the possibility of losses associated with decrease in the credit quality of borrowers. Credit risk management is evaluated by examining the appraisal, monitoring and recovery systems and prudential lending norms of the Company.

Risk Mitigation: Efficient credit risk policies which includes clearly defined measures for credit appraisals and well placed monitoring mechanism for keeping check over asset quality. The Company has developed an extensive credit scoring model for informal business income and follows best in class underwriting process. The company reviews this policy, on a timely basis, to incorporate current trends in the industry.

- Operational Risk

Operational risks are failures of operational controls causing financial or reputational losses.

Risk Mitigation: Your Company has well placed and defined strong internal control measures for each area of

operations and an established monitoring mechanism to check the adequacy of these controls at timely intervals. The Company is developing a risk control unit to identify all the risk well in advance and also focusing on strong MIS reporting structures.

- Technological Risk

Technology risk is any potential for technology failures to disrupt business such as information security incidents resulting in theft of customer data resulting in legal liability, reputational damage and compliance issues.

Risk Mitigation: Your Company has induced a competent IT risk management framework. IT systems of the Company are equipped with the latest end point security system of highest order to proactively deal with any kind of IT threats. Also all the operations are integrated with the ERP which has a sufficient mirror backup as per to the standard safety protocols. Your Company is using the ERP system designed specifically for Housing Finance Company operations, accounting and reporting. The Company has focused on data security as well as data backup to avoid any kind of technology failure.

- Outsourcing Risk

The outsourcing risk is a clubbing of plethora of risks like strategic risk, reputational risk, compliance risk, counter party risk, legal risk and contractual risk.

Risk Mitigation: Your organization is strictly complying The Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs. The Company is performing majority of its operations and services like applications processing (loan origination), document processing, marketing and research, supervision of loans, data processing and back office related activities through In-house management hence ultimately retaining the control and sense of responsibility within the Company. Apart from this any other outsourced services are undertaken with in legal boundaries.

HUMAN RESOURCES DEVELOPMENT

SRGHFL has manpower of 140 employees that have been involved in the Company's growth and enabled the Company to touch new heights in its performance. At SRGHFL, we look to align the goals of the organization with that of its employees and work in sync with it. To create an effective work force the employees are screened and assessed and the recruitment is done accordingly.

The skills sets are fine tuned in accordance with SRGHFL's culture and the knowledge of the employees is enhanced with quality training. These trainings are undertaken time and again so that our employees are able to serve the customers better and also these trainings are in line with market standards. At SRGHFL, technology is leveraged in a way that brings out the best in our operations and that lead us to quicken the response to our customer's needs and expectations.

Our customer's confidence in our service offerings is of prime importance to us and it is something that we believe will drive growth for SRGHFL. The actions that we put out will eventually make a strong case for success of our operations. Thus we feel our employees need to be motivated at all times to keep the wheels of growth moving. We believe in rewarding our employees based on the meritocracy. The Company gives fixed and variable compensation which is paid out to the employees based on how they have performed in the light of the targets that have been set. The performance based incentives is what keeps our employees motivated and help them to perform the task better. To sum it up, the profit per field personnel in FY18 was ₹11.73 Lakhs vs. ₹7.97 Lakhs in FY17, a rise of 47.17% YoY.

(Note: The field employees in FY 18 were 82 while in FY 17 were 34).

PROVISION FOR STANDARD ASSETS, NPAS AND CONTINGENCIES

During the year, NHB vide notification no. NHB.HFC.DIR./18/MD&CEO/2017 dated August 2, 2017 reduced the provisioning requirements on Standard Individual Housing Loan from 0.40% to 0.25%. Apart from the provisioning on NPAs, Company made the necessary provisions 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 2018-19

The business expansion strategy of SRGHFL for the year 2018-19 includes the following:

Loan Book for 2018-19: Loan book size of ₹350 Crores (from ₹200 Crores for FY18) in line with the Vision of ₹1,000 Crores for the financial year 2022 along with the focus of maintaining asset quality and reduction in costs.

Business Expansion Plan 2018-19: SRGHFL plans to expand its branch network by opening 8-10 new branches in different regions with Tier II & Tier III Cities of Rajasthan, Madhya Pradesh, Gujarat and Maharashtra being the focus areas.

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 31, 2018 was 33.38% as against NHB's prescribed limit of 12%.

CENTRAL REGISTRY

The Government of India has set up the Central Registry of Securitization 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 Regulatory Inspection with respect to SRGHFL's position as on March 31, 2017 and Credit Inspection for the refinance taken from NHB.

Your Company has complied with the Accounting Standards issued by the ICAI and other related statutory Guidelines/Directions as applicable to the Company from time to time. Compliance of all Regulatory guidelines of NHB/other statutes are periodically reviewed at Audit Committee/Board.

Other Compliances: The Company has obtained the Legal Entity Identifier No.3358001A8CU8SNHBIU98 as required under the RBI Circular -No.RBI/2017-18/82 - DBR. No.BP.92/21.04.048/2017-18 dated November 02, 2017 and as advised by NHB.

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.

The company has also appointed Deloitte Haskins and sells LLP. for conducting management audit of the company in terms of providing advisory in connection with various accounting matters, regulatory compliance and matters in connection with Internal Control over Financial Reporting (IFCoFR) along with specific account testing.

INFORMATION TECHNOLOGY

SRGHFL's customer base is spread across four states. A robust IT platform supports various activities right from lead generation to loan disbursal and account closures. At SRGHFL, we invested proactively in technology, convinced that the advantages derived from this would enhance operational consistency and cost-effectiveness. The focus on technology has helped us reduce turnaround time, integrate processes, minimize process duplication and enhance productivity.

Robust network implementation and management ensures secure and smooth flow of data vide the organization. The Company has deployed Enterprise Resource Planning (ERP) solutions to control sensitive data and its access to various users across the Company. At personnel level, thorough background checks are conducted before inducting employees. The physical security of Company's office premises is ensured with CCTV installations and vigilance.

We have implemented Gartner rated end point security system to manage and monitor the cyber security with explicitly defined policies. The Company has a Cyber Crisis management plan to control risks arising from loss of data and damage even from social media platforms.

The data entry in the ERP system happens on real time basis and the data backup is done on daily basis. The company has adequate data back-up policy and back up servers are kept in remote locations to avoid any physical risks to the servers.

Under its Business continuity and disaster recovery plan, the Company has classified the critical business verticals, locations and resources which can impact the business in the event of any unforeseen natural or manmade disaster and this is further backed by the disaster recovery strategies.

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.

RELATED PARTY TRANSACTIONS

Transactions with related parties entered into by the Company were placed before the Audit Committee or

Board or Shareholders at general meeting, as applicable. The Company's policy on related party transactions is uploaded on the Company's website for the information of all the stakeholders.

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.

QUESTION & ANSWER

The Brief Question & Answer 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. SRGHFL assumes no responsibility in case the actual results differ materially due to change in internal or external factors.

For and on behalf of the Board of Directors

Sd/-

Vinod K. Jain

Managing Director
DIN: 00248843

Sd/-

Seema Jain

Director
DIN: 00248706

Date: - 28.05.2018

Place: - Udaipur

ANNEXURE- A

QUESTION & ANSWER

1. What trends have emerged in the Housing Finance (HFC) Industry in FY18?

The path that lies ahead for the housing finance industry is quiet bright and indicates enough room for every player of length and breadth to grow. There have been a number of positive developments which have been proposed in the last couple of years. To name a few the government initiated the “Pradhan Mantri Awaas Yojna (PMAY)” Housing for all by 2022. The schemes focuses on affordable housing, slum rehab, credit linked subsidy scheme and subsidies for survey led construction and renovation of houses. From the four areas of focus the CLSS is the only scheme which is the central sector scheme. The benefits of the CLSS scheme can be availed by the weaker sections of the society who are seeking financial assistance for their existing homes or construction of new ones. The other trend emerging is the RERA implementation which has led to consolidation in the real estate industry. The implementation has helped to safeguard the interest of the home buyer and thus created a sense of trust in their minds. This has also ensured the real estate companies are kept on toes brining the best in terms of the quality of the construction.

2. What is our target segment and how will it change in future?

At SRGHFL, we have clearly defined the target market segment which is the salaried and self employed persons (professionals and non-professionals) residing in Tier 2 and Tier 3 towns and villages and generating income through informal sectors. This category of people from rural areas provides the Company a large scope of business and we shall penetrate more into this segment in the coming years. SRGHFL's team has high expertise and proficiency in this segment. As far as the customer mix is concerned, targeting the Tier 1 profile, new product line, can be introduced only on seeing the market conditions and relevant opportunities. In near future, we see ourselves in current target segment only as we understand it and we believe it has greater potential.

3. How do we differentiate ourselves in the industry?

Unlike other players in the markets, SRGHFL's differentiation lies in the in-depth understanding of the Tier 2 and Tier 3 profiles. For servicing these profiles an on-ground knowledge of their income cash flow, financial obligations, social standing, the rural and semi-urban geographies, demography, etc. is a must and takes years to acquire. Our ability to correctly underwrite and appraise such profiles gives us an upper hand in the industry in not only acquiring new customers but also servicing the existing ones. The management believes in adopting practical approach rather than following standard policies which help us understand customer needs better and enables us provide services with customer satisfaction.

4. What key competitive advantages do we have that have helped to drive strong performance in FY18?

SRGHFL has built a differentiated business model in the housing finance industry by concentrating its efforts towards rural and semi-urban market. Statistics show the total shortage of houses in the rural regions is estimated to be around 43.6 million homes. A low mortgage-to-GDP ratio at around 9% compared to an average of 30% for developing nations, presents a massive opportunity for housing finance industry.

SRGHFL has been targetting individuals, who earn their livelihood by running their small businesses viz. grocery store, transport service providers, local food joints, vegetable vendors, Salons, etc. Their daily earnings typically range between ₹500-800 per day. Further, since other family members in their household are also employed, it boosts their monthly income. This segment of the market provides SRGHFL a large pool of customer base which is not yet fully serviced. These individuals have cash monthly income which banks and other financial institutions are not able to account for. The other hurdle which a person from the village faces is proving his creditworthiness by way of personal guarantee. These factors have only presented your Company with opportunities to be tapped on.

Our relationship with customers deepens from the very first day of providing them the loans. This aids in creating an indelible impression of trust and confidence in the minds of our customers, thus creating a strong word-of-mouth publicity for SRGHFL. Based on its understanding of local market dynamics, SRGHFL created a strong positioning in Rajasthan before replicating the success in neighboring states viz. Gujarat, Madhya Pradesh, Maharashtra. SRGHFL's focus on the Tier II and Tier III regions provide it an ample room for growth in its loan book. SRGHFL has had an early entry in this market which has given it an edge over informal lending avenues.

Coming to the financial performance of your Company, FY18 was eventful as there were a lot of policies and implementations that took place. Loan portfolio for FY18 was ₹200.28 Crores up 144.75% YoY. Total loan disbursements for FY18 stood at ₹142.82 Crores up 201.49% YoY. Net interest income was ₹18.1 Crores as compared to ₹8.3 Crores in the last year registering a growth 118.1% YoY with net interest margin of 10.9%. The cost to income ratio for FY18 was lower at 42.78% vs. 53.44% in FY17 due to the concentrated efforts of brining in operational efficiency. The profit after tax (PAT) saw a robust growth of 254.98% YoY to ₹9.62 Crores in FY18 as compared to ₹2.71 Crores in FY17.

5. What are the key developments in Human Resource management?

Recognition and Rewards go hand in hand and we have not held back in following this policy at SRGHFL. Having set goals gives us the feeling of a purpose and our employees at SRGHFL do the same. SRGHFL values its employees and knows that they are the pillars of growth. In pursuit to keep our employees motivated we have rewarded them impartially for their efforts. We allow our employee to choose their own goals and targets in the process of opening a branch. The employees explain to us their goals, which are then reviewed on a timely basis. This gives them the leverage to work without feeling the pressure of meeting their targets. This also enables them to independently think like managers which bring out the best in them.

We at SRGHFL reach our target market through the highly trained sales force spread across 29 branches. Our total employee count for FY18 stood at 140, during the year; we increased our manpower by adding 85 employees to our force. To ensure that they remain motivated and updated with the latest developments, SRGHFL conducts periodic training and educational seminars so that they serve our customers better and enrich the domain knowledge.

An annual performance appraisal is undertaken for all our employees wherein new goals and targets are set. A 360 degree feedback also helps in not only receiving a complete idea of the performance but also enables in taking necessary steps and actions to improve and better individual performances. We have added 85 employees in FY18 taking the total employee count to 140. We plan to add more workforces once we continue to expand our operations.

6. What technology initiatives we have taken and how digitization will form part of our business processes?

We are in an age where technology is revolutionizing many long-established business models. Increased customer convenience provided by effective deployment of technology is the driving force behind this change. Efficient fin-tech solutions enable us to deliver a seamless experience to our customers at every step of their home loan journey right from the application stage through the intervening years until the last EMI is paid. At SRGHFL, we invested proactively in technology, convinced that the advantages derived from this would enhance operational consistency and cost-effectiveness. The ERP system used by your Company is effectively managing loan origination to disbursal along with loan management and reports generations for various stakeholders.

We are also planning to further reduce our turnaround time(TAT) and to reduce the handling of documents by using various services like eSignature, eKYC and biometric retina scanner. We are continuously engaged with our technology partners to be the most technologically advanced and most secured housing finance provider in the country.

7. What are the plans for SRGHFL's brand awareness and business development?

SRGHFL has built its competencies and honed it by providing housing and individual loans over the last decade; this has been mainly possible through its esteemed employees and a wide network of branches. SRGHFL gets its business mainly from marketing executives, walk-ins in branches, direct sales agents (DSA), loan agents and through customer relations/ referrals which it has built over the years. To create a brand that is lasting in the minds of the customers and create a demand pull it has undertaken brand building initiative via cost effective campaigns through news papers, radio and TV. Given the era of social media, your Company has taken the initiative to put across as much as information about the Company and the product offerings via YouTube, Facebook, LinkedIn and Twitter. These have been constantly updated and have received good number of eyeballs, responses and leads through it. We have leveraged the brand building exercise which has enabled us to look in to new markets to enter. We also have undertaken technology in ways that seemed unbelievable in the past. Our search engine optimization (SEO) ensures that our Company name appears in search engines like Google, etc. thus drawing us to leads and prospects for the Company.

We will continue to invest in brand building exercise that will enhance the reputation and brand name in the mind of the customer.

8. What are our geographical expansion plans?

SRGHFL commenced its branch operations from Rajasthan, and has expanded its foot-prints to other geographies of Madhya Pradesh, Maharashtra and Gujarat. Rajasthan continues to remain our largest market in the overall revenues; however, the share of Loan portfolio from Rajasthan has declined from 94.89% in FY17 to 69.91% in FY18. This was on account of opening of new branches in to different regions. We at SRGHFL would like to spread our branches in order to avoid the risk of concentration in one state. New branches are opened after thorough due diligence by SRGHFL's Risk and Market Development team. The strategy for branch expansion focuses largely on identifying locations which are nearby to the existing locations to avoid culture differentiation risk.

9. What are the plans to attain AUM target for FY19?

If you may recall from our last interaction over our expectation on the Asset under Management (AUM), we were optimistic in guiding for ₹200 Crores loan book by FY18. We remained true to our philosophy on focusing on housing loan followed by loan against property (LAP). Our results are a reflection of the confidence we have in our business model. We achieved an AUM of ₹200.28 Crores and continue to remain ambitious in our outlook towards growing the loan book. Our retail branches also witnessed an expansion, taking the count from 19 to 29 as on FY18. . We surpassed our own expectation in the branch network and we expect to accrue the benefits of our efforts.

We remain determined to raise the bar and increasing our expectation in the near term. For our AUM targets for the next fiscal is ₹350 Crores with 38 branch network expansion. We are focused to achieve this target without compromising on asset quality and margins. We remain prudent in our approach towards the cost and expect to benefit from the leverage of our operations.

10. What factors could affect our growth prospects and how do we plan to overcome those challenges?

Given the industry dynamics, the industry size is quite large for affordable housing is still untapped. The number of shortage of houses is also widening as the house constructions targets are unmet. This means that SRGHFL still has a long way to go in terms of the growth given the challenges that are faced by the weaker sections of the society. This mitigates the risk to avail the further funding for its operations.

Our growth in terms of the revenues and the AUM signifies that we have performed relatively well on those metrics.

Despite a commonly perceived notion of higher delinquencies in low ticket loans and self employed persons (SRGHFL's key customer category), we have been able to build a top notch asset quality and stayed true to our strength and commitment towards keeping the NPA at lower levels.

To reiterate, our gross NPAs in FY18 was 1.50%, vs. 1.57% in FY17, while the net NPAs stood at 0.50% in FY18, as against 1.21% in FY17. The lower costs of funds coupled with high margin customer segments have ensured our NIM remain at higher levels. The net interest margins in FY18 came at 10.97% up from 9.67% in FY17.

11. What is our funding mix and what are the plans to reduce the cost of funds?

The Company remained adequately funded in FY18. Your company had raised equity in March 2017 which benefited the Company in remaining adequately funded and also to raise funds through various sources like NCD and Financial Institutions. Borrowing as at the year ended March 31 2018 stood at ₹ 166.96 Crores Vs ₹75.04 Crore as at the year ended March 31,2017. The Company had availed total sanctions of ₹127.50 Crores (Including ₹25 Crore NCD) during FY18.

Going forward Company would like to further diversify the sources of funds to avail benefits of reduced cost of borrowing. The Company also plans to raise equity in FY19 to reach a comfortable capital base of ₹100 Crores which will help Company get more leverage and better credit ratings. This equity infusion will enable the company to self sustain till the loan book of ₹2,000 Crores. The management is also working out to raise funds through various other sources like Tier II capital/ Debentures/Bonds, etc.

Fig 1: Capital Structure (₹ Crores)

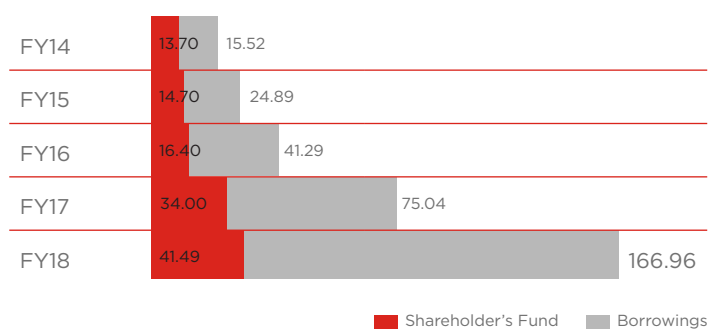
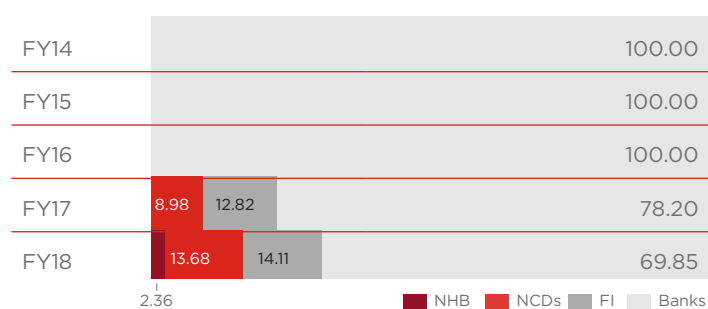


Fig 2: Borrowing Mix (%)



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ANNEXURE - V

REPORT ON CORPORATE GOVERNANCE

In accordance with the 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", "the Company"), 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.

The Company is also in compliance with Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016.

BOARD OF DIRECTORS:

COMPOSITION & CATEGORY OF DIRECTORS:

During the year 2017-18, Mr. Rajesh Jain resigned from the post of Non-Executive Director w.e.f 21st November, 2017. As on March 31st, 2018 the Board of Directors comprises of five 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 Four 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 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
	Ms. Seema Jain, Non Executive Director
Independent Directors	Mr. Ashok Kabra
	Mr. Vikas Gupta
	Mr. Nishant Badala

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

Director	Related To	Relation
Mr. Vinod K. Jain	Ms. Seema Jain	Spouse
Ms. Seema Jain	Mr. Vinod K. Jain	Spouse

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, the Corporate Governance Directions issued by NHB 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: <http://www.srghousing.com/DataImages/download/Familiarisation%20Programme.pdf>.

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 identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee and review its implementation and compliance. 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-independent 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 21, 2018 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 25 (Twenty-Five) 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
08.04.2017	6	6
10.05.2017	6	6
24.05.2017	6	4
11.07.2017	6	6
14.07.2017	6	5
08.08.2017	6	6
19.08.2017	6	6
21.08.2017	6	6
30.08.2017	6	6
27.09.2017	6	6
28.09.2017	6	6
11.10.2017	6	3
23.10.2017	6	3
24.10.2017	6	6
02.11.2017	6	6

13.11.2017	6	4
21.11.2017	6	5
24.11.2017	5	5
30.12.2017	5	3
13.01.2018	5	5
27.01.2018	5	5
21.02.2018	5	5
20.03.2018	5	5
23.03.2018	5	5
31.03.2018	5	5

*Board Strengths reduced to 5 due to resignation of Mr. Rajesh Jain from the post of Non-Executive Director W.e.f. 21st November, 2017.

The Company places before the Board all those details as considered necessary under the SEBI (LODR) Regulations, 2015 and the 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 2018 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 Committee Memberships in other Companies	
					Chairman	Member
Mr. Vinod K. Jain	25	25	Yes	1	0	1
Mr. Rajesh Jain*	25	17	Yes	0	0	0
Ms. Seema Jain	25	25	Yes	1	0	1
Mr. Ashok Kabra	25	20	Yes	0	0	0
Mr. Vikas Gupta	25	21	No	0	0	0
Mr. Nishant Badala	25	20	Yes	1	2	0

* Mr. Rajesh Jain resigned from the post of Non-Executive Director w.e.f 21st November, 2017.

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. Nishant Badala* – Chairman	Mr. Vikas Gupta – Chairman	Mr. Vinod K. Jain – Chairman	Mr. Ashok Kabra – Chairman
Mr. Vikas Gupta* – Member	Mr. Ashok Kabra – Member	Ms. Seema Jain** – Member	Mr. Vikas Gupta – Member
Mr. Ashok Kabra – Member	Ms. Seema Jain** – Member	Mr. Vikas Gupta – Member	Ms. Seema Jain** – Member

*Mr. Vikas Gupta resigned from the post of Chairmanship of Audit Committee and that he shall remain the member of the Committee and Mr. Nishant Badala was appointed as Chairman of Audit Committee w.e.f. 27.09.2017.

** Ms. Seema Jain was appointed as Member of Stakeholder's Relationship Committee, Risk Management Committee and Nomination and Remuneration committee w.e.f. 24.11.2017

COMMITTEE MEETINGS AND ATTENDANCE OF THE MEMBERS:

BOARD COMMITTEES	AUDIT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	STAKEHOLDER'S RELATIONSHIP COMMITTEE	RISK MANAGEMENT COMMITTEE
Meetings Held	18	5	5	4
Director's Attendance				
Vinod K. Jain	N.A.	N.A.	N.A.	4
Rajesh Jain*	N.A.	4	4	3
Vikas Gupta	18	5	5	4
Ashok Kabra	18	5	5	N.A.
Nishant Badala	18	N.A.	N.A.	N.A.
Seema Jain*	N.A.	1	1	1

*Mr. Rajesh Jain, Non-Executive Director resigned from the post of Member of Stakeholder's Relationship Committee, Risk Management Committee and Nomination and Remuneration committee w.e.f 21.11.2017 and Ms. Seema Jain was appointed as Member of Stakeholder's Relationship Committee, Risk Management Committee and Nomination and Remuneration committee w.e.f 24.11.2017.

PROCEDURE AT COMMITTEE MEETINGS:

AUDIT COMMITTEE:

COMPOSITIONS:

The Composition of Audit Committee comprises as follows:

- Mr. Nishant Badala – Chairman
- Mr. Vikas Gupta - Member
- Mr. Ashok Kabra – Member

Note: - Mr. Vikas Gupta resigned from the post of Chairmanship of Audit Committee and that he shall remain the member of the Committee and Mr. Nishant Badala was appointed as Chairman of Audit Committee w.e.f 27.09.2017

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 30th September, 2017.

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 18(Eighteen) times during the year on the 08.04.2017, 10.05.2017, 24.05.2017, 11.07.2017, 08.08.2017, 19.08.2017, 29.08.2017, 27.09.2017, 23.10.2017, 02.11.2017, 13.11.2017, 24.11.2017, 30.12.2017, 27.01.2018, 21.02.2018, 20.03.2018, 23.03.2018, 31.03.2018

The details of attendance at the Audit Committee-

Directors	No. of Meeting attended
Vikas Gupta	18
Ashok Kabra	18
Nishant Badala	18

NOMINATION AND REMUNERATION COMMITTEE:

COMPOSITIONS:

The Composition of Nomination & Remuneration committee comprises as follows:

- Mr. Ashok Kabra- Chairman
- Mr. Vikas Gupta- Member
- Ms. Seema Jain*- Member

* Mr. Rajesh Jain, Non-Executive Director resigned from the Membership of Nomination and Remuneration committee w.e.f 21.11.2017 and Ms. Seema Jain was appointed as the Member of Nomination and Remuneration committee w.e.f 24.11.2017.

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 identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance, formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and devising a policy on Board diversity.

MEETINGS:

During the financial year 2017-18 the committee met 5 times on 08.04.2017, 09.05.2017, 29.08.2017, 20.11.2017, 15.02.2018.

The details of attendance at the Nomination and Remuneration Committee-

Directors	No. of Meeting attended
Mr. Ashok Kabra	5
Mr. Vikas Gupta	5
Mr. Rajesh Jain*	4
Ms. Seema Jain*	1

*Rajesh Jain resigned from the membership of Nomination and Remuneration Committee w.e.f 21st November, 2017 and Ms. Seema Jain was appointed as Member of Nomination and Remuneration Committee w.e.f 24th November, 2017.

STAKEHOLDER'S RELATIONSHIP COMMITTEE:

COMPOSITIONS:

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

- Mr. Vikas Gupta -Chairman
- Mr. Ashok Kabra - Member
- Ms. Seema Jain*- Member

* Rajesh Jain resigned from the post of Member of Stakeholder's Relationship Committee w.e.f 21st November, 2017 and Ms. Seema Jain was appointed as Member of Stakeholder's Relationship Committee w.e.f 24th November, 2017.

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 07.04.2017, 08.05.2017, 14.07.2017, 11.10.2017, 13.01.2018.

The details of attendance at the Stakeholder Relationship Committee-

Directors	No. of Meeting attended
Mr. Vikas Gupta	5
Mr. Ashok Kabra	5
Mr. Rajesh Jain*	4
Ms. Seema Jain*	1

*Rajesh Jain resigned from the post of Member of Stakeholder relationship Committee w.e.f 21st November, 2017 and Ms. Seema Jain was appointed as Member of Stakeholder relationship Committee w.e.f 24th November, 2017.

REMUNERATION POLICY:

The remuneration policy, including the criteria for remuneration of non-executive directors is recommended by the nomination and remuneration Committee and approved by the board. The key objective of the remuneration policy is to ensure that it is aligned to the overall performance of the Company. 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://www.srghousing.com/DataImages/download/Remuneration%20for%20Directors,%20KMPs%20and%20Senior%20Management.pdf>

The remuneration Paid to the directors is in line with the remuneration policy of the company.

DIRECTOR'S REMUNERATION:

NON-EXECUTIVE DIRECTORS:

During the financial year 2017-18, 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, 2018 except the rent agreement entered into by the Company with Non-Executive Director Ms. Seema Jain for taking on rent the office premises of the Company.

DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH, 2018:

The shareholding details of the directors as at March 31st, 2018 are included in MGT-9 forming part of the Board's Report.

PROCEEDS FROM PRIVATE PLACEMENT ISSUE:

During the year under review, the Company issued non-convertible debentures on private placement basis. Details of these issues are provided in the Board's Report. As specified in the respective offer documents, the funds were raised for the purpose of on-lending and were utilized for the same. Details thereof were provided to the Audit Committee and Board of Directors.

CODES AND STANDARDS:

VIGIL MECHANISM/WHISTLE BLOWER:

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and as per Regulation 22 of the 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://www.srghousing.com/DataImages/download/Policy%20on%20Vigil%20Mechanism.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%20Insider%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.

In terms of the HFCs Corporate Governance (NHB) Directions, 2016, all the Directors have executed the Declarations-cum-undertakings as well as the Deed of Covenants with the Company.

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://www.srghousing.com/DataImages/download/Related%20Party%20Transactions-%20Policy.pdf>

ACCOUNTING STANDARDS/ 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 Board's 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 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
Udaipur Chamber of Commerce & industry, Chamber Bhawan, Chamber Marg, M.I.A., Udaipur-313001	2016-2017	30th September, 2017 at 02:35 PM

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

AGM/EGM	Subject
16 th 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.

18th Annual General Meeting held on
30/09/2017

- To APPROVE THE REVISED TERMS OF APPOINTMENT OF MR. VINOD K. JAIN, MANAGING DIRECTOR OF THE COMPANY
- INCREASE IN BORROWING POWERS OF BOARD OF DIRECTOR OF THE COMPANY
- AUTHORITY TO CREATE CHARGE AND/OR MORTGAGE ON THE ASSETS OF THE COMPANY.
- APPROVAL FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES/UNSECURED REDEEMABLE SUBORDINATED DEBT - TIER-II NCD's

POSTAL BALLOT:

During the year under review, the members of the Company have passed one resolution through electronic means and Postal Ballot as contained in the Postal Ballot Notice dated 27th November, 2017 results of which was declared on 30th December 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:

1. To approve the alteration in Article of Association of the Company.

The resolution as contained in the Postal Ballot Notice dated 27th November, 2017 was passed with requisite majority.

Detail of voting pattern of the Special Resolution passed:

Details of Special Resolution	No. of Votes Polled	Votes Cast in favour		Vote Cast against	
		No. of Votes	%	No. of Votes	%
To approve the Alteration in the Articles of Association of the Company	3817952	3817952	100	0	0

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, 2018, 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 Board's 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 complies with Regulation 30 read with Schedule III and 46 of SEBI (LODR) Regulations, 2015 in respect of presentation made 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 2017-18, 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.

CERTIFICATION ON FINANCIAL REPORTING AND INTERNAL CONTROLS:

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- VI)

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, 8 th Day of September, 2018 at 03:00 PM
Venue:	Udaipur Chamber of Commerce & Industry, Chamber Bhawan, Chamber Marg, M.I.A., Udaipur - 313001
Book Closure Date :	Sunday, 2nd of September, 2018 to Saturday, 8th of September, 2018 (both days inclusive)
Financial Year	1 st April to 31 st March

Financial Calendar 2018-19 (tentative):

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

Quarter ending June, 2018	By 15 th August, 2018
Quarter/ Half Year ending September, 2018	By 15 th November, 2018
Quarter ending December, 2018	By 15 th February, 2019
Quarter/ Half Year/ Year ending March, 2019	Within 60 Days from 31 st March, 2019
Annual General Meeting	By September, 2019

PARTICULARS OF DIVIDEND FOR THE YEAR ENDED 31.03.2018:

No Dividend was declared or paid during the year 2017-18.

INFORMATION TO SHAREHOLDERS:

LISTING OF EQUITY SHARES:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE)	534680
ISIN allotted by Depositories (Company ID Number)	INE559N01010

(Note: Annual Listing fees for the year 2018-19 was duly paid to the above stock exchange)

LISTING OF DEBT SECURITIES:

SRGHFL's NCDs are listed on the F GROUP - DEBT INSTRUMENTS of the Bombay Stock Exchange Limited (BSE).

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Mumbai (BSE)	956825
ISIN allotted by Depositories (Company ID Number)	INE559N07017

(Note: Annual Listing fees for the year 2018-19 was duly paid to the above stock exchange)

The Company is in compliance with the Regulation as set out in Chapter V of the SEBI (LODR) Regulation, 2015 in respect of its listed debt securities.

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.catalysttrustee.com.

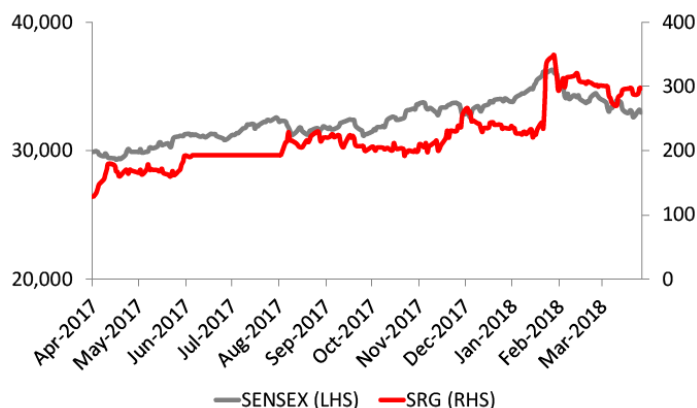
STOCK MARKET DATA:

The Bombay Stock Exchange Limited

Month	Open Price	High Price	Low Price	Close Price	BSE SENSEX (monthly close)
Apr-17	127.65	186.95	127.65	168.90	29918.40
May-17	172.00	182.90	160.00	178.50	31145.80
Jun-17	184.90	192.75	170.00	192.75	30921.61
Jul-17	192.75	192.75	185.20	192.75	32514.94
Aug-17	192.75	249.25	192.75	216.70	31730.49
Sep-17	223.90	235.00	190.00	200.00	31283.72
Oct-17	209.00	219.90	184.00	200.75	33213.13
Nov-17	198.10	259.70	193.00	236.15	33149.35
Dec-17	278.90	278.90	205.00	235.00	34056.83
Jan-18	233.70	367.70	220.00	331.10	35965.02
Feb-18	332.00	338.40	270.05	299.25	34184.04
Mar-18	307.95	307.95	260.00	296.55	32968.68

The listed NCDs did not trade during the financial year 2017-18.

Relative Performance of SRGHFL Share Price V/S. BSE SENSEX :



SHAREHOLDING PATTERN AS ON 31ST MARCH 2018:

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	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	5828233	14	44.83	44.83	-	-
b	Central Govt/ State Govt(s)	-	-	-	-	-	-	-
c	Fins / Banks	-	-	-	-	-	-	-
d	Any Other specify : Bodies Corporate	6	2176279	6	16.74	16.74		
	Sub Total (A)(1)	20	8004512	20	61.57	61.57	-	-
2	Foreign							
a	Individuals/ NRI/ Foreign Ind.	-	-	-	-	-	-	-
b	Government	-	-	-	-	-	-	-
c	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	8004512	20	61.57	61.57	-	-
(B)	Public shareholding							
1	Institutions							

a	Mutual Funds	-	-	-	-	-	-	-
b	Venture Capital Funds	-	-	-	-	-	-	-
c	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	1261	1019217	1261	7.84	7.84		
	ii) Individual shareholders holding nominal share capital in excess of Rs-2lac	44	3302987	44	25.41	25.41	-	-
b	NBFCs registered with RBI	-	-	-	-	-	-	-
c	Employee Trusts	-	-	-	-	-	-	-

d	Overseas Depositories (holdings DRs) (balancing figure)	-	-	-	-	-	-	-
e	Any Other (Specify):							
i.	Bodies Corporate	31	424290	31	3.26	3.26	-	-
ii.	Clearing Member	28	11494	28	0.09	0.09	-	-
iii.	HUF	53	208127	53	1.6	1.6	-	-
iv.	NRI	28	29373	28	0.23	0.23	-	-
							-	-
	Sub-Total (B)(3)	140	673284	140	5.18	5.18	-	-
(B)	Total (B)= (B)(1)+(B)(2)+ (B)(3)	1445	4995488	1445	38.43	38.43	-	-
(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)	1465	13000000	13000000	100.00	100.00	-	-

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2018:

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
UPTO TO 100	877	27494	0.21
101 TO 200	123	20916	0.16
201 TO 500	144	49212	0.38
501 TO 1000	75	58815	0.45
1001 TO 5000	93	218363	1.68
5001 TO 10000	59	479225	3.69
10001 TO 100000	62	1975573	15.20
100001 TO ABOVE	32	10170402	78.23
Total	1465	13000000	100

REGISTRAR AND SHARE TRANSFER AGENTS:

Sharex (Dynamic) India Private Limited, having its registered office at Unit-1, Luthra Ind. Premises, 1st 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	Type
2014-15	March 11, 2015	₹ 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 31.03.2018 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.

Pursuant to section 125 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 in case your shares, unclaimed dividend thereon have been transferred to IEPF,

you can claim the same by making an application directly to IEPF in the prescribed form under the IEPF Rules which is available on the website of IEPF i.e. www.iepf.gov.in.

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 , 2018	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 amended, 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 2018, 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 2018.

INFORMATION TO SHAREHOLDERS:

A brief resume of the director reappointed together with the nature of her 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, 1st 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
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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 E-mail : info@srghousing.com
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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:

1. Policy on determination of materiality- <http://srghousing.com/DataImages/download/MATERIALITY%20POLICY.pdf>
2. Archival Policy- <http://srghousing.com/DataImages/download/ARCHIVAL%20POLICY.pdf>

COMPLIANCE CERTIFICATE OF THE AUDITORS:

Certificate from the Company's Auditors, PKJ & CO. 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.

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
- Ms. Seema Jain*- Member
- Mr. Vikas Gupta - Member

*Mr. Rajesh Jain resigned from the post of Member of Risk Management Committee w.e.f 21.11.2017 and Ms. Seema Jain was appointed as Member of Risk Management Committee w.e.f 24.11.2017.

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 Ms. Seema 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.

COMPLIANCE

The company has complied with the mandatory requirements as stipulated under regulation 34(3) and 53 of SEBI (LODR) regulations, 2015. The company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit.

DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT UNDER PARA D OF SCHEDULE V 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, 2018.

Sd/-

Vinod K. Jain

Managing Director
DIN: 00248843

Sd/-

Seema Jain

Director
DIN: 00248706

Date: - 28.05.2018
Place: - Udaipur

ANNEXURE VI

CERTIFICATION 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:

1. We have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:

a) 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.

2. 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:

a) Significant changes in internal control over financial reporting during the year;

b) 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/-**Vinod K. Jain**

Managing Director
DIN: 00248843

Sd/-**Ashok Kumar**

Chief Financial Officer

Date: - 28.05.2018

Place: - Udaipur

ANNEXURE -VII

DETAILS OF MANAGERIAL REMUNERATION

Sl.no	REQUIREMENTS	DISCLOSURES
(i)	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2017-18.	<u>Executive Director</u> Mr. Vinod K. Jain- Managing Director- 50x
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	<u>Executive Director</u> Mr. Vinod K. Jain- Managing Director- Nil
		<u>KMPs(Other than Managing Director)</u>
		Mr. Ashok Kumar- 29.41%
		Ms. Sunaina Nagar -12.50%
(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 140 permanent employees on the rolls of the Company, as on March 31, 2018.
(v)	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;	<p>The Average increase in the remuneration of all employees other than the Managerial Personnel :17.05%</p> <p>The Average increase in the remuneration of Managerial Personnel : 16.06%</p> <p>Justification : Managerial Personnel salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks</p>
(vi)	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.

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of

SRG HOUSING FINANCE LIMITED,

We have examined the compliance of conditions of Corporate Governance by SRG Housing Finance Limited ("the Company"), for the year ended on 31st March, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of The Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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 PKJ & Co.

Chartered Accountants

ICAI Firm Reg. No.: 124115W

Sd/-

Rishabh Jain

Partner

Membership No. 176309

Date: - 28.05.2018

Place: - Udaipur



सबके पास
अपना आवास





FINANCIAL **STATEMENTS**

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 2018, 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.

In conducting 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 thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the financial statements 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 Standalone 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 obtained by us 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 31st March, 2018.
- 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

1. 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 the Act, we hereby give in the "Annexure A" 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, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of accounts 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;

d. In our opinion, the aforesaid financial statements 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 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018, from being appointed as a Director in terms of Section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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;

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For PKJ & Co.

Chartered Accountants

FRN: 124115W

Sd/-

Rishabh Jain

Partner

Membership No. 176309

Date: - 28.05.2018

Place: - Udaipur

ANNEXURE A

TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in para 1 under "Report on other Legal and Regulatory Requirement" of our report of even date)

1. According to the information and explanations given to us, in respect of the fixed assets:

(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) We report that the title deed of the immovable property is held in the name of the Company as at the balance sheet date.

2. The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 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 clause (iii) of 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. Therefore, clause (iv) of paragraph 3 of the Order is not applicable.

5. As per the Ministry of Corporate Affairs notification dated March 31, 2014 the provisions of Sections 73 to 76 or any other relevant provisions of The Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. According to information and explanations given to us, the Company has not accepted any deposits during the year.

6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Sub-Section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

7. According to the information and explanations given to us:

a) 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, GST and any other statutory dues as applicable with the appropriate authorities.

b) There are no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Cess, GST and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

c) There were no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, GST as at 31st March 2018, which has not been deposited on account of dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to Financial Institutions, Banks and dues to Debenture Holders. The Company has not taken loans or borrowings from Government.

9. The Company has not raised moneys by way of Initial Public Offer or Further Public Offer (including debt instruments) during the year. The Company has raised funds by way of raising Term loans and Redeemable Non-Convertible Debentures during the year and the same were applied by the Company for the purpose for which they were raised.

10. According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to The Companies Act, 2013.

12. The Company is not a Nidhi Company; hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.

13. According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of The Companies Act, 2013, wherever applicable, for all transactions with the related parties and the details of

related party transactions have been disclosed in the notes on Financial Statements 28.10 as required by the applicable accounting standards.

14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, provision of clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

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 The Companies Act, 2013.

16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of The Reserve Bank of India Act, 1934.

For PKJ & Co.

Chartered Accountants

FRN: 124115W

Sd/-

Rishabh Jain

Partner

Membership No. 176309

Date: - 28.05.2018

Place: - Udaipur

ANNEXURE-B

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in para2(f) under "Report on other Legal and Regulatory Requirement" of our report of even date)

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, 2018 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 (the "Guidance Note") 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 Act.

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 and the Standards on Auditing, issued by the ICAI and prescribed under Section 143(10) of the Act, 2013 to the extent applicable, to an audit of internal financial controls 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 judgment, 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, 2018, 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 PKJ & Co.
Chartered Accountants
FRN: 124115W

Sd/-

Rishabh Jain

Partner
Membership No. 176309

Date: - 28.05.2018
Place: - Udaipur

SRG HOUSING FINANCE LIMITED AS AT 31.03.2018

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 Section 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) to the extent applicable.

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 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. Property, Plant and Equipment

- Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impaired losses, if any.
- Depreciation on PPE 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. Intangible Assets & Amortization:

- Intangibles Assets are stated at cost of acquisition (including any cost attributable to bringing the same in its working condition) less accumulated amortization.
- Intangible assets are amortized over their estimated useful life of 3 years on Written Down Value Method. The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

7. Impairment of Assets

Impairment losses (if any) on Assets are recognised in accordance with the Accounting Standard on ‘Impairment of Assets’ (AS 28). The Company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value.

8. Leases

In accordance with the Accounting Standard on Leases (AS 19), the following disclosures in respect of operating leases are made:

The company has taken office premises under operating leases which are generally cancellable and have no specific obligation for renewal. The total lease payments are recognised as per lease terms in the Statement of Profit and Loss under ‘Rent Expenses’ under note 19.

9. Provision on Non-Performing Assets & for Diminution in Investment Value

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

Management also makes assessment of its portfolio and creates additional provision to meet unforeseen contingencies.

10. 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.

11. Employee Benefits

a) Short Term Employee Benefits

Short Term Employee Benefits are recognized during the period when the services are rendered.

b) Post-Employment Benefits

Defined Contribution Plan-Provident Fund

The Company contributes to a Government administered Provident Fund in accordance with the provisions of Employees Provident Fund Act.

Defined Benefit Plan

Gratuity:

The Company makes an annual contribution to Gratuity Fund administered by Trustees and managed by LIC.

12. Borrowing Costs

Borrowing costs include interest and other cost that the Company incurs in connection with the borrowing of funds. Other cost in connection with the borrowings are amortized to the Statement of Profit and Loss over the tenure of the loan.

13. 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.

Deferred Tax Liability on deduction claimed in earlier years u/s 36(1)(viii) of the Income Tax Act, 1961 has been provided in terms of National Housing Bank (NHB) policy circular.

14. 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.

Earnings per share (EPS) is calculated as follows:

(₹ In Crores)

Particulars	2017-18	2016-17
Net profit after tax	9.62	2.71
Weighted Average Number of Equity Shares (No's)	1,30,00,000	1,13,86,664
Earnings Per Share- Basic and Diluted	7.40	2.38

15. Goods and Service tax/Service Tax Input Credit

Goods and Service Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing /utilising the credits.

16. 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.

Balance Sheet as at 31st March, 2018

(Amount in ₹)

Particulars	Note No.	As at 31 st March, 2018	As at 31 st March, 2017
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	130,000,000	130,000,000
(b) Reserves and Surplus	2	284,960,339	209,738,280
Total		414,960,339	339,738,280
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	1,336,932,099	605,405,282
(b) Deferred Tax Liabilities (Net)	4	8,586,573	4,093,173
(c) Long-Term Provisions	8	27,518,018	6,738,406
Total		1,373,036,690	616,236,861
(3) Current Liabilities			
(a) Short-Term Borrowings	5	12,387,368	-
(b) Trade Payables	6		
Micro Enterprises and Small Enterprises		-	-
Others		5,602,598	7,967,225
(c) Other Current Liabilities	7	340,058,413	148,448,770
(d) Short-Term Provisions	8	31,274,236	12,113,710
Total		389,322,615	168,529,705
Total		2,177,319,644	1,124,504,846
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Property, Plant and Equipment		11,054,875	7,504,997
(ii) Intangible Assets		337,977	-
(b) Deferred Tax Assets (Net)		-	-
(c) Long Term Portion Housing and Property Loans	10	1,704,263,388	641,054,028
(d) Other Non-Current Assets	11	55,705,332	54,882,379
Total		1,771,361,572	703,441,404

(2) Current Assets

(a) Current Investment	12	4,194,677	3,172,500
(b) Short Term Portion Housing and Property Loans	10	298,507,257	177,233,198
(c) Cash and Cash Equivalents	13	58,319,866	221,938,968
(d) Short-Term Loans and Advances	14	44,936,272	18,718,776
Total		405,958,072	421,063,442

Total		2,177,319,644	1,124,504,846
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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 PKJ & Co.

Chartered Accountants

FRN : 124115W

1 to 28

For & on Behalf of the Board

Sd/-

Rishabh Jain

Partner

Membership No. 176309

Sd/-

Vinod K. Jain

Managing Director

DIN: 00248843

Sd/-

Seema Jain

Director

DIN: 00248706

Date: - 28.05.2018

Place: - Udaipur

Sd/-

Sunaina Nagar

Company Secretary

(M.No. A40754)

Sd/-

Ashok Kumar

Chief Financial Officer

Statement of Profit and Loss for the year ended on 31st, March 2018

(Amount in ₹)

Particulars	Note No.	As at 31 st March, 2018	As at 31 st March, 2017
I. Revenue from Operations	15	341,296,620	145,271,366
II. Other Income	16	294,447	305,898
III. Total Revenue		341,591,067	145,577,264
IV. Expenses:			
Employee Benefit Expense	17	40,406,927	17,725,129
Financial Costs	18	112,710,614	57,431,367
Depreciation and Amortization Expense	9	4,401,139	3,160,239
Other Expenses	19	53,114,492	26,315,697
Provision for Investment	12	(1,022,177)	663,235
V. Total Expenses		209,610,995	105,295,667
VI. Profit Before Tax (III-V)		131,980,072	40,281,597
VII. Tax Expense:			
Current Tax		31,274,236	12,113,710
Deffered Tax		4,493,400	1,088,377
VIII. Profit/(Loss) for the period (VI-VII)		96,212,436	27,079,510
IX. Earning per Equity Share:			
Basic & Diluted		7.40	2.38

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 PKJ & Co.

Chartered Accountants

FRN : 124115W

1 to 28

For & on Behalf of the Board**Sd/-****Rishabh Jain**

Partner

Membership No. 176309

Sd/-**Vinod K. Jain**

Managing Director

DIN: 00248843

Sd/-**Seema Jain**

Director

DIN: 00248706

Date: - 28.05.2018

Place: - Udaipur

Sd/-**Sunaina Nagar**

Company Secretary

(M.No. A40754)

Sd/-**Ashok Kumar**

Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2018

(Amount in ₹)

Particulars	Figures as at end of the Current Reporting Period		Figures as at end of the Previous Reporting Period	
A. Cash Flow from Operating Activities				
Net Profit before Tax		131,980,072		40,281,597
Adjustments for:				
Depreciation	4,401,139		3,160,239	
Provision for NPA	(17,250,067)		(1,283,566)	
Provision for Standard Assets	(3,529,545)		(1,126,928)	
Other Provision	(1,232,942)	(17,611,415)	661,855	1,411,600
Operating profit / (loss) before working capital changes		114,368,657		41,693,197
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Loans and Advances (Housing & Property Loan)	(1,184,483,419)		(285,441,732)	
Short-term Loans and Advances	(26,217,496)		(4,884,803)	
Other Non-Current Assets	(822,952)	(1,211,523,868)	(46,113,861)	(336,440,396)
Adjustments for increase / (decrease) in operating liabilities:				
Long-Term Provisions	20,779,612			
Other Current Liabilities	189,245,016		57,529,332	
Short-Term Provisions	19,160,526	229,185,154	6,436,449	63,965,781
Cash generated from Operations		(867,970,056)		(230,781,418)
Net Income Tax (paid) / refunds		(31,274,236)		(12,113,710)
Net cash flow from / (used in) Operating Activities (A)		(899,244,292)		(242,895,128)

B. Cash flow from Investing Activities

Capital expenditure on Fixed Assets, including capital advances	(8,288,994)	(8,288,994)	(2,274,211)	(2,274,211)
-----------------------------------------------------------------	-------------	-------------	-------------	-------------

Net addition from Investment	0	0	4,575,360	4,575,360
Net Cash Flow from / (used in) Investing Activities (B)	(8,288,994)	(8,288,994)	2,301,149	2,301,149
C. Cash flow from Financing Activities				
Proceeds from issue of Equity Shares	0		16,873,000	
Security Premium from issue of Equity Shares	0		134,984,000	
Dividend & Dividend Distribution Tax	0		0	
Proceeds from Long-Term Borrowings	731,526,817		313,669,808	
Proceeds from Short-Term Borrowings	12,387,368	743,914,185	(24,315,725)	441,211,083
Net Cash Flow from / (used in) Financing Activities (C)		743,914,185		441,211,083
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		(163,619,102)		200,617,104
Cash and Cash Equivalents at the beginning of the year		221,938,968		21,321,864
Cash and Cash Equivalents at the end of the year		58,319,866		221,938,968

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 PKJ & Co.

Chartered Accountants

FRN : 124115W

1 to 28

For & on Behalf of the Board

Sd/-

Rishabh Jain

Partner

Membership No. 176309

Sd/-

Vinod K. Jain

Managing Director

DIN: 00248843

Sd/-

Seema Jain

Director

DIN: 00248706

Date: - 28.05.2018

Place: - Udaipur

Sd/-

Sunaina Nagar

Company Secretary

(M.No. A40754)

Sd/-

Ashok Kumar

Chief Financial Officer

Notes on Financial Statements for the year Ended 31st March, 2018

1. SHARE CAPITAL	As at 31st March, 2018	As at 31st March, 2017
Authorised Share Capital :		
1,50,00,000 Equity Shares of ₹10 /- Each	150,000,000	150,000,000
(P.Y. 1,50,00,000 Equity Shares of ₹10 /- Each)		
Issued , Subscribed & Paid up Share Capital :		
(1,30,00,000 Equity shares of ₹10 /- Each)	130,000,000	130,000,000
(P.Y. 1,30,00,000 Equity shares of ₹10 /- Each)		
Total	130,000,000	130,000,000

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

Particulars	As at 31 st March, 2018		As at 31 st March, 2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	13,000,000	130,000,000	11,312,700	113,127,000
Shares issued during the year	-	-	1,687,300	16,873,000
Bonus shares issued during the year	-	-	-	-
Initial Public Offering (IPO)	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	13,000,000	130,000,000	13,000,000	130,000,000

Aggregate number of shares allotted as fully paid-up by way of Bonus Shares (During 5 years immediately preceding March 31, 2018) :

During the year 2014-15, pursuant to approval of shareholders at the Extra-Ordinary General Meeting (EOGM) of SRG Housing Finance Limited held on May 12, 2014, the Company allotted 3,232,200 Bonus Equity Shares of ₹10/- each fully paid up shares in the proportion of 2:5 i.e. two shares for every five shares held.

The details of Shareholders holding more than 5 % shares

Name of the Shareholder	As at 31 st March, 2018		As at 31 st March, 2017	
	No. of Shares Held	%	No. of Shares Held	%
Vinod Kumar Jain	1,565,119	12.04	1,265,150	9.73
Ambitious Associates Pvt. Ltd.	756,060	5.82	556,060	4.28

Terms/Rights attached to Equity Shares

The Company has one class of share referred to as equity shares having at par value of ₹10 each.

Each shareholder is entitled to one vote per share held.

2. RESERVE AND SURPLUS	As at 31 st March, 2018	As at 31 st March, 2017
Special Reserve		
(In accordance with Section 36(1)(viii) of The Income Tax Act, 1961 and Section 29(C) of The NHB Act, 1987)		
As per last Balance Sheet	19,188,400	13,763,400
Add : Transferred from Profit and Loss Account	19,500,000	5,425,000
Total	38,688,400	19,188,400
Securities Premium Reserve		
As per last Balance Sheet	137,702,000	2,718,000
Add: Received during the year	-	134,984,000
Less: Utilized for issue of Bonus Shares	-	-
Total	137,702,000	137,702,000
Surplus		
As per last Balance Sheet	52,847,880	34,453,559
Add : Profit for the period	96,212,436	27,079,510
Total	149,060,316	61,533,069
Less : Appropriations		
Transfer to Special Reserve *	19,500,000	5,425,000
Provisions for NPA	17,250,067	1,283,566
Provisions for Standard Assets	3,529,545	1,126,928
Assets Written off as per Companies Act, 2013	-	-
Deffered Tax Liability on Special Income Tax Reserve	-	848,315
Excess Provision for The Income Tax Act, 1961	210,765	1,380

Interim Equity Dividend	-	-
Dividend Distribution Tax	-	-
	40,490,377	8,685,189
	108,569,939	52,847,880
Total	284,960,339	209,738,280

* 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 ₹195.00 Lakhs (Previous Year ₹54.25 Lakhs) 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	
Secured Borrowings	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Term Loan:				
- National Housing Bank	42,750,000	56,830,000	10,560,000	10,560,000
- Banks	918,077,896	463,032,158	221,678,420	123,740,382
- Other Financial Institutions	199,380,100	85,543,124	36,276,097	10,665,544
-Debentures	176,724,103	-	51,724,163	-
	1,336,932,099	605,405,282	320,238,680	144,965,926
Current Maturity of Long -Term Borrowings Disclosed under the head				
"Other Current Liabilities" (Refer Note 7)	0	0	(320,238,680)	(144,965,926)
	1,336,932,099	605,405,282	-	-

3.1) Nature of Security

i) Refinance from National Housing Bank (NHB) and other Term Loans are secured by first and exclusive charge on the specific book debts, receivables of the Company and irrevocable power of attorney given by the Company in favour of Banks/ FIs/NHB for recovery of dues, Lien on specific FDR's and Personal Guarantee of Mr. Vinod Kumar Jain MD, Ms. Seema Jain, Director and Third party guarantee of Mr. G. L. Jain and Mr. Rajesh Jain.

ii) Redeemable Non Convertible Debentures are secured by first and exclusive charge on specific assets by way of hypothecation of book debts and also by way of mortgage of specific immovable property situated at Chennai in favour of Debenture Trustee.

3.2) Terms of Repayment of Term Loans and Debentures :

Previous Year figures are in (bracket)

(₹ In Lakhs)

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years to 7 Years	Over 7 Years to 10 Years	Total
Secured						
Term Loans						
From Banks:						
ROI 9.90 to 11.00%	2,216.81	5,002.75	3,623.19	554.82	-	11,397.57
(Variable linked to Bank MCLR)	(1,237.39)	(2,557.40)	(1,656.56)	(416.05)	(0.32)	(5,867.72)

From National Housing Bank:

ROI 8.25 to 9.25%	105.6	281.60	145.9	-	-	533.10
	(105.60)	(281.60)	(278.10)	(8.60)	-	(673.90)
From Financial Institutions:						
ROI 11-11.75%	362.76	872.43	787.39	178.29	155.69	2,356.56
	(106.66)	(314.40)	(263.27)	(111.12)	(166.64)	(962.09)
Non- Convertible Debentures:						
ROI 10.90%	517.22	1,034.40	732.86	-	-	2,284.48
	-	-	-	-	-	-
Total	3,202.39	7,191.18	5,289.34	733.11	155.69	16,571.71
	(1,449.65)	(3,153.40)	(2,197.93)	(535.77)	(166.96)	(7,503.71)

4. DEFERRED TAX LIABILITIES/(ASSETS) NET:	As at 31 st March, 2018	As at 31 st March, 2017
Deferred Tax Assets	(684,688)	(425,824)
(Timing difference of Depreciation under The Companies Act, 2013 and The Income Tax Act, 1961)		
Deferred Tax Liability		
Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961	9,271,261	4,518,997
Total	8,586,573	4,093,173

5. SHORT TERM BORROWINGS :

Secured		
Loans repayable on Demand		
From : Bank		
Cash Credit Facility from State Bank of India	12,387,368	-
Total	12,387,368	-

Loans repayable on demand from Bank are secured by first and exclusive charge on the specific book debts, receivables of the company and irrevocable power of attorney given by the Company in favour of Bank for recovery of dues, Lien on specific FDR's and Personal Guarantee of Mr. Vinod Kumar Jain MD, Ms. Seema Jain, Director and Third party guarantee of Mr. G.L. Jain and Mr. Rajesh Jain.

6. TRADE PAYABLES:

Trade Payables of ₹56.03 Lakhs (Previous Year ₹79.67 Lakhs) includes ₹NIL (Previous Year ₹NIL) payable to suppliers registered under the Micro, Small and Medium Enterprises and Development Act, 2006 which has been determined to the extent such parties have been identified on the basis of information available with the Company. No interest has been paid/ payable by Company during the year to the suppliers covered under Micro, Small and Medium Enterprises and Development Act, 2006.

7. OTHER CURRENT LIABILITIES :	As at 31 st March, 2018	As at 31 st March, 2017
Current Maturity of Long-Term Borrowings (Refer Note 3)	320,238,680	144,965,926
Expenses Payable	2,741,302	1,992,747
Unclaimed Dividend	5,025	5,025
Interest Accrued on Debenture	681,800	-
Interest accrued on Borrowings	1,077,675	-
Other Current Liabilities	12,048,361	161,265
Duties and Taxes	3,265,570	1,323,807
Total	340,058,413	148,448,770

8. PROVISIONS	Non Current Portion		Current Portion	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Provision for Taxation	-	-	31,274,236	12,113,710
Provision for Contingencies				
Against NPA	20,228,334	2,978,267	-	-
Against Standard Assets	7,289,684	3,760,139	-	-
Total	27,518,018	6,738,406	31,274,236	12,113,710

9. FIXED ASSETS									
Particulars	Gross Block				Depreciation/Amortisation			Net Block	
	As at 01.04.17	Addition	Deduction/ Sale	As at 31.03.2018	As at 01.04.17	For the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
A) PROPERTY, PLANT AND EQUIPMENT									
Computers	1,043,242	2,617,591	-	3,660,833	693,399	1,124,358	1,817,757	1,843,076	349,843
Land	-	434,275	-	434,275	-	-	-	434,275	-
Office Equipments	2,220,590	734,794	-	2,955,384	1,161,141	637,501	1,798,642	1,156,742	1,059,449
Motor Cars	10,074,256	-	-	10,074,256	5,781,128	1,295,914	7,077,042	2,997,214	4,293,128
Motor Cycles	103,470	-	-	103,470	33,370	18,149	51,519	51,951	70,100
Franking Machine	180,110	-	-	180,110	171,105	-	171,105	9,005	9,005

Furniture & Fixture	2,313,687	3,814,644	-	6,128,331	590,215	975,504	1,565,719	4,562,612	1,723,472
Sub Total	15,935,355	7,601,304	-	23,536,659	8,430,358	4,051,426	12,481,784	11,054,875	7,504,997
Previous Year	13,661,144	2,274,211	-	15,935,355	5,270,119	3,160,239	8,430,358	7,504,997	8,391,025

B) INTANGIBLE ASSETS

Software	-	687,690	-	687,690	-	349,713	349,713	337,977	-
Sub Total	-	687,690	-	687,690	-	349,713	349,713	337,977	-
Previous Year	-	-	-	-	-	-	-	-	-

Total (A+B)	15,935,355	8,288,994	-	24,224,349	8,430,358	4,401,139	12,831,497	11,392,852	7,504,997
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10. LONG TERM HOUSING & PROPERTY LOANS :	Non Current Portion		Current Portion	
Secured considered good unless stated otherwise	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Housing Loans	1,320,276,438	591,633,009	263,603,753	156,488,588
Property Loans (LAP)	383,986,950	49,421,019	34,903,504	20,744,610
	1,704,263,388	641,054,028	298,507,257	177,233,198

11. OTHER NON CURRENT ASSETS :	As at 31 st March, 2018	As at 31 st March, 2017
Capital Advances	1,500,000	1,500,000
Deferred Expenses:		
Prepaid Expenses	28,237,170	14,588,842
Deferred Expenses	50,000	1,331,760
Advance recoverable in cash or in kind	4,261,946	3,616,900
Non Current Portion of Balances with Bank in Deposit Accounts	21,656,216	33,844,877
(Refer Note No.13)		
Total	55,705,332	54,882,379

12. CURRENT INVESTMENT :					
Trade Investment		As at 31 st March, 2018		As at 31 st March, 2017	
Investment in Equity Instruments-Quoted	Face Value	Nos.	Amount	Nos.	Amount
S R G Securities Finance Limited	10	150,000	4,194,677	150,000	4,194,677
Total		150,000	4,194,677	150,000	4,194,677

Aggregated Market Value of Quoted Investment	4,462,500	3,172,500
Provision for Diminution in value of Investment	-	1,022,177
Provision Already Made	1,022,177	358,942
Provision Required	(1,022,177)	663,235
	4,462,500	4,194,677

13. CASH & CASH EQUIVALENTS:	As at 31 st March, 2018	As at 31 st March, 2017
Cash on Hand	1,679,126	1,637,487
Balance with Banks	-	
A. In Current Account/ Dr. Balance in CC Account	8,609,997	11,295,849
B. Fixed Deposits with maturity up to twelve months from reporting date	48,025,717	209,002,033
C. Fixed Deposits with maturity more than twelve months	21,656,216	33,844,877
D. Balance in unpaid dividend account	5,025	3,599
{Deposits amounting to ₹696.46 Lakhs (₹443.15 Lakhs in previous year) provided as cash collateral towards Borrowings}		
Total Cash And Bank Balances	79,976,082	255,783,845
Less: Amounts Disclosed Under Non Current Assets (Refer Note No.11)	21,656,216	33,844,877
Total Net Cash and Bank Balances	58,319,866	221,938,968

14. SHORT TERM LOANS AND ADVANCES:	As at 31 st March, 2018	As at 31 st March, 2017
Unsecured Considered Good		
Advance Tax and TDS	24,036,307	11,502,111
Interest Accrued but not due	19,899,051	6,816,053
Others-Stock on Stamps	-	177,408
Prepaid Expenses	446,676	150,084
Other Advance	419,058	73,120
GST Input Receivable	135,180	-
Total	44,936,272	18,718,776

15. REVENUE FROM OPERATIONS:	As at 31 st March, 2018	As at 31 st March, 2017
Interest on Housing and Property Loans	288,173,284	138,593,095
Other Income from Operations	18,848,339	0
Processing Fee	28,849,091	4,936,772
Interest on FDRs	5,425,906	1,741,499
Total	341,296,620	145,271,366

16. OTHER INCOME:	As at 31 st March, 2018	As at 31 st March, 2017
Dividend	-	58,545
Income From Mutual Fund	294,447	154,446
Net Profit from sale of Current Investment	-	92,907
Total	294,447	305,898

17. EMPLOYEE BENEFIT EXPENSES:	As at 31 st March, 2018	As at 31 st March, 2017
Salaries and Bonus	38,691,593	17,679,740
Contribution to Provident Fund and other Funds	1,715,334	45,389
Total	40,406,927	17,725,129

18. FINANCIAL COST:	As at 31 st March, 2018	As at 31 st March, 2017
Interest on Loans from Banks and FIs	87,620,907	53,913,201
Interest on Refinance from NHB	5,291,155	1,627,151
Interest on Non-convertible Debentures	13,839,804	-
Bank Charges and other Borrowing Cost	5,958,748	1,891,015
Total	112,710,614	57,431,367

19. OTHER EXPENSES :	As at 31 st March, 2018	As at 31 st March, 2017
Advertisement	1,284,446	551,865
Auditor's Remuneration	150,000	85,000
Vehicle Running & Maintenance	1,322,939	643,887
Cibil Expenses	372,045	94,888
Computer Maintenance	853,557	130,922
Electricity	222,247	106,770
Insurance	166,940	52,357
Legal & Professional Fees	12,084,502	3,657,767
Office Expenses	2,566,955	1,059,478
Postage and Telegramme	193,835	18,845
Printing and Stationery	939,288	397,661
Rent	4,308,001	3,145,898
Communication Expenses	763,734	343,903
Travelling and Conveyance	1,497,699	1,870,300
Commission	11,987,899	6,068,250
Business Promotion Expenses	3,080,876	2,020,419
Recovery and Inspection	1,552,742	1,048,498
Satellite Centre/Branch Expenses	5,967,486	1,792,075
Miscellaneous Expenses Written Off	1,281,760	1,281,758
Bad Debts	-	1,637,905
GST Reversal Expenses	1,233,858	-
Other Expenses	1,283,684	307,251
Total	53,114,492	26,315,697

20. AUDITOR'S REMUNERATION INCLUDES:

(₹ In Lakhs)

Particulars	31.03.2018	31.03.2017
Audit Fees	1.00	0.60
Tax Audit Fees	0.25	0.10
Certification Fees	0.25	0.15
Total	1.50	0.85

21. 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.

22. During the year, there was no employee employed throughout the year who was in receipt of remuneration of ₹1.02 Crores or more per annum or ₹8.50 Lakhs or more per month, if employed for the part of the year.

23. All the balances of Trade Payables, Loans and Advances are subject to confirmation.

24. Previous year figures which were audited by the predecessor auditors have been regrouped / reclassified wherever necessary to correspond with current year's classification disclosure.

25. 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.

26. The Company does not have any exposure in foreign currency at the year end.

27. 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 Co-operative 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 notified under The Companies (Accounting Standards) Amendment Rules, 2011.

28. 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:

28.1 CAPITAL TO RISK ASSETS RATIO (CRAR):

	Items	Current Year	Previous Year
i)	CRAR (%)	33.38	72.71
ii)	CRAR - Tier I Capital (%)	32.76	72.71
iii)	CRAR - Tier II Capital (%)	0.62	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

28.2 RESERVE FUND UNDER SECTION 29C OF THE NHB ACT, 1987:

(₹ In Crores)

Particulars	Current Year	Previous Year
Balance at the beginning 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 the NHB Act, 1987	1.55	1.06
c) Total	1.92	1.38
Addition/Appropriation/Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987;	0.11	0.05
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;	1.84	0.49
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

Balance at the end of the year

a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.48	0.37
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	3.39	1.55
c) Total	3.87	1.92

28.3 INVESTMENTS:

(₹ In Crores)

Particulars	Current Year	Previous Year
(A) Value of Investments		
(i) Gross Value of Investments		
(a) In India	0.42	0.42
(b) Outside India	0.00	0.00
(ii) Provision for Depreciation		
(a) In India	0.00	0.10
(b) Outside India	0.00	0.00
(iii) Net Value of Investments		
(c) In India	0.42	0.32
(d) Outside India	0.00	0.00
(B) Movement of Provisions held towards depreciation on investments		
(i) Opening Balance	0.10	0.04
(ii) Add: Provisions made during the year	0.00	0.06
(iii) Less: Write-off/Written-back of excess provisions during the year	0.10	0.00
(iv) Closing Balance	0.00	0.10

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

28.5 ASSET LIABILITY MANAGEMENT:

(Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2018):

(₹ In Crores)

Particulars	1 day to 30 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities:											
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Borrowings	3.84	2.03	2.02	7.33	18.05	71.91	52.89	7.33	1.56	0.00	166.96
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	3.49	2.24	2.28	7.02	14.82	49.42	53.60	42.86	24.42	0.13	200.28
Investment	0.00	0.00	0.00	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.42
Other Liquid Assets	1.03	0.00	0.00	0.00	4.80	2.17	0.00	0.00	0.00	0.00	8.00
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

(Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2017):

(₹ In Crores)

Particulars	1 day to 30 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities:											
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Borrowings	1.44	0.99	0.94	3.11	8.02	31.53	21.98	5.36	1.67	0.00	75.04
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
Investment	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

28.6.1 EXPOSURE TO REAL ESTATE SECTOR:

(₹ In Crores)

Category	Current Year	Previous Year
a) Direct exposure		

(i) Residential Mortgages:

Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	59.00	20.25
Individual Housing Loan up to ₹15 Lakhs	128.51	48.41

(ii) 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;	12.77	13.17
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(iii) Investment in Mortgage Backed Securities (MBS) and other securitized 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

28.6.2 EXPOSURE TO CAPITAL MARKET:

(₹ In Crores)

	Particulars	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;	0.00	0.08
(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
(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
(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
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	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
(vii)	Bridge loans to companies against expected equity flows/issues;	0.00	0.00
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	0.00	0.00
Total Exposure to Capital Market		0.00	0.08

28.7 The Company has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).

28.8 The Company has not obtained registration from any other financial sector regulator.

28.9 No penalties have been imposed by NHB or any other regulator on the company during the year.

28.10 RELATED PARTY DISCLOSURES:

Disclosures as required by the Accounting Standard 18 of ICAI in respect of Related Party Transactions for the year ended on 31/03/2018:-

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

Vinod Kumar Jain, Managing Director

Seema Jain, Director

Vinod Jain HUF

Archis Jain (Relative of Director)

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

Director's Remuneration	₹84.00 Lakhs (Previous year ₹84.00 Lakhs)
Office Rent	₹26.56 Lakhs (Previous year ₹24.14 Lakhs)
Rent Deposit	₹2.45 Lakhs (Previous year ₹NIL)
Salary	₹15.40 Lakhs (Previous year ₹12.00 Lakhs)

28.11 RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATING DURING THE YEAR:

Sr. No.	Instrument	Rating Agency	Rating	Rating Action	Date of Rating
1	Long-Term Bank Facilities	CARE Ratings	CARE BBB-; Stable	Revised from CARE BB+; Positive	04.09.2017
2	Bank Loan	Brickwork Ratings	BWR BBB; Stable	Revised from BWR BBB-; Stable	31.03.2018
3	NCD	Brickwork Ratings	BWR BBB; Stable	Revised from BWR BBB-; Stable	31.03.2018

28.12 During the financial year 2017-18, no payment is made to Non Executive Directors.

28.13 During the year, a) no prior period items occurred which has impact on profit and loss account; b) there was 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 was 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).

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

28.15 PROVISIONS:

(₹ In Crores)

	Break up of Provisions shown under the head Expenditure in Profit and Loss Account and Reserves	Current Year	Previous Year
1.	Provisions for depreciation on Investment	0.00	0.06
2.	Provisions made towards income tax	3.13	1.21
3.	Provision towards NPA	1.73	0.13
4.	Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	0.35	0.11
5.	Other Provision and Contingencies (with details)	0.00	0.00

(₹ In Crores)

	Break up Loan & Advances and Provisions thereon	Housing		Non-Housing	
		Current Year	Previous Year	Current Year	Previous Year
Standard Assets					
a)	Total Outstanding Amount	155.68	73.58	41.60	6.97
b)	Provisions Made	0.55	0.32	0.18	0.05
c)	Provisions Required	0.55	0.32	0.18	0.05
Sub-Standard Assets					
a)	Total Outstanding Amount	1.53	0.91	0.24	0.05
b)	Provisions Made	0.75	0.14	0.04	0.01
c)	Provisions Required	0.23	0.14	0.04	0.01
Doubtful Assets-Category-I					
a)	Total Outstanding Amount	0.87	0.16	0.05	0.00
b)	Provisions Made	0.87	0.04	0.05	0.00
c)	Provisions Required	0.22	0.04	0.01	0.00
Doubtful Assets-Category-II					
a)	Total Outstanding Amount	0.15	0.08	0.00	0.00
b)	Provisions Made	0.15	0.03	0.00	0.00
c)	Provisions Required	0.06	0.03	0.00	0.00
Doubtful Assets-Category-III					
a)	Total Outstanding Amount	0.16	0.08	0.00	0.00
b)	Provisions Made	0.16	0.08	0.00	0.00
c)	Provisions Required	0.16	0.08	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	158.39	74.81	41.89	7.02
b)	Provisions Made	2.48	0.61	0.27	0.06

Note:

The Company's policy is to provide provisions towards NPA as per NHB guidelines. However by way of prudence and abundant caution, Company has provided additional provision over and above the NHB guidelines and has maintained cumulative NPA provision of ₹2.02 Crores (Previous year ₹0.30 Crores)

The Category of Doubtful Assets will be as under :

Period for which the assets has been considered as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-III

DETAILS OF MOVEMENT IN PROVISIONS:

(₹ In Crores)

Particulars	Opening as on 01.04.2017	Provisions made during the year	Provisions reversed/ adjusted	Closing as on 31.03.2018
Bad & Doubtful Debts	0.30	2.02	0.30	2.02
Taxation	1.21	3.13	1.21	3.13
Standard Assets	0.37	0.73	0.37	0.73
Investment	0.10	0.00	0.10	0.00

28.16.1 CONCENTRATION OF LOANS & ADVANCES:

(₹ In Crores)

Particulars	Current Year	Previous Year
Total Loans & Advances to Twenty largest borrowers	20.54	20.52
Percentage of Loans & Advances to Twenty largest borrowers to Total Advances of the HFC	10.26%	25.08%

28.16.2 CONCENTRATION OF ALL EXPOSURE (INCLUDING OFF-BALANCE SHEET EXPOSURE):(₹ In Crores)

Particulars	Current Year	Previous Year
Total Loans & Advances to Twenty largest Borrowers/Customers	20.54	20.52
Percentage of Exposures to Twenty largest Borrowers/Customers to Total Exposure of the HFC on Borrowers/Customers	10.26%	25.08%

28.16.3 CONCENTRATION OF NPAs:

(₹ In Crores)

Particulars	Current Year	Previous Year
Total Exposure to Top Ten NPA Accounts	2.04	1.02

28.16.4 SECTOR-WISE NPAs:

S no.	Sector	Percentage of NPAs to Total Advances in that Sector	
		Current Year	Previous Year
A.	Housing Loans:		
1.	Individuals	1.84%	1.90%
2.	Builders/Project Loans	0.00	0.00
3.	Corporates	0.00	0.00
4.	Other (Specify)	0.00	0.00
B.	Non-Housing Loans:		
1.	Individuals	0.71%	0.71%
2.	Builders/Project Loans	0.00	0.00
3.	Corporates	0.00	0.00
4.	Others (Specify)	0.00	0.00

28.17 MOVEMENT OF NPAs:

(₹ In Crores)

	Particulars	Current Year	Previous Year
(I)	Net NPAs to Net Advances (%)	0.50%	1.21%
(II)	Movement of NPAs (Gross)		
a)	Opening Balance	1.28	0.53
b)	Additions during the year	1.78	0.96
c)	Reductions during the year	0.05	0.21
d)	Closing Balance	3.01	1.28
(III)	Movement of Net NPAs		
a)	Opening Balance	0.98	0.37
b)	Additions during the year	0.98	0.82
c)	Reductions during the year	0.98	0.21
d)	Closing balance	0.98	0.98
(IV)	Movement of Provisions for NPAs (excluding provisions on standard assets)		
a)	Opening Balance	0.30	0.17
b)	Provisions made during the year	2.02	0.30
c)	Write-off/reversed/write-back of excess provisions	0.30	0.17
d)	Closing Balance	2.02	0.30

28.18 DISCLOSURE OF COMPLAINTS:**CUSTOMERS COMPLAINTS:**

Particulars	Current Year	Previous Year
No. of Complaints pending at the beginning of the year	0.00	0.00
No. of Complaints received during the year	1.00	0.00
No. of Complaints redressed during the year	1.00	0.00
No. of Complaints pending at the end of the year	0.00	0.00

The accompanying notes are an integral part of these financial statements.
In terms of our report attached
As per our Report of even date

1 to 28

For & on Behalf of the Board

For PKJ & Co.

Chartered Accountants

FRN : 124115W

Sd/-**Rishabh Jain**

Partner

Membership No. 176309

Sd/-**Vinod K. Jain**

Managing Director

DIN: 00248843

Sd/-**Seema Jain**

Director

DIN: 00248706

Date: - 28.05.2018

Place: - Udaipur

Sd/-**Sunaina Nagar**Company Secretary
(M.No. A40754)**Sd/-****Ashok Kumar**

Chief Financial Officer

NOTES

NOTES

BOOK POST

IF UNDELIVERED PLEASE RETURN TO:

SRG HOUSING FINANCE LIMITED

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