

Date: 11.02.2019

To,
Department of Corporate Services
BSE Limited
Mumbai- 400 001

Respected Sir/Ma'am,

**SUBJECT: PRESS RELEASE ON UN-AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE-MONTHS ENDED DECEMBER 31, 2018**

With reference to above, we hereby provide the press release in respect of Unaudited Financial Results of the Company for the quarter and nine-months ended December 31, 2018.

This is for your information and record. Kindly acknowledge the receipt.

Thanking You,

With Regards,

For SRG Housing Finance Limited


Vinod K. Jain
(Managing Director)
DIN: 00248843



SRG Housing Finance Ltd. – Press Release

The Board of Directors of SRG Housing Finance Ltd. have approved the Un- Audited Financial Results for Quarter and Nine months ended 31 December, 2018 at their meeting held in Udaipur on 9th February, 2019.

During the quarter, the cost to income ratio was at 38.52% as compared to Q3FY18 at 57.16%. The management continues to bring about operational efficiencies through its cutting edge technologies thus lowering the probabilities of cost overruns.

The strategy going ahead is to leverage its capabilities and technology by focusing on increasing its footprints and addressing tier II and tier III markets. To address the growing opportunity in the housing space the Company opened branches and we will accrue the benefits of branches in the form of revenues and profits in the coming quarters. Our branches our asset light and remain profitable from the first month of its operations.

FINANCIAL RESULTS

Performance Highlights- Q3 FY19

- SRG Housing Finance Limited reported a robust **74.85% growth YoY in Loan Book** as on December 31st, 2018 to Rs. 271.14 Crores with a strong focus on profitability and asset quality.
- Asset quality improved with **Net NPA** at 0.46% for Q3FY19 as against 0.64% in Q3FY18.
- **Loan Sanctions** for the quarter stood at Rs.35.36Crore vs. Rs.38.34 Crore in Q3FY18.
- **Total Income** was up by 71% to Rs16.12Crore in Q3FY19 as against Rs.9.42Crore in Q3FY18.
- **Net Interest Margin** was at 3.01 %in Q3FY19as compared to 3.25% in Q3FY18.
- **Profit after Tax (PAT)** increased to Rs.4.79Crore in Q3FY19 compared to Rs.2.30Crore in Q3FY18 with a **growth of 108.0%**that resulted to an EPS of Rs3.68 in Q3FY19 vs Rs.1.77in Q3FY18.

Financials

(Rs. In Cr.)

Particulars	Q3FY19	Q3FY18	Y-o-Y	9MFY19	9MFY18	Y-o-Y
Loan Assets(AUM)	271.14	155.07	74.85	271.14	155.07	74.85
Loan Disbursement	33.78	36.16	(6.58)	100.18	90.68	10.48
Total Revenue from operations	16.12	9.42	71.13	43.13	22.81	89.08
Net interest income(NII)	8.65	5.01	72.65	22.82	12.20	87.05
NIM (%)	3.01	3.25		9.68	10.30	
Profit Before tax(PBT)	6.16	2.81	119.22	16.08	7.46	115.55
Profit after tax (PAT)	4.79	2.30	108.26	11.85	5.38	120.26
EPS(Rs)	3.68	1.77	107.91	9.12	4.14	120.29
Share Holder's Fund	53.03	39.24	35.14	53.03	39.24	35.14
Book Value (per share)	40.79	30.18	35.14	40.79	30.18	35.14
Gross NPA (%)	1.72	1.27		1.72	1.27	
Net NPA (%)	0.46	0.64		0.46	0.64	

Lending Operations

Loan Portfolio:

The loan portfolio in Q3FY19 amounted to Rs. 271.14 crore as against Rs.155.07 crore in Q3 FY18 an increase of 74.85 %.

Loan Disbursements:

Total disbursements in the Q3FY19 was Rs. 33.78 crore as against Rs. 36.16 crore in the Q3FY18.

Total disbursements in 9MFY19 were Rs 100.18 crore as against Rs. 90.68 Cr in 9MFY18 a growth of 10.48 %.

In 9MFY19 the average ticket size stood at Rs 5.87 lakhs as against Rs 6.23 Lakhs in 9MFY18.

The robust growth in Loan book has not changed the management focus on small tickets loans where LTVs are lower and chances of defaults are close to Nil.

Loan to value ratio (LTV):

The LTV at 42.2% coupled with strong standards of credit underwriting has safeguarded the Company from unnecessary credit risk.

Loan Spread:

The Company continues to earn a strong spread on its loans of $\approx 11\%$ it has sustained around this rate since the last 10 quarters.

Asset Quality:

Gross NPA in Q3FY19 stood at 1.72 % as compared to 1.27% in Q3FY18 and the net NPA in Q3FY19 stood at 0.46 % as compared to 0.64% in Q3FY18.

FINANCIALS

Net Interest Margin:

The Net Interest Margin to Average Earning Assets in Q3FY19 was at 3.01 % as against 3.25%.

Net Worth:

Shareholder's fund as on December 31, 2018 is Rs. 53.03 crore.

Return on Average Equity (ROAE):

The Return on Average Equity as on December 31, 2018 was at 9.49 % against % 6.04 in Q3FY18.

Return on Average Assets (ROAA):

The Return on Average Assets as on December 31, 2018 was at 1.67 % as against 1.49 % in Q3FY18.

Cost to income ratio

The Cost to income ratio in Q3FY19 is 38.52 % as compared to 57.16% in Q3FY18 registering an improvement of 18.64 %.

FUNDING

Borrowings:

Borrowing as on December 31, 2018 was Rs. 240 crore vs Rs 122 crore as on December 31, 2017 registering a growth of 96.7%.



Borrowing Mix:

Borrowing Profile (%)	Q3FY19	Q3FY18
Banks (%)	63.18	68.08
NCD (%)	7.87	19.68
FI (%)	27.17	7.22
NHB (%)	1.77	5.02

BUSINESS PRESENCE

Retail Network:

SRG is operating through its presence in **4 states through 32 branches** as on date. It has offices in Rajasthan (16), MP (9), Gujarat (6) and Maharashtra (1). Its registered office is in Udaipur, Rajasthan and corporate office is situated in Mumbai, Maharashtra.

TECHNOLOGICAL INTEGRATION

Company has increasingly focused on delivering much faster Turnaround time (TAT) by implementing more advance level work flow management process; right from Log-in to disbursement and third party vendor management, in its ERP system.

Further, Company has initiated a system revamping project SRG SRAJAN- A step towards perfection, for restructuring the overall process along with system analysis and change management. This will assist the company in better management, efficient workflow and adaption to changing environment.

Management Commentary on Results

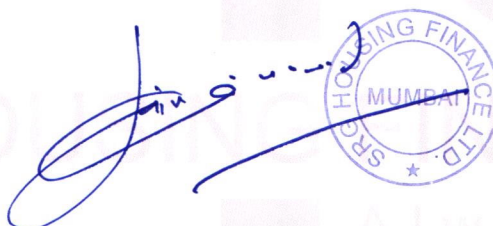
Commenting on the company's financial performance Mr. Vinod Jain, Managing Director of the company stated that SRGHFL is focused on providing financial assistance to the rural and semi urban Indians with low ticket size and low loan to value(LTV) products. This quarter both our major states of operation Rajasthan and Madhya Pradesh had elections which resulted in lower disbursements then expected. Also in macro environment liquidity concern have arise therefore, we are reducing our AUM targets for FY19 to Rs. 325 Crores from Rs. 350 Crores earlier.

Our robust business fundamentals of maintaining healthy ALM have put us in a very strong and comfortable position in the housing finance industry. We are proud to say that SRGHFL is one of the few companies to have positive ALM for all the yearly, quarterly and monthly repayments.

Equity raise plan is under process and we believe that by the first half of FY20, we will complete this exercise.

The company has registered visible growth with each passing year registering a CAGR (FY12-18) in AUM and PAT of 72.62 % and 76.33 % respectively enabling to creating wealth its stakeholders.

With all these 360 degree multifold progressive developments, management has provided huge impetus to mitigation of risks with proactive measures aligned with several technological integrations.



About SRG Housing Finance Ltd.:

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. Initially, the company was incorporated as Vitalise Finlease Pvt. Ltd. on March 10, 1999. SRGHFL came out with equity public issue in September, 2012 and raised Rs.7.01 Crore from the IPO proceeds and got listed on BSE's SME segment being the 1st company in Rajasthan to be listed on SME Platform and in the year 2014. In February, 2015 Company migrated to Main Board of BSE Limited from SME Platform being India's 1st Company to migrate from BSE SME to BSE Main Board. Further in the month of May, 2016, Company started its corporate office in Mumbai, Maharashtra.

SRGHFL has outstanding AUM of Rs. 271.14 Crores as on December 31, 2018. The Company operates through its Registered Office at Udaipur and 32 branches located within Rajasthan, Gujarat, Maharashtra and Madhya Pradesh.

11th February, 2019

